



ANNUAL REPORT

2021-2022



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.**

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ADOPTED 15/12/2022 - COUNCIL RESOLUTION 16-1222

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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 3,074 people (Census 2021) 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).



3,074
PEOPLE LIVING IN THE SHIRE OF EXMOUTH



775
FAMILIES LIVING IN EXMOUTH



37
IS THE MEDIAN AGE



28.4%
RESIDENTS WERE BORN OVERSEAS



1,681
ELIGIBLE VOTERS 18+



24.3%
OF EXMOUTH'S POPULATION ARE VOLUNTEERS



2,568
DWELLINGS



\$850,000
MEDIAN HOUSING VALUE



\$1,983
MEDIAN WEEKLY HOUSEHOLD INCOME

MESSAGE FROM THE SHIRE PRESIDENT

It's a great pleasure to present Council's 2021-22 Annual Report to the Exmouth community as your Shire President. This document outlines the organisation's successes, challenges, and strategic direction over the past 12 months.

The Shire's Executive Management and their staff have been working closely with the community to manage the pressures arising from the changing demographics and increasing number of visitors while preparing for the busy financial year ahead with the Ningaloo Eclipse in April 2023.

Council and I are aware of how difficult times have been for our residents, ratepayers, and hardworking local businesses. And we have been working to address and clarify incoming enquiries and suggestions - supporting our community through this challenging period.

We've been privileged to witness the remarkable resilience, courage, and innovation of Exmouth's community and the Shire as an organisation, despite the staff shortages we have experienced and have felt across Western Australia.



However, let's not forget the amazing successes we've celebrated, with Exmouth being on top of mind for all Australians. We have a lot to be proud of, and I'm confident that with our continued hard work, we will be able to continue to build on our successes and create a better future for our community.

Cr Darlene Allston

Shire President



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 2021-22 reporting year has been extraordinary for the Shire of Exmouth, marked by substantial changes in personnel and a great need to adapt to a turbulent economic and social climate.

As Chief Executive Officer of this organisation, I am extremely proud of the professional, dedicated and resilient workforce that rose to the challenge of these trying times. We pride ourselves on our commitment to delivering projects that reflect the priorities of the Exmouth community as outlined in the Strategic Community Plan: Exmouth 2030, while also responding to the ongoing effects of the global COVID-19 pandemic.

The Shire of Exmouth, supported by various funding partners, has done an incredible job of investing in the upgrading of Exmouth's facilities and progressing works on capital works projects. We have also been very vocal in advocating for suitable accommodation solutions with the State Government. In addition, the Shire has supported eligible community and sporting groups and not-for-profit organisations in 2021-22 with a total of \$51,896 in grants and donations to help keep these organisations delivering great projects for our community.

We at the Shire of Exmouth understand the importance of investing in our community and are committed to continuing to do so in the years to come. We are proud of our team and what they have achieved in the last reporting year, and we look forward to many more successes to come in 2022-2023.

Ben Lewis

Chief Executive Officer

YOUR COUNCIL

The Shire of Exmouth is governed by the Local Government Act 1995 and its associated Regulations. Elected members represent the community and make decisions on Council matters and policy, while the Chief Executive Officer manages the operations.

Ordinary Council meetings are held on the third Thursday of each month at 4.00 p.m. at the Ningaloo Centre, and members of the public are welcome to attend. Councillors and Executive Staff must

also attend Agenda Briefings on the third Tuesday and Strategic Briefings on the second Tuesday of each month. Additionally, Councillors are expected to attend 2-3 extensive budget workshops prior to adopting the Annual Budget.

We invite you to join us at the Council meetings to keep up to date with the decision-making process and to have your say on community issues.

During the year, the Shire President(s) and Councillors attended a variety of committee meetings of Council and Council Advisory Group meetings that are not listed in the Elected Members Attendance table.

For their service, Council Members receive fees and allowances for attending these meetings. We are pleased to report that there have been no complaints against Councillors during 2021/22.

ELECTED MEMBERS ATTENDANCE

SHIRE PRESIDENT
TERM EXPIRES OCT 21



SHIRE PRESIDENT
TERM EXPIRES OCT23



DATE OF MEETING	TYPE OF MEETING	Cr Niikkula	Cr Mounsey	Cr Dixon	Cr Lake	Cr Lucas	Cr McCarrol	Cr Allston	Cr Brooks	Cr Gillespie
22/07/2022	OCM	Attended	Attended	Attended	Attended	Apology	Attended			
26/08/2022	OCM	Attended	Attended	Attended	Attended	Attended	Attended			
23/09/2022	OCM	Attended	Leave	Attended	Attended	Attended	Attended			
19/10/2022	SCM				Attended	Attended	Attended	Attended	Attended	Attended
28/10/2022	OCM				Attended	Attended	Attended	Attended	Attended	Attended
25/11/2022	OCM				Attended	Attended	Attended	Attended	Attended	Attended
16/12/2022	OCM				Attended	Attended	Attended	Attended	Attended	Attended
24/02/2022	OCM				Attended	Attended	Resigned 12/04/2022	Attended	Attended	Attended
24/03/2022	OCM				Attended	Attended		Attended	Attended	Attended
28/04/2022	OCM				Attended	Attended		Attended	Attended	Attended
26/05/2022	OCM				Attended	Leave		Attended	Attended	Attended
22/06/2022	OCM				Attended	Apology		Attended	Attended	Attended

OCM ORDINARY COUNCIL MEETING
SCM SPECIAL COUNCIL MEETING

ELECTED MEMBERS FEES & ALLOWANCES REGISTER

	Cr Niikkula	Cr Mounsey	Cr Dixon	Cr Lake	Cr Lucas	Cr McCarrol	Cr Allston	Cr Brooks	Cr Gillespie
ANNUAL ATTENDANCE FEE	\$ 7,362.90	\$ 3,807.65	\$ 3,807.65	\$ 13,046.80	\$ 13,046.80	\$ 10,224.20	\$ 17,653.99	\$ 9,159.02	\$ 9,159.02
SHIRE PRESIDENT ALLOWANCE	\$ 10,759.80						\$ 25,990.62		
DEPUTY SHIRE PRESIDENT ALLOWANCE			\$ 2,679.61					\$ 6,384.41	
IT ALLOWANCE		\$174.66		\$ 600.00	\$ 600.00				
TOTAL	\$ 18,122.70	\$ 6,487.26	\$ 3,982.31	\$ 13,646.80	\$13,646.80	\$ 10,224.20	\$ 43,644.61	\$ 15,543.43	\$ 9,159.02

ELECTED MEMBERS TRAINING REGISTER

The Shire of Exmouth is committed to the continuing professional development of its Elected Members, providing them with the necessary skills and knowledge to perform their roles as leaders in their community.

In accordance with section 5.126 of the Local Government Act 1995, all Elected Members, with the exception of those who commenced their term before the 2019 election, must complete the five modules of the mandatory training

course Council Member Essentials within twelve months of being elected.

To ensure that the Shire fulfills its obligation to report annually on who has completed the mandatory training in the past financial year, please refer to the register provided below.

ELECTED MEMBER TRAINING FOR THE PERIOD ENDING 30 JUNE 2022

	TRAINING	COMPLETED
CR ALLSTON	• Roles of Mayors & Presidents	24/11/2021
	• Conflict of Interest	10/02/2022
	• Understanding of Local Government	10/02/2022
	• Meeting Procedures	11/02/2022
	• CEO Performance Appraisal	02/06/2022
CR BROOKS	• Roles of Mayors & Presidents	24/11/2021
	• Conflict of Interest	10/02/2022
	• Understanding of Local Government	10/02/2022
	• Meeting Procedures	11/02/2022
CR GILLESPIE	• Conflict of Interest	10/02/2022
	• Understanding of Local Government	10/02/2022
	• Meeting Procedures	11/02/2022
	• CEO Performance Appraisal	02/06/2022
CR LAKE	• CEO Performance Appraisal	02/06/2022

STRATEGIC COMMUNITY PLAN: EXMOUTH 2030

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

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.

