

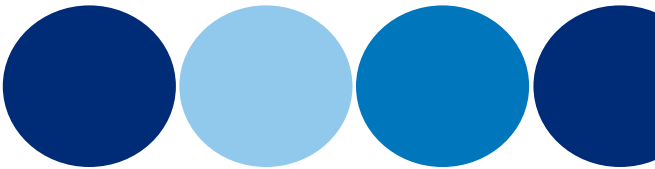
2020/2021

Annual

Report



Shire of Northam
Heritage, Commerce and Lifestyle



Contents

- Purpose of the Annual Report..... 2
- Presidents Report..... 3
- Elected Members..... 5
- Chief Executive Officers Reports..... 6
- Executive Staff..... 8
- Vision & Mission..... 9
- Theme Area 1: Economic Growth.....10
- Theme Area 2: Community Wellbeing.....15
- Theme Area 3: Safety & Security.....18
- Theme Area 4: Environment & Heritage.....19
- Theme Area 5: Infrastructure & Service Delivery.....23
- Theme Area 6: Governance & Leadership.....25
- Statutory Reports.....34
- Monitoring & Reporting.....36
- Annual Financial Report.....40





Purpose of the Annual Report

The Western Australian Local Government Act 1995 requires every local government to produce an Annual Report by 31 December each year.

In addition, the Annual Report:

- Is an essential tool to inform the community and key stakeholders about achievements, challenges and future plans;
- Promotes greater community awareness of the Shire's programs and services which contribute to a high quality of life for residents, visitors and stakeholders;
- Demonstrates the Shire's performance against the long-term vision of the Strategic Community Plan, and the projects and priorities detailed within the Shire's Corporate Business Plan;
- Provides information about the Shire's organisational performance; and
- Illustrates the Shire's commitment to accountable and transparent government.





Presidents Report

COUNCIL

It has been my continued pleasure to work with the Northam Shire Council over the past twelve months. Even during the challenging times of COVID-19, a worldwide pandemic, our Council has, and continues to, deliver on the best possible outcomes for all residents and ratepayers.

COUNCILLORS

We are lucky in the Shire of Northam to have dedicated Councillors. I thank each and every Councillor for their continued commitment to our Shire. A special thanks is made to Cr Julie Williams for the continued support and dedication shown, helping me to fulfill my role as President, and Julie's own role as Deputy President.

Two Councillors have decided not to renominate as part of the 2021 election process, being Councillor Steven Pollard and Councillor Carl Della. I thank both Councillors and note the massive contributions that each Councillor has made. Cr Steven Pollard was first elected in 2007 and served as Shire President until 2017. During this time, Cr Pollard presided over many positive contributions, primarily with the merger of the then Shire and Town of Northam Councils. Cr Carl Della has served a term of 4 years, as a representative of the Northam Town Ward, and brought a keen intellect and enquiring mind. I wish both Steven and Carl the best in their next endeavours.

CHIEF EXECUTIVE OFFICER

Mr Jason Whiteaker, our Chief Executive Officer, has continued to work exceptionally with and for our Shire. Mr Whiteaker has been instrumental in ensuring the Council remained operational and effective both during and post the COVID-19 Pandemic. Mr Whiteaker has now worked with us for eight years, and now well into a second five-year contract. Mr Whiteaker continues to work tirelessly for the Shire. Our mutually agreed Key Performance Indicators continue to ensure the best possible outcomes for all Shire residents and ratepayers. Thanks to Mr Jason Whiteaker for allowing my role to be achieved.

STRATEGIC COMMUNITY PLAN

The Shire of Northam has a Strategic Community Plan (2017 – 2027). The Strategic Community Plan is currently in the process of a mid-plan review. Our Strategic Community Plan contains six key focus areas, being:

- **Economic Growth:** Which includes ensuring the Shire of Northam is not only an attractive investment destination, but also includes a thriving local business community, and vibrant CBD, a robust tourism industry and recognition for excellence in education, research and development.
- **Community Wellbeing:** Which has a caring and inclusive community, and number of recreation and leisure activities available to all, available public transport and be a regional health services centre for many services which also allows aged residents to remain close to their local community.
- **Safety and Security:** Allowing residents to achieve their goals whilst feeling safe and secure.
- **Environment and Heritage:** In recognising our unique heritage, the Shire continues to be readily accessible and visually pleasant, whilst respecting our environmental and our impact to it.
- **Infrastructure and Service Delivery:** Encouraging safe and well-maintained infrastructure whilst also facilitating and improving urban areas.
- **Governance and Leadership:** Providing a sustainable, inclusive, responsive, innovative and transparent organisation whilst elected members provide strong and effective community leadership.

CORPORATE BUSINESS PLAN

The Shire of Northam's Corporate Business Plan for 2020/2021 identifies six key strategic drivers. These drivers identify areas on where to focus our efforts to benefit the Shire. These key drivers are:

- The Agricultural Sector;
- Transport and logistics;
- Government Agencies and service sectors;
- Location, commutable to and from Perth;
- Strong infrastructure connections to Perth and mining centres; and
- Continued status as a regional centre.

Presidents Report

DEVELOPMENTS

Each year, the Shire of Northam continues to attract investment. Examples of private developments over the past 12 months include: The Opening of Bunnings, KHub, and the Mortlock Business Precinct, with the Spudshed redevelopment due to open soon.

The completion of the Wellington Street and Minson Avenue Public Open Spaces are examples of the Shire's dedication of service to the community.

EVENTS

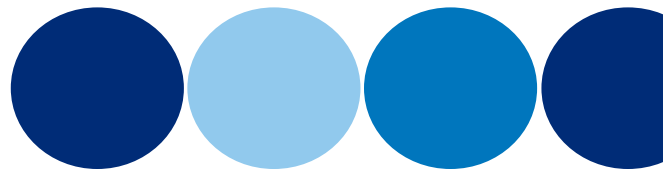
The Shire of Northam continues to host a variety of major events. These include National and International Ballooning events, the annual Northam Motorsport and Avon River Festivals, Christmas on Fitzgerald's, amongst a variety of many.

We continue to have a strong and vibrant Shire, which is evidenced by both our business and wider community. Together, we can all continue to ensure our Shire continues to thrive and grow.



Christopher Antonio, Shire President

Elected Members



Cr Julie Williams
Central Ward



Cr Attila Mencshelyi
Central Ward



Cr Terry Little
West Ward



Cr David Galloway
West Ward



Cr Maria Girak
Town Ward



Cr Michael Ryan
Town Ward



Cr Robert Tinetti
Town Ward



Cr Carl Della
Town Ward



Cr Steven Pollard
Town Ward

Chief Executive Officer's Report

Thank you to all our staff and many volunteers for the contribution you have made, individually and collectively, to what has been a challenging, yet positive year for the Shire of Northam. Without the skill and commitment of our staff and volunteers we would not be able to achieve the positive outcomes that we have seen in 2020/2021.

While much of our time and focus is rightly on looking forward, it is also important to look back on the past twelve months at our achievements, challenges and learnings.

ACHIEVEMENTS

There have been many positive outcomes in 2020/2021. We continue to work very hard on being an organisation which is proactive and supportive of local business. While we are certainly not perfect, we continue to see development occurring in Northam, such as the opening of a range of small businesses such as Bunnings. The number of retail type businesses opening in the past 12-18 months has generated significant employment opportunities in Northam, which is a real positive for our community and the region.

The Shire of Northam rolled out hundreds of thousands of dollars in COVID-19 support to local businesses, community groups, sporting groups and residents alike. This was all part of a wider COVID-19 response strategy which was developed for and endorsed by the Council. It included offering rate discounts for early payment, zero percent rate increases for all ratepayers and a range of grants provided to small business to assist them not only navigate the impacts of the pandemic, but to also position themselves for the future. The Shire also provided one off grants to sporting and community groups to assist them re-engage with their members and the wider community. Overall the Shire of Northam took a balanced, yet proactive, approach to managing the impacts on the pandemic on the community. It is pleasing to see that the community has adjusted and in fact many segments thrived through this period which is a testament to the resilience of our community.

The Shire continued to deliver strategic projects aimed at enhancing and growing our communities and their liveability. The former St John Ambulance site was redeveloped from an old building to a greenspace and the first stage of our connection strategy to link the Northam Village Square shopping centre back to Fitzgerald Street (our 'high street') and the river. Stage 2 of this development is due for completion toward the end of 2021. In partnership with the Southern Brook community we completed a nature playground, which was opened in time for Christmas 2020 and has been well appreciated by the wider Southern Brook Community, whilst we also had the opening of the new Wundowie overnight RV/Caravan site. This project has been hugely successful with the park being well frequented by visitors.



Chief Executive Officer's Report

CHALLENGES

The ongoing pandemic continued to throw challenges our way, particularly as we looked to roll out a substantial capital works package aimed at supporting what Council felt would be businesses under pressure across the economy. However, this was not the reality, in fact we had the opposite impact with the local economy across a range of sectors being inundated with business in the first part of the year and then challenged with supply (or material and human resources) toward the back end of 2020/2021. This has resulted in a significant number of Shire projects remaining incomplete at the end of the financial year. Moving into 2021/2022 there will be a significant focus on delivering current year as well as the 2020/2021 backlog of works. This is going to be challenging, but I am confident achievable.

Staff turnover was a significant challenge in 2020/2021 with our rate hitting 30% for the first time in over seven years. This is a significant challenge from a business continuity perspective, however we have built strong systems and processes for such occurrences, which is assisting new staff become net positive contributors quickly and efficiently.

Financially, the Shire of Northam committed over six million dollars to the pandemic response. This was a significant 'hit' on our long term financial plan and impacts our ability to achieve future outcomes in a range of areas. In saying this, we have worked very hard in the back end of 2020/2021 to address the financial weaknesses identified as we plan our path to financial recovery. A review of our long term financial plan, coupled with a range of other strategies will ensure the Shire of Northam remains in a strong financial position for the medium to long term. While the next few years will be challenging, financially, the medium and long term outlooks are positive.

LEARNING

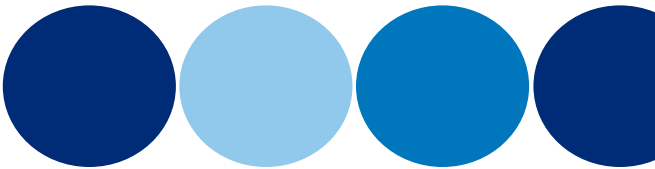
The resilience of our community and our adaptability are the strongest learnings coming out of 2020/2021. No question the pandemic resulted in challenges which were simply unthinkable eighteen months ago, yet we have not only survived but also managed to thrive during this period. This is not only from a community perspective, but also organisationally. It is very pleasing to be part of an organisation and community which is able to cope so well with significant challenges.

2020/2021 has certainly brought into focus, organisationally, the importance of our staff and the contribution they make, and how / when / where they make them. We are looking at taking these learning out of 2020/2021 and looking to build a stronger organisation where people not only want to work but are also able to thrive. This is certainly an ongoing process and while sometimes I feel we are close to being this type of organisation, other times it feels a long way off. Achieving our organisational vision is something I will continue to try and lead strongly on, with the support of our Executive Team.

Finally, I would thank the Shire President and all Elected Members for their support over the past twelve months. On most measures it has been a successful year, and I look forward to the continued support of our Elected leaders.

Jason Whiteaker, Chief Executive Officer





Executive Staff



Mr Clinton Kleynhans

Executive Manager Engineering Services



Mr Chadd Hunt

Executive Manager Development Services



Ms Jo Metcalf

Executive Manager Community Services



Mr Colin Young

Executive Manager Corporate Services

Vision & Mission

Vision for the Future

“The Shire of Northam is a vibrant growing community that is safe, caring and inclusive. We are recognised as a community that values our heritage, preserves our environment and promotes our commerce.”

In order to achieve this Vision, the Council will commit to display:

LEADERSHIP - To recognise the community's expectations to provide leadership.

RESPECT - To respect differences in age, culture, values and opinion.

TEAMWORK - To achieve through the efforts of the team.

EXCELLENCE - To aspire to one standard.

OPENNESS - To engender trust through openness.



Our Mission

In order to achieve our Vision the Shire of Northam has established an organisational Mission commitment, which is:

“To deliver responsive, sustainable services in a manner that preserves and enhances our environment and lifestyle whilst respecting our heritage and facilitating economic growth.”

In order to achieve this Mission, the organisation will commit to being:

SAFE - Focus on importance of safety in the organisation.

OPEN - Engage in two-way communication, with transparency and trust.

ACCOUNTABLE - Know what you are responsible for, take ownership and deliver accordingly.

RESPECTFUL - Demonstrate respect for other's skills, knowledge and differing value systems.



Theme Area 1: Economic Growth

STRATEGIC PLANNING

Local Planning Strategy & Scheme Review

Council adopted a Report of Review of the Shire of Northam's Local Planning Scheme No. 6 on 19 February 2020. The Report recommended that the Local Planning Strategy and Local Planning Scheme No. 6 be updated. The Report was endorsed by the Western Australian Planning Commission on 5 May 2020.

The updating of the Local Planning Strategy and review of the Scheme are well underway with the assistance of Officers from the Department of Planning, Lands and Heritage, and it is anticipated that community consultation for both documents will be undertaken in the near future.

Strategic Land Use Planning & Policy Review

A significant number of the Shire's existing strategic land use related planning documents will be reviewed in conjunction with the Strategy update and it is proposed to incorporate these into the Local Planning Strategy to improve consistency, coordination and facilitation of better planning outcomes. This review will include the Shire's Local Planning Policy framework to ensure that the existing policies are relevant and up to date, and to identify any gaps.

HERITAGE

Heritage List

The first stage of the Shire's Heritage List was adopted by Council on 19 February 2020 and is a list of properties that are provided statutory protection under the provisions of Local Planning Scheme No. 6. If a property is on the Heritage List, development approval will generally be required for any works or change of use of the property. Information on properties with heritage significance has been uploaded onto the Heritage Council's database Inherit.

The second stage of the Heritage List is currently being drafted by the Shire's Heritage Consultant with community and landowner consultation being conducted in the near future.

Local Heritage Survey

A review has commenced of the Local Heritage Survey (previously known as the Municipal Heritage Inventory) to update property information and photographs. Once complete, this information will be uploaded onto Inherit for future use in conjunction with future Heritage List reviews.



Theme Area 1: Economic Growth

STATUTORY PLANNING

Development Applications

A total of 150 development applications were determined by the Shire of Northam to the value of \$21,611,791 during the 2020/2021 financial year compared to 121 to the value of \$16,034,039 during the 2019/20 financial year.

The State and Federal government COVID19 homeowners' grants resulted in a significant increase in new dwelling applications in the Northam townsite and the rural residential areas of Wundowie and Bakers Hill.

Of these, 100 applications were determined by staff under delegated authority from Council. The average timeframe for determining development applications in this period was 20 days (16 days – delegation; and 61 days – Council).

During this period, major developments including Bunnings, KFC and the Old York Road Complex were completed with works commencing at the Avon Logistics Hub and One School.

The Shire was involved in 1 State Administrative Tribunal matter appealing conditions imposed on a development approval, which was subsequently withdrawn by the Applicant.

Subdivision

During the 2020/2021 financial year, the Planning Section responded to 10 subdivision referrals from the Western Australian Planning Commission and cleared conditions for 4 subdivision proposals, including the final stages of the Oyston Glades Estate and a number of infill developments in the Northam townsite.

