

ANNUAL REPORT

2020-2021



CONTINUOUS
GROWTH



IN-DEMAND
DESTINATION



SERVICING THE
GASCOYNE



**THE SHIRE OF
EXMOUTH RESPECTFULLY
ACKNOWLEDGES THE
BAIYUNGU, THALANYJI AND
YINIKURTURA PEOPLE AS THE
TRADITIONAL CUSTODIANS OF THE
LAND AND WATER ON WHICH THE
SHIRE CONDUCTS ITS BUSINESS
AND PAYS RESPECT TO THEIR
ELDERS PAST AND
PRESENT.**

2 TRUSCOTT CRESCENT, EXMOUTH WA 6707
PHONE: (08) 9949 3000
FAX: (08) 9949 3050
EMAIL: INFO@EXMOUTH.WA.GOV.AU
WEB: WWW.EXMOUTH.WA.GOV.AU

AUTHORISATION
SHIRE OF EXMOUTH COUNCIL
CHIEF EXECUTIVE OFFICER

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An aerial photograph of a coastal town in a desert landscape. The town is built on a flat, arid plain with sparse vegetation. In the background, the ocean stretches to the horizon under a clear blue sky. The town features a mix of residential buildings, some with blue roofs, and a central area with a swimming pool and sports fields. The overall scene is bright and sunny, with a clear view of the coastline and the surrounding desert terrain.

OUR

VISION & MISSION

TO BE A PROSPEROUS AND SUSTAINABLE COMMUNITY LIVING IN HARMONY WITH OUR NATURAL ENVIRONMENT.

TO RESPONSIBLY PROVIDE GOVERNANCE FOR THE WHOLE COMMUNITY IN THE BEST INTEREST OF CURRENT AND FUTURE GENERATIONS.

OUR

OBJECTIVES

DIVERSIFY AND GROW OUR ECONOMY IN A MANNER THAT PROVIDES YEAR ROUND EMPLOYMENT OPPORTUNITIES.

TO PROTECT AND VALUE OUR UNIQUE NATURAL AND BUILT ENVIRONMENT AS WE GROW OUR ECONOMY.

TO BE A VIBRANT, PASSIONATE AND SAFE COMMUNITY VALUING OUR NATURAL ENVIRONMENT AND UNIQUE HERITAGE.

TO PROVIDE OPEN TRANSPARENT, ACCOUNTABLE LEADERSHIP WORKING IN COLLABORATION WITH OUR COMMUNITY.

WHAT IS THE ANNUAL REPORT

The Annual Report is a requirement of the Local Government Act 1995 and other associated regulations. It is an overview of the operations, activities and major initiatives that have been completed by the Shire within the past financial year or will continue to be completed into the coming financial year.

SHIRE PROFILE

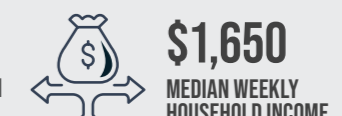
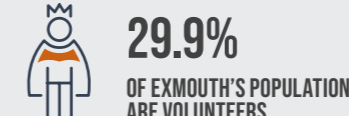
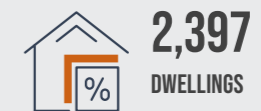
The Shire of Exmouth is situated 1,270km north of Perth, on the tip of the North West Cape in Western Australia. Exmouth is the gateway to the World Heritage Listed Ningaloo Coast, including the pristine Ningaloo Reef, Australia's largest fringing coral reef, and the rugged and spectacular Cape Range National Park.

The North West Cape is strategically important for tourism, defence and oil & gas investments.

Every year, during the cooler winter months from April to October, the resident population of 2,728 people (Census 2016) triples due to the number of visitors.

Tourists travel to Exmouth to swim with the biggest fish in the sea, the iconic Whaleshark, snorkel on the Ningaloo Reef, relax on the pristine coastline, fish, camp and explore the Cape Range National Park.

The tourism industry alone contributes more than \$110M and 1,053 direct and indirect jobs per annum (Deloitte Access Economics, June 2020).



MESSAGE FROM THE SHIRE PRESIDENT

It's a pleasure to present Council's 2020-21 Annual Report to the Exmouth community as your newly elected Shire President. The document outlines the organisation's successes, challenges and strategic direction over the past 12 months.

As we all know, the COVID-19 pandemic significantly impacted our community in a variety of ways, and the Shire has been working closely with the community to manage the pressures arising from the changed demographics of visitors.

Council and I are fully aware of just how difficult times have been for residents, ratepayers and our hardworking local businesses.

We have seen resilience, courage and innovation in our community during these unprecedented times and note that travel restrictions have particularly impacted our community.

Exmouth has never been that top of mind for Western Australians as a place to live and visit - and your new Council is looking forward to building on this interest together with State Government to enhance the available infrastructure and facilities. Everything the Shire does is dictated by feedback from the community, and our core values drive it.

The process to review our Strategic Community Plan - Exmouth 2030, the overarching visionary document detailing the direction and priorities of the Shire, has started this year.

I hope to be able to include many positive updates about these great projects & initiatives when writing this address in 2022.

With a united Council and a dedicated Shire staff, we are working tirelessly for the benefit of our ratepayers and community.



Cr Darlene Allston

Shire President - 16 December 2021



YOU CAN DOWNLOAD A COPY OF THIS REPORT AT



<https://www.exmouth.wa.gov.au/documents/annual-reports>

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

The 2020-21 reporting year has been significant for the Shire of Exmouth, marked by substantial changes in its management personnel.

As the new Chief Executive Officer for the Shire of Exmouth, I must acknowledge the great work all the staff and the Executive Management Team have done over the transition period prior to my arrival.

Commencing in this new role in September 2021, I took the opportunity to re-evaluate and review the past financial year as I write this address.

The local government sector is encouraged to conduct regular independent surveys which gauge the community's satisfaction and understanding of its services. Council completed its bi-annual Community Perception Survey in October 2020, and since the results have been evaluated, the whole team has worked on priority areas identified to provide balanced and sustainable outcomes for the future - aligned with your needs and aspirations.

The organisations' work focused on delivering projects that reflect the Exmouth community's priorities as outlined in the Strategic Community Plan: Exmouth 2030 while responding to the follow-on effects of the global COVID-19 pandemic.

But regardless of COVID-19, there has been plenty of achievements to celebrate over the last 12 months.

The Shire, supported by various funding partners, has invested further in upgrading Exmouth's facilities, progressed works on the Exmouth Youth Precinct and the Exmouth Recreation Centre. It also advocated heavily for suitable accommodation solutions with State Government.

The Shire has also supported eligible community and sporting groups and not-for-profit organisations in 2020-21, with \$49,234.70 in grants and donations awarded to fitting recipients, who will use the money for the betterment of Exmouth.

It also committed to various infrastructure projects, with upgrades across the township, which might not be as exciting but not less critical.

- Murat Road reconstruction and widening completed,
- Yardie Creek Road Edge repair and widening, where further works need to be completed,
- Re-sheeting of the Ningaloo Access Road, and the
- New Murat Road Footpath

The Shire Council has endorsed a sensible and considered Budget for 2021-22, which will allow us to progress with exciting projects and thrive through effective financial management.

Councillors, Executive Management and staff, are driven by engagement with the community and in an effort to improve our town based on your feedback. The review of our Strategic Community Plan in the upcoming Financial Year will dictate where our energies will be applied in forthcoming years.

I hope this Annual Report portrays the sheer amount of hard work your Council and Shire staff have exerted over the last 12 months in an ongoing attempt to serve the Exmouth community's interests.



Ben Lewis

Chief Executive Officer - 16 December 2021

YOUR COUNCIL



CR MATTHEW NIIKKULA

SHIRE PRESIDENT
TERM UNTIL OCT 2021



CR GARY MOUNSEY

COUNCILLOR
TERM UNTIL OCT 2021



CR HEATHER LAKE

COUNCILLOR
TERM UNTIL OCT 2023



CR BEN DIXON

DEPUTY SHIRE PRESIDENT
TERM UNTIL OCT 2021



CR MARK LUCAS

COUNCILLOR
TERM UNTIL OCT 2023



CR ANNE MCCARROL

COUNCILLOR
TERM UNTIL OCT 2023

The Shire of Exmouth is formed under the Local Government Act 1995 and its operations and structures are a reflection of this State Legislation and its associated Regulations.

Members who have been elected to represent the community meet regularly to make decisions on matters concerning the Council and to provide guidance to the Chief Executive Officer on community priorities and policy.

Ordinary Council meetings are held every third Thursday, commencing at 4.00pm at the Ningaloo Centre. Members of the public are welcome to attend.

In addition to the Council Meetings scheduled each month, Councillors and Executive Staff are required to attend Agenda Briefings on the 3rd Tuesday of each month and Strategic Briefings on the 2nd Tuesday of each month.

Prior to adopting the Annual Budget, Councillors also attend 2 - 3 extensive budget workshops.

During the year the Shire President and Councillors also attended committee meetings of Council and a range of Council Advisory Group meetings that are not included in the Elected Members Attendance table.

Council Members receive fees and allowances for attending some meetings on behalf of the Shire of Exmouth.

There have been no complaints against Councillors made over the reported period of 2020/21.

ELECTED MEMBERS ATTENDANCE

- ATTENDED
- APOLOGY
- LEAVE
- OCM ORDINARY COUNCIL MEETING
- SCM SPECIAL COUNCIL MEETING

ELECTED MEMBER MEETING ATTENDANCE / ORDINARY COUNCIL MEETINGS 2020 - 2021

	JUL 20	AUG 20	SEP 20	OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21	APR 21	MAY 21	JUN 21
	OCM	OCM	OCM	OCM	OCM	OCM	No OCM	OCM	SMC	OCM	OCM	OCM
CR NIIKKULA	●	●	●	●	●	●		●	●	●	●	●
CR MOUNSEY	●	●	●	●	●	●		●	●	●	●	●
CR DIXON	●	●	●	●	●	●		●	●	●	●	●
CR LAKE	●	●	●	●	●	●		●	●	●	●	●
CR LUCAS	●	●	●	●	●	●		●	●	●	●	●
CR MCCARROL	●	●	●	●	●	●		●	●	●	●	●

ELECTED MEMBERS

FEES & ALLOWANCES REGISTER

ELECTED MEMBER MEETING ATTENDANCE / ORDINARY COUNCIL MEETINGS 2020 - 2021

		ALLOWANCE	ANNUAL ATTENDANCE FEE	IT ALLOWANCE	TOTAL
CR NIIKKULA	SHIRE PRESIDENT	\$ 36,957	\$ 25,342	-	\$ 62,299
CR MOUNSEY	COUNCILLOR	-	\$ 13,094	\$ 600	\$ 13,694
CR DIXON	DEPUTY SHIRE PRESIDENT	\$ 9,239	\$ 13,094	-	\$ 22,333
CR LAKE	COUNCILLOR	-	\$ 13,094	\$ 600	\$ 13,694
CR LUCAS	COUNCILLOR	-	\$ 13,094	\$ 600	\$ 13,694
CR MCCARROL	COUNCILLOR	-	\$ 13,094	-	\$ 13,094

ELECTED MEMBERS TRAINING REGISTER

Council is committed to the continuing professional development of Elected Members to provide them with the skills and knowledge to perform their roles as leaders in their community.

Under section 5.126 of the Local Government Act 1995 all Elected Members, except those whose term commenced before the 2019 election, must complete the five modules

of the mandatory training course Council Member Essentials within twelve months of being elected.

Under section 5.127 the Shire is required to report annually on who has completed the mandatory training in the past financial year. Please refer to the register below.