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



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

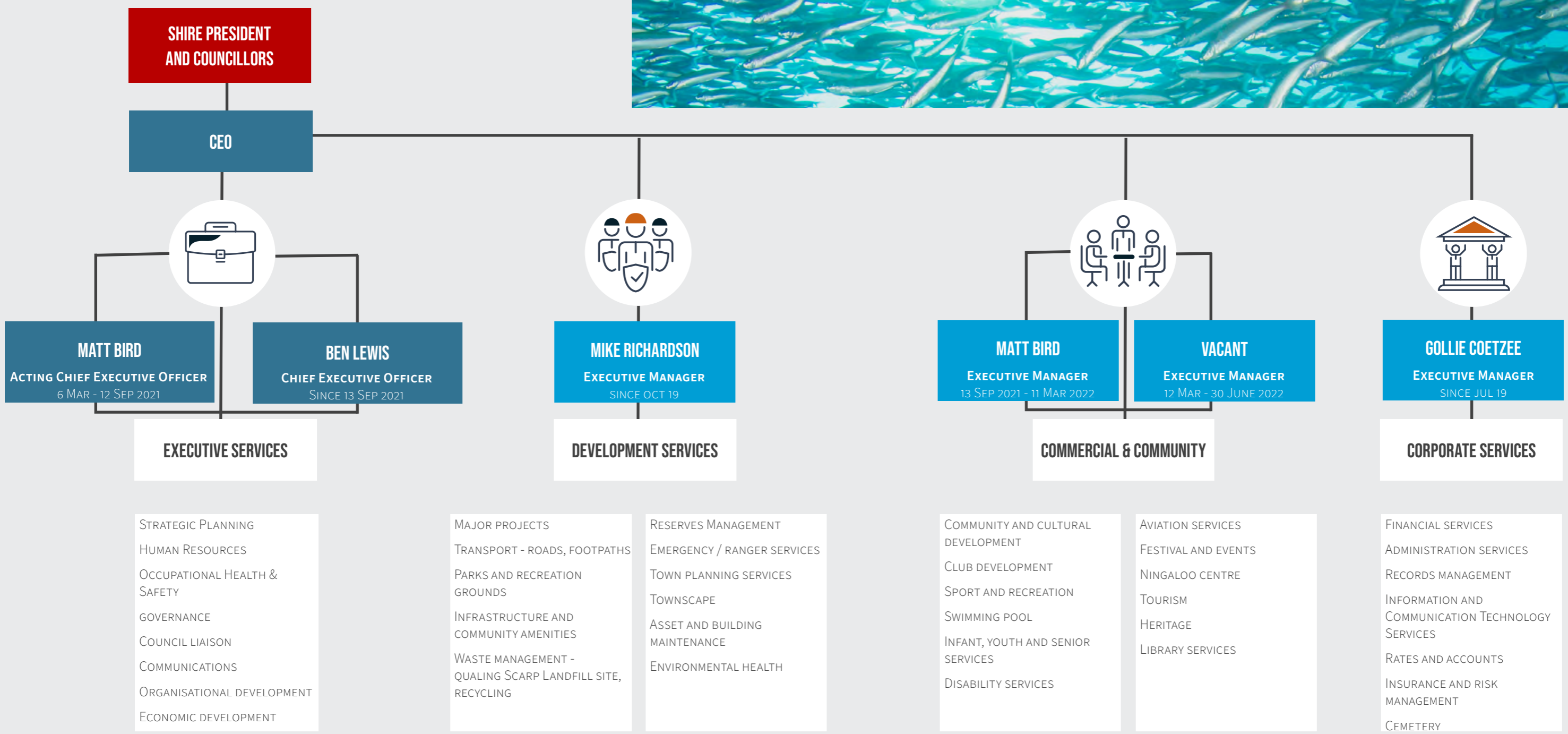
To be a vibrant, passionate and safe community valuing our natural environment and unique heritage.



LEADERSHIP

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

SERVICE DELIVERY STRUCTURE



The Shire of Exmouth was structured around four directorates during the 2021/22 financial year.



LOCAL EMPLOYMENT OPPORTUNITIES

Every year, the Shire provides countless jobs and opportunities through the projects and contracts it facilitates, and 2021/22 was an exciting financial year for the Shire, with a flurry of activity within Human Resources.

The Shire of Exmouth, ever eager to support their community, took the opportunity to invest in their local workforce and businesses, creating countless jobs and opportunities for residents and businesses alike. Recruitment was a significant focus for the organisation, with full-time, part-time and casual employment opportunities available to the local workforce.

Not only that, but the Shire also offered apprenticeship and training opportunities to those eager to learn.

In addition to the ongoing recruitment efforts, the HR team will be actively involved in the Enterprise Agreement negotiation, with the current agreement set to expire in April of 2023.

37 NEW STARTERS
RESIGNATIONS **35**

EMPLOYEE REMUNERATION & ALLOWANCES

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

	2016	2017	2018	2019	2020	2021	2022
130,000 - 139,999	2	2	1	1	-	1	-
140,000 - 149,999	-	-	-	-	-	-	2
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	-	-	-	-	-	-	1
200,000 - 209,999	-	-	-	-	-	-	-
210,000 - 219,999	-	-	-	-	1	-	-
TOTAL	3	4	3	3	1	2	3

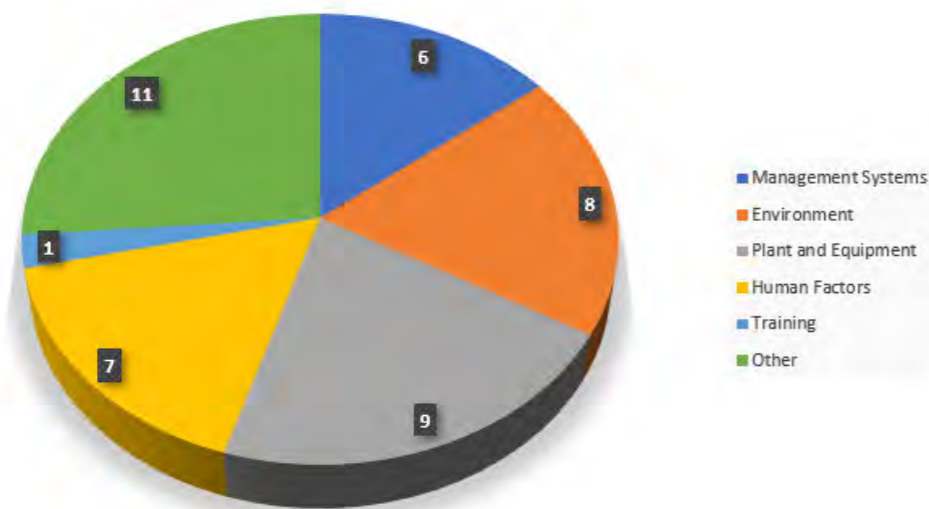
“ THE WORKFORCE AT THE SHIRE OF EXMOUTH IS A DIVERSE TEAM AND ITS MEMBERS ARE PASSIONATE ABOUT OUR COMMUNITY.”

WORKPLACE HEALTH & SAFETY

INCIDENT TYPE UNTIL JUN 2022

	INJURY	ENVIRONMENTAL HARM	PROPERTY DAMAGE	EQUIPMENT FAILURE	NON COMPLIANCE	SECURITY	OTHER	TOTAL
JUL 21	2	0	2	1	0	0	0	5
AUG 21	1	0	0	0	0	0	0	1
SEP 21	4	0	4	1	0	0	0	9
OCT 21	2	0	3	1	0	0	0	6
NOV 21	0	0	1	0	0	0	0	1
DEC 21	1	0	0	0	0	0	0	1
JAN 22	1	0	1	0	0	0	0	2
FEB 22	0	0	0	0	0	0	0	0
MAR 22	1	0	1	1	0	0	0	2
APR 22	0	0	1	1	0	0	0	2
MAY 22	0	0	2	0	0	1	0	3
JUN 22	0	1	0	0	0	0	0	1
TOTAL	12	1	15	4	0	2	0	34

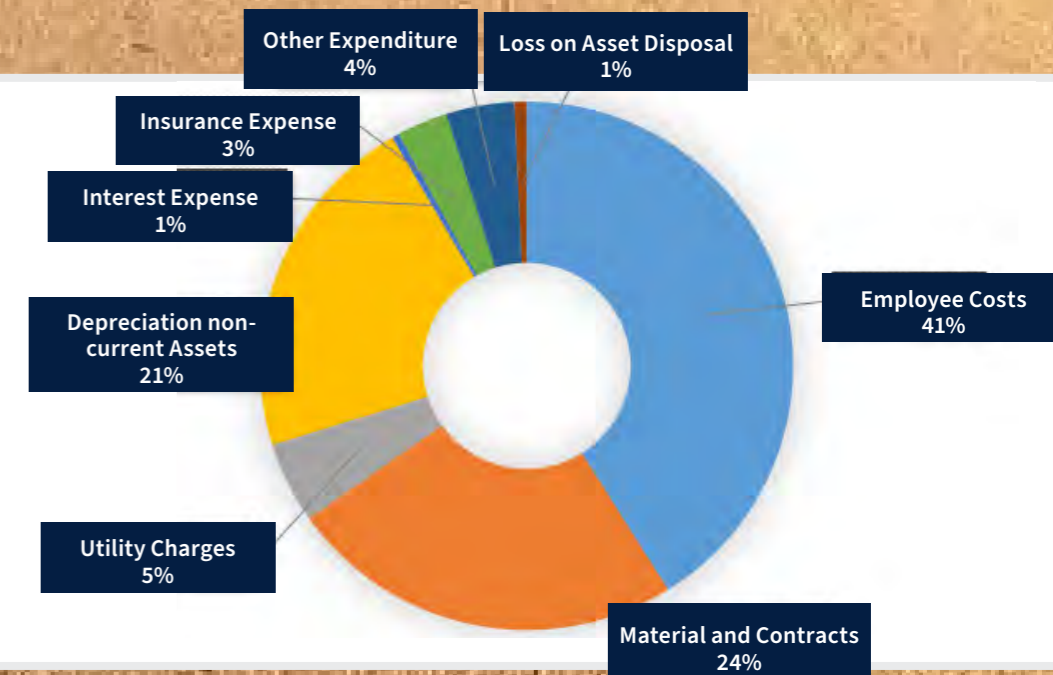
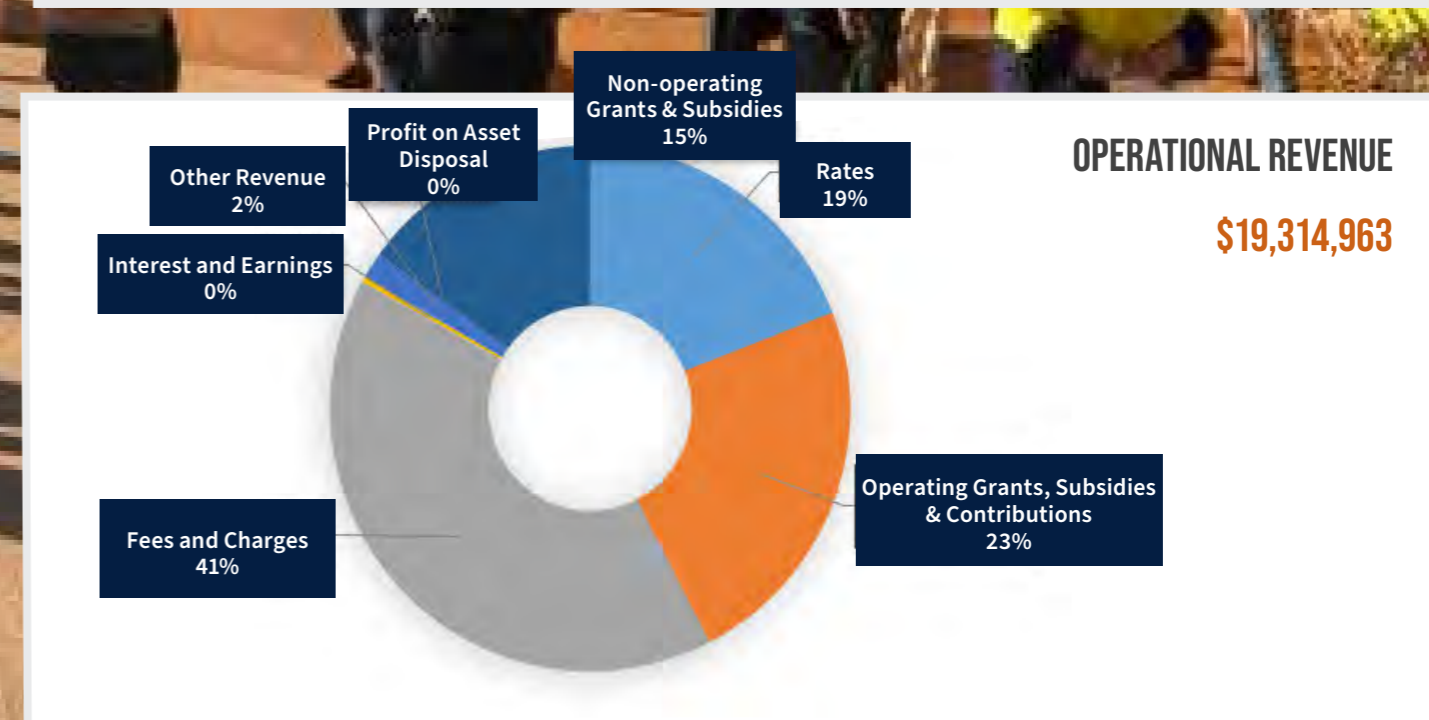
CONTRIBUTING FACTORS