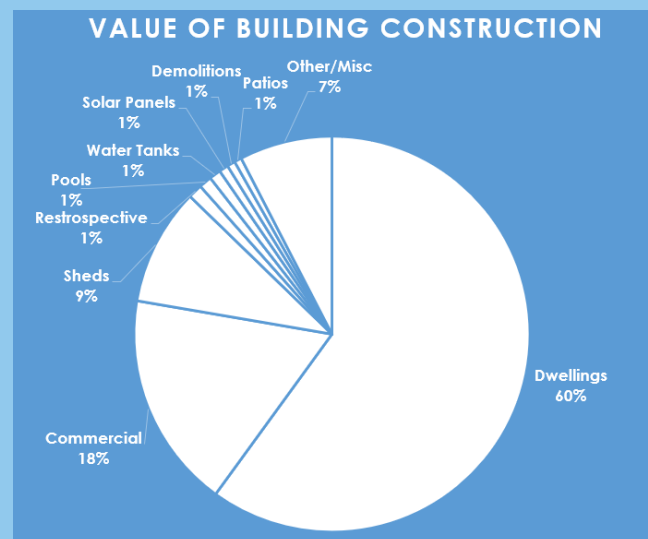
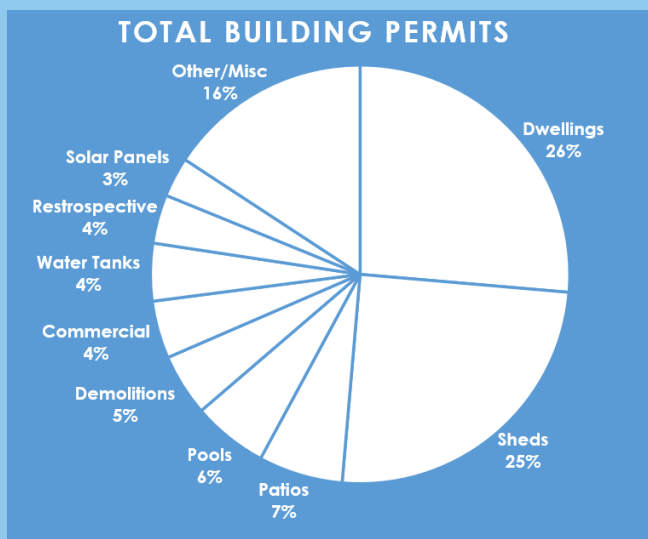
Development Compliance

Development compliance also formed an important part of statutory planning activities in 2020/2021, with Officers inspecting 126 swimming pool fences, investigating concerns from the community concerned with unauthorised buildings or land uses, auditing extractive industries, and following up non-compliances with conditions of approval.

BUILDING SERVICES

What began as a relatively quiet year regarding building activity within the Shire of Northam ended with very strong growth in the Housing Sector with prospective home owners taking advantage of the Federal and State Governments Covid Stimulus Grants for new Home Buyers.

Several significant commercial projects were also completed in the Fast-Food Sector and Light Industry.



Theme Area 1: Economic Growth

VISITOR SERVICING KEY STATISTICS 2020/2021

Total Visitors

6,918

Visitor Length of Stay

Local
815

Day Trip
4,680

1 Day-1
Week
1,396

More than
1 Week
26

No info
Given
1

BILYA KOORT BOODJA KEY STATISTICS 2020/2021

Total Visitors

7,967

Aboriginal
Enterprises
Supported

14

Community
Workshops
Delivered

6

Artworks
Sold

1

Visiting
Schools

11



Theme Area 1: Economic Growth

POP UP SHOP

2019/2020

2020/2021

BOOKINGS

2

3

CASE STUDY: POP-UP SHOP

The Shire of Northam Pop-up Shop is a retail space that is available to be used by private enterprise for short term experimentation of business concepts that have the potential to become new local shops. It provides a very affordable opportunity for potential new shop owners to test the market and build interest in a product or service prior to committing to a full lease agreement.

After having a successful business trial in the Pop-up Shop, the Avon Valley Creators Collective opened their new shop at 230 Fitzgerald Street, Northam from 07 September 2020 for a full year.

Proprietor Lisa McDonald said "The Pop-up shop had been a great opportunity to turn my little idea in to an operating business. The low overheads allowed me to focus on different aspects of my business and trial various ideas to diversify." She said "I am so grateful for all of the support I have received from the Northam Shire, resulting in me having the confidence in my business concept to commit to leasing my own premises on Fitzgerald Street. I would wholeheartedly recommend any person with an idea to take advantage of the Pop-up Shop and give your idea a go".

The Pop-up Shop received a total of 6 genuine enquiries in 2020/2021 from people with business ideas that were ready to be trialled.

Supporting the development of new and innovative businesses to activate the town centre was a key focus of the Shire of Northam in 2020/2021, and this will continue in to 2021/2022.



CREATE 298 CO-WORKING SPACE

In the 2019/2020 financial year, Create 298 was just launching, and was then affected by the emergence of COVID-19.

Figures reflect paid external bookings only, and include a recurring weekly booking in place since February 2021.

2019/2020

2020/2021

BOOKINGS

8

15

Theme Area 1: Economic Growth

COMMUNITY EVENTS

During the 2020/21 financial year, events were largely affected by government-imposed Coronavirus restrictions on public gatherings.

EVENT
APPLICATIONS

2020/2021

22

SHIRE EVENTS RUN

2020/2021

8

CASE STUDY: NORTHAM BILYA FESTIVAL

This year, the Avon Descent weekend kicked off on Friday 13th August with a re-imagined river festival. Freshly named to reflect the importance of the river in Aboriginal culture, the *NORTHAM BILYA FESTIVAL* brought a new perspective to the event.

As part of the celebrations, the gardens at Bilya Koort Boodja were illuminated to mark the season of Makuru.

The 'River' themed community float parade took place on Fitzgerald Street, and featured many community groups and organisations, as well as the WA Police Pipe Band.

Following the parade, a Ballardong Cultural Ceremony and Avon Descent Race 'Blessing of the River' occurred before the launch of the 'Northam Suspension Bridge Precinct Activation Project' and the turning on of the new bridge lights.

The Northam Suspension Bridge Precinct Activation Project was delivered in partnership with RAC through its Reconnect WA initiative, which aims to create vibrant streets and public spaces for Western Australians to interact and connect with each other.

The Festival included fun family entertainment, side show alley, marshmallow toasting and performance and music from Phil WalleyStack, The Pipeline Band, Cyndy Moody & Phil Bartlett, Deadly Sista Girlz, Moodijt Koolalingas Choir, Lilly Gogos and many more. The event went very well, and the Northam Community were very receptive to the changes made.





Theme Area 2: Community Wellbeing

WHAT'S NEW THIS YEAR

This year, the Community Services Department has welcomed a new Executive Manager; Jo Metcalf. Jo has been with the Shire of Northam since January 2021, and has made a number of changes across the department to improve operations. One initiative led by Jo during this financial year has been a restructure to maximise effectiveness across all areas of delivery.

The creation of an Activation & Community Development team has consolidated all staff working across these areas to ensure smoother and more efficient operations. This team consists of A Manager Activation & Community Development, Community Development Officer, the Events Coordinator, and a Community Services Administration Officer. The team looks after events, economic development, activation activities, heritage, culture, and the arts, among other areas.

The relocation of the Shire's Events over to the Community Activation Team has facilitated the change from the existing Tourism & Events portfolio to the newly developed Tourism & Communications portfolio at the end of the financial year. This development will allow all Shire of Northam communications to be led by the Manager Tourism & Communications, enabling for a more holistic and strategic approach to both internal and external communications from the Shire of Northam. Moving forward, this will encourage better planning and more consistent messaging across departments on community-facing communications.

The 2020/2021 Financial year saw the departure of the Executive Manager Community Services, Ross Rayson and Bilya Koort Boodja Coordinator Michelle Winmar, and the introduction of dual Coordinators Robyn Davis and Kirk Garlett.

ACTIVATION & COMMUNITY DEVELOPMENT

COMMUNITY BUS

Running between Wundowie, Bakers Hill, Clackline, and Northam every 2nd & 4th Thursday of the month.

It is to be noted that during the 2020/2021 financial year, the service ran from February to June only due to the emergence of the Coronavirus pandemic.

COMMUNITY GRANTS

ISSUED

2019/2020

23

2020/2021

25

Theme Area 2: Community Wellbeing

ACTIVATION & COMMUNITY DEVELOPMENT (CON'T)

CASE STUDY: MURALS

Three new mural installations transformed parts of the Northam CBD and Wundowie with an aesthetic boost to lift the community spirit and engage visitors.



'The Last Swans' Amok Island | Completed November 2020.

A collaborative commission by the Shire of Northam, CBH & FORM. 'The Last Swans' by internationally renowned artist Amok Island makes an impressive statement on the wall of Northam's historic flour mill building.

The artwork depicts Northam's declining white swan population with a group of the iconic birds taking off from the Avon River.



'Aerial Playground' Jackson Harvey

This vibrant and playful piece was created by artist Jackson Harvey in April 2021. It gives a nod to Northam as the home of hot air ballooning. Jackson states, "the aim of the piece is to craft a playful, surreal atmosphere, and invoke emotions of floaty freedom as the human figures drift thought the sky, untethered by gravity."

Jackson's artwork was selected by a Council and community panel after a call for EOI's from artists attracted several responses. The work was commissioned by the Shire of Northam in collaboration with FORM.



It was a thrill to have Jackson in town shortly following his success in winning the popular reality TV series Lego Masters. Unfortunately, a snap Covid lockdown prevented the artist meet and greet from going ahead and left many young fans disappointed.

'Tanked' Too Much Colour Productions | Completed June 2021.

Completed by artists Darren Hutchens & Lawry Halden of Too Much Colour Productions in collaboration with the Wundowie community. This project was initiated by the Wundowie Police and funded through the WA Police State Graffiti Fund to address the ongoing issue of graffiti occurring on the water tank located at the Wundowie Oval (now within the new RV site).

The project successfully engaged young people as well as the broader Wundowie Community to come up with the design and then assist the artists during the install. Participants were taught urban art skills and the difference between legally commissioned urban art and illegal graffiti was reinforced.

Theme Area 2: Community Wellbeing

KILLARA

Key Statistics 2020/2021

Community
Service Hours
1,956

Brokerage
Hours
11,084

Respite
Hours
21,351

Transport
Trips
779

LIBRARY

Key Statistics 2020/2021

This year, the launch for Katie Stewart's book was the largest event held. Other Community-facing activities run throughout the year were outreach to the schools- doing robotics lunchtime classes, beading for children's week, weekly story time & rhyme time, and holiday robotic sessions.

Total
Visitors
12,620

Borrowers
2,025

Items
Borrowed
30,899

Events
Held
41

KEY STATISTICS 2020/2021

Clubs
supported
& sustained
49

Aquatics– Northam

Total Patrons
25,876

Season
passes (all)
629

Slide passes
5,832

Aquatics– Wundowie

Total Patrons
3,725

Season
passes
(Wundowie)
80

Theme Area 3: Safety & Security

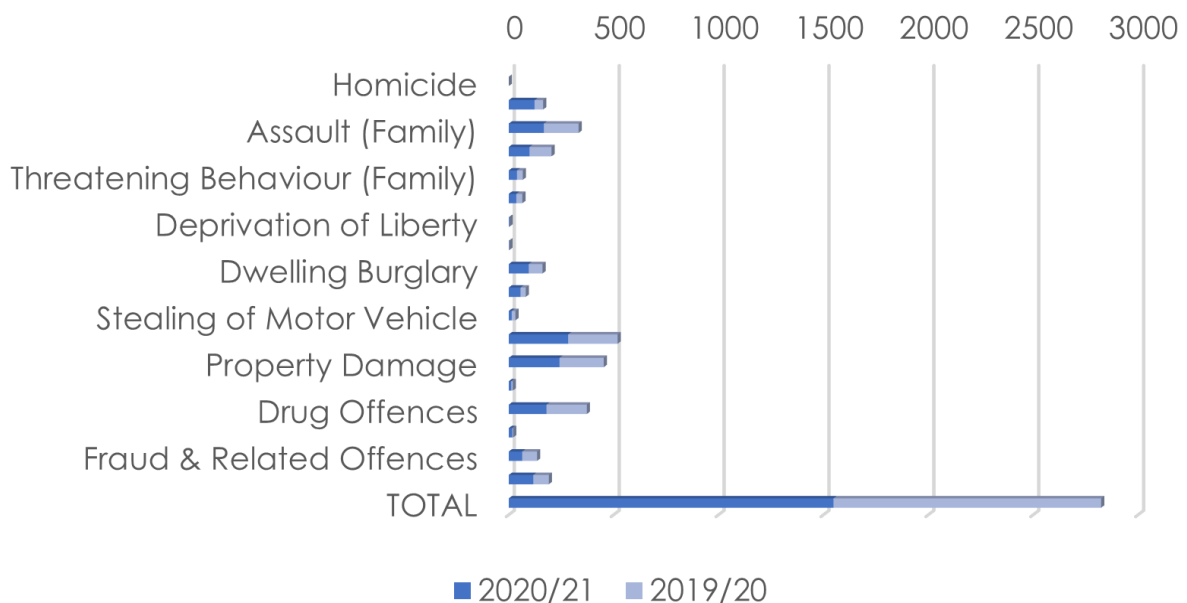
COMMUNITY SAFETY

Recorded Offences

	2019/2020	2020/2021
Homicide	0	0
Sexual Offences	123	41
Assault (Family)	167	166
Assault (Non-family)	99	105
Threatening Behaviour (Family)	39	28
Threatening behaviour (Non-family)	36	29
Deprivation of Liberty	3	1
Robbery	1	2
Dwelling Burglary	95	66
Non-dwelling Burglary	56	25
Stealing of Motor Vehicle	14	18
Stealing	283	236
Property Damage	242	211
Arson	12	7
Drug Offences	180	192
Graffiti	17	4
Fraud & Related Offences	64	71
Breach of Violence Restraining Orders	117	74
TOTAL	1548	1276



Community Safety



Theme Area 4: Environment & Heritage

ENVIRONMENTAL SUSTAINABILITY

During the 2020/2021 financial year environmental sustainability focused on providing advice and assistance with stakeholder advisory groups, fire mitigation works, targeted weed spraying programs, development and rezoning applications, private and community native planting, environmental mapping, reclaimed water compliance and the production of reports for illegal clearing complaints for submission to the Department of Water and Environmental Regulation.

As part of the Shire's commitment to addressing climate change, the Shire maintained its Waterwise status and continued to be involved with the national Cities Power Partnership Program that focuses on implementing best practice strategies to reduce the carbon footprint of local governments. Connected to this initiative, the Shire continued to improve the capture of information for the Azility modules that monitor asset consumption and emissions. The analytic tools allow the Shire to closely monitor the performance of individual assets, identify areas for improvements, pinpoint potential water leaks, monitor tariff costs for power and analyse the effectiveness of energy efficiency installations such as solar on specific buildings. Future improvements will involve the inclusion of the fleet fuel consumption and the addition of landfill volumes and the associated emissions. This information is crucial for establishing a carbon footprint baseline so that the Shire can work towards reducing its net carbon emissions in line with state and federal targets.

Rehabilitation efforts focused on the planting of native reeds and rushes at a Shire managed reserve with the assistance of the Northam CAG community group. The aim of the program was to improve the degraded site and to reduce the effects of soil erosion associated with the multiple drainage channels intercepting the reserve. Over 700 rushes and reeds were planted to slow surface water runoff and to support the topsoil. In addition to the reserve planting the Avon Environmental Society also planted approximately 500 native plants and rushes around the Town Pool area, Enright Park and supplemented the native plants on the Town Pool islands.

The Shire's annual 'greening programs' were again very popular, with all plant stock ordered utilised in the large and small landowner's programs. The 'Tree Subsidy' program for large landowners sold out in two weeks with residents purchasing 5,632 native tube stock trees. The small landowners 'Native Plant Giveaway' program was run at both Northam and Wundowie and the Shire distributed over 1,150 small shrubs and ground covers to over 230 residents. During the 'greening programs' and in line with best practice initiatives, the Shire trialled the use of 100% biodegradable tree guards. These were available for cost price for both community programs and were well received with the purchase of 1,766 tree guards. The tree guards are 100% biodegradable, can be used adjacent to water ways, provide protection from pest animals and protect plants from extreme weather conditions while establishing. There was very positive feedback towards this initiative and residents were happy to purchase the guards to protect their revegetation investment.



Theme Area 4: Environment & Heritage

HEALTH

Environmental Health Officers in the Shire of Northam Development Services, Health Section, assess risk and develop, regulate, enforce, and monitor laws and regulations governing public health for both the built and natural environment, in order to promote good human health and environmental practices.