ELECTED MEMBER TRAINING FOR THE PERIOD ENDING 30 JUNE 2021

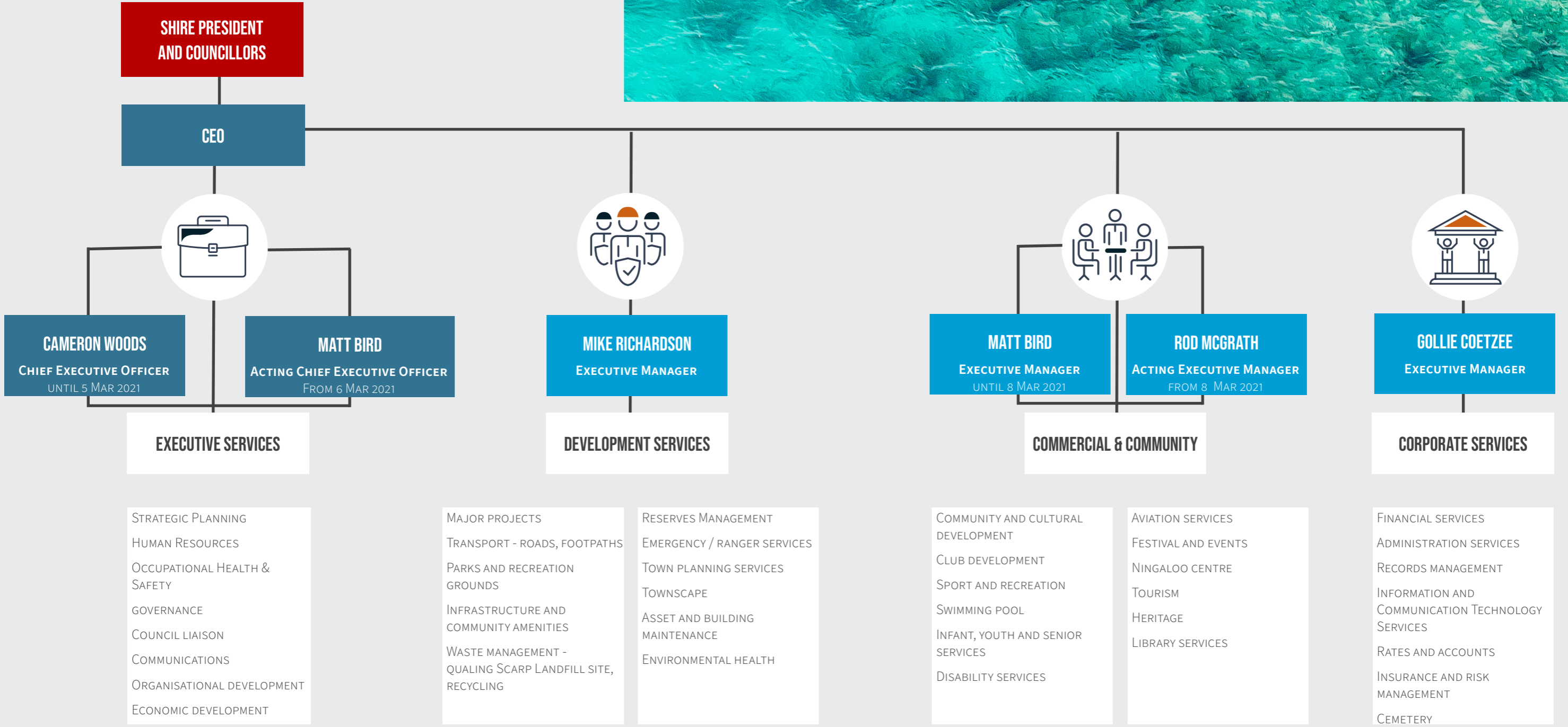
	TRAINING	COMPLETED
CR NIKKULA	• Conflicts of Interest	29 Sep 2020
	• Serving on Council	13 Oct 2020
	• Meeting Procedures	
	• Understanding Financial Reports and Budgets	
	• Understanding Local Government	20 Oct 2020
	• Infrastructure Asset Management	22 Feb 2021
	• Conduct Work within a compliance framework	
	• CEO Performance Appraisals Mentoring Program	
	• Integrated Strategic Planning - The Essentials	10 Mar 2021
	• Planning Practices - The Essentials	11 Mar 2021
	• Integrated Strategic Planning – Policy	07 Apr 2021
	• Planning Practices – Advanced	08 Apr 2021
	• Manage Assets Sustainably	21 Apr 2021
	• Infrastructure Asset Management Mentoring Program	22 Apr 2021

CR DIXON	• Conflicts of Interest	20 Aug 2020
	• Meeting Procedures	12 Oct 2020
	• Understanding Financial Reports and Budgets	20 Oct 2020
	• Serving on Council	
	• Understanding Local Government	

ELECTED MEMBER TRAINING FOR THE PERIOD ENDING 30 JUNE 2021

	TRAINING	COMPLETED
CR MOUNSEY	• Understanding Financial Reports and Budgets	18 Aug 2020
	• Understanding Local Government	24 Aug 2020
	• Development Assessment Panel Training	9 Nov 2020
CR MCCARROL	• Understanding Financial Reports and Budgets	29 Nov 2020
	• Conflicts of Interest	30 Nov 2020
	• Serving on Council	
CR LAKE	• Conflicts of Interest	14 Aug 2020
	• Meeting Procedures	15 Aug 2020
	• Understanding Local Government	09 Sep 2020
	• Serving on Council	16 Sep 2020
	• Understanding Financial Reports and Budgets	19 Oct 2020
	• Development Assessment Panel Training	15 Jun 2021

SERVICE DELIVERY STRUCTURE



The Shire of Exmouth was structured around four directorates during the 2020/21 financial year.

COMMUNITY STRATEGIC PLAN: EXMOUTH 2030



Our Community Strategic Plan: Exmouth 2030 (CSP) provides the direction and aspirations of our community and helps us develop a clear plan for the future.

The Corporate Business Plan then drives the whole of the organisational performance.

Based on the CSP, the four key themes, 'Economic', 'Environment', 'Social' & 'Leadership' underpinned and informed all of the work done by the Shire of Exmouth.



ECONOMIC

Diversify and grow our economy in a manner that provides year-round employment opportunities.



ENVIRONMENT

To protect and value our unique natural and built environment as we grow our economy.



SOCIAL

To be a vibrant, passionate and safe community valuing our natural environment and unique heritage.



LEADERSHIP

To provide open transparent, accountable leadership working in collaboration with our community.

MAJOR PROJECTS MOVING FORWARD

EXMOUTH BIKE PARK

\$350,000

The past five years have seen an increase in the popularity, design, development and building of bike parks in Australia and predominately in Western Australia. The site location of the Exmouth Bike Park is the area bounded by Willersdorf Road between the Shire arboretum and the tennis courts, the former netball courts.

Council has allocated a capital budget of \$350,000 for the construction of a bike park. Grant funding has been sourced to assist with constructing Separable Portion 1 – Pump Track and Separable Portion 4 – Southern Skills Loop.

SANTOS YOUTH PRECINCT

\$250,000

Santos has provided funding over a period of 3 years for a total of \$250,000. This funding will be used to diversify the recreational precinct surrounding the skate park, half-court basketball and cricket nets.

The project has been divided into three separable portions, with portions 1 & 2 being undertaken in the 2020/21 financial year. These phases consist of installing a nature playground targeting the younger age bracket and an outdoor fitness circuit with equipment to suit the aged and disabled. Also included will be solar lighting, picnic tables, bench seats, and fencing will also be included to decrease the conflict of vehicle activity and precinct patrons. The 3rd separable portion is completing the skate park bowl and landscaping, where funding will need to be secured.

TOWN BEACH REVITALISATION

\$728,000

2021-22 will see a much-needed facelift for the iconic Town Beach, diversifying the site for business opportunities whilst ensuring that the protection of the natural environment remains a priority.

On completion of the project, the Town Beach Precinct will provide a vibrant and community-focused hub with opportunities for community events. Works include installing solar lighting and CCTV, 4 x double electric BBQ's that are wheelchair accessible, upgrading the pavilions, and installing a shade structure within the centre of the precinct. The inclusion of appropriate barriers to reduce the conflict between vehicle and pedestrian movement provides the opportunity to open the site up and increase the presence of mobile food vans, thus creating a safe and inclusive family-friendly beach site hub.

“ THE WORKFORCE AT THE SHIRE OF EXMOUTH IS A DIVERSE TEAM AND ITS MEMBERS ARE PASSIONATE ABOUT OUR COMMUNITY.”

EQUAL EMPLOYMENT OPPORTUNITIES

The local jobs the Shire provides support our economy and create many more jobs through the various contracts and projects that are realised each year.

The Shire is actively working to improve employment opportunities for local youth by working closely with the local Exmouth District High School and encouraging the employment of year 12 graduates within the local government.

The Department of Primary Industries and Regional Development awarded the Shire a grant to engage a Tourism Trainee to complete the nationally recognised Certificate 111 in Tourism.

The Shire enabled a program of training opportunities, including Certificate 11 in Transport Security Protection, which was undertaken by a number of staff from a range of Departments to assist Aviation Services at peak times or in the case of staff shortages.

Other LGIS facilitated training:

- Walking the Line - Workplace Behaviours
- Emotional Intelligence
- Fire Warden Training.

The Shire also invested in its Occupational Health and Safety program, employing a full-time staff member to ensure the wellbeing and safety of all staff.

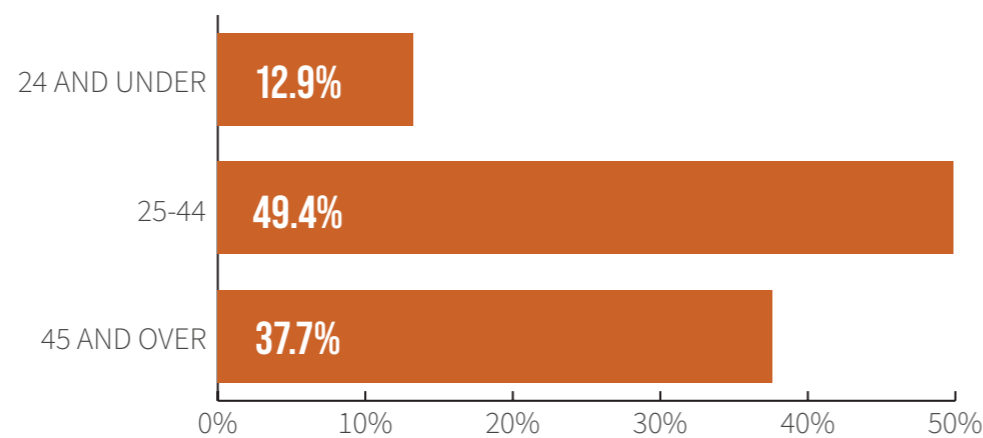
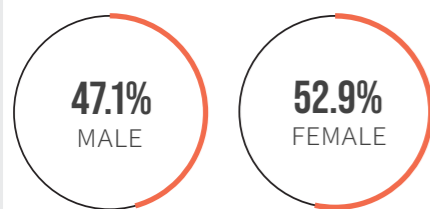
EMPLOYEE REMUNERATION & ALLOWANCES

In accordance with the Local Government (Administration) Regulations 19B, the Shire of Exmouth is required to disclose in bands of \$10,000 the number of employees entitled to an annual salary package of \$130,000 or more.

The annual salary package includes cash salary, superannuation and employee entitlements.

	2016	2017	2018	2019	2020	2021
130,000 - 139,999	2	2	1	1		1
140,000 - 149,999						
150,000 - 159,999	1	1	1	1		
160,000 - 169,999						1
170,000 - 179,999						
180,000 - 189,999		1	1	1		
190,000 - 199,999						
200,000 - 209,999						
210,000 - 219,999					1	
TOTAL	3	4	3	3	1	2

EMPLOYEE SURVEY



WORKPLACE HEALTH & SAFETY

In September of 2020, the Shire of Exmouth advertised a role for a Coordinator Workplace Health and Safety and filled that role in January 2021.

The Shire aims to improve its safety performance and culture through the implementation of a robust WHS Management Plan that will provide the framework of its WHS Management System.

	JUL 20	AUG 20	SEP 20	OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21	APR 21	MAY 21	JUN 21	YEARLY TOTAL
EMPLOYEE / VOLUNTEER LOST TIME INJURIES / DISEASE	-	-	-	-	-	-	0	0	0	0	0	0	0
EMPLOYEE / VOLUNTEER NO LOST TIME INJURIES / DISEASE	-	-	-	-	-	-	2	0	1	1	1	3	8
EMPLOYEE / VOLUNTEER OTHER INCIDENTS	-	-	-	-	-	-	4	4	6	3	1	1	19
(RESULTING IN OTHER THAN INJURY / DISEASE)	-	-	-	-	-	-	1	0	2	2	0	0	5
EMPLOYEE / VOLUNTEER HAZARD / NEAR MISS	-	-	-	-	-	-	0	0	0	0	0	0	0
CONTRACTOR LOST TIME INJURY / DISEASE	-	-	-	-	-	-	0	0	0	0	0	0	0
CONTRACTOR NO LOST TIME INJURY / DISEASE	-	-	-	-	-	-	0	0	0	0	0	0	0
CONTRACTOR OTHER INCIDENTS	-	-	-	-	-	-	0	0	0	0	0	0	0
CONTRACTOR HAZARDS / NEAR MISS	-	-	-	-	-	-	0	0	0	0	0	0	0
VISITOR OR PUBLIC NO LOST TIME INJURY / DISEASE	-	-	-	-	-	-	0	0	0	2	1	0	3
VISITOR OR PUBLIC OTHER INCIDENTS	-	-	-	-	-	-	0	0	0	0	0	1	1
VISITOR OR PUBLIC HAZARDS / NEAR MISS	-	-	-	-	-	-	0	0	0	1	0	0	1
INCIDENT TOTAL							7	4	9	9	3	5	37

INCIDENT TYPE UNTIL JUN 2021

The Shire of Exmouth commenced capturing Injury and Disease information using the recording standard as well as other Work Health and Safety

(WHS) statistical information for reporting purposes in January 2021.

	JUL 20	AUG 20	SEP 20	OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21	APR 21	MAY 21	JUN 21	YEARLY TOTAL
CORRECTIVE ACTIONS GENERATED BY INCIDENTS / HAZARDS	-	-	-	-	-	-	9	6	7	4	1	6	33
CORRECTIVE ACTIONS GENERATED BY INTERNAL / EXTERNAL AUDIT	-	-	-	-	-	-	0	79	124	0	7	0	210
CORRECTIVE ACTIONS GENERATED BY WORKPLACE INSPECTIONS	-	-	-	-	-	-	0	0	0	0	0	0	0
TOTAL CORRECTIVE ACTIONS							9	88	145	6	8	7	236
TOTAL OPEN CORRECTIVE ACTIONS							1	45	66	0	7	3	122
TOTAL OVERDUE CORRECTIVE ACTIONS							1	36	55	0	7	3	102
TOTAL CLOSED CORRECTIVE ACTIONS							8	43	79	6	1	4	141

2020 / 2021 CORRECTIVE ACTIONS REGISTER STATISTICS

FINANCIAL REPORT REVIEW 2020/2021

The key element in understanding financial performance is to view its operations, excluding capital expenditure, over time.

Regular reports to Council on the Shire's financial performance demonstrate a good level of budgetary control; the Shire continues to receive unmodified audit reports.

The Shire's operating position reflects the revenues earned from rates and other income, such as fees and charges, and the expenses incurred in providing a wide range of services such as the Exmouth Library, the Paltridge Memorial Swimming Pool, Spray Park, roads, building and parks maintenance, as well as environmental and Ranger Services.