FINANCIAL REPORT REVIEW 2021/2022

Viewing the Shire's financial performance over time, excluding capital expenditure, is key to understanding it. Regular reports to Council on the Shire's budgetary control have earned unmodified audit reports, reflecting revenues from rates and other income such as fees and charges.

Expenses are incurred in providing a wide range of services including the Exmouth Library, Paltridge Memorial Swimming Pool, Spray Park, roads, buildings and parks maintenance, environmental, and Ranger Services.





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.

HIGHLIGHTS 2021/2022

EXECUTIVE SERVICES

HUMAN RESOURCES

The major constraint to achieving operational targets in 2021/2022 has been the ability to attract and retain staff which has been an issue experienced by most employers nationwide.

STAFF TRAINING CONTINUED

The investment in our staff training and induction programs will ensure that the Shire workforce is compliant, knowledgeable and up to date with the latest industry standards.

35 RESIGNATIONS **37** NEW STARTERS



CITIZENSHIP CEREMONY

GOVERNANCE

- 4** CITIZENSHIP CEREMONIES
18 Conferees
- 11** ORDINARY COUNCIL MEETINGS
- 1** SPECIAL COUNCIL MEETINGS

REGISTER OF COMPLAINTS - 0

COMMUNICATIONS

- 28** MEDIA RELEASES
- 26** PUBLIC NOTICES
- 932** SOCIAL MEDIA POSTS
- 63** NEWSLETTER

DEVELOPMENT SERVICES

ENGINEERING / PARKS & GARDENS

- 22 kms of bitumen reseal was completed on Yardie Creek Rd from Murat Rd intersection to just south of Tatabiddi boat ramp turnoff - capital expenditure \$891,000
- Warne St dual use path linking Murat Rd to Town Beach 620 metres - capital expenditure \$170,000
- New pathway on Stokes -Hughes Dr linking retirement village to the hospital 110 metre - capital expenditure \$30,000
- New pedestrian bridge over Murat Rd floodway - capital expenditure \$50,000
- Stage1ATownBeachUpgrade - new concrete hardstands and lighting - capital expenditure \$692,219

WASTE MANAGEMENT

- Purchase and implementation of a new transaction and data collection software system for Qualing Scarp Landfill - capital expenditure \$33,000
- Qualing Scarp Landfill fencing preparations - capital expenditure \$10,000
- Construction of new evaporation pond at Qualing Scarp Landfill - capital expenditure \$185,000
- Purchase of waste baler for Bring It Centre - capital expenditure \$25,000
- Construction of baler shed for Bring It Centre

TOWN PLANNING & BUILDING

- 125 Development Applications received.
- 188 Building permit applications received.
- Progressed a number of planning items to cater for and facilitate the upcoming 20 April 2023 Ningaloo Eclipse event. This included amendments to the local planning scheme to identify sites for temporary camping and activation for and around the event, along with a local planning policy for a streamlined registration process for owners who want to have temporary campers or rent their house for short term accommodation over this period.
- Progress a number of amendments to the local planning scheme, including the Kaillis site to create a unique 'fishing village' tourist facility, and the first omnibus scheme amendment.
- Working closely with Horizon Power to shape Exmouth's future energy solution, with the aim of moving towards 80 percent renewable energy by 2024, which is to consist of solar, additional batteries and potentially wind generation. A site has been identified at the end of Welch Street.
- Working with State Government and Development WA fore new residential land releases and identify sites for workers accommodation.
- Preparation of a Coastal Hazard Risk Management and Adaption Plan (CHMAP) for the Town Beach area between the golf course and Mortiss Street subdivision, to put a framework in place to help protect our coastline into the future.

ENVIRONMENTAL HEALTH

QUICK FACTS

- 521 Water Samples completed from Drinking Water and Aquatic Facilities
- 21 Temporary Food Stall Approvals Issued
- 12 Event Approvals Issued
- 3 New Food Businesses
- 43 Food Premise Inspections
- 15 Lodging House Inspections
- 13 Aquatic Facilities Inspections
- 13 Miscellaneous - Caravan Parks, Public Buildings and Outdoor Eating Areas



- In October 2021 the Shire initiated the Fight the Bite Backyard Fixathon, 52 inspections were completed, 23 properties were identified as requiring works, of those 23, 7 arranged for works to be completed.
- Commencing in September 2021 Foodie Fodder was developed as a way to communicate and assist food businesses with keeping up to date with food safety. Reporting on the good, bad and ugly the key topics are establishing a food safety culture, legislative changes or clarification, food safety tips and food business resources. An average of 29 recipients of 63 open the newsletter, the aim for future issues is to increase the interactivity of the posts and expand into further environmental health related topics



COMMERCIAL AND COMMUNITY

NINGALOO AQUARIUM & DISCOVERY CENTRE

30,794 VISITORS

4 TURTLES REHABILITATED AND RELEASED



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

NINGALOO VISITOR CENTRE

VISITOR SERVICING

-The Ningaloo Visitor Centre assisted over 100,000 visitors through the doors of Ningaloo Centre in 2021/2022

-The Overflow Campground was activated for 6 months to better meet the demand when commercial businesses reached capacity

-Merchandise Sales recorded turnover exceeding \$600,000

TANTABIDDI TRAVELLING GALLERY

The Tantabiddi Travelling Gallery hosted various exhibitions over the Financial Year.

- ArtQuest

- Jess Hadden and Sadie James: Ningaloo Stories

- Playing the Man: Art on the Move

- Tiffany Clitheroe and Hendrik Heuschkel: Beyond the Surface- the space between worlds

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:

- 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

16 COMMUNITY & SPORTING GRANTS AWARDED TO 6 ORGANISATIONS
\$22,056

6 MAJOR EVENT SPONSORSHIPS AWARDED
\$24,890

11 DONATIONS AWARDED TO ELEVEN ORGANISATIONS
\$4,950

- Gascoyne Games hosted with 12 Sports | 50 teams | 80 volunteers/officials | 550 participants | 650 spectators

- 8 Sports learning and development opportunities were held as part of the games and in had a total of 409 attendees

LIBRARY

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

26,865 LIBRARY VISITORS

1,852 ACTIVE MEMBERS

268 NEW MEMBERS 2019/2020

10,514 ITEMS LOANED

5,062 ELECTRONIC RESOURCES LOANED

1,491 PEOPLE PARTICIPATING IN LIBRARY EVENTS

EVENTS

- Vietnam Veterans Day
- Children's Week
- Mental Health Week
- Seniors Week
- Remembrance Day
- Christmas Light Competition - EXMAS 2021
- Christmas Decals and Christmas Tree Ningaloo Centre
- Australia Day at the Pool
- Citizenship Ceremony at Australia Day
- Taste of Harmony
- ANZAC Day
- Community Volunteer & Sport Awards
- Exmouth Healthy lifestyle Expo 2022

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/



STORYTIME AT THE LIBRARY



SENIORS AT THE EXMOUTH PUBLIC LIBRARY



COMMUNITY VOLUNTEER & SPORTING AWARDS



SADIE JAMES AT KIDS BOOK WEEK



PALTRIDGE MEMORIAL SWIMMING POOL



GASCOYNE GAMES WITH OLYMPIC NAT BURTON



EXMOUTH BIRTHDAY CELEBRATIONS



'BETTER BEGINNINGS' SING WITH ME PROGRAM (BACKPACK)

STATUTORY REPORTING

DISABILITY ACCESS & INCLUSION PLAN (DAIP)

On 26 May 2022, Shire of Exmouth council endorsed the 2022-2027 Universal Access and Inclusion Plan.