Environmental Health Officers performed the following tasks:

- The investigation of a small number of complaints about food safety was undertaken to ensure shops, restaurants and food processors follow health regulations. Regular monitoring of food premises was also undertaken with the frequencies of inspections being determined by the premises risk rating of high, medium, or low risk. There is currently 106 food businesses within the Shire of Northam
- The monitoring and control of water, air and noise pollution was undertaken as and when required, and the collection of water samples for analysis was regularly undertaken regarding the Shire of Northam's reclaimed effluent irrigation system, river waters and public swimming pools.
- Monitoring the environmental health risks associated with the use of reclaimed irrigation effluent and the positioning of public infrastructure was undertaken with action being taken to eliminate any risk of contamination of such infrastructure.
- The free food handler's course 'I'm Alert' that has been available on the Shire of Northam website for some years has been replaced with an updated and improved version known as 'Food Safe for Food Handlers'.
- Complaints that several premises were not properly displaying COVID-19 attendance registers were investigated and the proprietors were issued with warning notices.
- Public Health and Environmental issues associated with major public events were monitored and attended to as required.
- The flood disaster in March 2021 was responded to, and emergency situations where public health was at risk were attended to with advice and assistance offered to those persons and businesses that were adversely affected.
- New building developments were assessed for compliance with the construction requirements of the Food Act 2008 and relevant Australian Standards. Also 48 onsite effluent disposal systems were approved.
- The inspection of defective housing was undertaken with several houses being deemed unfit for habitation and subsequently condemned.
- Regular assessments of public buildings were undertaken to ensure they comply with environmental or health and safety standards
- The inspection and licensing of premises that may present infectious disease risks to the community, such as, hairdressers and beauty salons where skin penetration and body piercing occurs was undertaken as and when required.



Theme Area 4: Environment & Heritage

WASTE

Of the 18,234 tonnes of waste material received at the Old Quarry Road Waste Management Facility during the 2020/2021 financial year, approximately 15,494 tonnes of waste was landfilled and 2,740 tonnes of waste was recycled. In addition, 3,363 tonnes of liquid waste was deposited into the Old Quarry Road Septage Ponds for drying. Of the 3,605 tonnes of waste material received at the Inkpen Road Waste Management Facility, approximately 2,935 tonnes of waste was landfilled and 670 tonnes of waste was recycled. Encouragingly, while waste totals at both sites do fluctuate on an annual basis, general refuse totals have not increased over the past five years.

Materials recycled at Old Quarry Road included green waste, waste oil, tyres, car and truck batteries, scrap metal and E-waste. Approximately 817 vehicle tyres of various sizes, 5 tonnes of vehicle batteries and 1080 tonnes of scrap metal were diverted from both landfill sites and sent away for recycling. The E-waste collection at the Old Quarry Road Waste Management Facility returned a similar total to last year with 9.5 tonnes of E-waste collected for recycling. The Shire's waste oil receipt facilities at both landfill sites collected a total of 12,200L of waste oil from residential activities. In conjunction with DrumMuster, 2,301 chemical containers (totalling 2 tonnes) were recycled during the 2020/2021 financial year. Drums were crushed at the Old Quarry Road Facility prior to being transported to Perth for recycling.

Additionally, the fortnightly kerbside recycling service and the recycling drop-off points at Old Quarry Road and Inkpen Road Waste Management Facilities collected approximately 805 tonnes of comingled and cardboard recyclables. 768 tonnes were collected through kerbside collection and 37 tonnes through drop-off skip bins at waste facilities. All 805 tonnes were transported to the Southern Metropolitan Regional Council (SMRC) for processing, with an 82% recyclable recovery rate overall.

A further half a tonne of fluorescent light globes and tubes and 0.18 tonne of household batteries, printer cartridges and mobile phones were collected and recycled from the Shire's Administration Office.

The free skip bin collection service for the Northam town site and regional areas was well utilised, with 888 properties requesting a skip bin (613 bins were requested in the town of Northam and 275 bins were requested in regional areas of the Shire).

Monitoring of the groundwater at the Old Quarry Road Waste Management Facility was undertaken in September 2020 and March/April 2021 as required under the premise licence issued by the Department of Water and Environmental Regulation (DWER). The groundwater hydrology reports and Annual Monitoring Report were acceptable to the Department of

Water and Environmental Regulation. Similarly, the Inkpen Road Waste Management Facility Annual Environmental Report was submitted to DWER in September 2021 in accordance with its licence requirements.

Significant projects undertaken during 2020/2021 include the commencement of the construction of the Old Quarry Transfer Station and Tip Shop, both being operational by early 2022; the excavation of 4,000 tonne of fill from within the Old Quarry Waste Management Facility for use as landfill cover material; and the preliminary planning for the installation of a photovoltaic system and batteries to power the Inkpen Road Waste Facility gatehouse, with this system now installed.



Theme Area 5: Infrastructure & Service Delivery

ENGINEERING SERVICES

Engineering Services is responsible for the construction and maintenance of all Shire owned roads, verges, footpaths, drainage structures, parks, public open spaces, reserves, bridges, parking facilities, and buildings. The portfolio also includes fleet management and cemetery and airport maintenance.

Works programmed and completed align with Council endorsed asset management plans, policies and long-term programs, which encompass the whole of life principles and sustainability strategies for transport, parks and gardens and buildings.

The following summary details major asset class inventories.

FOOTPATH CONSTRUCTION

A total of \$174,448 was spent on footpath construction and renewal works within the Shire. These projects reflected priorities identified in the Shire of Northam's Local Bike Plan and requests from the community. Locations included:

- Boronia Avenue, Wundowie
- Esperance Street, Northam
- Fitzgerald Street, Northam
- Fraser Street, Northam
- Henry Street, Northam
- Hovea Crescent, Wundowie
- Ord Street, Northam
- Duke Street, Northam

ROADWORKS

A total of \$1,898,410 was expended during the 2020/2021 financial year on capital road projects.

The following roads were major projects completed in the Shire:

Reconstruction / Widening

- Oliver Street
- Wellington Street SLK 40 -160
- Irishtown Road SLK 0 -10000
- Jennapullin Road SLK 9330 -11500

Resurfacing

- Leeder Road SLK 1510 - 2360
- Duke Street SLK 2470 - 2940

DRAINAGE AND STORMWATER MANAGEMENT

A total of \$90,603 was expended throughout the Shire to complete drainage improvements and upgrade works. This included the major upgrade of Minor works carried out around Almond Ave, Jose Road and Koojedda Heights in Bakers Hill.



Theme Area 5: Infrastructure & Service Delivery

ENGINEERING SERVICES (CON'T)

PARKS, PLAYGROUNDS & STREETSCAPES

A total of \$1,074,096 was expended throughout the Shire to upgrade and develop park Infrastructure. This included the Landscaping of the new RV Parks in Northam and Wundowie to encourage tourists and travellers passing through to stop and visit our town and businesses along the river and throughout the Shire. New Shade sails over the Children's Water Playground and throughout the CBD.

In Conjunction with the Bakers Hill Progress Association the POS improvements included construction of new shade shelters and play equipment have now been completed in Bakers Hill.

The Northam Shire has been working on the redevelopment of Landscaping and infrastructure of the riverbank and the CBD. These works will continue into 2021/2022.



BUILDING WORKS

Throughout the Shire there were numerous improvement and renewal works to buildings and properties.

Energy efficiency

The Shire of Northam has expanded the Recreation Centres Solar System to allow for the extra power consumption of the Aquatic Centre. Where lights are replaced, they are replaced with LED as a matter of course.

Recreation Centre

Installation of bird proof netting over the entire Recreation Centre roof to protect the Aquatic Centre pool heating solar blanket from Corella's chewing the rubber matting. Completion of the floor sanding, remarking and resealing of internal courts timber flooring.

CCTV

Carrying on with our commitment to the safety of staff and the community, further CCTV systems were installed or upgraded at the following facilities:

- Bilya Koort Boodja
- Shire of Northam Administration Building
- Wundowie works depot

Compliance

Continuing works on building compliance and safety were completed.

- Vintage vehicle building switchboard upgrade
- Northam Library sewer influx valve installed
- Town hall distribution board upgrade

Heritage buildings

Continual maintenance works to keep heritage buildings to standard these included:

- Replacing of the verandah subfloor, decking and verandah poles at the Old Girls School
- Repairs to subfloor timbers and painting timber windows at the Quellington Hall

Theme Area 5: Infrastructure & Service Delivery

BUSHFIRE MITIGATION & EMERGENCY SERVICES

There is over 440 registered volunteers within the Bushfire Service, Northam SES and the Avon Districts Support Brigade, including active and support members.

The Shire of Northam Volunteer Bush Fire service responded to over 45 incidents in the 2020/2021 year including a major incident in Wundowie, and major incidents in adjoining local authorities in York and Mundaring.

During the year construction commenced on the new Bakers Hill Bushfire Brigade Facility and approvals have been obtained for expansion to the Northam Emergency Services Centre and the Clackline Fire Brigade Facility.

During 2020/2021 a number of mitigation activities have been undertaken on Shire of Northam controlled properties through the Mitigation Activity Fund (MAF). These works have been funded by the State Government and provide an important tool in mitigating the effect of bushfire on those properties and nearby infrastructure.

During the year the Avon Districts Support Brigade was also established and will have the primary responsibility of operating the Incident Control Vehicle (ICV) at major incidents. The ICV is proposed to be housed at the Northam Emergency Services Centre following the completion of the planned expansion.



Theme Area 6: Governance & Leadership

HUMAN RESOURCES

Whilst the sourcing of skilled staff remains a challenge throughout regional WA, we have been successful in onboarding some valuable talent into our existing team. Staff turnover has been considerable due to a number of staff relocating to other locations or making decisive career moves. All staff are asked to attend an exit interview where we gain valuable feedback which is used to improve our processes and operations.

We continue to work with local stakeholders such as the local high schools (including Clontarf Academy), Essential Personnel, Directions, Forrest Personnel and Volunteering WA to support the local community in gaining both work experience and permanent employment.

We are currently reviewing our staff development review process and are constantly striving to apply innovative ideas to our hr related processes. All managers recently attended an interview techniques workshop to ensure that we recruit the best staff whilst remaining both compliant and transparent.

We are currently drafting the framework for a staff perception survey to identify any concerns that staff may have as we pride ourselves in being an employer of choice.

SAFETY

Continuous improvement throughout the organisation in relation to safety awareness has resulted in the increased utilisation of Safe Work Method Statements and Take 5's by staff. With regular review of safety systems and their effectiveness by the OSH Committee, each department has created a tailored approach to ensure that the best method of assessing risk before commencing manual tasks has been identified.

With the improvement of safety inductions for contractors through the implementation of Smartsheet the level of risk in this area has been reduced significantly.

The Safety Officer continues to provide advice and support to staff whilst visiting work areas on a regular basis, and reports any safety related concerns to the relevant manager through the Promapp system. Here the appropriate actions are raised and allocated to staff for completion within the required timeframe.

As our safety processes become more refined outstanding actions are being completed in a timely manner throughout the organisation which has resulted in a safer working environment for staff, contractors, volunteers and visitors to the organisation.

With the impending changes to OSH legislation in January 2023, managers have been made aware of the subsequent increase in liability. Workshops are planned before the end of 2021 for all staff to ensure that everyone is aware of the requirements of their role in relation to OSH legislation.



Theme Area 6: Governance & Leadership

STAFF TRAINING

The existing Training Register has been updated and verified, with the next stage of the process planned in the form of reconciliation between the requirements of the role and the skills and qualifications held by the present incumbents. This will allow us to identify gaps in the required skills to ensure optimum quality and efficiency within the workforce.

The Shire continues to source all training locally initially through CRTAFE where possible and has developed a fruitful working relationship with the staff and lecturers which has benefitted both the organisation and the training provider.

All department managers have recently attended a three day leadership and management training course to provide them with the necessary skills and knowledge to manage staff and work as a team effectively.

TRAINEESHIPS

With the appointment of a trainee in Development Services and two in the Parks and Gardens team the Shire continues to support young locals in gaining valuable experience and qualifications. An application for a Regional Traineeship Grant of \$35,000.00 has been submitted to the Department of Primary Industries and Regional Development to assist in funding this annual initiative. We have supported several local youths in gaining valuable work experience through liaising with both parents and schools in the area.

HEALTH & WELLBEING

The Shire continues to offer benefits to all staff through the health and wellbeing program and informs all new staff of the services available at the induction as part of the induction process. The Shire of Northam is proud of its health and wellbeing program and the fact that it has been developed through a combination of bulk billing and insurance funding to enable the services to be offered with minimal cost to the organisation. A wide range of benefits are available including confidential counselling, flu immunisations, health checks, skin cancer screening, HBF corporate discount, paraplegic benefit insurance and fitness programs.

In the previous financial year Depot Staff attended a health assessment at local provider In Balance Physiotherapy to identify any required fitness improvements. Based on the results a training program was developed to meet the needs of the participants and was offered to all staff in 2021. Successful completion of this program will hopefully result in fewer injuries and reduced absenteeism. This exercise was funded through Local Government Insurance Services, at no cost to the Shire of Northam.



Theme Area 6: Governance & Leadership

HEALTH & WELLBEING (CON'T)

The State Government recently announced the implementation of a three-phase COVID-19 vaccination policy with accompanying mandates. We are aware that stage 1 of the policy relates to Killara, therefore all staff in this department have been notified that they are required to undertake the first dose of their vaccination by 1st December 2021 with the 2nd dose being received by 31st December 2021. We are currently seeking further clarification as to whether stages 1 or 2 relate to any other areas of our organisation and will continue to keep staff informed of any developments as we are made aware of them, just as we did during the initial pandemic in 2020. At this stage however it appears as though stages 2 and 3 (in the event of a lockdown), will cover ALL staff at the Shire of Northam. Staff are being encouraged to partake in the vaccination program and are provided with leave of absence to attend the vaccination clinic in an effort to increase the number of staff receiving the vaccine.

All staff were recently offered skin cancer screening through the bulk billing system which proved popular in all areas of the workforce. With a number of staff requiring further medical intervention the effectiveness of the screening in identifying and treating potential skin cancer has proved invaluable in potentially saving lives.

SOCIAL MEDIA SNAPSHOT

Shire of Northam

Facebook
Followers
4,551

Instagram
Followers
1,289

Organic
Reach
117,631

Visit Northam

Facebook
Followers
3,608

Instagram
Followers
1,595

Organic
Reach
219,725

Bilya Koort Boodja

Facebook
Followers
2,150

Instagram
Followers
727

Organic
Reach
49,006



ORGANISATIONAL COMMUNICATION

Website News
Items & Public
Notices
51

Website Sessions

2019/2020
57,070

2020/2021
78,613

Website Users

2019/2020
56,084

2020/2021
76,790

Theme Area 6: Governance & Leadership

RANGER SERVICES

Ranger Services primarily encourages and enforces compliance with Local and State Laws with respect to pets and livestock; parking and off-road vehicles, and abandoned vehicles; fire hazard reduction; wildlife care and removal referrals; littering; illegal camping and caring for the Northam white swan colony.

Improvements have been experienced in most areas; this is attributed to a greater focus on community education to encourage compliance. The rangers have implemented a wide range of promotional educational activities designed to ensure messages reach broad cross sections of the community.

A total of 529 infringements were issued in the 2019-2020 financial year in comparison to a total of 241 in the 2020-2021 financial year. The reduction of fire infringements directly correlates with the "hard" line of enforcement taken by the rangers in previous years and the implementation of early warning notices prior to the commencement of the fire order requirements

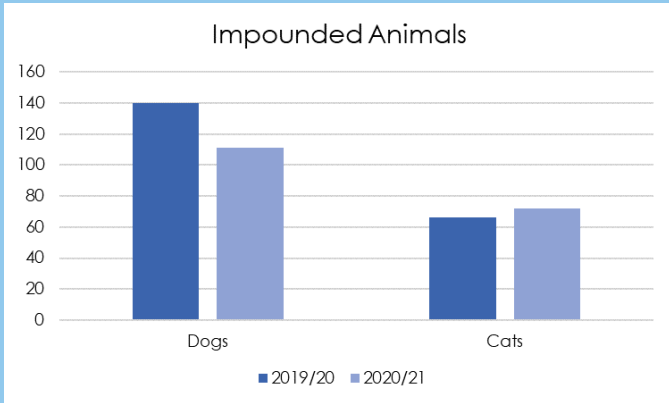
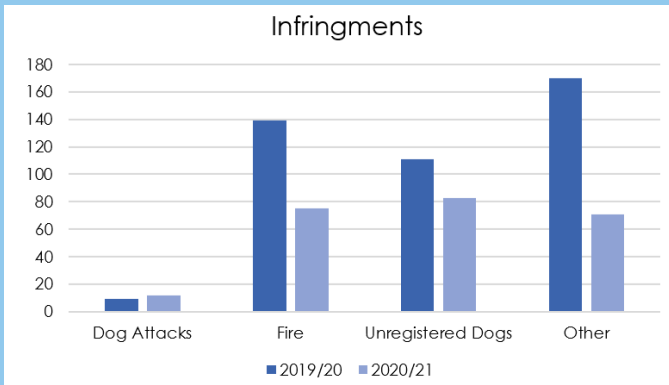
Dog attack investigations have increased in the 2020-2021 period, this could be attributed to the COVID-19 restrictions that were in place during the 2019-2020 period were residents were more likely to be home with their animals.