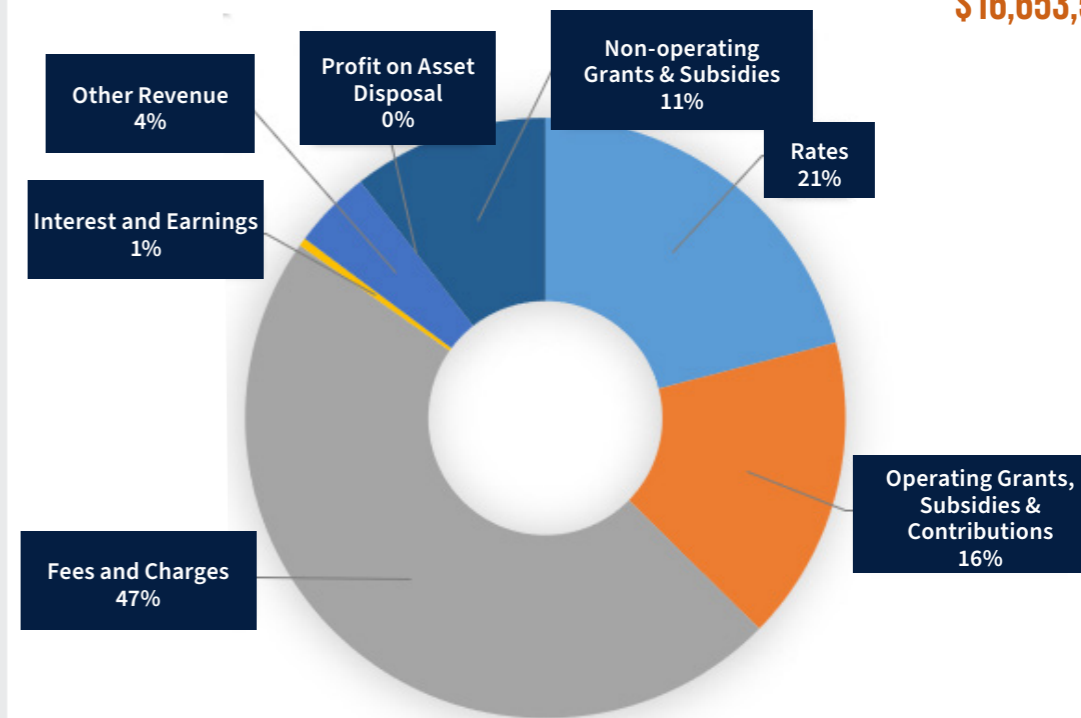
The Shire's revenue is largely reliant upon fees and charges, which has been significantly impacted by the downturn in the oil and gas and tourism sector due to COVID-19 travel restrictions.

Rates only contribute 21% of Council's total income and fees and charges account for 47% of Council's income, which is predominantly derived from airport operations, demonstrating Council's reliance on commercial activities like the Learmonth Airport and the tourism sector to help fund the communities needs and infrastructure.

Due to prudent financial management within the 2020-21 budget period, Council is in the position to allocate funds to Shire reserves for the future preservation of assets and to invest in community infrastructure projects and recycling & waste programs.

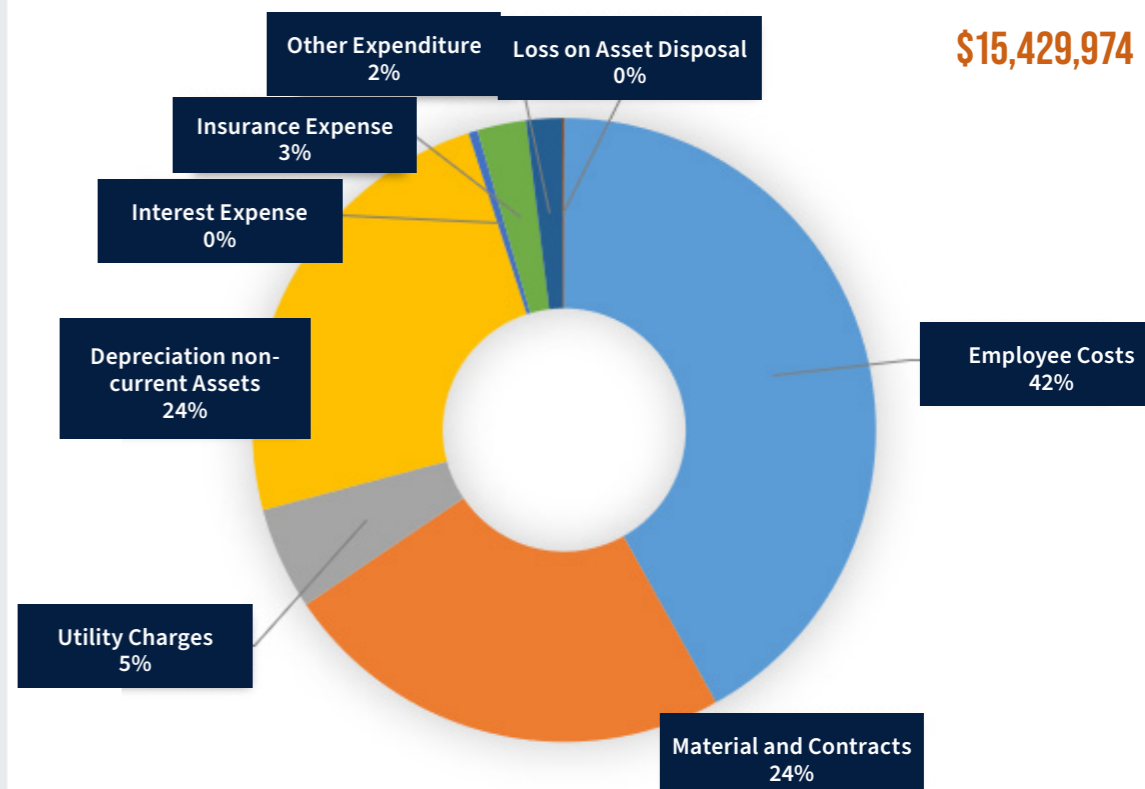
OPERATIONAL REVENUE

\$16,653,554



OPERATIONAL EXPENDITURE

\$15,429,974



HIGHLIGHTS 2020/2021

EXECUTIVE SERVICES

HUMAN RESOURCES

Regional Traineeship Program Grant received by the Department of Primary Industries and Regional Development (DPIRD), which made the employment of a Tourism Trainee to complete the nationally recognised Certificate 111 in Tourism possible.

STAFF TRAINING

- Operational Leadership, two-day workshop for Leaders facilitated by LGIS
- WALGA E-learning modules 'Understanding Local Government' and 'Conflict of Interest'
- E-learning 'SafetyHub' range of short courses

17 RESIGNATIONS **22** NEW STARTERS



CITIZENSHIP CEREMONY

GOVERNANCE

- 4** CITIZENSHIP CEREMONIES
18 Conferees
- 11** ORDINARY COUNCIL MEETINGS
- 1** SPECIAL COUNCIL MEETINGS
- UPDATE & INTRODUCTION CODE OF CONDUCT FOR COUNCILLORS & EMPLOYEES

COMMUNICATIONS

- 31** MEDIA RELEASES
- 26** PUBLIC NOTICES
- 712** SOCIAL MEDIA POSTS
- 55** NEWSLETTER

DEVELOPMENT SERVICES

ENGINEERING / PARKS & GARDENS

- Murat Road reconstruction and widening completed \$855,267 in total expenditure
- Yardie Creek Road Edge repair and widening expenditure \$664,949 with further works to be completed
- Ningaloo Access Road re-sheeting \$350,000 total expenditure
- Murat Road Footpath 1272 M2 Kerbing 200LM \$147,713 total Expenditure

RANGER & EMERGENCY SERVICES

- 205 Infringements issued for illegal camping, compared to 136 in 2019/20
- 151 Infringements issued for Parking and Animal Control in total, compared to 42 in 2019/20

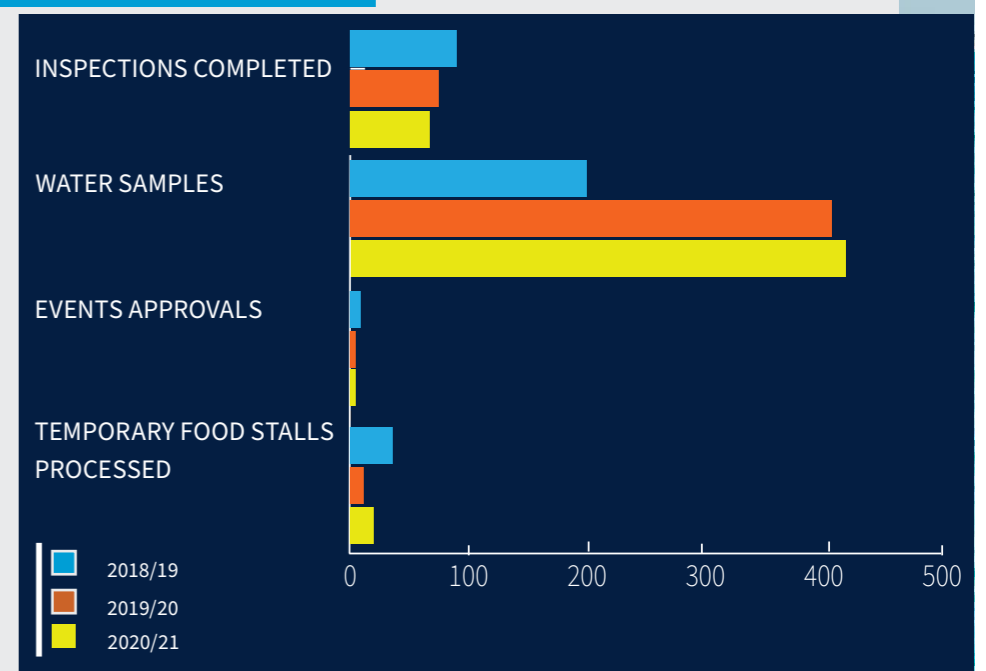
WASTE MANAGEMENT

- Purchase of new bins for Containers for Change Program \$15,207 (Placed in community used areas)
- Purchase of new tandem trailer for Containers for Change \$6,520
- Purchase of waste baler for Bring It Centre \$25,000
- Construction of baler shed for Bring It Centre

TOWN PLANNING & BUILDING

- Completed a review and update of a number of the Shires Local Planning Policies, including the creation of a Public Art Contributions Policy for private developments over the value of 2 million
- Progressed a number of options to assist with workers accommodation in Exmouth, including Scheme Amendment No.4 which allows for temporary workers accommodation within certain areas of the Service Commercial zone
- 137 Development Applications received, which is a 78% increase from last year
- 3 Subdivision referral applications received from the Department of Planning, Lands and Heritage

ENVIRONMENTAL HEALTH



THE PRINCIPAL FUNCTIONS OF THE DEVELOPMENT SERVICES ARE TO ENSURE NEW DEVELOPMENT COMPLIES WITH STATUTORY REQUIREMENTS; AND WHERE APPROPRIATE TO CARRY OUT ROUTINE INSPECTIONS OF EXISTING ESTABLISHMENTS/PUBLIC FACILITIES TO MAINTAIN AN ACCEPTABLE LEVEL OF PUBLIC HEALTH AND SAFETY FOR THE COMMUNITY.

DUE TO THE GLOBAL PANDEMIC COVID-19 THESE FUNCTIONS HAVE BEEN HEAVILY EXTENDED AS THE WORKFORCE IMPLEMENTED SOCIAL DISTANCING MEASURES, HANDED DOWN BY THE FEDERAL AND STATE GOVERNMENT, IMMEDIATELY TO KEEP OUR COMMUNITY SAFE AT ALL TIMES.

COMMERCIAL AND COMMUNITY

AVIATION

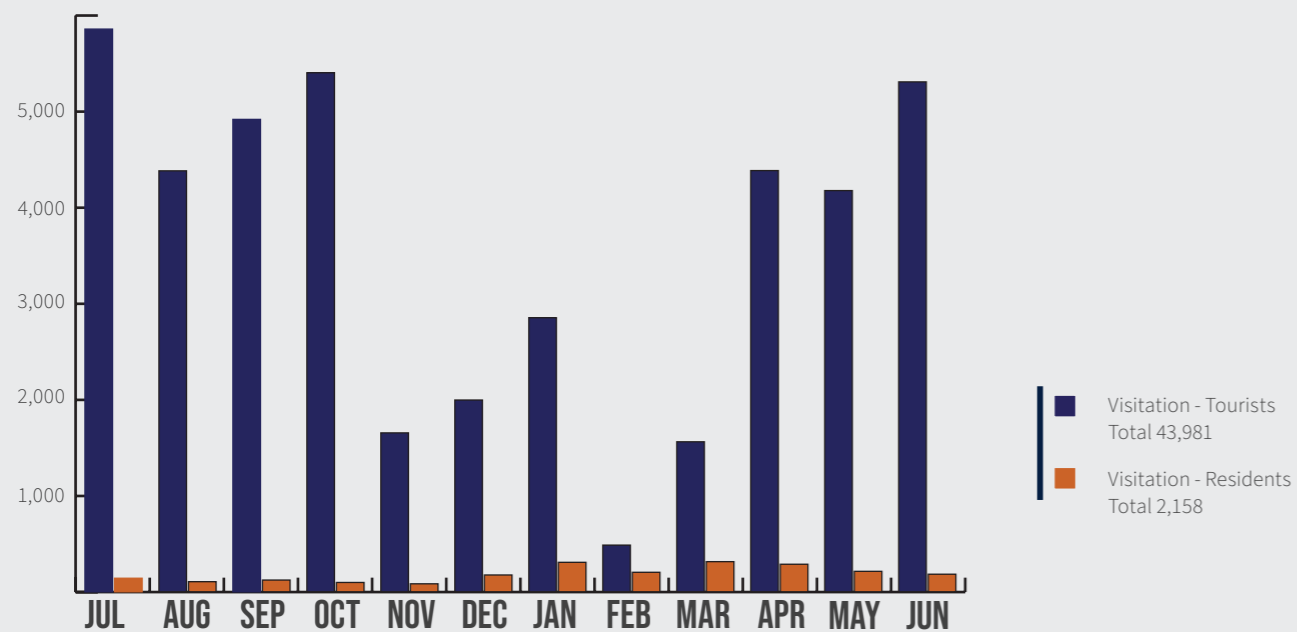
- Learmonth Airport has processed 82,045 passengers for 2020/21, which is equivalent to pre-COVID-19 numbers. The lowest recorded numbers are recorded during the peak 'off-season' from November 2020 – February 2021. The most considerable load recorded was May 2021, standing at 10,298 passengers who were processed through Learmonth.
- Learmonth Heliport processed 5,907 passengers for the financial year of 2020/21. CHC Helicopters have consistently operated out of Learmonth, with Babcock Offshore returning to the field in February. PHI International joined for four months, increasing passenger numbers for their duration.
- Successful cooperation with staff from the Ningaloo Centre, Ningaloo Visitor's Centre and the Shire Works Depot have resulted in delivering a safe, cohesive and efficient service to all stakeholders at Learmonth and Exmouth Aerodrome.