During the review period we consulted with people with diverse abilities, carers and service providers, as well those with temporary injuries, the aging community, people with prams, and those who speak English as a second language.

This next plan will focus on Universal Access for all abilities. The feedback from the consultation has been streamlined into themes around which specific strategies

will be developed.

The 7 objectives outlined in the plan are set by the WA Disability Services Act (1993) and include goals in the following areas:

Events and services, buildings and facilities, information, quality of services, feedback and complaints, Public consultation and employment.

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 2021/22 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 2021-22.

NATIONAL COMPETITION POLICY

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

The National Competition Policy itself concluded in 2005/06 and has been succeeded by Australia's National Reform Agenda, which is an addition to, and continuation of, the 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, application and effects of Competition Policy.

Competition Policy does not require contracting out or competitive tendering.

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

It 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 that 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.

MOVING FORWARD

The Ningaloo Eclipse is coming to the Shire and preparations are in full swing. The once-in-a-lifetime event is set to take place on 20 April 2023, and the team at the Shire is getting ready for the event. From creating a plan to ensure the safety of visitors to organizing accommodations and activities. They are also working with other stakeholders to ensure that the economic and social benefits of the event are maximized.



FINANCIAL REPORT

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

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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 2022**

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

Signed on the 13 day of December 2022



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 2022

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Revenue				
Rates	24(a),2(a)	3,681,391	3,679,000	3,489,748
Operating grants, subsidies and contributions	2(a)	4,512,738	2,119,500	2,734,381
Fees and charges	23(b),2(a)	7,839,460	8,887,000	7,890,796
Interest earnings	2(a)	60,869	85,000	74,074
Other revenue	2(a)	314,931	267,500	704,842
		16,409,389	15,038,000	14,893,841
Expenses				
Employee costs		(7,042,300)	(7,014,000)	(6,466,313)
Materials and contracts		(4,131,757)	(4,053,000)	(3,646,535)
Utility charges		(849,884)	(720,500)	(821,509)
Depreciation	10(a)	(3,672,091)	(3,666,000)	(3,729,681)
Finance costs	2(b)	(77,168)	(68,000)	(72,380)
Insurance		(527,125)	(482,000)	(390,684)
Other expenditure	2(b)	(709,487)	(695,000)	(286,872)
		(17,009,812)	(16,698,500)	(15,413,974)
		(600,423)	(1,660,500)	(520,133)
Non-Operating grants, subsidies and contributions	2(a)	2,903,712	2,783,000	1,759,713
Profit on asset disposals	10(b)	1,862	0	0
Loss on asset disposals	10(b)	(126,589)	0	(16,000)
Fair value adjustments to financial assets at fair value through profit or loss		5,995	0	3,878
		2,784,980	2,783,000	1,747,591
Net result for the period	23(a)	2,184,557	1,122,500	1,227,458
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	31,603,493	0	(2,564,336)
Total other comprehensive income for the period	17	31,603,493	0	(2,564,336)
Total comprehensive income for the period		33,788,050	1,122,500	(1,336,878)

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



**SHIRE OF EXMOUTH
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	NOTE	2022	2021
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	15,287,959	12,640,020
Trade and other receivables	6	2,975,253	2,430,918
Inventories	7	168,185	114,747
TOTAL CURRENT ASSETS		18,431,397	15,185,685
NON-CURRENT ASSETS			
Trade and other receivables	6	102,934	160,126
Other financial assets	4(a)	116,706	110,710
Property, plant and equipment	8	100,058,781	69,218,637
Infrastructure	9	52,039,938	49,585,723
Right-of-use assets	11	5,837	136,899
TOTAL NON-CURRENT ASSETS		152,324,196	119,212,095
TOTAL ASSETS		170,755,593	134,397,780
CURRENT LIABILITIES			
Trade and other payables	12	4,492,472	3,137,428
Other liabilities	13	354,092	409,363
Lease liabilities	14	6,122	134,745
Borrowings	15	354,034	290,666
Employee related provisions	16	778,391	736,893
TOTAL CURRENT LIABILITIES		5,985,111	4,709,095
NON-CURRENT LIABILITIES			
Lease liabilities	14	0	6,122
Borrowings	15	3,098,921	1,792,955
Employee related provisions	16	164,699	170,796
TOTAL NON-CURRENT LIABILITIES		3,263,620	1,969,873
TOTAL LIABILITIES		9,248,731	6,678,968
NET ASSETS		161,506,862	127,718,812
EQUITY			
Retained surplus		66,259,268	64,735,398
Reserve accounts	5	11,279,359	10,618,672
Revaluation surplus	17	83,968,235	52,364,742
TOTAL EQUITY		161,506,862	127,718,812

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 2022**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		65,117,313	9,009,299	54,929,078	129,055,690
Comprehensive income for the period					
Net result for the period		1,227,458	0	0	1,227,458
Other comprehensive income for the period	17	0	0	(2,564,336)	(2,564,336)
Total comprehensive income for the period		1,227,458	0	(2,564,336)	(1,336,878)
Transfers from reserves	5	1,698,000	(1,698,000)	0	0
Transfers to reserves	5	(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
Comprehensive income for the period					
Net result for the period		2,184,557	0	0	2,184,557
Other comprehensive income for the period	17	0	0	31,603,493	31,603,493
Total comprehensive income for the period		2,184,557	0	31,603,493	33,788,050
Transfers from reserves	5	1,961,817	(1,961,817)	0	0
Transfers to reserves	5	(2,622,504)	2,622,504	0	0
Balance as at 30 June 2022		66,259,268	11,279,359	83,968,235	161,506,862

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 2022**

NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	3,739,080	3,679,000	3,770,866
Operating grants, subsidies and contributions	3,875,061	2,119,500	1,624,809
Fees and charges	7,839,460	8,887,000	7,890,796
Interest received	60,869	85,000	74,074
Goods and services tax received	0	0	196,713
Other revenue	314,931	267,500	704,842
	15,829,401	15,038,000	14,262,100
Payments			
Employee costs	(6,998,185)	(7,014,000)	(6,600,972)
Materials and contracts	(2,847,399)	(3,753,000)	(1,449,740)
Utility charges	(849,884)	(720,500)	(821,509)
Finance costs	(64,707)	(68,000)	(72,380)
Insurance paid	(527,125)	(482,000)	(390,684)
Goods and services tax paid	(23,553)	0	(141,812)
Other expenditure	(709,487)	(695,000)	(286,872)
	(12,020,340)	(12,732,500)	(9,763,969)
Net cash provided by (used in) operating activities	18(b) 3,809,061	2,305,500	4,498,131
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a) (2,657,439)	(3,005,000)	(3,199,830)
Payments for construction of infrastructure	9(a) (3,147,933)	(8,093,000)	(2,804,332)
Non-operating grants, subsidies and contributions	2,903,712	2,783,000	1,759,713
Proceeds from sale of property, plant & equipment	10(b) 448,750	110,000	40,000
Net cash provided by (used in) investing activities	(2,452,911)	(8,205,000)	(4,204,449)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advance to community groups	0	0	(45,000)
Proceeds from community loans	57,200	15,000	22,700
Repayment of borrowings	15(b) (290,666)	(290,500)	(231,702)
Payments for principal portion of lease liabilities	14(b) (134,745)	(135,000)	(148,937)
Proceeds from new borrowings	15(c) 1,660,000	4,800,000	540,000
Net cash provided by (used in) financing activities	1,291,789	4,389,500	137,061
Net increase (decrease) in cash held	2,647,939	(1,510,000)	430,743
Cash at beginning of year	12,640,020	13,171,683	12,209,277
Cash and cash equivalents at the end of the year	18(a) 15,287,959	11,661,683	12,640,020

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



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	25(b)	1,388,551	2,887,155	2,691,280
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	24(b)	51,780	51,000	48,727
Operating grants, subsidies and contributions		4,512,738	2,119,500	2,734,381
Fees and charges		7,839,460	8,887,000	7,890,796
Interest earnings		60,869	85,000	74,074
Other revenue		314,931	267,500	704,842
Profit on asset disposals	10(b)	1,862	0	0
Fair value adjustments to financial assets at fair value through profit or loss		5,995	0	3,878
		12,787,635	11,410,000	11,456,698
Expenditure from operating activities				
Employee costs		(7,042,300)	(7,014,000)	(6,466,313)
Materials and contracts		(4,131,757)	(4,053,000)	(3,646,535)
Utility charges		(849,884)	(720,500)	(821,509)
Depreciation		(3,672,091)	(3,666,000)	(3,729,681)
Finance costs		(77,168)	(68,000)	(72,380)
Insurance		(527,125)	(482,000)	(390,684)
Other expenditure		(709,487)	(695,000)	(286,872)
Loss on asset disposals	10(b)	(126,589)	0	(16,000)
		(17,136,401)	(16,698,500)	(15,429,974)
Non-cash amounts excluded from operating activities	25(a)	3,445,686	3,666,000	4,906,288
Amount attributable to operating activities		(903,080)	(1,622,500)	933,012
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		2,903,712	2,783,000	1,759,713
Proceeds from disposal of assets	10(b)	448,750	110,000	40,000
Purchase of property, plant and equipment	8(a)	(2,657,439)	(3,005,000)	(3,199,831)
Purchase and construction of infrastructure	9(a)	(3,147,933)	(8,093,000)	(2,804,332)
		(2,452,910)	(8,205,000)	(4,204,450)
Amount attributable to investing activities		(2,452,910)	(8,205,000)	(4,204,450)
FINANCING ACTIVITIES				
Repayment of borrowings	15(b)	(290,666)	(290,500)	(231,702)
Proceeds from borrowings	15(c)	1,660,000	4,800,000	540,000
Proceeds from community loans		57,200	15,000	22,700
Advance to community groups		0	0	(45,000)
Payments for principal portion of lease liabilities	14(b)	(134,745)	(135,000)	(148,937)
Transfers to reserves (restricted assets)	5	(2,622,504)	(3,857,000)	(3,307,373)
Transfers from reserves (restricted assets)	5	1,961,817	2,793,000	1,698,000
Amount attributable to financing activities		631,102	3,325,500	(1,472,312)
Surplus/(deficit) before imposition of general rates		(1,336,337)	(3,614,845)	(2,052,470)
Total amount raised from general rates	24(a)	3,629,611	3,628,000	3,441,021
Surplus/(deficit) after imposition of general rates	25(b)	2,293,274	13,155	1,388,551

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



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

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 of the financial report.