The reduction in dogs wandering has enabled us to concentrate on cat management, this has resulted in an increase in impounding and infringements.

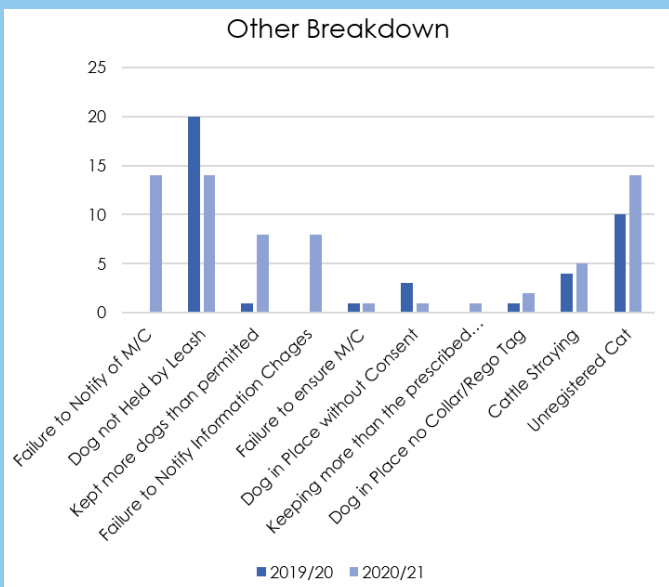


Theme Area 6: Governance & Leadership

RANGER SERVICES (CON'T)



Impounding of dogs has decreased from the 2019/2020 period however, dog registrations have increased, and less impounded dogs are presenting unregistered. These numbers indicator that education program and registration drives have been successful.



Theme Area 6: Governance & Leadership

RANGER SERVICES (CON'T)

Rangers also provide a range of information sheets and regular compliance information updates. These are distributed via the Shire's internal media and communications channels, posters on community notice boards, local media and advertising whenever appropriate. Our outgoing customer correspondence is also supported by a range of information sheets/brochures.

In the field, Rangers give away free Shire of Northam dog leads to encourage 'Dog-on-a-Leash in Public Places' compliance. They also give out colouring books about responsible dog and cat ownership to children when appropriate.

Management of the White Swan Colony continues with the arrival of a new cygnet in November 2021 this adds to the one cygnet from November 2020. Slowly increasing our population.

Approaches have been made to government officials requesting assistance in increasing our swan gene pool for further breeding.

Corella management continues to be challenging, however there is to be a scoping project that will enable us to implement "best practise" for best success.

Regular targeted parking patrols are conducted as per the Parking and Parking Facilities Local Law 2019. Problem areas are identified, with warning parking notices distributed in the first instance followed by infringements if warning notices are not complied with. Particular attention around our school areas this past year have resulted in Parents and carers parking in safer locations.



Theme Area 6: Governance & Leadership

COUNCIL MEETINGS

Ordinary Council meetings and Council Forums were held monthly at the Northam Recreation Centre to comply with COVID-19 social distancing guidelines.

The attendances of Council Members at Council Meetings for the 2020/2021 financial year are detailed in the table below:

Meeting Type	Date	Cr Antonio	Cr Williams	Cr Ryan	Cr Tinetti	Cr Galloway	Cr Mencshelyi	Cr Girak	Cr Pollard	Cr Little	Cr Della
Forum	8/07/2020	1	1	1	1	1	1	1	1	1	LOA
Ordinary	15/07/2020	1	1	1	1	1	1	1	1	1	LOA
Special	20/07/2020	1	1	1	1	1	1	AP	1	1	1
Special	10/08/2020	1	1	LOA	1	1	AB	1	1	1	1
Forum	12/08/2020	1	1	1	1	1	1	1	1	1 E	1
Ordinary	19/08/2020	1	1	LOA	1	1	1	1	1	1 E	1
Strategic	26/08/2020	1	1	1	1	1	1	1	1	1	1
Forum	9/09/2020	1	1	1	1	1	1	1	1	1	1
Ordinary	16/09/2020	1	1	1	1	1	1	1	1	1	1
Forum	14/10/2020	1	1	1	1	1	1	1	1	1	1
Ordinary	21/10/2020	1	1	1	1	1	1	1	1	1	1
Forum	11/11/2020	1	1	1	1	1	1	1	1	1	1
Ordinary	18/11/2020	1	1	AP	1	1	1	1	1	1	1
Strategic	25/11/2020	1	1	1	1	AP	AP	1	1	1	1
Forum	9/12/2020	1	1	LOA	1	1	1	AP	1	1	1
Ordinary	16/12/2020	1	1	LOA	1	1	LOA	1	1	1	1
Special	22/12/2020	1	1	1	1	1	1	1	AP	1	1
Ordinary	27/01/2021	1	1	1	1	1	1	1	1	1	1
Forum	10/02/2021	1	1	1	LOA	1	1	1	1 E	1	1
Ordinary	17/02/2021	1	1	1	LOA	1	1	1	1	1	1
Strategic	24/02/2021	1	LOA	1	AP	1	AP	1	1	1	1
Forum	10/03/2021	1	1	1	1	1	1	1	1	1	1
Ordinary	17/03/2021	1	1	LOA	1	1	1	1	1	1	1
Forum	14/04/2021	1	1	1	1	1	1	1	1	1	1
Ordinary	21/04/2021	1	1	1	1	1	1	1	1	1	1
Forum	12/05/2021	1	1	1	1	1	1	1	1 E	1	1
Ordinary	19/05/2021	1	1	1	1	1	1	1	1	1	1
Strategic	26/05/2021	1	1	1	1	1	AP	1	1	AP	1
Forum	9/06/2021	1	1	1	1	1	1	1	1	1	1
Ordinary	16/06/2021	1	1	1	LOA	1	1	1	1	1	1

AP: Apology, AB: Absent, E: Electronically, LOA: Leave of Absence.

Theme Area 6: Governance & Leadership

COMMITTEES

During 2020/2021, Council appointed the following Committees:

- Audit and Risk Management Committee
- Bush Fire Advisory Committee (BFAC)
- Chief Executive Officer (CEO) Review Committee
- Local Emergency Management Committee (LEMC)
- Community Safety Committee
- Nyoongar Cultural Advisory Group

The attendances of Council Members at Committee Meetings for the 2020/2021 financial year are shown in the following tables:

Meeting Type	Date	Cr Antonio	Cr Williams	Cr Ryan	Cr Tinetti	Cr Galloway	Cr Mencshelyi	Cr Girak	Cr Pollard	Cr Little
Bush Fire Advisory Committee	21/07/2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
Audit & Risk Management Committee	20/08/2020	1	N/A	LOA	N/A	N/A	1	N/A	1	N/A
Community Grants Assessment Committee	26/08/2020	1	1	N/A	N/A	N/A	1	N/A	N/A	N/A
Bush Fire Advisory Committee	8/09/2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
Nyoongar Cultural Advisory Group	15/09/2020	1	N/A	1	N/A	N/A	AB	N/A	N/A	N/A
Community Safety Committee	22/09/2020	N/A	1	N/A	1	N/A	N/A	AP	N/A	N/A
Community Grants Assessment Committee	1/10/2020	1	1	N/A	N/A	N/A	AB	N/A	N/A	N/A
Community Grants Assessment Committee	20/10/2020	1	1	N/A	N/A	N/A	AB	N/A	N/A	N/A
Audit & Risk Management Committee	12/11/2020	1	N/A	1	N/A	N/A	1	N/A	1	N/A
Chief Executive Officer Review Committee	16/11/2020	1	1	1	AP	N/A	1	N/A	N/A	N/A
Nyoongar Cultural Advisory Group	17/11/2020	1	N/A	1	N/A	N/A	1	N/A	N/A	N/A
Community Grants Assessment Committee	3/12/2020	1	1	N/A	N/A	N/A	AP	N/A	N/A	N/A
Chief Executive Officer Review Committee	4/12/2020	1	1	1	1	N/A	1	N/A	N/A	N/A
Bush Fire Advisory Committee	8/12/2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
Chief Executive Officer Review Committee	15/12/2020	1	1	1	AP	N/A	1	N/A	N/A	N/A
Audit & Risk Management	17/12/2020	1	N/A	1	N/A	N/A	1	N/A	AP	N/A

AP: Apology, AB: Absent, E: Electronically, LOA: Leave of Absence.

Theme Area 6: Governance & Leadership

COMMITTEES (CON'T)

Meeting Type	Date	Cr Antonio	Cr Williams	Cr Ryan	Cr Tinetti	Cr Galloway	Cr Mencshelyi	Cr Girak	Cr Pollard	Cr Little
Nyoongar Cultural Advisory Group	9/02/2021	AP	N/A	1	N/A	N/A	AP	N/A	N/A	N/A
Community Grants Assessment Committee	10/02/2021	1	1	N/A	N/A	N/A	AB	N/A	N/A	N/A
Chief Executive Officer Review Committee	4/03/2021	1	1	1	AP	N/A	AP	N/A	N/A	N/A
Community Grants Assessment Committee	11/03/2021	1	1	N/A	N/A	N/A	AB	N/A	N/A	N/A
Local Emergency Management Committee	11/03/2021	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bush Fire Advisory Committee	16/03/2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1
Community Grants Assessment Committee	14/04/2021	1	1	N/A	N/A	N/A	1	N/A	N/A	N/A
Community Safety Committee	20/04/2021	N/A	1	N/A	AP	N/A	N/A	1	N/A	N/A
Nyoongar Cultural Advisory Group	4/05/2021	1	N/A	1	N/A	N/A	AB	N/A	N/A	N/A
Chief Executive Officer Review Committee	27/05/2021	1	1	AB	1	N/A	AB	N/A	N/A	N/A
Community Grants Assessment Committee	1/06/2021	1	1	N/A	N/A	N/A	1	N/A	N/A	N/A
Audit & Risk Management Committee	2/06/2021	1	N/A	1	N/A	N/A	1	N/A	1	N/A
Local Emergency Management Committee	10/06/2021	1	N/A	N/A	N/A	N/A	N/A	N/A	1	N/A
Bush Fire Advisory Committee	15/06/2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1

AP: Apology, AB: Absent, E: Electronically, LOA: Leave of Absence.



Statutory Reports

FREEDOM OF INFORMATION

In accordance with Section 96 and 97 of the Freedom of Information Act 1992 the Shire is required to publish an information statement annually which details the process of applying for information under the Act, as well as information that the Shire provides outside of the Act. This document is available from the Shire of Northam Administration Centre or on the website under 'Our Council/documents and publications.'

During 2020/21 the Shire received 6 applications for Freedom of Information. These requests were completed within 45 days in accordance with Section 13.3 of the Freedom of Information Act 2000.

Should you wish to obtain a copy of the Freedom of Information Act 1992 or associated regulations please visit the State Law Publisher Website at www.slp.wa.gov.au where a full copy of all State Legislation is available.

Further information about Freedom of Information can also be found on the Freedom of Information Commissioner's website www.foi.wa.gov.au. This information statement can be accessed through the Shire of Northam's website at www.northam.wa.gov.au.

COMPETITIVE NEUTRALITY

Local Governments are required to apply the principle of competitive neutrality to all business activities generating user-pays income in excess of \$200,000. The principle of competitive neutrality is that Government businesses should not enjoy a competitive advantage, or disadvantage, simply as a result of their public sector ownership. Annual Reports must show that a public benefit test has been conducted for all significant business activities to determine if competitive neutrality is in the public interest.

COMPLIANCE WITH THE STATE RECORDS ACT 2000

In accordance with Section 19 of the State records Act 2000, Local Governments are required to have a Record Keeping Plan that is approved by the State Records Commission (SRC).

The purpose of the plan is to provide an accurate reflection of the record keeping program in the organisation, including information regarding the organisation's record keeping system, disposal arrangements, policies, practices and processes.

The Shire is required to ensure records are created, managed and maintained over time and disposed in accordance with the principles and standards issued by the SRC. The Record Keeping Plan is the primary means of providing evidence of compliance with the Act and the implementation of best practice record keeping in the organisation.

The Shire of Northam's Record Keeping Plan is reviewed and evaluated at least once every five years for efficiency and effectiveness. The Plan was reviewed and approved by the State records Commission on 14 December 2018. The next review is due prior to 2 August 2023 which will then be submitted to the State Records Commission for approval.

The total number of records destroyed during the last financial year were:

- Total No. Boxes - 21
- Dates collected - 13 May 2021
- Destroyed by - Shred-X



Statutory Reports

EMPLOYEE REMUNERATION

In accordance with part 5 of the Local Government (Administration) Regulations 1996 the table below demonstrates the number of employees entitled to and in receipt of an annual salary over \$130,000;

	No of Employees
\$130,000 - \$139,000	1
\$140,000 - \$149,000	
\$150,000 - \$159,000	
\$160,000 - \$169,000	
\$170,000 - \$179,000	1
\$180,000 - \$189,000	1
\$190,000 - \$199,000	1
\$200,000 - \$209,000	
\$210,000 - \$219,000	
\$220,000 - \$229,000	
\$230,000 - \$239,000	
\$240,000 - \$249,000	
\$250,000 - \$259,000	
\$260,000 - \$269,000	
\$270,000 - \$279,000	
\$280,000 - \$289,000	1

NATIONAL COMPETITION POLICY

In 1995 the Council of Australian Governments entered into a number of agreements, collectively known as the National Competition Policy. Local government is affected mainly where it operates significant business activities which compete, or could compete, with private sector businesses. Local Government will also be affected where local laws unnecessarily affect competition.

The Shire is required to comply with certain policies contained within the Nation Competition Policy statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws.

STRATEGIC COMMUNITY PLAN

There were no modifications made to the Strategic Community Plan.

CORPORATE BUSINESS PLAN

There were no significant modifications made to the Corporate Business Plan.

DISABILITY ACCESS & INCLUSION

Shire of Northam is committed to facilitating the inclusion of people with disability through the improvement of access to its information, services, events and facilities.

In working towards this goal the Shire of Northam has worked progressively towards achieving the desired results in the key outcomes. Our success includes:

- The availability of a Shire of Northam Disability Access & Inclusion Plan 2018 – 2023 on the Shire website;
- Confirmation that our facilities meet the required standards;
- Improvement in Shire of Northam staff understanding in assisting the public to obtain information in other accessible formats; and
- Ongoing community consultation with key stakeholders to guide access and inclusion improvements.

LOCAL LAWS

The Local Government Act 1995 requires all existing local laws to be reviewed every eight years. As part of this process the intention to review local laws is advertised in the media giving residents and ratepayers the opportunity to comment on any proposed changes, additions or deletions to the Shire's local laws. In the year 2020/2021, the Shire of Northam did not review any of it's local laws.

REGISTER OF COMPLAINTS

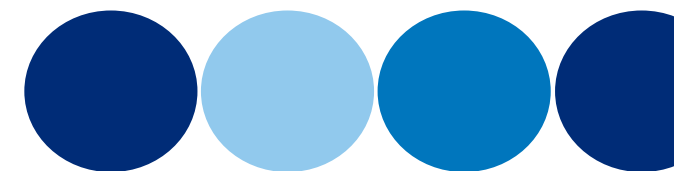
The Local Government Act 1995 s5.121 requires the complaints officer of the Local Government to maintain a register of complaints which records all complaints that result in an action under the Local Government Act s5.121 (6)(b) or (c).

The register of complaints is to include, for each recorded complaint:

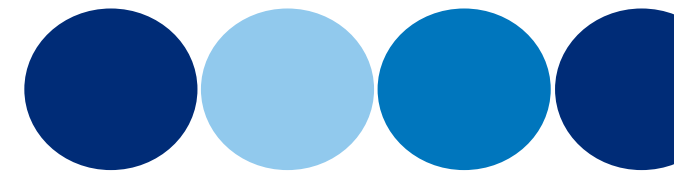
- Name of Council Member or person about whom the complaint is made;
- Name of the person who makes the complaint;
- A description of the minor breach that the Standards Panel finds has occurred; and
- Details of the action taken under LGA s5.110 (6)(b) or (c).
- During 2020/21 there were no reportable complaints.