SHIRE INCORPORATES THE NINGALOO VISITOR CENTRE, STRENGTHENING RELATIONSHIPS WITH LOCAL BUSINESSES AND SUPPORTING ONE OF THE LARGEST INDUSTRIES (TOURISM) IN THE REGION



NINGALOO AQUARIUM & DISCOVERY CENTRE



NINGALOO VISITOR CENTRE

VISITOR SERVICING

- The Ningaloo Visitor Centre assisted over 100,000 visitors through the doors of the Ningaloo Centre in 2020/2021.
- Demand remained strong outside of typical peak visitor season as a direct result of the global pandemic
- Overflow Campgrounds were activated to better meet demand when commercial businesses reached capacity
- Merchandise Sales recorded turnover exceeding \$500,000

TANTABIDDI TRAVELLING GALLERY

- The Tantabiddi Travelling Gallery hosted various exhibitions over the Financial Year.
- Todd Fuller Exhibition: Dreams of another place
- Art on the Move: There Were Moment of Transformation
- Exmouth School Art Exhibition
- Gary Meredith Photo Exhibition
- ArtQuest

MANDU MANDU FUNCTION CENTRE

- The Mandu Mandu Function Centre hosted multiple day conferences and meetings for a range of local businesses and agencies
- In addition a range of events has been hosted:
- Hosted sold out Djuki Mala and Splash Test Dummies shows
- Exmouth District High School production
- Shire of Exmouth Community Volunteer and Sporting Awards

COMMUNITY DEVELOPMENT

• The Club Development Program is supported by BHP and DLGSC

- 48** COMMUNITY ORGANISATIONS SERVICED
- 10** CLUBS SUPPORTED TO APPLY FOR SHIRE COMMUNITY GRANTS
- 7** WORKSHOPS/PRESENTATIONS DELIVERED TO CLUBS & NPOS
- 14** COMMUNITY & SPORTING GRANTS AWARDED TO 12 ORGANISATIONS \$20,758.20
- 8** MAJOR EVENT SPONSORSHIPS AWARDED \$26,195.50
- 6** DONATIONS AWARDED TO SIX ORGANISATIONS \$2,281.00

LIBRARY

• Development of a monthly newsletter to keep members informed on Library matters

- 23,734** LIBRARY VISITORS
- 1,301** ACTIVE MEMBERS
- 259** NEW MEMBERS 2019/2020
- 10,440** ITEMS LOANED
- 1,270** ELECTRONIC RESOURCES LOANED
- 1,451** PEOPLE PARTICIPATING IN LIBRARY EVENTS

EVENTS

- Vietnam Veterans Day
- Children's Week
- Mental Health Week

EVENTS

- Seniors Week
- Remembrance Day
- Christmas Light Competition - EXMAS 2020
- Christmas Decals and Christmas Tree Ningaloo Centre & Ross St Mall Decorations
- Australia Day at the Pool
- Citizenship Ceremony at Australia Day
- Taste of Harmony
- Youth Week
- ANZAC Day
- Events Risk Management Workshop
- Community Volunteer & Sport Awards
- Celebrate WA Day 2021
- Exmouth Healthy lifestyle Expo 2021

PALTRIDGE MEMORIAL SWIMMING POOL

To provide an aquatic training and recreation facility to our community that is welcoming, safe, financially affordable for users and sustainable for the rate payers of the Shire of Exmouth.

SEASON
14th September 2020 to 7th May 2021

28,614 ANNUAL PATRONAGE

USER GROUPS

Exmouth Amateur Swimming Club, Exmouth District High School, VacSwim, TAFE, Shire of Exmouth Community Department, Exmouth Swim School, Exmouth Cultural Arts, WA Country Health Service aqua Aerobics, Cape Youth, Scripture Union, Rottnest Channel Swim Association, Royal Life Saving WA, Exmouth Dive Centre, Dive Ningaloo, Salty Hearts Freediving, Exmouth Marine Rescue, Parks and Wild Life, Pilbara Regiment, and ECAC.

MAIN EVENTS & ACTIVITIES

Pool Open Day, Aqua Run Fun Days, Exmouth Swim School, VacSwim, Virtual Rottnest Channel Swim, Gascoyne Open Swimming Competition, Aqua Aerobics, TAFE marine shipboard safety courses, Exmouth Marine Rescue Training, SCUBA training, Freediving Training, Cape Youth pool parties & **birthdays/ pool parties of all kinds.**



EXMOUTH CHILDREN'S WEEK AT THE MANDU MANDU FUNCTION CENTRE



SENIORS AT THE EXMOUTH PUBLIC LIBRARY



VOLUNTEER & SPORTING AWARDS



KEEP AUSTRALIA BEAUTIFUL CLEAN-UP AT THE EDHS



PALTRIDGE MEMORIAL SWIMMING POOL



CLUB PLANNING WORKSHOP



WA DAY CELEBRATIONS AT FEDERATION PARK



'BETTER BEGINNINGS' SING WITH ME PROGRAM (BACKPACK)

STATUTORY REPORTING

DISABILITY ACCESS & INCLUSION PLAN (DAIP)

Ongoing implementation of the Shire's Disability Access and Inclusion Plan (DAIP) took place during the year 2019-2020.

The Shire has continued to implement various initiatives and programs contained within the DAIP. The Shire reports on the achievements of the Plan on an annual basis to the Disability Services Commission. Major initiatives implemented this year included the upgrade and maintenance of arterial footpaths and the installation of a ramp access from Murat Road footpaths to the main entry doors of the Ningaloo Centre.

The Shire continued to encourage the use of universal methods of consultation that meet the needs of people with disabilities in 2019/2020.

DAIP strategies were implemented during community consultation undertaken when delivering a range of community engagement workshops.

More access and inclusion initiatives as well as a Major Review of the Shire's DAIP have been budgeted for in 2020-21 financial year.

STATE RECORDS ACT

The Shire's current Recordkeeping Plan was approved by the State Records Commission on 26 March 2021 and is valid for five years. The next review is due in March 2026.

The Recordkeeping Plan details all record keeping practices across the organisation and incorporates legal requirements set by State Records.

The Shire's records staff undertake record keeping training for all staff on an as needed basis following a formal induction process. Every staff member attends a mandatory record-keeping induction upon commencing with the organisation.

REGISTER OF COMPLAINTS

Section 5.121 of the Local Government Act 1995 (Register of certain complaints of minor breaches) requires the complaints officer for each local government to maintain a register of complaints which records all complaints that result in action under section 5.110(6)(b) or (c) of the Act (Conduct of Certain Officials). Section 5.53 (2) of the Local Government Act 1995 requires that details of entries made under section 5.121 during the financial year in the register of complaints, including;

i) the number of complaints recorded in the register of complaints; and ii) how the recorded complaints were dealt with; be included in the Annual Report of Council.

There were no complaints received pursuant to s5.121 of the Local Government Act 1995 by the Shire of Exmouth during the 2020/21 reporting period.

FREEDOM OF INFORMATION

The Shire of Exmouth will, in all instances, seek to provide access to information upon request, except where there may be issues under the Privacy Act 1998 or Freedom of Information Act 1992 or other relevant legislation.

An Application for Access to Documents form is available on the Shire's website or upon request. The Shire processed one (1) Freedom of Information request in 2020-21.

NATIONAL COMPETITION POLICY

Competition Principles Agreement (CPA) is Intergovernmental Agreement between the nonwealth and State/Territory governments sets out how the government will apply National Competition Policy principles to public sector organisations within their jurisdiction.

National Competition Policy itself concluded in 2006 and has been succeeded by Australia's National Competition Policy Agenda, which is an addition to, and continuation of National Competition Policy reforms.

The CPA (as amended 13 April 2007) sets out nominated principles from the agreement that now applies to local government. The provisions of the CPA require local government to report annually on implementation, effectiveness and effects of Competition Policy.

Competition Policy does not require contracting out or competitive tendering.

CPA does not preclude a local government from continuing to subsidise its business activities from general revenue, nor does it require privatisation of government functions.

CPA does require local governments to identify significant business activities and apply competitive disciplines to those businesses which compete with the private sector. In July 1996 the State Government released a Policy Statement called Clause 7 which describes the application of specific "Competition Principles" to the activities and functions of local government pursuant to the National Competition Policy package.

Although local government is not a party to the agreement, the State's obligations extend to ensuring the principles are applied to local government activities, and functions and the annual report must include a statement on all allegations of non-compliance with the principles.

In accordance with the requirements of the National Competition Policy the Shire makes the following disclosure for the reporting period.

- The Shire does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise;
- The number of activities to which competitive neutrality principles have been considered but not applied in the reporting period is: One (1) - Learmonth Aviation Operations. A study into the operations of the Learmonth Aviation Operations concluded that competitive neutrality not be applied to the Learmonth Aviation Operations. Council will continue to monitor the benefits of applying competitive neutrality on an ongoing basis;
- During the reporting period the Shire did not receive any complaints or did not become aware of any allegations of non-compliance with the competitive neutrality principles made by a private entity against the Shire.

An aerial photograph of a tropical coastline. The top half of the image shows a dense forest of green and brown trees. Below the forest is a wide, light-colored sandy beach. The bottom half of the image shows clear, turquoise water with a sandy bottom visible through the shallow depths. The text 'FINANCIAL REPORT' is overlaid on the top left in white on a dark blue background.

FINANCIAL

REPORT

SHIRE OF EXMOUTH
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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COMMUNITY VISION

To be a prosperous and sustainable community living in harmony with our natural environment.

Principal place of business:
2 Truscott Crescent
EXMOUTH WA 6707

**SHIRE OF EXMOUTH
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 16th day of November 2021



Chief Executive Officer

Ben Lewis

Name of Chief Executive Officer

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	26(a)	3,489,748	3,470,000	3,441,288
Operating grants, subsidies and contributions	2(a)	2,734,381	1,054,000	2,134,785
Fees and charges	2(a)	7,890,796	6,585,000	6,102,116
Interest earnings	2(a)	74,074	131,000	181,392
Other revenue	2(a)	704,842	209,000	298,450
		14,893,841	11,449,000	12,158,031
Expenses				
Employee costs		(6,466,313)	(6,523,000)	(5,999,037)
Materials and contracts		(3,646,535)	(3,785,000)	(2,885,719)
Utility charges		(821,509)	(830,000)	(942,159)
Depreciation on non-current assets	10(b)	(3,729,681)	(3,607,000)	(3,744,270)
Interest expenses	2(b)	(72,380)	(66,000)	(125,451)
Insurance expenses		(390,684)	(430,000)	(424,499)
Other expenditure	2(b)	(286,872)	(518,000)	(487,137)
		(15,413,974)	(15,759,000)	(14,608,272)
		(520,133)	(4,310,000)	(2,450,241)
Non-operating grants, subsidies and contributions	2(a)	1,759,713	2,659,000	952,050
Profit on asset disposals	10(a)	0	0	6,181
(Loss) on asset disposals	10(a)	(16,000)	0	(40,828)
Fair value adjustments to financial assets at fair value through profit or loss		3,878	0	106,832
		1,747,591	2,659,000	1,024,235
Net result for the period		1,227,458	(1,651,000)	(1,426,006)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	(2,564,336)	0	214,229
Total other comprehensive income for the period		(2,564,336)	0	214,229
Total comprehensive income for the period		(1,336,878)	(1,651,000)	(1,211,777)