Judgements and estimates

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	3,681,391	0	3,681,391
Operating grants, subsidies and contributions	0	0	0	4,512,738	4,512,738
Fees and charges	0	0	61,460	7,778,000	7,839,460
Interest earnings	0	0	25,984	34,885	60,869
Other revenue	0	0	0	314,931	314,931
Non-operating grants, subsidies and contributions	0	3,257,803	0	0	3,257,803
Total	0	3,257,803	3,768,835	12,640,554	19,667,192

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	3,489,748	0	3,489,748
Operating grants, subsidies and contributions	0	0	0	2,734,381	2,734,381
Fees and charges	0	0	0	7,890,796	7,890,796
Interest earnings	0	0	25,925	48,149	74,074
Other revenue	0	0	0	704,842	704,842
Non-operating grants, subsidies and contributions	0	1,759,713	0	0	1,759,713
Total	0	1,759,713	3,515,673	11,378,168	16,653,554

Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings			
Interest on reserve funds	34,885	40,000	47,263
Rates instalment and penalty interest (refer Note 24(e))	25,984	40,000	25,925
Other interest earnings	0	5,000	886
	60,869	85,000	74,074
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report	48,500	60,000	44,700
- Other services	41,760	3,500	160
	90,260	63,500	44,860
Finance costs			
Borrowings	15(b) 74,981	66,000	66,134
Lease liabilities	14(b) 2,187	2,000	6,246
	77,168	68,000	72,380
Other expenditure			
Sundry expenses	709,487	695,000	286,872
	709,487	695,000	286,872

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

3. CASH AND CASH EQUIVALENTS

Unrestricted cash and cash equivalents
 Restricted cash and cash equivalents
Total cash and cash equivalents

Note	2022	2021
	\$	\$
	4,008,600	2,021,348
18(a)	11,279,359	10,618,672
	15,287,959	12,640,020

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

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

Details of restrictions on financial assets can be found at Note 18.

4. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

2022	2021
\$	\$
116,706	110,710
116,706	110,710
116,706	110,710
116,706	110,710

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 22 (i)) due to the observable market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit and loss

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

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

Impairment and risk

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

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

5 RESERVE ACCOUNTS

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation/agreement												
(a) Marina Canal Reserve (Specified Area Rates)	411,149	53,405	0	464,554	409,753	51,000	0	460,753	360,269	50,880	0	411,149
	411,149	53,405	0	464,554	409,753	51,000	0	460,753	360,269	50,880	0	411,149
Restricted by council												
(b) Leave reserve	699,202	2,399	0	701,601	698,134	3,000	0	701,134	695,562	3,640	0	699,202
(c) Aviation Reserve	1,172,684	4,023	(51,246)	1,125,461	1,171,028	5,000	(80,000)	1,096,028	1,166,579	6,105	0	1,172,684
(d) Building Infrastructure Reserve	81,401	331	0	81,732	80,935	0	0	80,935	595,760	2,641	(517,000)	81,401
(e) Community Development Reserve	1,382,658	4,746	(262,375)	1,125,029	1,369,602	5,000	0	1,374,602	1,375,459	7,199	0	1,382,658
(f) Community Interest Free Reserve	278,065	953	0	279,018	184,009	1,000	0	185,009	321,450	1,615	(45,000)	278,065
(g) Insurance/Natural Disaster Reserve	183,974	631	0	184,605	322,636	1,000	0	323,636	183,016	958	0	183,974
(h) Land Acquisition Reserve	1,725,802	5,823	(340,000)	1,391,625	1,469,825	7,000	(250,000)	1,226,825	736,873	1,308,929	(320,000)	1,725,802
(i) Marina Village Asset Replacement Reserve	33,442	115	0	33,557	33,267	0	0	33,267	33,268	174	0	33,442
(j) Mosquito Management Reserve	10,161	35	0	10,196	10,108	0	0	10,108	10,108	53	0	10,161
(k) Ningaloo Centre Reserve	257,175	37,882	0	295,057	256,826	38,000	0	294,826	255,836	1,339	0	257,175
(l) Plant Reserve	550,296	531,851	(621,548)	460,599	549,938	532,000	(650,000)	431,938	187,979	551,317	(189,000)	550,296
(m) Public Radio Infrastructure Reserve	5,185	18	0	5,203	5,158	0	0	5,158	5,158	27	0	5,185
(n) Rehabilitation Reserve	253,435	870	0	254,305	253,106	1,000	0	254,106	252,116	1,319	0	253,435
(o) Roads Reserve	901,228	3,061	0	904,289	900,020	4,000	0	904,020	592,844	768,384	(460,000)	901,228
(p) Shire President COVID-19 Relief Fund	40,209	138	0	40,347	41,000	0	0	41,000	40,000	209	0	40,209
(q) Shire Staff Housing Reserve	137,092	472	(100,000)	37,564	137,373	1,501,000	(100,000)	1,538,373	136,378	714	0	137,092
(r) Swimming Pool Reserve	650,793	1,702,222	(46,805)	2,306,210	649,908	1,703,000	(450,000)	1,902,908	547,831	102,962	0	650,793
(s) Tourism Development Reserve	358,832	1,216	(5,000)	355,048	251,000	1,000	0	252,000	200,008	158,824	0	358,832
(t) Town Planning Scheme Reserve	21,969	76	0	22,045	21,854	0	0	21,854	21,855	114	0	21,969
(u) Waste & Recycle Management Reserve	1,054,557	3,619	(236,085)	822,091	1,052,906	4,000	(548,000)	508,906	1,073,950	5,607	(25,000)	1,054,557
(v) Unspent Grants & Contributions Reserve	409,363	268,618	(298,758)	379,223	715,000	0	(715,000)	0	217,000	334,363	(142,000)	409,363
	10,207,523	2,569,099	(1,961,817)	10,814,805	10,173,633	3,806,000	(2,793,000)	11,186,633	8,649,030	3,256,493	(1,698,000)	10,207,523
	10,618,672	2,622,504	(1,961,817)	11,279,359	10,583,386	3,857,000	(2,793,000)	11,647,386	9,009,299	3,307,373	(1,698,000)	10,618,672

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

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

SHIRE OF EXMOUTH
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FOR THE YEAR ENDED 30 JUNE 2022

5 RESERVE ACCOUNTS

Name of Reserve	Purpose of the reserve
(a) Marina Canal Reserve (Specified Area Rates)	These funds are derived from levying specified area rate titles Marina Specified Area Rates.
(b) Leave reserve	To be used for annual and long service leave requirements.
(c) Aviation Reserve	To be used to fund aviation improvements.
(d) Building Infrastructure Reserve	To be used for the development, preservation and maintenance of building infrastructure with the Shire of Exmouth.
(e) Community Development Reserve	To be used for major community development initiatives.
(f) Community Interest Free Reserve	To be used to fund major community development projects.
(g) 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/WANDRRA claims.
(h) 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.
(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 for 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.
(v) Unspent Grants & Contributions Reserve	To be used to contain funds that are derived from unspent grants or prepaid grants and contributions from external parties.