Monitoring & Reporting

Human Resources

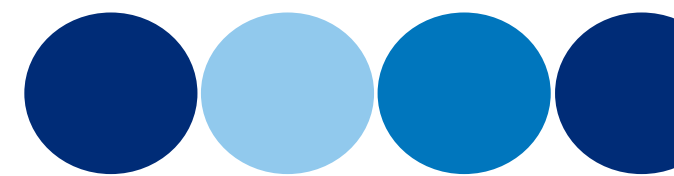


Performance Area	Key Performance Indicator	Formula	Target	2020/21	2019/20	2018/19
Safe Working Environment						
Workplace Safety	Lost Time Injury Frequency Rate	Number of lost time injuries x 1,000,000 Total hours worked	<15	30.7	30.7	25.6
Occupational Health and Safety Management	Percentage compliance with AS/NZS 4801:2001 requirements	Average percentage compliance over 10 sections through an independent audit *formal assessment by LGIS to be undertaken	> 76%	Not measured (Next Audit 2021)	Not measured (Next Audit 2021)	72%
Appropriately Skilled Workforce						
Professional Development	Percentage employee satisfaction with professional development opportunities	Average percentage satisfaction across all Departments determined through Tri- Annual Workforce Systems Processes People Audit	>60%	Not measured (Next Survey 2021)	Not measured (Next Survey 2021)	56%
Retention of Valued Staff						
Staff Turnover	Staff turnover rate	Number of staff separations* Total number of staff (less casual and Council initiated)	<20%	27%	16%	16%



Monitoring & Reporting Financial Management

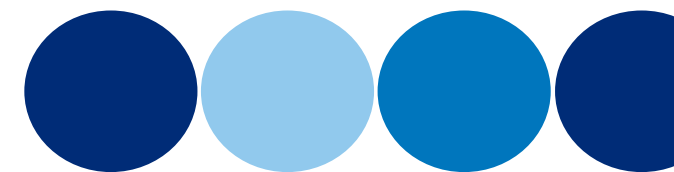
Performance Area	Key Performance Indicator	Formula	Target	2020/21	2019/20	2018/19
Budget Management	Percentage variance in actual year to date expenditure operating versus budgeted expenditure	$\frac{\text{Actual Expenditure} - \text{Budgeted Expenditure}}{\text{Budgeted Expenditure}} \times 100$	<10%	-6.34%	1.76%	-3.0%
Current Ratio	This is a modified commercial ratio designed to focus on the liquidity position of a local government that has arisen from past year's transactions	$\frac{(\text{Current Assets MINUS Restricted Assets})}{(\text{Current Liabilities MINUS Liabilities Associated with Restricted Assets})}$	1:1 (100% or greater)	394%	310%	176%
Debt Service Ratio	This ratio is the measurement of a local government's ability to repay its debt including lease payments. The higher the ratio is, the easier it is for a local government to obtain a loan	Annual Operating Surplus BEFORE Interest and Depreciation Principal and Interest	>4	6.10	6.90	14.45



Monitoring & Reporting Governance

Performance Area	Key Performance Indicator	Formula	Target	2020/21	2019/20
Corporate Plan Achievement	Percentage of identified Corporate Actions achieved	Corporate Actions undertake in current year Total Number of Corporate Actions	100%	66.4% Completed	89% Completed
Project Delivery	Percentage of Major Projects delivered	Number of Major Projects Delivered in current year Total Number of Major Projects Identified in Corporate Plan	100%	42% Completed	71% Completed

Monitoring & Reporting Compliance



Performance Area	Key Performance Indicator	Formula	Target	2020/21	2019/20	2018/19
Statutory Planning						
Building Permit Processing	Average Building Permit processing time	Building Permit process times to be measured by the official date received and official date Permit issued	Uncertified ≤20 working days	8.98 days	3.74 days	5.68 days
			Certified <10 working days	4.56 days	3.33 days	5.19 days
Development Application Processing	Average Development Application processing times	Total days to process development applications	≤30 days (delegated decisions)	16 days	20 days	34 days
		Total number of development applications				
		Development application process times measured by the official date received and official date approval issued, less any official hold periods recorded	≤40 days (non-delegated decisions)	61 days	56 days	91 days
				No applications (RDAP decision)	79 days (RDAP decision)	
Local Government Compliance						
Compliance Auditing	Percentage of elements identified within the annual Department of Local Government Audit Return identified as being complied with by the Shire of Northam	# of Audit elements complied with x 100 Total number Audit elements Compliance audit for the period 1st January to 31st December against the requirements of the Compliance Audit Return	≥90%	Not available until March 2022	96%	99%

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

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Index of Notes to the Financial Report	9
Independent Auditor's Report	53

Principal place of business:
395 Fitzgerald Street
NORTHAM WA 6401

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	27(a)	10,106,716	10,152,290	10,160,528
Operating grants, subsidies and contributions	2(a)	5,164,488	3,664,952	6,651,352
Fees and charges	2(a)	4,114,035	3,673,118	4,024,370
Interest earnings	2(a)	99,091	133,000	297,482
Other revenue	2(a)	1,083,794	953,571	1,087,766
		20,568,124	18,576,931	22,221,498
Expenses				
Employee costs		(8,819,457)	(8,455,397)	(8,793,100)
Materials and contracts		(5,894,733)	(8,713,671)	(6,154,172)
Utility charges		(1,229,796)	(1,020,182)	(1,101,561)
Depreciation on non-current assets	11(c)	(4,975,800)	(4,680,609)	(4,670,394)
Interest expenses	2(b)	(227,162)	(229,114)	(225,102)
Insurance expenses		(470,168)	(516,245)	(515,918)
Other expenditure		(422,699)	(13,751)	(289,224)
		(22,039,815)	(23,628,969)	(21,749,471)
		(1,471,691)	(5,052,038)	472,027
Non-operating grants, subsidies and contributions	2(a)	2,902,333	4,344,290	4,068,319
Profit on asset disposals	11(a)	26,070	343,039	2,762
Loss on asset disposals	11(a)	(343,786)	(187,254)	(1,235,641)
Fair value adjustments to financial assets at fair value through profit or loss		7,758	0	3,458
		2,592,375	4,500,075	2,838,898
Net result for the period		1,120,684	(551,963)	3,310,925
Other comprehensive income for the period		0	0	0
Total comprehensive income for the period		1,120,684	(551,963)	3,310,925

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance		119,613	83,126	80,177
General purpose funding		13,744,688	12,008,801	14,026,452
Law, order, public safety		712,623	988,145	736,084
Health		7,668	61,000	31,230
Education and welfare		1,296,203	1,173,342	1,398,587
Housing		61,647	62,277	56,755
Community amenities		2,892,789	2,673,576	2,755,163
Recreation and culture		408,654	482,653	357,890
Transport		471,497	500,211	2,140,689
Economic services		520,913	413,600	431,080
Other property and services		331,829	130,200	207,391
		20,568,124	18,576,931	22,221,498
Expenses				
Governance		(1,613,969)	(2,972,120)	(1,361,947)
General purpose funding		(224,868)	(358,499)	(355,236)
Law, order, public safety		(1,609,878)	(2,019,979)	(1,777,207)
Health		(247,367)	(323,504)	(310,468)
Education and welfare		(1,284,061)	(1,421,276)	(1,325,064)
Housing		(64,710)	(75,215)	(67,421)
Community amenities		(3,193,837)	(3,558,140)	(3,342,904)
Recreation and culture		(4,661,628)	(4,543,869)	(4,587,336)
Transport		(6,071,467)	(5,811,997)	(5,677,479)
Economic services		(2,233,001)	(2,267,657)	(2,353,042)
Other property and services		(607,867)	(47,599)	(366,265)
		(21,812,653)	(23,399,855)	(21,524,369)
Finance Costs				
Governance	2(b)	(98)	0	(1,235)
Recreation and culture		(182,959)	(184,729)	(173,089)
Economic services		(44,105)	(44,385)	(50,778)
		(227,162)	(229,114)	(225,102)
		(1,471,691)	(5,052,038)	472,027
Non-operating grants, subsidies and contributions	2(a)	2,902,333	4,344,290	4,068,319
Profit on disposal of assets	11(a)	26,070	343,039	2,762
Loss on disposal of assets	11(a)	(343,786)	(187,254)	(1,235,641)
Fair value adjustments to financial assets at fair value through profit or loss		7,758	0	3,458
		2,592,375	4,500,075	2,838,898
Net result for the period		1,120,684	(551,963)	3,310,925
Other comprehensive income for the period		0	0	0
Total comprehensive income for the period		1,120,684	(551,963)	3,310,925

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

SHIRE OF NORTHAM
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	8,872,241	9,868,173
Trade and other receivables	6	3,512,304	3,397,556
Other financial assets	5(a)	20,850	20,203
Other assets	8	398,000	2,528
TOTAL CURRENT ASSETS		12,803,395	13,288,460
NON-CURRENT ASSETS			
Trade and other receivables	6	428,969	466,121
Other financial assets	5(b)	323,833	336,925
Property, plant and equipment	9	55,636,285	55,479,938
Infrastructure	10	170,708,690	169,891,676
Right of use assets	12(a)	987	25,601
TOTAL NON-CURRENT ASSETS		227,098,764	226,200,261
TOTAL ASSETS		239,902,159	239,488,721
CURRENT LIABILITIES			
Trade and other payables	14	2,161,216	2,828,644
Contract liabilities	15	1,120,876	712,567
Lease liabilities	16(a)	1,012	25,025
Borrowings	17(a)	357,208	345,975
Employee related provisions	18	1,156,374	1,252,838
Other provisions	19	70,000	0
TOTAL CURRENT LIABILITIES		4,866,686	5,165,049
NON-CURRENT LIABILITIES			
Lease liabilities	16(a)	0	1,012
Borrowings	17(a)	5,701,320	6,058,528
Employee related provisions	18	179,629	230,292
Other provisions	19	159,546	159,546
TOTAL NON-CURRENT LIABILITIES		6,040,495	6,449,377
TOTAL LIABILITIES		10,907,181	11,614,427
NET ASSETS		228,994,978	227,874,294
EQUITY			
Retained surplus		113,277,270	112,446,383
Reserves - cash backed	4	3,676,371	3,386,574
Revaluation surplus	13	112,041,337	112,041,337
TOTAL EQUITY		228,994,978	227,874,294

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

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

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2019		107,506,144	5,015,888	112,041,337	224,563,369
Comprehensive income					
Net result for the period		3,310,925	0	0	3,310,925
Total comprehensive income		<u>3,310,925</u>	<u>0</u>	<u>0</u>	<u>3,310,925</u>
Transfers from reserves	4	5,935,287	(5,935,287)	0	0
Transfers to reserves	4	(4,305,973)	4,305,973	0	0
Balance as at 30 June 2020		112,446,383	3,386,574	112,041,337	227,874,294
Comprehensive income					
Net result for the period		1,120,684	0	0	1,120,684
Total comprehensive income		<u>1,120,684</u>	<u>0</u>	<u>0</u>	<u>1,120,684</u>
Transfers from reserves	4	390,368	(390,368)	0	0
Transfers to reserves	4	(680,165)	680,165	0	0
Balance as at 30 June 2021		113,277,270	3,676,371	112,041,337	228,994,978

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		10,166,045	10,400,540	9,919,067
Operating grants, subsidies and contributions		5,528,970	4,264,952	6,600,992
Fees and charges		4,127,427	3,673,118	4,037,762
Interest received		99,091	133,000	297,482
Goods and services tax received		0	300,000	64,852
Other revenue		1,257,691	953,571	1,261,663
		21,179,224	19,725,181	22,181,818
Payments				
Employee costs		(8,976,470)	(8,916,088)	(8,583,441)
Materials and contracts		(7,104,415)	(8,438,671)	(5,362,475)
Utility charges		(1,110,996)	(1,020,182)	(982,760)
Interest expenses		(227,162)	(229,114)	(225,102)
Insurance paid		(470,168)	(516,245)	(515,918)
Goods and services tax paid		(172,519)	(300,000)	0
Other expenditure		(422,699)	(13,751)	(289,224)
		(18,484,429)	(19,434,051)	(15,958,920)
Net cash provided by operating activities	20	2,694,795	291,130	6,222,898
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(2,527,349)	(5,356,882)	(1,450,723)
Payments for construction of infrastructure	10(a)	(4,131,007)	(9,310,811)	(12,500,913)
Non-operating grants, subsidies and contributions	2(a)	2,902,333	4,344,290	4,068,319
Proceeds from financial assets at amortised cost - self supporting loans		20,203	20,203	22,810
Changes in accounting policy		0	0	0
Proceeds from sale of property, plant & equipment	11(a)	416,093	992,500	1,282,432
Net cash used in investment activities		(3,319,727)	(9,310,700)	(8,578,075)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(345,975)	(345,975)	(376,178)
Payments for principal portion of lease liabilities	16(b)	(25,025)	0	(24,246)
Proceeds from new borrowings	17	0	3,464,020	4,500,000
Net cash used in financing activities		(371,000)	3,118,045	4,099,576
Net increase / (decrease) in cash held		(995,932)	(5,901,525)	1,744,399
Cash at beginning of year		9,868,173	10,172,382	8,123,774
Cash and cash equivalents at the end of the year	20	8,872,241	4,270,857	9,868,173

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	28 (b)	6,309,758	6,248,941	3,588,632
		6,309,758	6,248,941	3,588,632
Revenue from operating activities (excluding rates)				
Governance		127,409	83,126	83,635
General purpose funding		3,657,363	1,854,511	3,880,769
Law, order, public safety		712,623	995,487	736,084
Health		13,590	61,000	31,230
Education and welfare		1,296,203	1,173,342	1,398,587
Housing		61,647	62,277	56,755
Community amenities		2,892,789	2,673,576	2,755,163
Recreation and culture		408,654	800,653	360,652
Transport		477,861	517,908	2,140,689
Economic services		530,113	413,600	431,080
Other property and services		331,829	130,200	207,391
		10,510,081	8,765,680	12,082,035
Expenditure from operating activities				
Governance		(1,614,067)	(2,970,523)	(1,373,637)
General purpose funding		(224,868)	(358,499)	(355,236)
Law, order, public safety		(1,737,954)	(2,019,979)	(1,822,627)
Health		(247,367)	(323,504)	(318,166)
Education and welfare		(1,286,827)	(1,422,376)	(1,325,064)
Housing		(64,710)	(75,215)	(67,421)
Community amenities		(3,193,837)	(3,558,140)	(3,349,223)
Recreation and culture		(4,847,850)	(4,734,123)	(5,853,729)
Transport		(6,168,889)	(5,936,559)	(5,749,923)
Economic services		(2,389,366)	(2,367,706)	(2,403,820)
Other property and services		(607,867)	(47,599)	(366,265)
		(22,383,602)	(23,814,223)	(22,985,111)
Non-cash amounts excluded from operating activities	28(a)	5,175,638	4,824,824	6,327,704
Amount attributable to operating activities		(388,125)	(3,974,778)	(986,740)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	2,902,333	4,344,290	4,068,319
Proceeds from disposal of assets	11(a)	416,093	992,500	1,282,432
Proceeds from financial assets at amortised cost - self supporting loans		20,203	20,203	22,810
Purchase of property, plant and equipment	9(a)	(2,527,349)	(5,356,882)	(1,450,723)
Purchase and construction of infrastructure	10(a)	(4,131,007)	(9,310,811)	(12,500,913)
Amount attributable to investing activities		(3,319,727)	(9,310,700)	(8,578,075)
FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(345,975)	(345,975)	(376,178)
Proceeds from borrowings	17 (b&c)	0	3,464,020	4,500,000
Payments for principal portion of lease liabilities	16(b)	(25,025)	0	(24,246)
Transfers to reserves (restricted assets)	4	(680,165)	(1,434,500)	(4,305,973)
Transfers from reserves (restricted assets)	4	390,368	1,449,643	5,935,287
Amount attributable to financing activities		(660,797)	3,133,188	5,728,890
Surplus/(deficit) before imposition of general rates		(4,368,649)	(10,152,290)	(3,835,925)
Total amount raised from general rates	27(a)	10,091,871	10,152,290	10,145,683
Surplus/(deficit) after imposition of general rates	28(b)	5,723,222	0	6,309,758

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

SHIRE OF NORTHAM
INDEX OF NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	11
Note 3	Cash and Cash Equivalents	15
Note 4	Reserves - Cash backed	16
Note 5	Other Financial Assets	18
Note 6	Trade and Other Receivables	19
Note 7	Inventories	19
Note 8	Other Assets	20
Note 9	Property, Plant and Equipment	21
Note 10	Infrastructure	23
Note 11	Fixed Assets	25
Note 12	Leases	28
Note 13	Revaluation Surplus	29
Note 14	Trade and Other Payables	30
Note 15	Contract Liabilities	31
Note 16	Lease Liabilities	32
Note 17	Information on Borrowings	33
Note 18	Employee Related Provisions	35
Note 19	Other Provisions	36
Note 20	Notes to the Statement of Cash Flows	37
Note 21	Contingent Liabilities	38
Note 22	Subsequent Events	38
Note 23	Total Assets Classified by Function and Activity	38
Note 24	Capital and Lease Commitments	39
Note 25	Related Party Transactions	40
Note 26	Joint Arrangements	42
Note 27	Rating Information	43
Note 28	Rate Setting Statement Information	45
Note 29	Financial Risk Management	46
Note 30	Initial Application of Australian Accounting Standards	49
Note 31	Trust Funds	49
Note 32	Other Significant Accounting Policies	50
Note 33	Activities/Programs	51
Note 34	Financial Ratios	52

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

1. BASIS OF PREPARATION

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

The *Local Government Act 1995* and accompanying Regulations

take precedence over Australian Accounting Standards where they are inconsistent.