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
	2(a)			
Governance		2,566	0	18,400
General purpose funding		5,076,532	4,477,000	5,399,191
Law, order, public safety		38,263	12,000	53,524
Health		44,185	47,000	45,476
Education and welfare		3,088	0	2,346
Housing		63,786	59,000	66,387
Community amenities		1,509,045	1,279,000	1,301,754
Recreation and culture		1,286,836	907,000	632,156
Transport		5,189,275	3,735,000	3,941,538
Economic services		1,211,834	909,000	491,865
Other property and services		468,431	24,000	205,394
		14,893,841	11,449,000	12,158,031
Expenses				
	2(b)			
Governance		(908,695)	(840,500)	(932,013)
General purpose funding		(125,031)	(129,000)	(86,993)
Law, order, public safety		(382,450)	(356,000)	(339,647)
Health		(222,022)	(300,500)	(242,675)
Education and welfare		(64,560)	(75,500)	(75,560)
Housing		(167,332)	(58,000)	(79,850)
Community amenities		(1,562,966)	(1,707,500)	(1,427,317)
Recreation and culture		(5,164,372)	(5,376,000)	(4,795,849)
Transport		(4,774,892)	(5,145,500)	(5,292,582)
Economic services		(1,403,647)	(1,261,000)	(908,653)
Other property and services		(565,627)	(443,500)	(301,682)
		(15,341,594)	(15,693,000)	(14,482,821)
Finance Costs				
	2(b)			
Housing		(25,076)	(24,000)	(28,090)
Community amenities		(3,531)	(3,000)	(5,520)
Recreation and culture		(27,355)	(28,000)	(29,236)
Transport		(5,715)	0	(9,188)
Other property and services		(10,703)	(11,000)	(53,417)
		(72,380)	(66,000)	(125,451)
		(520,133)	(4,310,000)	(2,450,241)
Non-operating grants, subsidies and contributions	2(a)	1,759,713	2,659,000	952,050
Profit on disposal of assets	10(a)	0	0	6,181
(Loss) on disposal of assets	10(a)	(16,000)	0	(40,828)
Fair value adjustments to financial assets at fair value through profit or loss		3,878	0	106,832
		1,747,591	2,659,000	1,024,235
Net result for the period		1,227,458	(1,651,000)	(1,426,006)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	(2,564,336)	0	214,229
Total other comprehensive income for the period		(2,564,336)	0	214,229
Total comprehensive income for the period		(1,336,878)	(1,651,000)	(1,211,777)

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

**SHIRE OF EXMOUTH
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	NOTE	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	12,640,020	12,209,277
Trade and other receivables	6	2,430,918	1,269,474
Inventories	7	114,747	83,264
TOTAL CURRENT ASSETS		15,185,685	13,562,015
NON-CURRENT ASSETS			
Trade and other receivables	6	160,126	128,646
Other financial assets	5(b)	110,710	106,832
Inventories	7	0	964,175
Property, plant and equipment	8	69,218,637	67,725,767
Infrastructure	9	49,585,723	51,275,572
Right-of-use assets	11(a)	136,899	285,774
TOTAL NON-CURRENT ASSETS		119,212,095	120,486,766
TOTAL ASSETS		134,397,780	134,048,781
CURRENT LIABILITIES			
Trade and other payables	13	3,137,428	1,838,736
Other liabilities	14	409,363	217,000
Lease liabilities	15(a)	134,745	148,937
Borrowings	16(a)	290,666	231,702
Employee related provisions	17	736,893	770,177
TOTAL CURRENT LIABILITIES		4,709,095	3,206,552
NON-CURRENT LIABILITIES			
Lease liabilities	15(a)	6,122	140,867
Borrowings	16(a)	1,792,955	1,543,621
Employee related provisions	17	170,796	102,051
TOTAL NON-CURRENT LIABILITIES		1,969,873	1,786,539
TOTAL LIABILITIES		6,678,968	4,993,091
NET ASSETS		127,718,812	129,055,690
EQUITY			
Retained surplus		64,735,398	65,117,313
Reserves - cash backed	4	10,618,672	9,009,299
Revaluation surplus	12	52,364,742	54,929,078
TOTAL EQUITY		127,718,812	129,055,690

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



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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		66,417,461	9,352,157	54,714,849	130,484,467
Change in accounting policy		(217,000)	0	0	(217,000)
Restated balance at the beginning of the financial year		66,200,461	9,352,157	54,714,849	130,267,467
Comprehensive income					
Net result for the period		(1,426,006)	0	0	(1,426,006)
Other comprehensive income	12	0	0	214,229	214,229
Total comprehensive income		(1,426,006)	0	214,229	(1,211,777)
Transfers from reserves	4	1,385,500	(1,385,500)	0	0
Transfers to reserves	4	(1,042,642)	1,042,642	0	0
Balance as at 30 June 2020		65,117,313	9,009,299	54,929,078	129,055,690
Restated balance at 1 July 2020		65,117,313	9,009,299	54,929,078	129,055,690
Comprehensive income					
Net result for the period		1,227,458	0	0	1,227,458
Other comprehensive income	12	0	0	(2,564,336)	(2,564,336)
Total comprehensive income		1,227,458	0	(2,564,336)	(1,336,878)
Transfers from reserves	4	1,698,000	(1,698,000)	0	0
Transfers to reserves	4	(3,307,373)	3,307,373	0	0
Balance as at 30 June 2021		64,735,398	10,618,672	52,364,742	127,718,812

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,770,866	3,470,000	3,299,772
Operating grants, subsidies and contributions		1,624,809	1,054,000	2,829,927
Fees and charges		7,890,796	6,585,000	6,102,116
Interest received		74,074	131,000	181,392
Goods and services tax received		196,713	0	0
Other revenue		704,842	209,000	298,450
		14,262,100	11,449,000	12,711,657
Payments				
Employee costs		(6,600,972)	(6,523,000)	(6,137,883)
Materials and contracts		(1,449,740)	(3,785,000)	(1,765,356)
Utility charges		(821,509)	(830,000)	(942,159)
Interest expenses		(72,380)	(66,000)	(125,451)
Insurance paid		(390,684)	(430,000)	(424,499)
Goods and services tax paid		(141,812)	0	(139)
Other expenditure		(286,872)	(518,000)	(487,137)
		(9,763,969)	(12,152,000)	(9,882,624)
Net cash provided by (used in) operating activities	18	4,498,131	(703,000)	2,829,033
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(3,199,830)	(2,859,000)	(2,122,027)
Payments for construction of infrastructure	9(a)	(2,804,332)	(3,041,000)	(1,417,069)
Non-operating grants, subsidies and contributions	2(a)	1,759,713	2,659,000	952,050
Proceeds from sale of property, plant & equipment	10(a)	40,000	200,000	137,283
Net cash provided by (used in) investment activities		(4,204,449)	(3,041,000)	(2,449,763)
CASH FLOWS FROM FINANCING ACTIVITIES				
Advance to community groups		(45,000)	0	(22,000)
Proceeds from community loans		22,700	23,000	25,500
Repayment of borrowings	16(b)	(231,702)	(232,000)	(223,637)
Payments for principal portion of lease liabilities	15(b)	(148,937)	0	(132,397)
Proceeds from new borrowings	16(b)	540,000	0	0
Net cash provided by (used in) financing activities		137,061	(209,000)	(352,534)
Net increase (decrease) in cash held		430,743	(3,953,000)	26,736
Cash at beginning of year		12,209,277	11,651,318	12,182,541
Cash and cash equivalents at the end of the year	18	12,640,020	7,698,318	12,209,277

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

**SHIRE OF EXMOUTH
RATE SETTING STATEMENT
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	27 (b)	2,691,280	2,642,432	3,716,619
		2,691,280	2,642,432	3,716,619
Revenue				
Specified area and ex gratia rates	26(a)	48,727	48,000	48,140
Operating grants, subsidies and contributions	2(a)	2,734,381	1,054,000	2,134,785
Fees and charges	2(a)	7,890,796	6,585,000	6,102,116
Interest earnings	2(a)	74,074	131,000	181,392
Other revenue	2(a)	704,842	209,000	298,450
Profit on asset disposal		0	0	6,181
Fair value adjustments to financial assets at fair value through profit or loss		3,878	0	106,832
		11,456,698	8,027,000	8,877,896
Expenses				
Employee costs		(6,466,313)	(6,523,000)	(5,999,037)
Materials and contracts		(3,646,535)	(3,785,000)	(2,885,719)
Utility charges		(821,509)	(830,000)	(942,159)
Depreciation on non-current assets	10(b)	(3,729,681)	(3,607,000)	(3,744,270)
Interest expenses	2(b)	(72,380)	(66,000)	(125,451)
Insurance expenses		(390,684)	(430,000)	(424,499)
Other expenditure		(286,872)	(518,000)	(487,137)
Loss on asset disposal		(16,000)	0	(40,828)
		(15,429,974)	(15,759,000)	(14,649,100)
Non-cash amounts excluded from operating activities	27(a)	4,906,288	3,607,000	3,812,156
Amount attributable to operating activities		3,624,292	(1,482,568)	1,757,571
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,759,713	2,659,000	952,050
Proceeds from disposal of assets	10(a)	40,000	200,000	137,283
Purchase of property, plant and equipment	8(a)	(3,199,831)	(2,859,000)	(2,122,027)
Purchase and construction of infrastructure	9(a)	(2,804,332)	(3,041,000)	(1,417,069)
		(4,204,450)	(3,041,000)	(2,449,763)
Amount attributable to investing activities		(4,204,450)	(3,041,000)	(2,449,763)
FINANCING ACTIVITIES				
Advance to community groups		(45,000)	0	(22,000)
Proceeds from community loans		22,700	23,000	25,500
Repayment of borrowings	16(b)	(231,702)	(232,000)	(223,637)
Proceeds from borrowings	16(c)	540,000	0	0
Payments for principal portion of lease liabilities	15(b)	(148,937)	0	(132,397)
Transfers to reserves (restricted assets)	4	(3,307,373)	(1,027,000)	(1,042,642)
Transfers from reserves (restricted assets)	4	1,698,000	2,385,000	1,385,500
Amount attributable to financing activities		(1,472,312)	1,149,000	(9,676)
Surplus/(deficit) before imposition of general rates		(2,052,470)	(3,374,568)	(701,868)
Total amount raised from general rates	26(a)	3,441,021	3,422,000	3,393,148
Surplus/(deficit) after imposition of general rates	27(b)	1,388,551	47,432	2,691,280

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

**SHIRE OF EXMOUTH
RATE SETTING STATEMENT
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	27 (b)	2,691,280	2,642,432	3,716,619
		2,691,280	2,642,432	3,716,619
Revenue from operating activities (excluding rates)				
Governance		6,444	0	125,232
General purpose funding		1,635,511	1,055,000	2,006,043
Law, order, public safety		38,263	12,000	53,524
Health		44,185	47,000	45,476
Education and welfare		3,088	0	2,346
Housing		63,786	59,000	66,387
Community amenities		1,509,045	1,279,000	1,301,754
Recreation and culture		1,286,836	907,000	632,156
Transport		5,189,275	3,735,000	3,947,719
Economic services		1,211,834	909,000	491,865
Other property and services		468,431	24,000	205,394
		11,456,698	8,027,000	8,877,896
Expenditure from operating activities				
Governance		(908,695)	(840,500)	(932,013)
General purpose funding		(125,031)	(129,000)	(86,993)
Law, order, public safety		(382,450)	(356,000)	(339,647)
Health		(222,022)	(300,500)	(242,675)
Education and welfare		(64,560)	(75,500)	(75,560)
Housing		(192,408)	(82,000)	(107,940)
Community amenities		(1,566,497)	(1,710,500)	(1,432,837)
Recreation and culture		(5,191,727)	(5,404,000)	(4,825,085)
Transport		(4,796,607)	(5,145,500)	(5,342,598)
Economic services		(1,403,647)	(1,261,000)	(908,653)
Other property and services		(576,330)	(454,500)	(355,099)
		(15,429,974)	(15,759,000)	(14,649,100)
Non-cash amounts excluded from operating activities	27(a)	4,906,288	3,607,000	3,812,156
Amount attributable to operating activities		3,624,292	(1,482,568)	1,757,571
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,759,713	2,659,000	952,050
Proceeds from disposal of assets	10(a)	40,000	200,000	137,283
Purchase of property, plant and equipment	8(a)	(3,199,831)	(2,859,000)	(2,122,027)
Purchase and construction of infrastructure	9(a)	(2,804,332)	(3,041,000)	(1,417,069)
		(4,204,450)	(3,041,000)	(2,449,763)
Amount attributable to investing activities		(4,204,450)	(3,041,000)	(2,449,763)
FINANCING ACTIVITIES				
Advance to community groups		(45,000)	0	(22,000)
Proceeds from community loans		22,700	23,000	25,500
Repayment of borrowings	16(b)	(231,702)	(232,000)	(223,637)
Proceeds from borrowings	16(c)	540,000	0	0
Payments for principal portion of lease liabilities	15(b)	(148,937)	0	(132,397)
Transfers to reserves (restricted assets)	4	(3,307,373)	(1,027,000)	(1,042,642)
Transfers from reserves (restricted assets)	4	1,698,000	2,385,000	1,385,500
Amount attributable to financing activities		(1,472,312)	1,149,000	(9,676)
Surplus/(deficit) before imposition of general rates		(2,052,470)	(3,374,568)	(701,868)
Total amount raised from general rates	26(a)	3,441,021	3,422,000	3,393,148
Surplus/(deficit) after imposition of general rates	27(b)	1,388,551	47,432	2,691,280

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

SHIRE OF EXMOUTH
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FOR THE YEAR ENDED 30 JUNE 2021

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

1. BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 30 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

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

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance	985	0	15,000
General purpose funding	1,488,396	900,000	1,787,080
Health	0	0	5,011
Recreation and culture	189,278	18,000	11,887
Transport	895,020	0	96,139
Economic services	142,632	33,000	200,000
Other property and services	18,070	18,000	19,667
	2,734,381	969,000	2,134,785
Non-operating grants, subsidies and contributions			
Community amenities	0	0	77,168
Recreation and culture	370,040	1,580,000	170,000
Transport	1,389,673	1,079,000	704,882
	1,759,713	2,659,000	952,050
Total grants, subsidies and contributions	4,494,094	3,628,000	3,086,835
Fees and charges			
Governance	30	0	0
General purpose funding	24,300	23,000	37,571
Law, order, public safety	14,559	8,000	9,122
Health	44,185	47,500	40,464
Education and welfare	1,634	0	641
Housing	63,786	59,000	63,505
Community amenities	1,506,943	1,258,500	1,300,868
Recreation and culture	886,044	577,500	555,535
Transport	4,291,441	3,735,000	3,845,399
Economic services	1,053,959	876,000	247,783
Other property and services	3,915	500	1,228
	7,890,796	6,585,000	6,102,116