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

6 TRADE AND OTHER RECEIVABLES

Current

Rates receivable
 Trade and other receivables
 GST receivable
 Loans receivable - clubs/institution

Non-current

Pensioner's rates and ESL deferred
 Loans receivable - clubs/institution

Note	2022	2021
	\$	\$
	177,378	234,502
	2,619,420	2,037,014
	166,255	142,702
	12,200	16,700
	2,975,253	2,430,918
	45,534	50,026
	57,400	110,100
	102,934	160,126

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

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

Classification and subsequent measurement

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

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

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

7. INVENTORIES

Current

Fuel and materials
 Visitor centre stock

Note	2022	2021
	\$	\$
	54,265	18,586
	113,920	96,161
	168,185	114,747

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

	114,747	1,047,439
	0	(964,175)
	53,438	31,483
	168,185	114,747

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Note	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Other property, plant and equipment - Works in progress	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 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	10(a)	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
Additions		295,000	1,418,704	136,306	1,850,010	0	224,777	582,652	2,657,439
Disposals		(330,000)	0	(87,883)	(417,883)	0	(155,594)	0	(573,477)
Revaluation increments / (decrements) transferred to revaluation surplus		8,458,211	231,510	22,013,772	30,703,493	0	0	0	30,703,493
Depreciation	10(a)	0	(104,811)	(978,575)	(1,083,386)	(170,014)	(320,935)	0	(1,574,335)
Transfers		0	(763,032)	1,651,907	888,875	0	172,897	(1,434,748)	(372,976)
Balance at 30 June 2022		17,070,000	6,144,200	72,680,400	95,894,600	964,489	2,617,040	582,652	100,058,781
Comprises:									
Gross balance amount at 30 June 2022		17,070,000	9,143,400	99,399,600	125,613,000	1,985,516	6,613,397	582,652	134,794,565
Accumulated depreciation at 30 June 2022		0	(2,999,200)	(26,719,200)	(29,718,400)	(1,021,027)	(3,996,357)	0	(34,735,784)
Balance at 30 June 2022		17,070,000	6,144,200	72,680,400	95,894,600	964,489	2,617,040	582,652	100,058,781

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Note	Infrastructure - roads	Other infrastructure	Other infrastructure - Works in progress	Total Infrastructure
		\$	\$	\$	\$
Balance at 1 July 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	10(a)	(1,475,366)	(514,671)	0	(1,990,037)
Transfers			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
Additions		1,577,353	1,341,305	229,275	3,147,933
Impairment (losses) / reversals		900,000	0	0	900,000
Depreciation	10(a)	(1,440,646)	(526,048)	0	(1,966,694)
Transfers		0	781,306	(408,330)	372,976
Balance at 30 June 2022		35,488,250	16,272,653	279,035	52,039,938
Comprises:					
Gross balance at 30 June 2022		49,815,015	24,889,551	279,035	74,983,601
Accumulated depreciation at 30 June 2022		(14,326,765)	(8,616,898)	0	(22,943,663)
Balance at 30 June 2022		35,488,250	16,272,653	279,035	52,039,938

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

10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	8(a)	104,811	0	92,887
Buildings - specialised	8(a)	978,575	1,011,000	971,106
Furniture and equipment	8(a)	170,014	157,000	153,774
Plant and equipment	8(a)	320,935	379,000	373,002
Infrastructure - roads	9(a)	1,440,646	1,483,000	1,475,366
Other infrastructure	9(a)	526,048	505,000	514,671
Right-of-use assets	11(a)	131,062	131,000	148,875
		3,672,091	3,666,000	3,729,681

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

10. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	330,000	300,000	0	(30,000)	0	0	0	0	0	0	0	0
Buildings - specialised	87,883	0	0	(87,883)	0	0	0	0	0	0	0	0
Plant and equipment	155,594	148,750	1,862	(8,706)	110,000	110,000	0	0	56,000	40,000	0	(16,000)
	573,477	448,750	1,862	(126,589)	110,000	110,000	0	0	56,000	40,000	0	(16,000)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Plant and Equipment				
Transport				
Plant & Equipment	155,594	148,750	1,862	(8,706)
Other property and services				
Land	330,000	300,000	0	(30,000)
Buildings - Specialised	87,883	0	0	(87,883)
	573,477	448,750	1,862	(126,589)

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

Revaluation

The fair value of land, buildings, 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.

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

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss

Revaluation (continued)

for the same class of asset.

Depreciation

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

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

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

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

Depreciation on revaluation

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

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

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 ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a).

SHIRE OF EXMOUTH
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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.

	Note	Right-of-use assets	Right-of-use assets Total
		\$	\$
Balance at 1 July 2020		285,774	285,774
Depreciation		(148,875)	(148,875)
Balance at 30 June 2021		136,899	136,899
Depreciation	10(a)	(131,062)	(131,062)
Balance at 30 June 2022		5,837	5,837

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

		2022 Actual	2021 Actual
		\$	\$
Depreciation on right-of-use assets	10(a)	(131,062)	(148,875)
Interest expense on lease liabilities		(2,187)	(6,246)
Low-value asset lease payments recognised as expense		47,640	52,404
Total amount recognised in the statement of comprehensive income		(85,609)	(102,717)
Total cash outflow from leases		(136,932)	(155,183)

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

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 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.

Details of individual lease liabilities required by regulations are provided at Note 25(c).

The Shire as Lessor

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Right-of-use assets - valuation measurement

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 under revaluation 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 shorter. 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.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Shire applies AASB 15 to allocate the consideration under the contract to each component.

SHIRE OF EXMOUTH
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FOR THE YEAR ENDED 30 JUNE 2022

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors	2,535,338	1,351,617
Prepaid rates	49,416	53,343
Accrued payroll liabilities	23,434	0
GST Payables	182,744	197,464
Bonds and deposits held	188,412	351,095
Accrued interest on borrowings	20,865	8,404
Accrued expenses	1,492,263	1,175,505
	4,492,472	3,137,428

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

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

Prepaid rates

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

**SHIRE OF EXMOUTH
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FOR THE YEAR ENDED 30 JUNE 2022**

13. OTHER LIABILITIES

Current

Contract liabilities

Reconciliation of changes in contract liabilities

Opening balance

Additions

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

	2022	2021
	\$	\$
	354,092	409,363
	354,092	409,363
	409,363	217,000
	354,092	192,363
	(409,363)	0
	354,092	409,363

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

Reconciliation of changes in capital grant/contribution liabilities

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

SHIRE OF EXMOUTH
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14 LEASE LIABILITIES

(a) Lease Liabilities

	2022	2021
	\$	\$
Current	6,122	134,745
Non-current	0	6,122
	6,122	140,867

(b) Lease Liabilities - Movement in Carrying Amounts

Purpose	Actual				Budget				Actual			
	Principal		Principal at 30 June 2022	Interest Repayments 2021-22	Principal		Principal at 30 June 2022	Interest Repayments 2021-22	Principal		Principal at 30 June 2021	Interest Repayments 2020-21
	Principal at 1 July 2021	During 2021-22			Principal at 1 July 2021	During 2021-22			Principal at 1 July 2020	During 2020-21		
Rental Dugong Close	12,979	(12,979)	0	(55)	12,979	(13,000)	(21)	0	43,734	(30,755)	12,979	(531)
Airport X-Ray Scanner	112,818	(112,818)	0	(1,795)	113,320	(113,000)	320	(2,000)	222,321	(109,503)	112,818	(5,109)
RAAF Airport Lease	15,070	(8,948)	6,122	(337)	15,070	(9,000)	6,070	0	23,749	(8,679)	15,070	(606)
	140,867	(134,745)	6,122	(2,187)	141,369	(135,000)	6,369	(2,000)	289,804	(148,937)	140,867	(6,246)

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

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 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.

Details of individual lease liabilities required by regulations are provided at Note 25(c).

Right-of-use assets - valuation measurement

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 under revaluation 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 shorter. 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.

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15. BORROWINGS

(a) Borrowings	2022	2021
	\$	\$
Current	354,034	290,666
Non-current	3,098,921	1,792,955
	<u>3,452,955</u>	<u>2,083,621</u>

(b) Borrowings - Movement in Carrying Amounts

Purpose	Interest Rate	Institution	Actual					Budget					Actual					
			Principal		New Loans	Principal at 30 June 2022	Interest Repayments 2021-22	Principal		New Loans	Principal at 30 June 2022	Interest Repayments 2021-22	Principal		New Loans	Principal at 30 June 2021	Interest Repayments 2020-21	
			Principal at 1 July 2021	Repayments During 2021-22				Principal at 1 July 2021	Repayments During 2021-22				Principal at 1 July 2020	Repayments During 2020-21				
76 - 1 Bennett Street	5.04%	WATC	197,665	(22,291)	0	175,374	(9,617)	197,666	(22,000)	0	175,666	(10,000)	218,875	0	(21,210)	197,665	(10,703)	
80 - Staff Dwellings	4.73%	WATC	480,257	(72,049)	0	408,208	(21,025)	1,020,257	(122,500)	0	897,757	(29,000)	548,983	0	(68,726)	480,257	(24,354)	
81 - Rubbish Truck	2.41%	WATC	85,975	(85,975)	0	0	(1,495)	85,975	(86,000)	0	(25)	(2,000)	169,915	0	(83,940)	85,975	(3,531)	
82 - Ningaloo Centre	3.33%	WATC	779,724	(59,768)	0	719,956	(25,412)	779,725	(60,000)	0	719,725	(25,000)	837,550	0	(57,826)	779,724	(27,355)	
83 - Staff Dwellings	1.44%	WATC	540,000	(50,583)	0	489,417	(7,571)	0	0	0	0	0	0	540,000	0	540,000	(191)	
84 - Staff Dwellings	3.40%	WATC	0	0	1,660,000	1,660,000	(9,861)	0	0	1,800,000	0	0	0	0	0	0	0	0
Swimming Pool	0.00%	WATC	0	0	0	0	0	0	0	3,000,000	0	0	0	0	0	0	0	0
			<u>2,083,621</u>	<u>1,660,000</u>	<u>(290,666)</u>	<u>3,452,955</u>	<u>(74,981)</u>	<u>2,083,623</u>	<u>4,800,000</u>	<u>(290,500)</u>	<u>6,593,123</u>	<u>(66,000)</u>	<u>1,775,323</u>	<u>540,000</u>	<u>(231,702)</u>	<u>2,083,621</u>	<u>(66,134)</u>	

(c) New Borrowings - 2021/22

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)	
					2022 Actual	2022 Budget	2022 Actual	2022 Budget
					\$	\$	\$	\$
Staff Housing	WATC	P&I	10	3.40%	1,660,000	1,800,000	1,660,000	1,800,000
Pool Renewal	WATC	P&I	20	0.00%	0	3,000,000	0	3,000,000
					<u>1,660,000</u>	<u>4,800,000</u>	<u>1,660,000</u>	<u>4,800,000</u>

* WA Treasury Corporation

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Exmouth. Other loans relate to transferred receivables. Refer to Note 6.