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 31 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting*

Standards - Definition of Materiality

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

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

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annual fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payments dates adopted by Council	None	Adopted by Council annually	When taxable event occurs	No refunds	When rates notice is issued
Lease Charges	Charges council Property	Over time	On Invoice	None	Adopted by Council annually	When taxable event	Not applicable	When lease payment due
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by Council annually	Based on timing of entry to facility	Refunds limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by Council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Kiosk, Visitor Centre and Bilya Koort Boodja stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by Council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

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

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	9,996	4,000	0
General purpose funding	3,417,744	1,610,111	3,363,083
Law, order, public safety	422,123	711,718	285,744
Education and welfare	1,053,963	1,080,812	1,083,808
Community amenities	2,858	0	0
Recreation and culture	2,455	0	8,400
Transport	254,349	258,211	1,909,317
Economic services	1,000	100	1,000
	5,164,488	3,664,952	6,651,352
Non-operating grants, subsidies and contributions			
Law, order, public safety	1,649,891	1,899,576	489,540
Community amenities	23,289	310,000	0
Recreation and culture	152,391	90,000	2,163,062
Transport	1,067,652	1,890,083	1,415,717
Economic services	9,110	154,631	0
	2,902,333	4,344,290	4,068,319
Total grants, subsidies and contributions	8,066,821	8,009,242	10,719,671
Fees and charges			
Governance	26	0	989
General purpose funding	63,678	40,000	77,893
Law, order, public safety	61,754	47,577	69,817
Health	3,554	36,000	30,730
Education and welfare	239,923	92,000	309,680
Housing	61,209	61,677	55,952
Community amenities	2,843,633	2,646,076	2,737,512
Recreation and culture	360,979	311,690	290,302
Transport	9,232	55,500	47,440
Economic services	470,689	377,598	401,020
Other property and services	(642)	5,000	3,035
	4,114,035	3,673,118	4,024,370

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Non-operating grants, subsidies and contributions	2,902,333	4,344,290	4,068,319
	2,902,333	4,344,290	4,068,319

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Other revenue from performance obligations satisfied during the year	2,902,333	4,344,290	4,068,319
	2,902,333	4,344,290	4,068,319

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Trade and other receivables from contracts with customers	6	797,324	797,324	977,529
Contract liabilities	15	(1,120,876)	(605,430)	(712,567)
Contract assets	8	398,000	0	0

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

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

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

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

	2021 Actual	2021 Budget	2020 Actual
General rates	10,091,871	10,137,390	10,145,683
	10,091,871	10,137,390	10,145,683

Other revenue

Reimbursements and recoveries	974,187	459,795	762,005
Other	109,607	493,776	325,761
	1,083,794	953,571	1,087,766

Interest earnings

Financial assets at amortised cost - self supporting loans	5,317	0	3,765
Interest on reserve funds	11,148	45,000	57,114
Rates instalment and penalty interest (refer Note 27(b))	63,536	60,000	200,854
Other interest earnings	19,090	28,000	35,749
	99,091	133,000	297,482

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

	2021 Actual	2021 Budget	2020 Actual
- Audit of the Annual Financial Report	47,000	48,500	48,500
- Other services	9,035	6,000	18,360
	56,035	54,500	66,860

Interest expenses (finance costs)

Borrowings	226,705	229,114	223,867
Lease liabilities	457	0	1,235
	227,162	229,114	225,102

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

3. CASH AND CASH EQUIVALENTS

NOTE	2021	2020
	\$	\$
Cash at bank and on hand	2,193,939	3,480,181
Term deposits	6,678,302	6,387,992
Total cash and cash equivalents	8,872,241	9,868,173
Restrictions		
requirements which limit or direct the purpose for which the resources may be used:		
- Cash and cash equivalents	4,797,247	4,099,141
	4,797,247	4,099,141

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

Reserves - cash backed	4	3,676,371	3,386,574
Contract liabilities	15	1,120,876	712,567
Total restricted assets		4,797,247	4,099,141

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

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

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

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	972,124	4,115	(100,725)	875,514	972,123	12,461	0	984,584	427,796	849,088	(304,760)	972,124
(b) Aged accommodation reserve	0	0	0	0	0	0	0	0	227,404	8,096	(235,500)	0
(c) Housing reserve	0	0	0	0	0	0	0	0	265,508	3,614	(269,122)	0
(d) Office equipment reserve	0	0	0	0	0	0	0	0	74,735	1,848	(76,583)	0
(e) Plant & Equipment reserve	118,447	230,501	(230,000)	118,948	119,872	231,242	(230,000)	121,114	126,838	360,056	(368,447)	118,447
(f) Road and bridgework reserve	0	0	0	0	0	0	0	0	89,498	201,218	(290,716)	0
(g) Refuse site reserve	199,244	151,193	0	350,437	199,246	152,064	0	351,310	627,553	188,542	(616,851)	199,244
(h) Regional development reserve	0	0	0	0	0	0	0	0	73,600	1,002	(74,602)	0
(i) Speedway reserve	149,610	632	0	150,242	149,610	1,550	0	151,160	147,601	2,009	0	149,610
(j) Community bus replacement reserve	0	0	0	0	0	0	0	0	2,414	15,033	(17,447)	0
(k) Septage pond reserve	232,077	36,063	0	268,140	232,077	37,405	0	269,482	267,085	23,636	(58,644)	232,077
(l) Killara reserve	246,953	251,490	(59,643)	438,800	246,953	252,559	(59,643)	439,869	276,579	30,017	(59,643)	246,953
(m) Stormwater drainage projects reserve	0	0	0	0	0	0	0	0	33,593	457	(34,050)	0
(n) Rec and Community Facilities Res	0	0	0	0	0	0	0	0	584,377	593,442	(1,177,819)	0
(o) Administration office reserve	0	0	0	0	0	0	0	0	685,802	308,505	(994,307)	0
(p) Council building & amenities reserve	0	0	0	0	0	0	0	0	348,744	293,351	(642,095)	0
(q) River town pool dredging reserve	0	0	0	0	0	0	0	0	360,240	4,904	(365,144)	0
(r) Parking facilities reserve	0	0	0	0	0	0	0	0	216,138	2,942	(219,080)	0
(s) Art collection reserve	0	0	0	0	0	0	0	0	23,205	316	(23,521)	0
(t) Reticulation scheme reserve	0	0	0	0	0	0	0	0	80,662	11,098	(91,760)	0
(u) Election reserve	0	0	0	0	0	0	0	0	15,165	31	(15,196)	0
(v) Revaluation reserve	72,186	305	0	72,491	72,186	748	(70,000)	2,934	61,351	10,835	0	72,186
(w) COVID-19 reserve	1,395,933	5,866	0	1,401,799	1,395,933	746,471	(1,090,000)	1,052,404	0	1,395,933	0	1,395,933
	3,386,574	680,165	(390,368)	3,676,371	3,388,000	1,434,500	(1,449,643)	3,372,857	5,015,888	4,305,973	(5,935,287)	3,386,574

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

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
	Ongoing	
(a) Leave Reserve		For the provision for employees' future liability commitments i.e. Annual leave, long service requirements and negotiated gratuities and sickness payouts. Funds are not expected to be used in a set period as further transfers to the reserve account are expected as funds are utilised.
(b) Aged accommodation reserve	Ongoing	For the provision of future capital works requirements for aged units at Kuringal Village, Wundowie and other sites within the Shire of Northam. Funds not expected to be used in a set period as further transfers to the reserve account are expected.
(c) Housing reserve	Ongoing	This is a reserve established for future construction of Community Housing in Wundowie. Funds are not expected to be used in a set period of time.
(d) Office equipment reserve	Ongoing	For the acquisition and upgrading of Council offices, furniture, computers and general equipment.
(e) Plant & Equipment reserve	Ongoing	
(f) Road and bridgework reserve	Ongoing	For the provision of upgrading of road and bridge infrastructure within the Shire of Northam. Funds not expected to be used in a set period as further transfers to the reserve account are anticipated.
(g) Refuse site reserve	Ongoing	For the development of refuse sites and related expenditure on infrastructure and equipment, including the provision for a future replacement facility and /or site. Funds are not expected to be used in a set period as transfers to the reserve account are anticipated.
(h) Regional development reserve	Ongoing	To provide for future projects whereby a broader range of development ideas may be required to be encouraged on a regional basis, in consultation with other stakeholders and/or Local Governments. Funds are not expected to be in a set period as future transfers to the reserve are anticipated.
(i) Speedway reserve	Ongoing	For the provision of funds for the possible future rehabilitation works required at the Northam Speedway site on Fox Road Northam. No date has been specified for the use of this reserve.
(j) Community bus replacement reserve	Ongoing	For the future replacement of the Shire of Northam Community Buses. Funds are not expected to be used in a set period as further transfers to the reserve account are anticipated.
(k) Septage pond reserve	Ongoing	For the future upgrades and maintenance to septic ponds and related infrastructure. Funds are not anticipated to be used in the set period as further transfers to the reserve account are anticipated.
(l) Killara reserve	Ongoing	To provide a reserve for surplus funds from Killara operations and restricted cash for any unspent Killara grants. No date has been specified for the use of this reserve.
(m) Stormwater drainage projects reserve	Ongoing	To provide funds for the stormwater drainage projects in the Shire. No date has been specified for the use of this reserve.
(n) Rec and Community Facilities Res	Ongoing	For Recreation and Public facilities. 2% of the net rates levied each year are set aside for the provision of recreation and sporting facilities.
(o) Administration office reserve	Ongoing	To provide funds for the expansion or relocation of the Shire of Northam Administration Centre. No date specified for the use of this reserve.
(p) Council building & amenities reserve	Ongoing	For the maintenance and upgrading of Council buildings and amenities. Funds are not expected to be used in a set period as further transfers to the reserve account are anticipated.
(q) River town pool dredging reserve	Ongoing	For the provision of dredging and maintenance of the River Town Pool. Funds are not expected to be used in a set period as further transfers are anticipated.
(r) Parking facilities reserve	Ongoing	For the provision of future car parking facilities. Funds are not expected to be used in a set period as further transfers to the reserve account are anticipated.
(s) Art collection reserve	Ongoing	Provision for the care and maintenance of the Shire of Northam's Art Collection, including the acquisition and disposal of artworks. Funds are not expected to be used in a set period as further transfers to the reserve account are anticipated.
(t) Reticulation scheme reserve	Ongoing	Provision for future replacement/upgrading of water reuse and reticulation infrastructure. Funds are not expected to be used in a set period as further transfers to the reserve account are expected as funds are utilised.
(u) Election reserve	Ongoing	Provision for the biannual Elections of Council.
(v) Revaluation reserve	Ongoing	Provision for the 4 yearly revaluation of the Shires GRV properties.
(w) COVID-19 reserve	30/06/2022	Response to the COVID-19 pandemic.

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

5. OTHER FINANCIAL ASSETS

	2021	2020
	\$	\$
(a) Current assets		
Financial assets at amortised cost	20,850	20,203
	20,850	20,203
Other financial assets at amortised cost		
Self supporting loans	20,850	20,203
	20,850	20,203
(b) Non-current assets		
Financial assets	323,833	336,925
	323,833	336,925
Financial assets at amortised cost		
Self supporting loans	102,412	123,262
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	221,421	213,663

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 17(b) as self supporting loans.

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.

Financial assets at fair value through profit and loss

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

- 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 29.

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

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
 Sundry Debtors
 GST receivable
 Allowance for impairment of receivables

Non-current

Pensioner's rates and ESL deferred

	2021	2020
	\$	\$
Rates receivable	2,493,261	2,407,570
Sundry Debtors	797,324	977,529
GST receivable	379,783	207,264
Allowance for impairment of receivables	(158,064)	(194,807)
	3,512,304	3,397,556
Pensioner's rates and ESL deferred	428,969	466,121
	428,969	466,121

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 29.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

7. INVENTORIES

The Shire does not carry any inventories they are expensed to the job or plant at the time of purchase.

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

8. OTHER ASSETS

Other assets - current

Accrued interest/income
 Contract assets

2021	2020
\$	\$
0	2,528
398,000	0
398,000	2,528

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Contract assets represents the funds to be recovered based on work completed for the construction of a non-financial asset in accordance with an agreement with the customer

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

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land Freehold Land	Buildings Non- specialised	Buildings Specialised	Total buildings	Total land and buildings	Furniture and Equipment	Plant and Equipment	Bushfire Equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	12,212,700	3,784,420	35,183,005	38,967,425	51,180,125	1,107,085	4,437,638	1,390,694	58,115,542
Additions	14,782	15,686	266,915	282,601	297,383	11,469	671,380	470,491	1,450,723
(Disposals)	(2,139,700)	0	0	0	(2,139,700)	0	(297,055)	(78,556)	(2,515,311)
Transfers	0	0	0	0	0	0	35,360	0	35,360
Depreciation (expense)	0	(87,144)	(732,623)	(819,767)	(819,767)	(159,499)	(455,941)	(171,169)	(1,606,376)
Carrying amount at 30 June 2020	10,087,782	3,712,962	34,717,297	38,430,259	48,518,041	959,055	4,391,382	1,611,460	55,479,938
Comprises:									
Gross carrying amount at 30 June 2020	10,087,782	3,967,277	36,752,883	40,720,160	50,807,942	1,376,962	5,598,825	2,154,864	59,938,593
Accumulated depreciation at 30 June 2020	0	(254,315)	(2,035,586)	(2,289,901)	(2,289,901)	(417,907)	(1,207,443)	(543,404)	(4,458,655)
Carrying amount at 30 June 2020	10,087,782	3,712,962	34,717,297	38,430,259	48,518,041	959,055	4,391,382	1,611,460	55,479,938
Additions	0	167,516	855,267	1,022,783	1,022,783	0	516,530	988,036	2,527,349
(Disposals)	(235,000)	0	0	0	(235,000)	0	(307,279)	(191,531)	(733,810)
Depreciation (expense)	0	(87,440)	(740,675)	(828,115)	(828,115)	(154,768)	(487,304)	(167,005)	(1,637,192)
Transfers	0	0	0	0	0	0	0	0	0
Carrying amount at 30 June 2021	9,852,782	3,793,038	34,831,889	38,624,927	48,477,709	804,287	4,113,329	2,240,960	55,636,285
Comprises:									
Gross carrying amount at 30 June 2021	9,852,782	4,134,793	37,608,150	41,742,943	51,595,725	1,376,962	5,628,451	2,862,800	61,463,938
Accumulated depreciation at 30 June 2021	0	(341,755)	(2,776,261)	(3,118,016)	(3,118,016)	(572,675)	(1,515,122)	(621,840)	(5,827,653)
Carrying amount at 30 June 2021	9,852,782	3,793,038	34,831,889	38,624,927	48,477,709	804,287	4,113,329	2,240,960	55,636,285

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

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land Freehold Land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2017	Price per hectare/ available market information
Land - freehold land	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Land Vested in and under the control of Council	3	Improvements to land valued using cost approach using depreciated replacement cost	Management valuation	June 2017	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Buildings Non-specialised	2	Improvements to buildings valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Market price per item
Buildings - non-specialised	3	Improvements to buildings valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings Specialised	2	Improvements to buildings valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Price per square metre/ available market information
Buildings - specialised	3	Improvements to buildings valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and Equipment	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

Plant and Equipment

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represents a change in accounting policy.

Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

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

10. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure Roads	Infrastructure Footpaths	Infrastructure Drainage	Infrastructure Playground Equipment	Infrastructure Other	Infrastructure Streetscape	Infrastructure Bridges and Culverts	Infrastructure Aerodrome	Infrastructure Work in Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	86,528,927	4,905,976	11,381,959	385,601	8,089,483	361,218	42,285,446	954,880	5,571,969	160,465,459
Additions	2,858,372	123,971	1,636,911	0	7,598,924	121,739	0	114,051	46,945	12,500,913
Transfers					5,532,513			4,096	(5,571,969)	(35,360)
Depreciation (expense)	(1,443,810)	(157,691)	(134,551)	(46,100)	(612,052)	(10,478)	(568,420)	(66,234)	0	(3,039,336)
Carrying amount at 30 June 2020	87,943,489	4,872,256	12,884,319	339,501	20,608,868	472,479	41,717,026	1,006,793	46,945	169,891,676
Comprises:										
Gross carrying amount at 30 June 2020	90,768,211	5,178,161	13,136,979	431,700	21,664,640	484,374	42,738,500	1,137,843	46,945	175,587,353
Accumulated depreciation at 30 June 2020	(2,824,722)	(305,905)	(252,660)	(92,199)	(1,055,772)	(11,895)	(1,021,474)	(131,050)	0	(5,695,677)
Carrying amount at 30 June 2020	87,943,489	4,872,256	12,884,319	339,501	20,608,868	472,479	41,717,026	1,006,793	46,945	169,891,676
Additions	1,898,415	174,448	161,435	0	1,555,852	91,705	9,053	240,099	0	4,131,007
(Disposals)	0	0	0	0	0	0	0	0	0	0
Depreciation (expense)	(1,519,622)	(161,559)	(153,702)	(46,099)	(781,880)	(14,159)	(568,421)	(68,551)	0	(3,313,993)
Transfers	0	0	0	0	46,945	0	0	0	(46,945)	0
Carrying amount at 30 June 2021	88,322,282	4,885,145	12,892,052	293,402	21,429,785	550,025	41,157,658	1,178,341	0	170,708,690
Comprises:										
Gross carrying amount at 30 June 2021	92,666,626	5,352,609	13,298,414	431,700	23,267,437	576,079	42,747,553	1,377,942	0	179,718,360
Accumulated depreciation at 30 June 2021	(4,344,344)	(467,464)	(406,362)	(138,298)	(1,837,652)	(26,054)	(1,589,895)	(199,601)	0	(9,009,670)
Carrying amount at 30 June 2021	88,322,282	4,885,145	12,892,052	293,402	21,429,785	550,025	41,157,658	1,178,341	0	170,708,690

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

10. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure Roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure Footpaths	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure Drainage	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure Playground Equipment	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure Other	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure Streetscape	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure Bridges and Culverts	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure Aerodrome	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

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

11. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

Refer to Note 12 that details the significant accounting policies applying to leases (including right of use assets).

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

11. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Land Freehold Land	235,000	137,970	9,200	(106,230)	20,403	20,000	0	(403)	2,139,700	1,046,396	0	(1,093,304)
Buildings Specialised	0	0	0	0	6,658	14,000	7,342	0	0	0	0	0
Furniture and Equipment	0	0	0	0	0	0	0	0	375,611	236,036	2,762	(142,337)
Plant and Equipment	498,810	278,123	16,870	(237,556)	16,600	15,500	0	(1,100)	0	0	0	0
Infrastructure Aerodrome	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure Playground	0	0	0	0	435,525	748,000	318,000	(5,525)	0	0	0	0
Equipment	0	0	0	0	253,865	147,000	17,697	(124,562)	0	0	0	0
Infrastructure Other	0	0	0	0	103,664	48,000	0	(55,664)	0	0	0	0
Infrastructure Streetscape	0	0	0	0	0	0	0	0	0	0	0	0
	733,810	416,093	26,070	(343,786)	836,715	992,500	343,039	(187,254)	2,515,311	1,282,432	2,762	(1,235,641)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Governance				
EMCS Vehicle	20,871	20,909	38	0
Law, order, public safety				
2002 ISUZU Irishtown Urban				
Appliance	83,205	28,000	0	(55,205)
2004 Isuzu Bakershill Urban				
Appliance	108,326	35,455	0	(72,871)
Ranger Vehicle	10,000	14,545	4,545	0
Health				
Pool Vehicle W/Off	13,533	19,455	5,923	0
Education and welfare				
Killara Manager Vehicle	16,857	14,091	0	(2,766)
Recreation & Culture				
EMCOMS Vehicle	27,808	24,545	0	(3,263)
Transport				
Volvo Backhoe Loader	69,866	31,550	0	(38,316)
Fuso Canter 4 Ton Tipper	27,328	21,436	0	(5,892)
Hako Citymaster 300 Footpath				
Sweeper	54,531	4,500	0	(50,031)
Nissan Navara Dual Cab 2014	15,000	13,182	0	(1,818)
Isuzu DMax Ute	5,000	11,364	6,364	0
Toyota Hilux Workmate Manual 2.	10,000	10,000	0	0
Manager Buildings Vehicle	16,485	10,455	0	(6,030)
Mazda BT 50 T Top Ute	10,000	8,636	0	(1,364)
Mazda BT 50 T Top Ute	10,000	10,000	0	0
	498,810	278,123	16,870	(237,556)
Land				
Recreation and culture				
144 Chidlow Street	87,200	31,734	0	(55,466)
146 Chidlow Street	87,000	36,236	0	(50,764)
Other Economic Services				
65a Kinga Road Wundowie	60,800	70,000	9,200	0
	235,000	137,970	9,200	(106,230)
	733,810	416,093	26,070	(343,786)

Page 26

(b) Fully Depreciated Assets in Use

There are no fully depreciated assets in use as at 30 June 2021.

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

11. FIXED ASSETS

(c) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings Non-specialised	87,440	87,799	87,144
Buildings Specialised	740,675	738,126	732,623
Furniture and Equipment	154,768	160,697	159,499
Plant and Equipment	487,304	459,366	455,941
Bushfire Equipment	167,005	172,455	171,169
Infrastructure Roads	1,519,622	1,454,659	1,443,810
Infrastructure Footpaths	161,559	158,875	157,691
Infrastructure Drainage	153,702	135,561	134,551
Infrastructure Playground Equipment	46,099	0	46,100
Infrastructure Other	781,880	740,381	612,052
Infrastructure Streetscape	14,159	0	10,478
Infrastructure Bridges and Culverts	568,421	572,690	568,420
Infrastructure Aerodrome	68,551	0	66,234
Right of use assets Buildings	9,661	0	9,688
Right of use assets - Plant and Equipment	14,954	0	14,994
	4,975,800	4,680,609	4,670,394

Revision of useful lives of plant and equipment

This is carried out on an ongoing bases, in addition during fair value adjustments the depreciation rates are questioned if the variance is greater than considered satisfactory.

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life	Asset Class	Useful life
Buildings	20 to 55 years	Playground Equipment	5 to 15 years
Furniture & Equipment	4 to 10 years	Bridges & Culverts	75 to 100 years
Plant & Equipment (Bush fire)	3 to 15 years	Parks, Reserves and other infrastructure	4 to 55 years
Sealed Roads & Streets		Infrastructure-Aerodrome	5 to 50 years
Formation	Not depreciated	Footpaths	
Pavement	80 years	Insitu concrete & slabs	32 years
Seal		Drainage	85 years
bituminous seals	23 to 30 years		
asphalt surfaces	23 to 30 years		
Streetscape	15 to 55 years		
Gravel Roads			
Formation	Not depreciated		
Pavement	80 years		
Gravel Sheet	33 years		
Water supply piping	75 years		
Right of use (buildings)	Based on the remaining lease		
Right of use (plant and equipment)	Based on the remaining lease		

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

12. LEASES

(a) Right of Use Assets

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

	Right of use assets Buildings	Right of use assets - Plant and Equipment	Right of use assets Total
Recognised on initial application of AASB 16	19,349	30,934	50,283
Depreciation (expense)	(9,688)	(14,994)	(24,682)
Carrying amount at 30 June 2020	9,661	15,940	25,601
	\$	\$	
Carrying amount at 30 June 2020	9,661	15,941	25,602
Depreciation (expense)	(9,661)	(14,954)	(24,615)
Carrying amount at 30 June 2021	0	987	987

(b) Cash outflow from leases 2019-2020

Interest expense on lease liabilities	475	760	1,235
Lease principal expense	9,521	14,725	24,246
Total cash outflow from leases	9,996	15,485	25,481

Cash outflow from leases 2020-2021

Interest expense on lease liabilities	168	289	457
Lease principal expense	9,828	15,197	25,025
Total cash outflow from leases	9,996	15,486	25,482

The Shire has two leases for plant and equipment, one for a photocopier and one for a floor sweeper, both are for five year terms, in addition the Shire leases one block of land known as the village green also for a period of five years.

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - valuation

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

Refer to Note 11 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

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

13. REVALUATION SURPLUS

	2021	2021	2020	2020
	Opening	Closing	Opening	Closing
	Balance	Balance	Balance	Balance
	\$	\$	\$	\$
Revaluation surplus - Land	10,427,174	10,427,174	12,364,848	10,427,174
Revaluation surplus - Buildings	13,445,586	13,445,586	13,445,586	13,445,586
Revaluation surplus - Furniture and Equipment	175,330	175,330	175,330	175,330
Revaluation surplus - Plant and Equipment	368,708	368,708	368,708	368,708
Revaluation surplus - Bushfire Equipment	1,074,141	1,074,141	1,074,141	1,074,141
Revaluation surplus - Infrastructure Roads	53,504,060	53,504,060	53,504,060	53,504,060
Revaluation surplus - Infrastructure Playground Equipment	631,572	631,572	631,572	631,572
Revaluation surplus - Infrastructure Other	5,917,610	5,917,610	5,917,610	5,917,610
Revaluation surplus - Infrastructure Streetscape	(91,084)	(91,084)	(91,084)	(91,084)
Revaluation surplus - Infrastructure Bridges and Culverts	26,588,240	26,588,240	26,588,240	26,588,240
	112,041,337	112,041,337	113,979,011	112,041,337

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.

Vested land no longer required to be recognised. Land under golf courses and racecourses of regional significance are no longer be recognised.

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

14. TRADE AND OTHER PAYABLES

Current

	2021	2020
	\$	\$
Sundry creditors	835,301	1,694,112
Prepaid rates	361,162	253,294
Accrued salaries and wages	119,824	98,189
ATO liabilities	99,446	130,967
Bonds and deposits held	579,213	518,942
Accrued Expenditure	102,170	65,279
Interest Accrued on loans	64,100	67,861
	2,161,216	2,828,644

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition

Prepaid rates

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

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

15. CONTRACT LIABILITIES

Current

Contract Liabilities

2021	2020
\$	\$
1,120,876	712,567
1,120,876	712,567

SIGNIFICANT ACCOUNTING POLICIES

Contract Liabilities

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

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

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

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

16. LEASE LIABILITIES

(a) Lease Liabilities

	2021	2020
	\$	\$
Current	1,012	25,025
Non-current	0	1,012
	1,012	26,037

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020
					Lease Principal 1 July 2020	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments	Lease Principal 1 July 2019	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments
					\$	\$	\$	\$	\$	\$	\$	\$
Governance												
Photocopier	1	Canon Finance	3.20%	5 years	4,980	3,968	1,012	98	8,828	3,848	4,980	217
Recreation and culture												
Floor cleaner	2	Tennant Finance	3.20%	5 years	11,229	11,229	0	191	22,106	10,877	11,229	543
Economic services												
Village Green	3	Malinowski Holdings Pty Ltd	3.20%	5 years	9,828	9,828	0	168	19,349	9,521	9,828	475
					26,037	25,025	1,012	457	50,283	24,246	26,037	1,235

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

17. INFORMATION ON BORROWINGS

(a) Borrowings	2021	2020
	\$	\$
Current	357,208	345,975
Non-current	5,701,320	6,058,528
	<u>6,058,528</u>	<u>6,404,503</u>

(b) Repayments - Borrowings

Particulars	Institution	Interest Rate	30 June 2021				30 June 2021					30 June 2020					
			Actual Principal 1 July 2020	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	Budget Principal 1 July 2020	Budget New Loans	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding	Actual Principal 1 July 2019	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Recreation and culture																	
Loan 223 Recreation Facilities	WATC*	6.06%	0	0	0	0	0	0	0	0	130,049	0	130,050	3,264	0		
Loan 224 Recreation Facilities	WATC*	6.48%	769,629	0	49,844	53,701	719,785	769,629	0	49,844	54,248	719,785	816,395	0	46,766	57,118	769,629
Loan 228 Northam Aquatic Centre	WATC*	1.88%	4,406,807	0	189,024	110,848	4,217,783	4,406,807	0	189,024	112,043	4,217,783	0	4,500,000	93,193	96,335	4,406,807
Loan 227 Northam Youth Space	WATC*	2.26%	454,903	0	46,122	12,901	408,781	454,903	0	46,122	13,075	408,781	500,000	0	45,097	14,256	454,903
Covid-19 Response Loan			0	0	0	0	0	0	3,464,020	0	0	3,464,020	0	0	0	0	0
Economic services																	
Loan 225 Victoria Oval	WATC*	6.48%	629,698	0	40,782	43,938	588,916	629,698	0	40,782	44,385	588,916	667,960	0	38,262	46,733	629,698
			<u>6,261,037</u>	<u>0</u>	<u>325,772</u>	<u>221,388</u>	<u>5,935,265</u>	<u>6,261,037</u>	<u>3,464,020</u>	<u>325,772</u>	<u>223,751</u>	<u>9,399,285</u>	<u>2,114,404</u>	<u>4,500,000</u>	<u>353,368</u>	<u>217,706</u>	<u>6,261,037</u>
Self Supporting Loans																	
Recreation and culture																	
Loan 208 Northam Country Club	WATC*	7.36%	0	0	0	0	0	0	0	0	0	0	3,238	0	3,235	74	0
Loan 219A Northam Bowling Club	WATC*	3.18%	143,466	0	20,203	5,317	123,263	143,466	0	20,203	5,363	123,263	163,040	0	19,575	6,087	143,466
			<u>143,466</u>	<u>0</u>	<u>20,203</u>	<u>5,317</u>	<u>123,263</u>	<u>143,466</u>	<u>0</u>	<u>20,203</u>	<u>5,363</u>	<u>123,263</u>	<u>166,278</u>	<u>0</u>	<u>22,810</u>	<u>6,161</u>	<u>143,466</u>
			<u>6,404,503</u>	<u>0</u>	<u>345,975</u>	<u>226,705</u>	<u>6,058,528</u>	<u>6,404,503</u>	<u>3,464,020</u>	<u>345,975</u>	<u>229,114</u>	<u>9,522,548</u>	<u>2,280,682</u>	<u>4,500,000</u>	<u>376,178</u>	<u>223,867</u>	<u>6,404,503</u>

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 5 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

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

17. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21

There were no new loans raised in 2020/21

(d) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2021	2020
	\$	\$
Bank overdraft limit	100,000	100,000
Bank overdraft at balance date	0	0
Credit card limit	15,000	15,000
Credit card balance at balance date	(3,125)	(3,727)
Total amount of credit unused	111,875	111,273

Loan facilities

Loan facilities - current	357,208	345,975
Loan facilities - non-current	5,701,320	6,058,528
Lease liabilities - current	1,012	25,025
Lease liabilities - non-current	0	1,012
Total facilities in use at balance date	6,059,540	6,430,540

Unused loan facilities at balance date

Nil Nil

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 29.