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

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
Contracts with customers and transfers for recognisable non-financial assets			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:			
Non-operating grants, subsidies and contributions	1,759,713	0	952,050
	1,759,713	0	952,050
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:			
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	1,759,713	0	952,050
	1,759,713	0	952,050
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	0	0	735,079
Contract liabilities from contracts with customers	(409,363)	0	0

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

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

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

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

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue from statutory requirements			
Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:			
General rates	3,440,799	3,422,000	3,393,148
Specified area rates	48,949	48,000	48,140
Statutory permits and licences	0	66,500	0
Fines	0	12,000	10,039
	<u>3,489,748</u>	<u>3,548,500</u>	<u>3,451,327</u>
Other revenue			
Reimbursements and recoveries	229,681	209,000	110,370
Sale of inventory	394,915	0	133,154
Other	80,246	0	54,926
	<u>704,842</u>	<u>209,000</u>	<u>298,450</u>
Interest earnings			
Interest on reserve funds	47,263	114,000	101,317
Rates instalment and penalty interest (refer Note 26(c))	25,925	17,000	64,234
Other interest earnings	886	0	15,841
	<u>74,074</u>	<u>131,000</u>	<u>181,392</u>

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration				
Audit of the Annual Financial Report		47,000	55,000	50,500
Other Services		160	11,000	1,750
		<u>47,160</u>	<u>66,000</u>	<u>52,250</u>
Interest expenses (finance costs)				
Borrowings	16(b)	66,134	66,000	74,327
Other		0	0	41,374
Lease liabilities	15(b)	6,246	0	9,750
		<u>72,380</u>	<u>66,000</u>	<u>125,451</u>
Other expenditure				
Sundry expenses		286,872	518,000	487,137
		<u>286,872</u>	<u>518,000</u>	<u>487,137</u>

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

3. CASH AND CASH EQUIVALENTS

	NOTE	2021 \$	2020 \$
Cash at bank and on hand		5,618,680	12,209,277
Short-term deposits		7,021,340	0
Total cash and cash equivalents		12,640,020	12,209,277

Restrictions

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

- Cash and cash equivalents		10,618,672	9,226,299
		10,618,672	9,226,299

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

Reserves - cash backed	4	10,618,672	9,009,299
Contract liabilities from contracts with customers	14	0	217,000
Total restricted assets		10,618,672	9,226,299

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

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

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

4. RESERVES - CASH BACKED	2021	2021	2021	2021	2021	2021	2021	2021	2020	2020	2020	2020
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual
	Opening	Transfer to	Transfer	Closing	Opening	Transfer to	Transfer	Closing	Opening	Transfer to	Transfer	Closing
	Balance		(from)	Balance	Balance		(from)	Balance	Balance		(from)	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	695,562	3,640	0	699,202	695,534	9,000	0	704,534	688,110	7,452	0	695,562
(b) Aviation Reserve	1,166,579	6,105	0	1,172,684	1,166,528	15,000	(10,000)	1,171,528	1,244,600	13,479	(91,500)	1,166,579
(c) Building Infrastructure Reserve	595,760	2,641	(517,000)	81,401	595,735	8,000	(517,000)	86,735	628,949	6,811	(40,000)	595,760
(d) Community Development Reserve	1,375,459	7,199	0	1,382,658	1,375,402	18,000	(11,000)	1,382,402	1,360,721	14,738	0	1,375,459
(e) Community Interest Free Reserve	321,450	1,615	(45,000)	278,065	321,436	4,000	0	325,436	339,770	3,680	(22,000)	321,450
(f) Insurance/Natural Disaster Reserve	183,016	958	0	183,974	183,009	2,000	0	185,009	181,056	1,960	0	183,016
(g) Land Acquisition Reserve	736,873	1,308,929	(320,000)	1,725,802	736,825	10,000	(570,000)	176,825	717,892	443,981	(425,000)	736,873
(h) Marina Canal Reserve (Specified Area)	360,269	50,880	0	411,149	360,253	52,000	0	412,253	308,782	51,487	0	360,269
(i) Marina Village Asset Replacement Reserve	33,268	174	0	33,442	33,267	0	0	33,267	32,912	356	0	33,268
(j) Mosquito Management Reserve	10,108	53	0	10,161	10,108	0	0	10,108	10,000	108	0	10,108
(k) Ningaloo Centre Reserve	255,836	1,339	0	257,175	255,826	3,000	0	258,826	253,095	2,741	0	255,836
(l) Plant Reserve	187,979	551,317	(189,000)	550,296	187,938	502,000	(189,000)	500,938	984,318	10,661	(807,000)	187,979
(m) Public Radio Infrastructure Reserve	5,158	27	0	5,185	5,158	0	0	5,158	5,103	55	0	5,158
(n) Rehabilitation Reserve	252,116	1,319	0	253,435	252,106	3,000	0	255,106	249,415	2,701	0	252,116
(o) Roads Reserve	592,844	768,384	(460,000)	901,228	592,820	273,000	(460,000)	405,820	586,492	6,352	0	592,844
(p) Shire President COVID-19 Relief Fund	40,000	209	0	40,209	40,000	0	0	40,000	0	40,000	0	40,000
(q) Shire Staff Housing Reserve	136,378	714	0	137,092	136,373	2,000	0	138,373	134,917	1,461	0	136,378
(r) Swimming Pool Reserve	547,831	102,962	0	650,793	547,808	107,000	0	654,808	541,961	5,870	0	547,831
(s) Tourism Development Reserve	200,008	158,824	0	358,832	200,000	3,000	0	203,000	0	200,008	0	200,008
(t) Town Planning Scheme Reserve	21,855	114	0	21,969	21,854	0	0	21,854	21,621	234	0	21,855
(u) Waste & Recycle Management Reserve	1,073,950	5,607	(25,000)	1,054,557	1,073,906	16,000	(485,000)	604,906	1,062,443	11,507	0	1,073,950
(v) Unspent Grants & Contributions Reserve	217,000	334,363	(142,000)	409,363	217,000	0	(143,000)	74,000	0	217,000	0	217,000
	9,009,299	3,307,373	(1,698,000)	10,618,672	9,008,886	1,027,000	(2,385,000)	7,650,886	9,352,157	1,042,642	(1,385,500)	9,009,299

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.
 Unspent Grants & Contributions Reserve is as a result of restricting contract liabilities as per note 14.

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

4. RESERVES - CASH BACKED (Continued)

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve		To be used for annual and long service leave requirements.
(b) Aviation Reserve		To be used to fund aviation improvements.
(c) Building Infrastructure Reserve		To be used for the development, preservation and maintenance of building infrastructure with the Shire of Exmouth.
(d) Community Development Reserve		To be used for major community development initiatives.
(e) Community Interest Free Reserve		To be to fund major community development projects.
(f) Insurance/Natural Disaster Reserve		To be used for the purpose of funding insurance claims where the excess is higher than the cost of repairs in addition to any weather related insurance/WANDRRRA claims.
(g) Land Acquisition Reserve		To be used to fund the acquisition and disposal of land and buildings and provide contributions for land development within the Shire of Exmouth.
(h) Marina Canal Reserve (Specified Area Rates)		These funds are derived from levying specified area rate titles Marina Specified Area Rates.
(i) Marina Village Asset Replacement Reserve		To be used for the preservation and maintenance of infrastructure related to the Exmouth Marina Village.
(j) Mosquito Management Reserve		To be used in years where mosquito-borne disease/nuisance is greater than normal.
(k) Ningaloo Centre Reserve		To be used for the preservation and maintenance of the Ningaloo Centre.
(l) Plant Reserve		To be used for the purchase of major plant and equipment.
(m) Public Radio Infrastructure Reserve		To be used to maintain the rebroadcasting infrastructure.
(n) Rehabilitation Reserve		To be used to manage the funds associated with the environmental rehabilitation of the sand and gravel pits within the Shire of Exmouth.
(o) Roads Reserve		To be used for the preservation and maintenance of roads.
(p) Shire President COVID-19 Relief Fund		To be used to support the community who are severely financially affected by COVID-19.
(q) Shire Staff Housing Reserve		To be used to fund housing for staff.
(r) Swimming Pool Reserve		To be used to fund swimming pool upgrades.
(s) Tourism Development Reserve		To be used to fund the development and implementation of initiatives to achieve the strategic tourism and economic developments of the Shire of Exmouth.
(t) Town Planning Scheme Reserve		To be used fro the purpose of funding a review of the future Town Planning Scheme.
(u) Waste & Recycle Management Reserve		To be used to fund capital and operational costs of Refuse Site including implementation of post closure plan.

5. OTHER FINANCIAL ASSETS

(b) 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

	2021	2020
	\$	\$
	110,710	106,832
	110,710	106,832
	110,710	106,832
	110,710	106,832

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 16(b) as self supporting loans.

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 28.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
GST receivable	
Loans Receivable - clubs/institutions	

Non-current

Pensioner's rates and ESL deferred	
Loans Receivable - clubs/institutions	

2021	2020
\$	\$
234,502	510,805
2,037,014	735,079
142,702	890
16,700	22,700
2,430,918	1,269,474
50,026	46,846
110,100	81,800
160,126	128,646

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 28.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

7. INVENTORIES

Current

Fuel and materials
 Visitor Centre stock

Non-current

Land held for resale - cost
 Cost of acquisition

The following movements in inventories occurred during the year:

Balance at beginning of year

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

	2021	2020
	\$	\$
	18,586	14,591
	96,161	68,673
	114,747	83,264
	0	964,175
	0	964,175
	1,047,439	1,341,397
	(964,175)	(461,416)
	31,483	167,458
	114,747	1,047,439

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.

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

SHIRE OF EXMOUTH
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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.

	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Other plant and equipment - Works in progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	7,703,000	4,998,497	50,575,361	63,276,858	1,478,008	2,209,178	268,348	67,232,391
Additions	0	112,330	273,501	385,831	14,866	620,699	1,105,360	2,126,756
(Disposals)	0	0	0	0	0	(171,930)	0	(171,930)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	462,000	462,000	(216,924)	(19,622)	0	225,454
Depreciation (expense)	0	(90,078)	(965,878)	(1,055,956)	(255,530)	(370,690)	0	(1,682,176)
Transfers	0	0	15,664	15,664	0	247,955	(268,348)	(4,729)
Balance at 30 June 2020	7,703,000	5,020,749	50,360,648	63,084,397	1,020,420	2,515,590	1,105,360	67,725,766
Comprises:								
Gross balance amount at 30 June 2020	7,703,000	7,015,520	76,692,056	91,410,576	2,339,342	6,072,573	1,105,360	100,927,851
Accumulated depreciation at 30 June 2020	0	(1,994,771)	(26,331,408)	(28,326,179)	(1,318,922)	(3,556,983)	0	(33,202,084)
Balance at 30 June 2020	7,703,000	5,020,749	50,360,648	63,084,397	1,020,420	2,515,590	1,105,360	67,725,767
Additions	514,289	433,967	555,331	1,503,587	67,704	252,652	1,425,948	3,249,891
(Disposals)	0	0	0	0	0	(56,000)	0	(56,000)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	(54,847)	(5,345)	0	(60,192)
Depreciation (expense)	0	(92,887)	(971,106)	(1,063,993)	(153,774)	(373,002)	0	(1,590,769)
Transfers	429,500	0	0	429,500	255,000	362,000	(1,096,560)	(50,060)
Balance at 30 June 2021	8,646,789	5,361,829	49,944,873	63,953,491	1,134,503	2,695,895	1,434,748	69,218,637
Comprises:								
Gross balance amount at 30 June 2021	8,646,789	7,449,487	77,247,390	93,343,666	1,985,516	6,512,926	1,434,748	103,276,856
Accumulated depreciation at 30 June 2021	0	(2,087,658)	(27,302,517)	(29,390,175)	(851,013)	(3,817,031)	0	(34,058,219)
Balance at 30 June 2021	8,646,789	5,361,829	49,944,873	63,953,491	1,134,503	2,695,895	1,434,748	69,218,637

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.