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

Borrowing costs are recognised as an expense when incurred 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.

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

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

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16. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2022	2021
	\$	\$
Current provisions		
Employee benefit provisions		
Annual Leave	483,573	450,789
Long Service Leave	294,818	286,104
	778,391	736,893
Non-current provisions		
Long Service Leave	164,699	170,796
	164,699	170,796
	943,090	907,689

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

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

Amounts are expected to be settled on the following basis:

	2022	2021
	\$	\$
Less than 12 months after the reporting date	583,556	562,932
More than 12 months from reporting date	359,534	344,757
	943,090	907,689

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

SHIRE OF EXMOUTH
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17. REVALUATION SURPLUS

	2022 Opening Balance	2022 Impairment Increment	2022 Revaluation Increment	Total Movement	2022 Closing Balance	2021 Opening Balance	2021 Impairment (Decrement)	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	3,170,303	0	8,458,211	8,458,211	11,628,514	3,170,303	0	0	0	3,170,303
Revaluation surplus - Buildings - non-specialised	(51,616)	0	231,510	231,510	179,894	(51,616)	0	0	0	(51,616)
Revaluation surplus - Buildings - specialised	21,970,659	0	22,013,772	22,013,772	43,984,431	21,970,659	0	0	0	21,970,659
Revaluation surplus - Furniture and equipment	935,970	0	0	0	935,970	990,817	0	(54,847)	(54,847)	935,970
Revaluation surplus - Plant and equipment	1,069,516	0	0	0	1,069,516	1,074,861	0	(5,345)	(5,345)	1,069,516
Revaluation surplus - Infrastructure - roads	18,809,940	900,000	0	900,000	19,709,940	21,309,940	(2,500,000)	0	(2,500,000)	18,809,940
Revaluation surplus - Other infrastructure	6,459,970	0	0	0	6,459,970	6,464,114	0	(4,144)	(4,144)	6,459,970
	52,364,742	900,000	30,703,493	31,603,493	83,968,235	54,929,078	(2,500,000)	(64,336)	(2,564,336)	52,364,742

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

SHIRE OF EXMOUTH
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18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$	
Cash and cash equivalents	3	15,287,959	11,661,683	12,640,020
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	11,279,359	11,647,386	10,618,672
		<u>11,279,359</u>	<u>11,647,386</u>	<u>10,618,672</u>
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	5	11,279,359	11,647,386	10,618,672
Total restricted financial assets		<u>11,279,359</u>	<u>11,647,386</u>	<u>10,618,672</u>
(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities				
Net result		2,184,557	1,122,500	1,227,458
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(5,995)	0	(3,878)
Depreciation/amortisation		3,672,091	3,666,000	3,729,681
(Profit)/loss on sale of asset		124,727	0	16,000
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(544,343)	0	(1,170,625)
(Increase)/decrease in inventories		(53,438)	0	932,692
Increase/(decrease) in trade and other payables		1,355,044	300,000	1,298,692
Increase/(decrease) in employee related provisions		35,401	0	35,461
Increase/(decrease) in other liabilities		(55,271)	0	192,363
Non-operating grants, subsidies and contributions		(2,903,712)	(2,783,000)	(1,759,713)
Net cash provided by/(used in) operating activities		<u>3,809,061</u>	<u>2,305,500</u>	<u>4,498,131</u>
(c) Undrawn Borrowing Facilities				
Credit Standby Arrangements				
Bank overdraft limit		400,000		400,000
Bank overdraft at balance date		0		0
Credit card limit		20,000		19,000
Credit card balance at balance date		(6,537)		(6,253)
Total amount of credit unused		<u>413,463</u>		<u>412,747</u>
Loan facilities				
Loan facilities - current		354,034		290,666
Loan facilities - non-current		3,098,921		1,792,955
Total facilities in use at balance date		<u>3,452,955</u>		<u>2,083,621</u>

**SHIRE OF EXMOUTH
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19. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	534,886	933,721
- plant & equipment purchases	445,508	190,187
	<u>980,394</u>	<u>1,123,908</u>
Payable:		
- not later than one year	980,394	1,123,908
	<u>980,394</u>	<u>1,123,908</u>

The capital expenditure projects outstanding at the end of the current reporting period represent the installation of jetties, staff housing, passenger screening tunnel at the airport and construction of a new liquid waste evaporation pond. Plant and equipment purchases include two vehicles and a mid size road sweeper.

SHIRE OF EXMOUTH
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20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
President			
President's annual allowance	36,750	37,000	36,957
Meeting attendance fees	25,016	25,000	25,342
ICT expenses	446	1,000	636
Travel and accommodation expenses	5,083	7,000	3,766
	67,295	70,000	66,701
Deputy President			
Deputy President's annual allowance	9,064	9,000	9,239
Meeting attendance fees	12,967	13,000	13,094
ICT expenses	446	1,000	636
Travel and accommodation expenses	1,525	2,000	0
	24,002	25,000	22,969
Councillor 3			
Meeting attendance fees	13,047	13,000	13,094
Annual allowance for ICT expenses	600	500	600
	13,647	13,500	13,694
Councillor 4			
Meeting attendance fees	13,047	13,000	13,094
Annual allowance for ICT expenses	600	500	600
	13,647	13,500	13,694
Councillor 5			
Meeting attendance fees	10,224	13,000	13,094
ICT expenses	353	0	0
Annual allowance for ICT expenses	0	500	600
	10,577	13,500	13,694
Councillor 6			
Meeting attendance fees	12,967	13,000	13,094
ICT expenses	314	0	636
Annual allowance for ICT expenses	175	500	0
Travel and accommodation expenses	269	1,000	0
	13,725	14,500	13,730
	142,893	150,000	144,482
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
	2022 Actual \$	2022 Budget \$	2021 Actual \$
President's annual allowance	36,750	37,000	36,957
Deputy President's annual allowance	9,064	9,000	9,239
Meeting attendance fees	87,268	90,000	90,812
ICT expenses	1,559	2,000	1,908
Annual allowance for ICT expenses	1,375	2,000	1,800
Travel and accommodation expenses	6,877	10,000	3,766
20(b)	142,893	150,000	144,482

SHIRE OF EXMOUTH
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20. RELATED PARTY TRANSACTIONS

(b) Key Management Personnel (KMP) Compensation

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	519,737	634,327
Post-employment benefits	91,789	105,131
Employee - other long-term benefits	10,401	12,864
Employee - termination benefits	52,749	5,475
Council member costs	142,893	144,482
20(a)	817,569	902,279

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service leave entitlements 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).

Council member costs

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

(c) Transactions with related parties

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

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

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

	2022 Actual	2021 Actual
	\$	\$
Sale of goods and services	55,145	0
Purchase of goods and services	176,221	130,596

(d) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence.

Significant influence may be gained by share ownership, statute or agreement.

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21. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.11%	15,287,959	3,500,000	7,779,360	4,008,599
2021					
Cash and cash equivalents	0.34%	12,640,020	7,021,340	5,618,680	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.

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	77,794	56,187

* 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 25(a).

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21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	64,210	29,545	24,683	58,940	177,378	
Loss allowance	0	0	0	0	0	6
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	6

The loss allowance as at 30 June 2022 and 30 June 2021 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 2022						
Trade and other receivables						
Expected credit loss	3.22%	5.83%	14.32%	22.89%		
Gross carrying amount	1,822,687	665,801	8,199	122,732	2,619,419	
Loss allowance	58,708	38,812	1,174	28,088	126,782	6
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	6

SHIRE OF EXMOUTH
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21. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 18(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2022</u>					
Trade and other payables	4,492,472	0	0	4,492,472	4,492,472
Borrowings	354,034	1,864,653	1,234,268	3,452,955	3,452,955
Contract Liabilities	354,092	0	0	354,092	354,092
Lease liabilities	6,122	0	0	6,122	6,122
	5,206,720	1,864,653	1,234,268	8,305,641	8,305,641
<u>2021</u>					
Trade and other 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

22. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

k) Initial application of accounting standards

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

New accounting standards for application in future years

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

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

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

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

23. FUNCTION AND ACTIVITY

(a) Income and expenses

	2022	2022	2021
	Actual	Budget	Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	0	0	5,459
General purpose funding	3,795,939	3,794,000	3,588,136
Law, order, public safety	41,593	80,000	38,263
Health	36,431	39,000	44,185
Education and welfare	443	3,000	3,088
Housing	23,849	50,000	63,786
Community amenities	1,248,861	1,281,000	1,509,045
Recreation and culture	999,027	927,000	1,097,558
Transport	4,483,543	5,710,000	4,294,255
Economic services	1,266,259	1,022,500	1,069,202
Other property and services	8,563	12,000	450,361
	11,904,508	12,918,500	12,163,338
Operating Grants, subsidies and contributions			
Governance	0	0	985
General purpose funding	1,630,057	1,450,000	1,488,396
Health	2,481	3,500	0
Housing	42,879	0	0
Community amenities	45,000	60,000	0
Recreation and culture	363,450	72,000	189,278
Transport	2,360,337	514,000	895,020
Economic services	48,267	0	142,632
Other property and services	20,267	20,000	18,070
	4,512,738	2,119,500	2,734,381
Non-Operating Grants, subsidies and contributions			
Recreation and culture	1,690,734	1,728,000	370,040
Transport	1,212,978	1,055,000	1,389,673
	2,903,712	2,783,000	1,759,713
Total Income	19,320,958	17,821,000	16,657,432
Expenses			
Governance	(600,297)	(201,000)	(908,695)
General purpose funding	(173,811)	(161,500)	(125,031)
Law, order, public safety	(454,087)	(436,500)	(382,450)
Health	(299,691)	(320,500)	(222,022)
Education and welfare	(85,534)	(75,000)	(64,560)
Housing	(133,666)	(50,000)	(192,408)
Community amenities	(1,805,025)	(2,207,500)	(1,566,497)
Recreation and culture	(5,635,351)	(5,673,500)	(5,191,727)
Transport	(5,465,734)	(5,868,500)	(4,796,607)
Economic services	(1,422,052)	(1,397,500)	(1,403,647)
Other property and services	(1,061,153)	(307,000)	(576,330)
Total expenses	(17,136,401)	(16,698,500)	(15,429,974)
Net result for the period	2,184,557	1,122,500	1,227,458

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

23. FUNCTION AND ACTIVITY (Continued)

	2022	2022	2021
	Actual	Budget	Actual
	\$	\$	\$
(b) Fees and Charges			
Governance	0	0	30
General purpose funding	47,684	30,000	24,300
Law, order, public safety	37,593	9,500	14,559
Health	36,431	39,000	44,185
Education and welfare	0	1,000	1,634
Housing	17,143	50,000	63,786
Community amenities	1,248,861	1,281,000	1,506,943
Recreation and culture	878,441	742,000	886,044
Transport	4,478,271	5,710,000	4,291,441
Economic services	1,093,032	1,022,500	1,053,959
Other property and services	2,004	2,000	3,915
	7,839,460	8,887,000	7,890,796

	2022	2021
	\$	\$
(c) Total Assets		
Governance	287,222	205,272
General purpose funding	222,912	284,528
Law, order, public safety	1,795,213	1,207,125
Health	2,786	10,030
Education and welfare	998,000	1,573,580
Housing	8,871,500	7,142,719
Community amenities	3,040,065	2,384,613
Recreation and culture	65,103,359	48,321,631
Transport	52,703,617	48,745,934
Economic services	5,027,746	2,048,407
Other property and services	32,703,173	22,473,941
	170,755,593	134,397,780

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

24. RATING INFORMATION

(a) General Rates

RATE TYPE		Rate in \$	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
General	Gross rental valuation	0.0787	1,204	29,784,024	2,344,003	2,601	(1,859)	2,344,745	2,341,000	6,000	2,000	2,349,000	2,199,429
Marina Developed	Gross rental valuation	0.1062	102	3,652,407	387,886	12,994	413	401,293	385,000	0	0	385,000	368,061
Holiday Homes	Gross rental valuation	0.1091	87	2,197,000	239,693	3,210	334	243,237	240,000	0	0	240,000	221,029
Vacant Land	Gross rental valuation	0.1573	232	2,348,030	369,345	(1,663)	0	367,682	373,000	0	0	373,000	361,882
Mining	Unimproved valuation	0.1676	11	361,992	60,670	0	0	60,670	60,000	0	0	60,000	53,696
Rural	Unimproved valuation	0.0838	6	537,400	45,034	0	0	45,034	54,000	0	0	54,000	47,529
Sub-Total			1,642	38,880,853	3,446,631	17,142	(1,112)	3,462,661	3,453,000	6,000	2,000	3,461,000	3,251,626
Minimum payment													
General	Gross rental valuation	950	60	549,082	57,000	0	0	57,000	57,000	0	0	57,000	78,120
Marina Developed	Gross rental valuation	950	1	0	950	0	0	950	1,000	0	0	1,000	930
Vacant Land	Gross rental valuation	750	141	465,880	105,750	0	0	105,750	106,000	0	0	106,000	107,310
Mining	Unimproved valuation	250	10	8,574	2,500	0	0	2,500	2,000	0	0	2,000	2,300
Rural	Unimproved valuation	750	1	5,800	750	0	0	750	1,000	0	0	1,000	735
Sub-Total			213	1,029,336	166,950	0	0	166,950	167,000	0	0	167,000	189,395
			1,855	39,910,189	3,613,581	17,142	(1,112)	3,629,611	3,620,000	6,000	2,000	3,628,000	3,441,021
Write off								0				0	(222)
Total amount raised from general rates								3,629,611				3,628,000	3,440,799

* Rateable value is based on the value of properties at the time the rate is raised.

(b) Rates (excluding general rates)

Specified Area Rates		Rate in \$	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
Marina Specified Area Rate	Gross rental valuation	0.014	3,669,077	51,367	413	0	51,780	51,000	0	0	51,000	48,949
Total amount raised from rates (excluding general rates)							51,780				51,000	48,949
(c) Total Rates							3,681,391				3,679,000	3,489,748

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

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

24. RATING INFORMATION (Continued)

(d) Specified Area Rate

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	2021/22 Actual Rate Applied to Costs \$	2021/22 Actual Rate Set Aside to Reserve \$	2021/22 Actual Reserve Applied to Costs \$	2021/22 Budget Rate Applied to Costs \$	2021/22 Budget Rate Set Aside to Reserve \$	2021/22 Budget Reserve Applied to Costs \$
Marina Specified Area Rate	The proceeds of these funds are applied in full on environmental monitoring and maintenance of the canal waterway, dredging and entrance channel navigation including both onshore & 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 the Minister of Transport, Landcorp and Shire of Exmouth.	Properties zoned Marina and Marina Canals	0	51,780	0	0	51,000	0
			0	51,780	0	0	51,000	0

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

24. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	3/09/2021	0.00	0.0%	7.0%
Option Two				
First instalment	3/09/2021	0.00	0.0%	7.0%
Second instalment	15/11/2021	14.75	5.5%	7.0%
Option Three				
First instalment	3/09/2021	0.00	0.0%	7.0%
Second instalment	15/11/2021	14.75	5.5%	7.0%
Third instalment	21/01/2022	14.75	5.5%	7.0%
Fourth instalment	1/04/2022	14.75	5.5%	7.0%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	13,639	25,000	25,925
Interest on instalment plan	12,345	15,000	0
Charges on instalment plan	12,346	15,000	0
	38,330	55,000	25,925

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

25. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(30 June 2021 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(b) (1,862)	0	0
Less: Movement in liabilities associated with restricted cash	(349,654)	0	0
Less: Fair value adjustments to financial assets at fair value through profit and loss	(5,995)	0	(3,878)
Add: Loss on disposal of assets	10(b) 126,589	0	16,000
Add: Depreciation	10(a) 3,672,091	3,666,000	3,729,681
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	4,492	0	(3,180)
Employee benefit provisions	(6,097)	0	68,745
Lease Liabilities	6,122	0	134,745
Inventory	0	0	964,175
Non-cash amounts excluded from operating activities	3,445,686	3,666,000	4,906,288
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	5 (11,279,359)	(11,647,386)	(10,618,672)
Less: Community Loans	(12,200)	0	(16,700)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	15 354,034	488,500	290,666
- Current portion of contract liability held in reserve	0	0	409,363
- Current portion of lease liabilities	11(b) 6,122	6,369	134,745
- Employee benefit provisions	778,391	770,000	712,559
Total adjustments to net current assets	(10,153,012)	(10,382,517)	(9,088,039)
Net current assets used in the Rate Setting Statement			
Total current assets	18,431,397	13,566,690	15,185,685
Less: Total current liabilities	(5,985,111)	(3,171,018)	(4,709,095)
Less: Total adjustments to net current assets	(10,153,012)	(10,382,517)	(9,088,039)
Net current assets used in the Rate Setting Statement	2,293,274	13,155	1,388,551

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

26 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

Other revenue

- Sale proceeds

Other expenditure

- Cost of goods sold

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
	0	0	1,359,091
	0	0	(964,175)
	0	0	394,916

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

27. 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 is responsible for maintaining the other civil facilities used for civil aviation to comply with defence legislations and regulations.

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Operating Revenue			
Operating grants, subsidies and contributions	1,785,401	79,000	79,370
Fees and charges	4,396,831	5,614,500	4,221,271
Other revenue	3,410	0	2,814
	6,185,642	5,693,500	4,303,455
Employee costs	(1,191,783)	(1,221,000)	(1,160,177)
Materials and contracts	(924,184)	(999,000)	(571,940)
Utility charges	(110,909)	(110,000)	(90,804)
Depreciation	(434,256)	(424,000)	(414,004)
Finance costs	(2,187)	(2,000)	(5,714)
Insurance	(76,432)	(60,000)	(58,443)
Other expenditure	(107,984)	(200,000)	(21,490)
	(2,847,735)	(3,016,000)	(2,322,572)
Operating surplus	3,337,907	2,677,500	1,980,883
Capital Revenue			
Non-Operating grants, subsidies and contributions	0	0	183,112
	0	0	183,112
Capital Expenditure			
Land and buildings	(219,845)	(295,000)	(19,356)
Plant and equipment	(9,046)	(5,000)	0
Infrastructure - Other	0	(25,000)	0
Transfer to/from reserve	50,040	320,000	(6,105)
	(178,851)	(5,000)	(25,461)
Total	3,159,056	2,672,500	2,138,534

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

28. 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:

	<u>1 July 2021</u>	<u>Amounts Received</u>	<u>Amounts Paid</u>	<u>30 June 2022</u>
	\$	\$	\$	\$
Cash in Lieu POS	171,856	0	(126,215)	45,641
Bond Deed Exmouth Marina Holdings	18,186	0	0	18,186
Exmouth Volunteer Fire & Rescue	50,828	0	0	50,828
	<u>240,870</u>	<u>0</u>	<u>(126,215)</u>	<u>114,655</u>