	Infrastructure - roads	Infrastructure - Other	Other infrastructure - Works in progress	Total Infrastructure
	\$	\$	\$	\$
Balance at 1 July 2019	36,728,244	14,931,353	135,798	51,795,395
Additions	966,833	340,633	110,548	1,418,014
Revaluation increments / (decrements) transferred to revaluation surplus	0	(11,225)	0	(11,225)
Depreciation (expense)	(1,426,316)	(499,351)	0	(1,925,667)
Transfers	46,953	87,900	(135,798)	(945)
Balance at 30 June 2020	36,315,714	14,849,310	110,548	51,275,572
Comprises:				
Gross balance at 30 June 2020	47,726,467	22,130,437	110,548	69,967,452
Accumulated depreciation at 30 June 2020	(11,410,753)	(7,281,127)	0	(18,691,880)
Balance at 30 June 2020	36,315,714	14,849,310	110,548	51,275,572
Additions	2,111,195	206,978	458,090	2,776,263
Revaluation increments / (decrements) transferred to revaluation surplus	0	(4,144)	0	(4,144)
Impairment (losses) / reversals	(2,500,000)	0	0	(2,500,000)
Depreciation (expense)	(1,475,366)	(514,671)	0	(1,990,037)
Transfers	0	138,617	(110,548)	28,069
Balance at 30 June 2021	34,451,543	14,676,090	458,090	49,585,723
Comprises:				
Gross balance at 30 June 2021	47,337,662	22,460,916	458,090	70,256,668
Accumulated depreciation at 30 June 2021	(12,886,119)	(7,784,826)	0	(20,670,945)
Balance at 30 June 2021	34,451,543	14,676,090	458,090	49,585,723

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY Revaluation (Continued)

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

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

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

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

SHIRE OF EXMOUTH
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10. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Plant and equipment	\$ 56,000	\$ 40,000	\$ 0	\$ (16,000)	\$ 200,000	\$ 200,000	\$ 0	\$ 0	\$ 171,930	\$ 137,283	\$ 6,182	\$ (40,829)
	56,000	40,000	0	(16,000)	200,000	200,000	0	0	171,930	137,283	6,182	(40,829)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Transport				
Holden Colorado	28,000	19,545	0	(8,455)
Holden Colorado	28,000	20,455	0	(7,545)
	56,000	40,000	0	(16,000)

SHIRE OF EXMOUTH
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10. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	92,887	82,500	90,078
Buildings - specialised	971,106	955,500	965,878
Furniture and equipment	153,774	260,500	255,530
Plant and equipment	373,002	375,000	370,690
Infrastructure - roads	1,475,366	1,441,000	1,426,316
Infrastructure - Other	514,671	492,500	499,351
Right of use assets - Leases	148,875	0	136,427
	3,729,681	3,607,000	3,744,270

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation on revaluation

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

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

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are

11. LEASES

(a) Right-of-Use Assets

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

	Right of use assets - Leases	Right-of-use assets Total
	\$	
Balance at 1 July 2019	360,778	360,778
Additions	61,423	61,423
Depreciation (expense)	(136,427)	(136,427)
Balance at 30 June 2020	285,774	285,774
Depreciation (expense)	(148,875)	(148,875)
Balance at 30 June 2021	136,899	136,899

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

	2021 Actual	2020 Actual
	\$	\$
Low-value asset lease payments recognised as expense	52,404	52,404
Total amount recognised in the statement of comprehensive income	52,404	52,404
Total cash outflow from leases	(155,183)	(142,146)

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Leases for right-of-use assets are secured over the asset being leased.

Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

SHIRE OF EXMOUTH
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12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Impairment (Decrement)	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	3,170,303	0	0	0	3,170,303	3,170,303	0	0	0	3,170,303
Revaluation surplus - Buildings - non-specialised	(51,616)	0	0	0	(51,616)	(51,616)	0	0	0	(51,616)
Revaluation surplus - Buildings - specialised	21,970,659	0	0	0	21,970,659	21,508,659	462,000	0	462,000	21,970,659
Revaluation surplus - Furniture and equipment	990,816	0	(54,847)	(54,847)	935,969	1,207,740	0	(216,924)	(216,924)	990,816
Revaluation surplus - Plant and equipment	1,074,861	0	(5,345)	(5,345)	1,069,516	1,094,483	0	(19,622)	(19,622)	1,074,861
Revaluation surplus - Infrastructure - roads	21,309,940	(2,500,000)	0	(2,500,000)	18,809,940	21,309,940	0	0	0	21,309,940
Revaluation surplus - Infrastructure - Other	6,464,115	0	(4,144)	(4,144)	6,459,971	6,475,340	0	(11,225)	(11,225)	6,464,115
	54,929,078	(2,500,000)	(64,336)	(2,564,336)	52,364,742	54,714,849	462,000	(247,771)	214,229	54,929,078

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
ATO liabilities
Bonds and deposits held
Accrued expenses
Accrued interest on borrowings

2021	2020
\$	\$
1,351,617	306,008
53,343	45,347
0	170,120
197,464	751
351,095	208,580
1,175,505	1,098,705
8,404	9,225
3,137,428	1,838,736

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

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

Prepaid rates

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

14. OTHER LIABILITIES

Current

Contract liabilities

2021	2020
\$	\$
409,363	217,000
409,363	217,000

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

Less than 1 year

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
409,363	0
409,363	0

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

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

Grant liabilities represent the the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

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

Service concession liabilities

Service concession liabilities relate to the grant of right to an operator in respect of an asset controlled by the Shire. They represent the unearned revenue related to the grant of right, and is recognised as revenue according to the economic substance of the service concession arrangement.

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15. LEASE LIABILITIES

(a) Lease Liabilities	2021	2020
	\$	\$
Current	134,745	148,937
Non-current	6,122	140,867
	140,867	289,804

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020	
					Lease Principal 1 July 2020	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments	Lease Principal 1 July 2020	Budget Lease Principal Repayments	Budget Lease Principal Outstanding	Budget Lease Interest Repayments	Lease Principal 1 July 2019	Actual New Leases	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments	
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Housing																		
Rental 25/30 Dugong Close		Ray White		24 mths	43,734	(30,755)	12,979	(531)	0	0	0	0	0	61,423	(17,689)	43,734	(561)	
Transport																		
Airport X-Ray Scanner		Maia Leasing		72 mths	222,321	(109,503)	112,818	(5,109)	0	0	0	0	328,613	0	(106,292)	222,321	(8,319)	
RAAF Airport Lease		DOD		30 yrs	23,749	(8,679)	15,070	(606)	0	0	0	0	32,165	0	(8,416)	23,749	(869)	
					289,804	(148,937)	140,867	(6,246)	0	0	0	0	360,778	61,423	(132,397)	289,804	(9,749)	

SHIRE OF EXMOUTH
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16. INFORMATION ON BORROWINGS

(a) Borrowings

	2021	2020
	\$	\$
Current	290,666	231,702
Non-current	1,792,955	1,543,621
	<u>2,083,621</u>	<u>1,775,323</u>

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020
				Principal	Actual	Actual	Actual	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal	Principal
				1 July 2020	New Loans	Principal repayments	Interest repayments	Principal outstanding	1 July 2020	Principal repayments	Interest repayments	Principal outstanding	1 July 2019	Principal repayments	Interest repayments	Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing																
Snapper Loop - Dwellings	80	WATC	4.73%	548,983	0	(68,726)	(24,354)	480,257	548,983	(69,000)	(24,000)	479,983	614,540	(65,557)	(27,659)	548,983
Tonge Place - Dwellings	83	WATC	1.44%	0	540,000	0	(191)	540,000	0	0	0	0	0	0	0	0
Community amenities																
Rubbish Truck	81	WATC	2.41%	169,915	0	(83,940)	(3,531)	85,975	219,915	(84,000)	(4,000)	135,915	251,868	(81,953)	(5,579)	169,915
Recreation and culture																
Ningaloo Centre	82	WATC	3.33%	837,550	0	(57,826)	(27,355)	779,724	837,551	(58,000)	(27,000)	779,551	893,498	(55,948)	(29,292)	837,550
Other property and services																
1 Bennett Street - Land	76	WATC	5.04%	218,875	0	(21,210)	(10,703)	197,665	218,875	(21,000)	(11,000)	197,875	239,054	(20,179)	(11,797)	218,875
				<u>1,775,323</u>	<u>540,000</u>	<u>(231,702)</u>	<u>(66,134)</u>	<u>2,083,621</u>	<u>1,825,324</u>	<u>(232,000)</u>	<u>(66,000)</u>	<u>1,593,324</u>	<u>1,998,960</u>	<u>(223,637)</u>	<u>(74,327)</u>	<u>1,775,323</u>
				<u>1,775,323</u>	<u>540,000</u>	<u>(231,702)</u>	<u>(66,134)</u>	<u>2,083,621</u>	<u>1,825,324</u>	<u>(232,000)</u>	<u>(66,000)</u>	<u>1,593,324</u>	<u>1,998,960</u>	<u>(223,637)</u>	<u>(74,327)</u>	<u>1,775,323</u>

* WA Treasury Corporation

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16. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2021 Actual	2021 Budget	2021 Actual	2021 Budget		
Tonge Place - Dwellings	WATC	P&I	10	1.44%	\$ 540,000	\$ 0	\$ 540,000	\$ 0	\$ 0	\$ 0
* WA Treasury Corporation					540,000	0	540,000	0	0	0

(d) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2021	2020
Bank overdraft limit	400,000	400,000
Bank overdraft at balance date	0	0
Credit card limit	19,000	24,000
Credit card balance at balance date	(6,253)	(3,128)
Total amount of credit unused	412,747	420,872

Loan facilities

Loan facilities - current	290,666	231,702
Loan facilities - non-current	1,792,955	1,543,621
Lease liabilities - current	134,745	148,937
Lease liabilities - non-current	6,122	140,867
Total facilities in use at balance date	2,224,488	2,065,127

Unused loan facilities at balance date

NIL NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 28.

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17. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions
 Non-current provisions

Additional provision

Balance at 30 June 2021

Comprises

Current
 Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Provision for Gratuity	Total
	\$	\$	\$	\$
Opening balance at 1 July 2020				
Current provisions	412,384	314,446	43,347	770,177
Non-current provisions	0	102,051	0	102,051
	412,384	416,497	43,347	872,228
Additional provision	38,405	40,403	0	78,808
Balance at 30 June 2021	450,789	456,900	43,347	951,036
Comprises				
Current	450,789	286,104	0	736,893
Non-current	0	170,796	0	170,796
	450,789	456,900	0	907,689

Amounts are expected to be settled on the following basis:

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

	2021	2020
	\$	\$
Less than 12 months after the reporting date	562,932	617,806
More than 12 months from reporting date	344,757	207,288
Expected reimbursements from other WA local governments	0	47,134
	907,689	872,228

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees.

Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

18. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	12,640,020	7,698,318	12,209,277

Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	1,227,458	(1,651,000)	(1,426,006)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(3,878)	0	(106,832)
Depreciation on non-current assets	3,729,681	3,607,000	3,744,270
(Profit)/loss on sale of asset	16,000	0	34,647
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(1,170,625)	0	543,723
(Increase)/decrease in other assets	0	0	40,615
(Increase)/decrease in inventories	932,692	0	293,958
Increase/(decrease) in payables	1,298,692	0	833,164
Increase/(decrease) in employee provisions	35,461	0	(176,456)
Increase/(decrease) in other liabilities	192,363	0	0
Non-operating grants, subsidies and contributions	(1,759,713)	(2,659,000)	(952,050)
Net cash from operating activities	4,498,131	(703,000)	2,829,033

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	205,272	209,527
General purpose funding	284,528	557,651
Law, order, public safety	1,207,125	1,220,665
Health	10,030	6,320
Education and welfare	1,573,580	1,612,031
Housing	7,142,719	6,632,265
Community amenities	2,384,613	2,399,009
Recreation and culture	48,321,631	46,461,887
Transport	48,745,934	50,685,341
Economic services	2,048,407	1,925,236
Other property and services	22,473,941	22,270,176
Unallocated	0	68,673
	<u>134,397,780</u>	<u>134,048,781</u>

20. CONTINGENT LIABILITIES

The Shire is not aware of any contingent liabilities as at 30 June 2021

21. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

	2021	2020
	\$	\$
	933,721	548,848
	190,187	667,060
	1,123,907	1,215,908
	1,123,907	1,215,908

The capital expenditure projects outstanding at the end of the current reporting period represents the installation of Jetties at Lot 72 Marlin Terrace, improvements at Ningaloo Centre offices and Ningaloo Centre Solar panel project.

Plant and equipment purchases include 4 vehicles as part of the plant replacement program.

SIGNIFICANT ACCOUNTING POLICIES

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower of the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leases (Continued)

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

22. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
President			
President's annual allowance	36,957	30,000	29,566
Meeting attendance fees	25,342	20,500	20,277
ICT expenses	636	667	827
Travel and accommodation expenses	3,766	10,000	1,708
	66,701	61,167	52,378
Deputy President			
Deputy President's annual allowance	9,239	7,500	7,391
Meeting attendance fees	13,094	13,000	13,095
ICT expenses	636	666	827
Travel and accommodation expenses	0	0	1,241
	22,969	21,166	22,554
Councillor 3			
Meeting attendance fees	13,094	13,000	13,095
Annual allowance for ICT expenses	600	667	600
	13,694	13,667	13,695
Councillor 4			
Meeting attendance fees	13,094	13,000	13,095
Annual allowance for ICT expenses	600	667	600
	13,694	13,667	13,695
Councillor 5			
Meeting attendance fees	13,094	13,000	13,095
Annual allowance for ICT expenses	600	666	600
	13,694	13,666	13,695
Councillor 6			
Meeting attendance fees	13,094	13,000	13,095
ICT expenses	636	667	827
Travel and accommodation expenses	0	0	1,236
	13,730	13,667	15,158
	144,483	137,000	131,175
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	36,957	30,000	29,566
Deputy President's allowance	9,239	7,500	7,391
Meeting attendance fees	90,812	86,000	85,752
ICT expenses	1,909	2,000	2,481
Annual allowance for ICT expenses	1,800	2,000	1,800
Travel and accommodation expenses	3,766	10,000	4,185
	144,483	137,500	131,175

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23. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021	2020
	Actual	Actual
	\$	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	634,327	733,277
Post-employment benefits	105,131	100,014
Other long-term benefits	12,864	14,165
Termination benefits	5,475	32,136
	<u>757,797</u>	<u>879,592</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

23. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:	2021 Actual	2020 Actual
	\$	\$
Amounts payable to related parties:		
Trade and other payables	130,596	24,516

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

24. MAJOR LAND TRANSACTIONS

(a) Details

A Feasibility Study was undertaken during 2013/14 to ascertain if land proposed for a possible subdivision in Heron Way Exmouth would be a viable business activity for Council. Based on the findings of the study, Council initiated the acquisition of land during 2014/15 for special rural residential sub-division comprising of 11 Lots of varying sizes, with the first sale of this subdivision received in 2015/16. As at 30 June 2021, all lots have been sold. No further development costs are anticipated to be spent on this project, which was funded from municipal funds.

(b) Current year transactions	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Other revenue			
- Sale proceeds	1,359,091	0	454,544
Other expenditure			
- Cost of goods sold	(964,175)	0	(321,992)
	394,916	0	132,552

The above operating revenue for the proceeds of land held for resale is reflected in other revenue and operating expenditure for the cost of the disposed land held for resale is reflected in other expenditure.

(d) Assets and liabilities

Land held for resale included within Note 7	2021	2020
	\$	\$
Current Inventory		
Land held for resale - cost	0	964,175
	0	964,175

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25. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Learmonth Airport is the general aviation and regular transport for the Shire of Exmouth. It is the main regional base for aircraft charter operations and private flying in Exmouth.

The Shire is responsible for operating the civil terminal, apron and taxiway; the RAAF are responsible for maintaining the other civil facilities used for civil aviation to comply with defence legislations and regulations.

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Operating Revenue			
Operating grants, subsidies and contributions	79,370	0	0
Fees and charges	4,221,271	3,618,000	3,778,387
Other revenue	2,814	0	0
	4,303,455	3,618,000	3,778,387
Operating Expenditure			
Employee costs	(1,160,177)	(946,000)	(1,404,012)
Materials and contracts	(571,940)	(1,019,500)	(803,301)
Utility charges	(90,804)	(116,000)	(146,611)
Depreciation on non-current assets	(414,004)	(338,500)	(336,556)
Interest expenses	(5,714)	0	0
Insurance expenses	(58,443)	(56,000)	(56,029)
Other expenditure	(21,490)	(500)	(269,352)
	(2,322,572)	(2,476,500)	(3,015,861)
Operating Surplus/(Deficit)	1,980,883	1,141,500	762,526
Capital Revenue			
Non operating grants and contributions	183,112	20,000	255,000
	183,112	20,000	255,000
Capital Expenditure			
Land and buildings	(19,356)	(10,000)	(19,234)
Plant and equipment	0	0	(302,626)
Infrastructure - other	0	0	(177,385)
Transfer to/from reserve	(6,105)	(5,000)	78,020
	(25,461)	(15,000)	(421,225)
Total Net Result	2,138,534	1,146,500	596,301

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26. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
General	0.0751	1,178	29,001,657	2,178,024	24,035	(2,630)	2,199,429	2,182,000	5,000	1,000	2,188,000	2,182,809
Marina Developed	0.1013	99	3,569,987	361,640	6,252	169	368,061	367,000	0	0	367,000	363,978
Holiday Homes	0.1041	83	2,101,320	218,748	2,281	0	221,029	207,000	0	0	207,000	203,175
Vacant Land	0.1501	232	2,383,884	357,821	4,061	0	361,882	358,000	0	0	358,000	356,709
Unimproved valuations												
Mining	0.1599	12	359,652	57,508	(544)	(3,268)	53,696	58,000	1,000	1,000	60,000	56,054
Rural	0.08	6	648,420	51,873	(4,344)	0	47,529	53,000	0	0	53,000	40,718
Sub-Total		1,610	38,064,920	3,225,614	31,741	(5,729)	3,251,626	3,225,000	6,000	2,000	3,233,000	3,203,443
Minimum payment												
Gross rental valuations												
General	930	84	842,002	78,120	0	0	78,120	78,000	0	0	78,000	78,855
Marina Developed	930	1	0	930	0	0	930	1,000	0	0	1,000	1,665
Holiday Homes	930	0	0	0	0	0	0	0	0	0	0	0
Vacant Land	735	146	483,700	107,310	0	0	107,310	107,000	0	0	107,000	105,690
Unimproved valuations												
Mining	230	10	8,426	2,300	0	0	2,300	2,000	0	0	2,000	2,760
Rural	735	1	5,800	735	0	0	735	1,000	0	0	1,000	735
Sub-Total		242	1,339,928	189,395	0	0	189,395	189,000	0	0	189,000	189,705
Total amount raised from general rate							3,441,021	3,414,000	6,000	2,000	3,422,000	3,393,148
Specified Area Rate (Note 26(b))							48,949				48,000	48,140
Write off							(222)				0	0
Totals			1,852	39,404,848	3,415,009	31,741	(5,729)	3,489,748			3,470,000	3,441,288

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

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26. RATING INFORMATION (Continued)

(b) Specified Area Rate

Specified Area Rate	Basis of Valuation	Rate in \$	2020/21 Rateable Value	2020/21 Rate Revenue	2020/21 Interim Rate Revenue	2020/21 Back Rate Revenue	2020/21 Total Specified Area Rate Revenue	2020/21 Budget Rate Revenue	2020/21 Budget Back Rate Revenue	2020/21 Budget Interim Rate Revenue	2020/21 Total Budget Revenue	2019/20 Total Actual Revenue
Marina Specified Area Rate	GRV Marina	0.1339	\$ 3,621,207	\$ 48,554	\$ 395	\$ 0	\$ 48,949	\$ 48,000	\$ 0	\$ 0	\$ 48,000	\$ 48,140
			3,621,207	48,554	395	0	48,949	48,000	0	0	48,000	48,140
Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	2020/21 Actual Rate Applied to Costs	2020/21 Actual Rate Set Aside to Reserve	2020/21 Actual Reserve Applied to Costs	2020/21 Budget Rate Applied to Costs	2020/21 Budget Rate Set Aside to Reserve	2020/21 Budget Reserve Applied to Costs				
Marina Specified Area Rate	The proceeds of the rate on applied in full on the environmental monitoring and maintenance of the canal waterway, dredging and entrance channel navigation including both onshore and offshore, cost of clearing the sand traps, maintaining the main breakwaters including all breakwaters and groynes surrounding and protecting the Outer Harbour and other preservation works in accordance with the Exmouth Marina Village agreement between Minister for Transport, Landcorp & Shire of Exmouth	Properties zoned Marina and Marina Canals	\$ 0	\$ 48,949	\$ 0	\$ 0	\$ 48,000	\$ 0				
			0	48,949	0	0	48,000	0				

26. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	3/09/2020	0.00	0.00%	8.00%
Option Two				
First instalment	3/09/2020	0.00	0.00%	8.00%
Second instalment	15/11/2020	0.00	0.00%	8.00%
Option Three				
First instalment	3/09/2020	0.00	0.00%	8.00%
Second instalment	15/11/2020	0.00	0.00%	8.00%
Third instalment	21/01/2021	0.00	0.00%	8.00%
Fourth instalment	1/04/2021	0.00	0.00%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	25,925	17,000	46,978
Interest on instalment plan	0	0	16,484
Charges on instalment plan	0	0	15,841
Interest on deferred rates	0	0	772
	25,925	17,000	80,075

27. RATE SETTING STATEMENT INFORMATION

	2020/21 (30 June 2021 Carried Forward)	2020/21 Budget (30 June 2021 Carried Forward)	2019/20 (30 June 2020 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(a) 0	0	(6,181)
Less: Fair value adjustments to financial assets at fair value through profit and loss	(3,878)	0	(106,832)
Movement in pensioner deferred rates (non-current)	(3,180)	0	(4,865)
Movement in employee benefit provisions (non-current)	68,745	0	(176,456)
Movement in lease liabilities (non-current)	134,745	0	0
Movement of inventory (non-current)	964,175	0	321,392
Add: Loss on disposal of assets	10(a) 16,000	0	40,828
Add: Depreciation on non-current assets	10(b) 3,729,681	3,607,000	3,744,270
Non cash amounts excluded from operating activities	4,906,288	3,607,000	3,812,156
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserves - cash backed	4 (10,618,672)	(7,650,886)	(9,009,299)
Less: Community Loans	(16,700)	0	(22,700)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	16(a) 290,666	240,000	231,702
- Current portion of contract liability held in reserve	409,363	0	217,000
- Current portion of lease liabilities	134,745	0	148,937
- Employee benefit provisions	712,559	958,000	770,177
Total adjustments to net current assets	(9,088,039)	(6,452,886)	(7,664,183)
Net current assets used in the Rate Setting Statement			
Total current assets	15,185,685	9,687,318	13,562,015
Less: Total current liabilities	(4,709,095)	(3,187,000)	(3,206,552)
Less: Total adjustments to net current assets	(9,088,039)	(6,452,886)	(7,664,183)
Net current assets used in the Rate Setting Statement	1,388,551	47,432	2,691,280

28. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.34%	12,640,020	7,021,340	5,618,680	0
Financial assets at amortised cost - term deposits		0	0		
2020					
Cash and cash equivalents	0.96%	12,209,277	12,209,277	0	0
Financial assets at amortised cost		0	0		

Sensitivity

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

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	126,400	122,093

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 16(b).

28. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	17,151	86,024	47,277	84,050	234,502
Loss allowance	0	0	0	0	0
29 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	351,292	102,834	41,641	15,038	510,805
Loss allowance	0	0	0	0	0

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	5.50%	12.15%	30.43%	40.92%	
Gross carrying amount	1,135,862	303,740	14,387	149,843	1,603,832
Loss allowance	62,477	36,897	4,378	61,320	165,072
29 June 2020					
Trade and other receivables					
Expected credit loss	0.58%	1.23%	1.54%	6.82%	
Gross carrying amount	610,541	41,571	457	82,510	735,079
Loss allowance	3,517	510	7	5,626	9,660

28. 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(d).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2021</u>					
Payables	3,137,428	0	0	3,137,428	3,137,428
Borrowings	290,666	1,132,346	660,609	2,083,621	2,083,621
Contract liabilities	409,363	0	0	409,363	409,363
Lease liabilities	134,745	6,122	0	140,867	140,867
	3,972,202	1,138,468	660,609	5,771,279	5,771,279
<u>2020</u>					
Payables	1,838,736	0	0	1,838,736	1,838,736
Borrowings	231,702	925,792	617,829	1,775,323	1,775,323
Contract liabilities	217,000	0	0	217,000	217,000
Lease liabilities	148,937	140,867	0	289,804	289,804
	2,436,375	1,066,659	617,829	4,120,863	4,120,863

29. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 1059 Service Concession Arrangements: Grantors

Service concessions assets are those assets where a third-party operator conducts assets for the Shire, upgrades existing assets of the Shire or uses existing assets of the Shire to operate and maintain the assets to provide public service, for a specified period of time. Where, in these circumstances, the third party operator provides a public service on behalf of the Shire and is deemed to manage at least some of the services under its own discretion, the assets are classified as service concession assets. Newly constructed or upgraded assets are measured at current replacement cost in accordance with the cost approach to fair value in AASB 13 *Fair Value Measurement*. In the case of existing assets, these are reclassified and treated in the same manner with any difference at the date of reclassification between the carrying amount of the assets and their fair value (current replacement cost) being treated as if it is a revaluation of the asset.

The Shire assessed the impacts of AASB 1059 Service Concession Arrangements and determined the the Shire does not hold any such arrangements.

30. TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
BCITF	6,839	43,344	(50,183)	0
BSL Levy	1,411	41,445	(42,856)	0
Cash in Lieu POS	212,474	29	(40,647)	171,856
Bond Deed Exmouth Marina Holdings	18,186	0	0	18,186
Exmouth Volunteer Fire & Rescue	50,828	0	0	50,828
	<u>289,738</u>	<u>84,818</u>	<u>(133,686)</u>	<u>240,870</u>

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31. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

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32. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE</p> <p>To provide a decision making process for the efficient allocation of resources.</p>	<p>Includes the activities of members of council and the administrative support available to the council for the provision of governance for the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.</p>
<p>GENERAL PURPOSE FUNDING</p> <p>To collect revenue to allow for the provision of services.</p>	<p>The collection of rate revenue and the maintenance of valuation and rating records to support the collection process. General purpose government grant and interest revenue.</p>
<p>LAW, ORDER, PUBLIC SAFETY</p> <p>To provide services to help ensure a safer and environmentally conscious community.</p>	<p>The provision of bushfire control services, animal control and support for emergency services, as well as the maintenance and enforcement of local laws.</p>
<p>HEALTH</p> <p>To provide an operational framework for environmental and community health.</p>	<p>Maternal and infant health, preventative services and environmental health.</p>
<p>EDUCATION AND WELFARE</p> <p>To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>Maintenance of playgroup and senior citizens buildings.</p>
<p>HOUSING</p> <p>To provide housing to staff members.</p>	<p>Administration and operation of residential housing for council staff.</p>
<p>COMMUNITY AMENITIES</p> <p>To provide services required by the community.</p>	<p>Maintenance of rubbish service to residents and maintenance of sanitary landfill sites. Town planning and regional development, maintenance of cemeteries and other community amenities.</p>
<p>RECREATION AND CULTURE</p> <p>To establish and effectively manage infrastructure and resources which will help the social well being of the community.</p>	<p>Maintenance of public halls, centres, swimming pool, beaches, recreation centre and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of Ningaloo Centre, library and radio re-broadcasting facilities.</p>
<p>TRANSPORT</p> <p>To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, streets, footpaths, depot, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc. Administration and operation of airport and aerodrome.</p>
<p>ECONOMIC SERVICES</p> <p>The promotion of the district to increase economic activities and the provision of building control within the shire.</p>	<p>Tourism, visitor centre, area promotion and building control.</p>
<p>OTHER PROPERTY AND SERVICES</p> <p>To monitor and control Council's overheads operating accounts</p>	<p>The provision of private works to the public and the maintenance cost pool for plant operating, public works overheads and administration costs.</p>

33. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.41	1.89	2.50
Asset consumption ratio	0.69	0.70	0.71
Asset renewal funding ratio	0.88	0.77	0.30
Asset sustainability ratio	0.86	0.43	0.77
Debt service cover ratio	10.98	5.01	9.78
Operating surplus ratio	(0.05)	(0.24)	(0.13)
Own source revenue coverage ratio	0.76	0.67	0.75

The above ratios are calculated as follows:

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