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

18. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions	653,631	599,207	1,252,838
Non-current provisions	0	230,292	230,292
	<u>653,631</u>	<u>829,499</u>	<u>1,483,130</u>

Additional Provision	473,015	124,478	597,493
Amounts used	(580,545)	(164,075)	(744,620)
Balance at 30 June 2021	<u>546,101</u>	<u>789,902</u>	<u>1,336,003</u>

Comprises

Current	546,101	610,273	1,156,374
Non-current	0	179,629	179,629
	<u>546,101</u>	<u>789,902</u>	<u>1,336,003</u>

Amounts are expected to be settled on the following basis:

	2021	2020
	\$	\$
Less than 12 months after the reporting date	200,000	200,000
More than 12 months from reporting date	1,108,620	1,259,604
Expected reimbursements from other WA local governments	27,383	23,526
	<u>1,336,003</u>	<u>1,483,130</u>

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

Other long-term employee benefits (Continued)

Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

Provisions

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

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

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

19. OTHER PROVISIONS

	Provision for Customer Deposits	
	Leave	Total
	\$	\$
Opening balance at 1 July 2020		
Current provisions	0	0
Non-current customer deposits (bonds)	159,546	159,546
	<u>159,546</u>	<u>159,546</u>
 Balance at 30 June 2021	 <u>229,546</u>	 <u>229,546</u>
 Comprises		
Current	70,000	70,000
Non-current	159,546	159,546
	<u>229,546</u>	<u>229,546</u>

Extractive Industries bonds are considered non-current as notice and rehabilitation take more than 12 months to complete prior to returning the bonds.

Current liability is related to the legal dispute as disclosed in note 21.

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

20. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	8,872,241	4,270,857	9,868,173
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	1,120,684	(551,963)	3,310,925
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(7,758)	0	(3,458)
Depreciation on non-current assets	4,975,800	4,680,609	4,670,394
Net (profit)/loss on sale of asset	317,716	(155,785)	1,232,879
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(77,596)	(806,968)	(151,475)
(Increase)/decrease in other assets	(395,473)	0	1,931,434
Increase/(decrease) in payables	(667,427)	1,057,260	(829,517)
Increase/(decrease) in provisions	(77,127)	(300,000)	(8,606)
Increase/(decrease) in contract liabilities	408,309	0	138,641
Change in accounting policies for AASB15	0	712,267	0
Non-operating grants, subsidies and contributions	(2,902,333)	(4,344,290)	(4,068,319)
Net cash from operating activities	2,694,795	291,130	6,222,898

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

21. CONTINGENT LIABILITIES

The Shire is involved in a legal dispute relating to additional payments to a former contractor who managed a large construction project for the Shire between 2018 and 2020. The dispute is still in progress and the outcome and costs are uncertain. The Shire has raised a provision of \$70,000 for legal costs in this regard.

22. SUBSEQUENT EVENTS

The Shire did not have any known subsequent events at the reporting date.

23. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	3,487,480	3,360,630
General purpose funding	11,831,192	12,679,808
Law, order, public safety	5,408,261	3,579,411
Health	144,886	125,155
Education and welfare	4,045,373	4,110,264
Housing	1,077,384	1,159,867
Community amenities	2,127,197	2,155,674
Recreation and culture	48,300,909	48,518,122
Transport	154,534,147	154,752,163
Economic services	8,429,693	8,520,876
Other property and services	360,937	372,051
Unallocated	154,700	154,700
	239,902,159	239,488,721

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

24. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

	2021	2020
	\$	\$
	4,204,115	472,071
	<u>4,204,115</u>	<u>472,071</u>
Payable:		
- not later than one year	4,204,115	472,071
	<u>4,204,115</u>	<u>472,071</u>

The commitment as at 30 June 2021 relates to the Northam Depot construction \$1,068,207, Northam Tip Shop and Transfer Station construction \$1,115,827 the Suspension Bridge Illumination Project \$115,740 & Beavis Place Redevelopment \$565,251. Also Hockey Lighting \$37,600, SES Shed Extension \$87,727, Shade sail at Bakers Hill Oval \$47,990, Wundowie RV \$6,070. Werribee Road spray seal \$106,817, Bakers Hil Fire Shed \$8,908, Clackline Fire Shed \$133,386 WPC Civil construction \$740,430 and Flocon truck rebuild \$175,162.

The commitment as at 30 June 2020 relates to the Northam Youth Park construction \$107,798, the Northam Aquatic Facility retention \$245,986 and Southern Brook Road construction \$118,287.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts (short term and low value leases).

Payable:

- not later than one year

- later than one year but not later than five years

	2021	2020
	\$	\$
	926	1,588
	0	1,588
	<u>926</u>	<u>3,176</u>

The above operating leases are low value assets.

SIGNIFICANT ACCOUNTING POLICIES

Leases

On adoption of AASB16, the Shire recognised lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB117. However all contracts that are classified as short term leases and leases of low value assets are recognised as operating expenses on a straight line basis over the term of the lease.

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

25. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
The following fees, expenses and allowances were paid to council members and/or the President.			
Meeting fees	201,350	201,350	201,350
President's allowance	45,000	45,000	45,000
Deputy President's allowance	11,250	11,250	11,250
Travelling expenses	12,015	16,000	10,789
Telecommunications allowance	34,436	35,000	33,567
	304,051	308,600	301,956
Cr Antonio	78,759	81,461	78,334
Cr Williams	36,362	37,505	32,060
Cr Della	23,193	23,194	23,159
Cr Galloway	24,385	25,235	17,266
Cr Girak	23,194	23,194	16,186
Cr Little	25,334	25,235	24,945
Cr Menscheyli	23,194	23,194	23,158
Cr Pollard	23,242	23,194	23,197
Cr Tinnetti	23,194	23,194	23,159
Cr Ryan	23,194	23,194	26,546
Cr Davidson	0	0	6,973
Cr Proud	0	0	6,973
	304,051	308,600	301,956

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
	\$	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	862,278	886,904
Post-employment benefits	83,624	91,317
Other long-term benefits	20,718	20,501
	966,620	998,722

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

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

25. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

The following transactions occurred with related parties:	2021 Actual	2020 Actual
	\$	\$
Sale of goods and services	34,682	260
Purchase of goods and services	4,944	6,488

The balance of \$1,753 was an outstanding trade receivables for related party transactions as at 30 June 2021.

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

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

26. JOINT ARRANGEMENTS

(a) Carrying amount of investment in associate

The Shire together with the Department of Housing and Works have a joint venture housing arrangement for the provision of eight aged care accommodation units at Lot 410 Kuringal Road Wundowie. The joint venture has been established since 1996.

	2021	2020
	\$	\$
Land and buildings fair value 30 June 2017	1,062,175	1,062,175
Other infrastructure fair value 30 June 2018	8,800	8,800
Additions at cost	20,285	20,285
Less : accumulated depreciation	(88,144)	(69,633)
Total assets	1,003,116	1,021,627
Current liabilities	0	0
Total liabilities	0	0
Statement of Comprehensive income		
Other revenue	51,639	48,107
Other expenditure	(59,968)	(58,817)
Net result for the period	(8,329)	(10,710)
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Changes in asset revaluation surplus	0	0
Total other comprehensive income for the period	0	0
Total comprehensive income for the period	(8,329)	(10,710)

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

Interests in joint arrangements (Continued)

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

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

27. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
00 Non Rateable Value	0	714		0	0	0	0	0	0	0	0	0
01 GRV Townsite Residential	10.0200	4,091	61,026,150	6,114,820	(53,437)	(5,822)	6,055,561	6,114,820	10,000	400	6,125,220	5,851,831
02 GRV Northam Commercial /Industrial	10.8522	259	15,212,895	1,640,643	64,916	(2,937)	1,702,622	1,640,643	5,000	300	1,645,943	1,653,153
Unimproved valuations												
05 Agricultural Local	0.6189	288	114,363,000	707,793	11,515	1,661	720,969	707,793	0	100	707,893	848,183
06 Agricultural Regional	0.5099	168	125,597,000	640,419	1,295	883	642,597	640,419	2,000	100	642,519	596,930
07 Rural Small Holding	0.8372	56	8,516,000	71,296	620	78	71,994	71,296	2,000	100	73,396	126,427
Sub-Total		5,576	324,715,045	9,174,971	24,909	(6,137)	9,193,743	9,174,971	19,000	1,000	9,194,971	9,076,524
Minimum payment												
		Minimum \$										
Gross rental valuations												
01 GRV Townsite Residential	944	876	3,407,268	822,418	(4,301)	(380)	817,737	826,944	0	0	826,944	843,936
02 GRV Northam Commercial /Industrial	944	51	217,745	48,144	0	0	48,144	48,144	0	0	48,144	48,144
Unimproved valuations												
05 Agricultural Local	944	151	16,390,411	142,544	2,431	0	144,975	142,544	0	0	142,544	65,136
06 Agricultural Regional	874	164	19,742,100	143,336	1,233	0	144,569	143,336	0	0	143,336	143,336
07 Rural Small Holding	944	48	3,839,312	45,312	0	0	45,312	45,312	0	0	45,312	0
Sub-Total		1,290	43,596,836	1,201,754	(637)	(380)	1,200,737	1,206,280	0	0	1,206,280	1,100,552
Less Rates Written Off							(43,513)				(43,060)	(31,393)
		6,866	368,311,881	10,376,725	24,272	(6,517)	10,350,967	10,381,251	19,000	1,000	10,358,191	10,145,683
Discounts							(259,096)				(220,801)	0
Total amount raised from general rate							10,091,871				10,137,390	10,145,683
Ex-gratia rates							14,845				14,900	14,845
Totals							10,106,716				10,152,290	10,160,528

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

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

27. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Interest on unpaid rates	63,536	60,000	159,630
Interest on instalment plan	0	0	41,224
Charges on instalment plan	0	0	37,930
	63,536	60,000	238,784

Note: As part of the COVID-19 pandemic response the Shire put a freeze on interest rates effective 01/04/2020 to 01/02/2021. Hence the 8% penalty interest charge was applied from 02/02/2021.

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

28. RATE SETTING STATEMENT INFORMATION

Note	2020/21	2020/21	2020/21	2019/20	
	(30 June 2021 Carried Forward)	Budget (30 June 2021 Carried Forward)	(1 July 2020 Brought Forward)	(30 June 2020 Carried Forward)	
	\$	\$	\$	\$	
(a) Non-cash amounts excluded from operating activities					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .					
Adjustments to operating activities					
Less: Profit on asset disposals	11(a)	(26,070)	(343,039)	(2,762)	(2,762)
Less: Movement in liabilities associated with restricted cash		(96,609)	300,000	544,328	544,328
Less: Fair value adjustments to financial assets at fair value through profit and loss		(7,758)	0	(3,458)	(3,458)
Movement in pensioner deferred rates (non-current)		37,152	0	(62,420)	(62,420)
Movement in employee benefit provisions (non-current)		(50,663)	0	7,482	7,482
Change in customer deposits and bonds		0	0	(61,501)	(61,501)
Movement in other provisions (non current)		0	0	0	0
Add: Loss on disposal of assets	11(a)	343,786	187,254	1,235,641	1,235,641
Add: Depreciation on non-current assets	11(c)	4,975,800	4,680,609	4,670,394	4,670,394
Non cash amounts excluded from operating activities		5,175,638	4,824,824	6,327,704	6,327,704
(b) Surplus/(deficit) after imposition of general rates					
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.					
Adjustments to net current assets					
Less: Reserves - cash backed	4	(3,676,371)	(3,372,857)	(3,386,574)	(3,386,574)
Less: Financial assets at amortised cost - self supporting loans	5(a)	(20,850)	0	(20,203)	(20,203)
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings	17(a)	357,208	361,212	345,975	345,975
- Budgeted leave cash backed		250,000	250,000	250,000	250,000
- Current portion of lease liabilities		1,012	0	25,025	25,025
- Employee benefit provisions		875,514	984,584	972,124	972,124
Total adjustments to net current assets		(2,213,487)	(1,777,061)	(1,813,653)	(1,813,653)
Net current assets used in the Rate Setting Statement					
Total current assets		12,803,395	7,492,488	13,288,460	13,288,460
Less: Total current liabilities		(4,866,686)	(5,715,427)	(5,165,049)	(5,165,049)
Less: Total adjustments to net current assets		(2,213,487)	(1,777,061)	(1,813,653)	(1,813,653)
Net current assets used in the Rate Setting Statement		5,723,222	0	6,309,758	6,309,758

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

29. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.10%	8,872,241	0	8,868,461	3,780
2020					
Cash and cash equivalents	0.65%	9,868,173	0	9,864,393	3,780

Sensitivity

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

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity*	88,722	98,682

* 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 17(b).

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

29. 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 also 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 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors. The loss allowance as at 30 June 2021 and 1 July 2020 was determined as follows for rates receivable.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.77%	1.12%	1.56%	1.33%	
Gross carrying amount	602,651	646,352	364,985	1,308,242	2,922,230
Loss allowance	53,247	11,764	75,590	17,463	158,064

30 June 2020					
Rates receivable					
Expected credit loss	0.77%	1.12%	1.56%	8.00%	
Gross carrying amount	807,683	519,665	314,320	1,232,023	2,873,691
Loss allowance	6,214	5,815	4,918	98,537	115,484

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.80%	3.58%	4.05%	53.14%	
Gross carrying amount	451,387	111,013	40,981	171,910	775,291
Loss allowance	0	0	0	0	0

30 June 2020					
Trade and other receivables					
Expected credit loss	0.80%	3.58%	4.05%	53.14%	
Gross carrying amount	782,241	29,036	33,179	133,073	977,529
Loss allowance	6,218	1,042	1,343	70,720	79,323

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

29. 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.

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2021</u>					
Payables	2,161,216	0	0	2,161,216	2,161,215
Borrowings	531,595	2,126,379	4,502,360	7,160,334	6,058,528
Contract liabilities	1,120,876	0	0	1,120,876	1,120,876
Lease liabilities	1,012	0	0	1,012	1,012
	3,814,699	2,126,379	4,502,360	10,443,438	9,341,631
<u>2020</u>					
Payables	2,828,644	0	0	2,828,644	2,828,644
Borrowings	531,595	2,126,379	5,134,462	7,792,436	6,404,503
Contract liabilities	712,567	0	0	712,567	712,567
Lease liabilities	25,481	1,016	0	26,497	26,037
	4,098,287	2,127,395	5,134,462	11,360,144	9,971,751

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

30. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 1059 Service Concession Arrangements : Grantors

Service concession assets are those assets where a third party operator constructs assets for the Shire, upgrades existing assets of the Shire or uses existing assets of the Shire to operate and maintain the assets to provide a public service, for a specified period of time. The Shire has considered the requirements of AASB 1059 Service Concession Arrangements: Grantor and confirms that the Shire has no arrangements that fall within the scope of this standard.

31. 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: Any Additional funds received will be transferred to a reserve as per the amendment to Planning and Development Act 2005, from 7 July 2020.

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Public Open Space	230,761	0	0	230,761
	230,761	0	0	230,761

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

32. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

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

33. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES

ACTIVITIES

GOVERNANCE

To provide a decision making process for the efficient allocation of scarce resources.

Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer and environmentally conscious community.

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

HEALTH

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, pest control, immunisation services, noise control and health inspections.

EDUCATION AND WELFARE

To provide services to disadvantaged persons, the elderly, children and youth.

Assistance with playgroup centres, senior citizen hall and respite care centre. Provision of home and community care programs and youth services.

HOUSING

To provide and maintain elderly residents housing

Provision and maintenance of rental housing, including elderly residents housing.

COMMUNITY AMENITIES

To provide services required by the community

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

RECREATION AND CULTURE

To establish and effectively manage infrastructure

Maintenance of public halls, civic centres, aquatic centres, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

TRANSPORT

To provide safe, effective and efficient transport services to the community

Construction and maintenance of roads, streets, bridges, drainage works, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc. Licensing transactions under contract with the WA Government.

ECONOMIC SERVICES

To help promote the Shire and its economic wellbeing

The regulation and provision of tourism, area promotion and building control. Provision of rural services including weed control, vermin control and standpipes.

OTHER PROPERTY AND SERVICES

To monitor and control Shire's overheads operating accounts

Private works operation, plant repair and operation costs and engineering operation costs.

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

34. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	3.49	3.10	1.76
Asset consumption ratio	0.54	0.53	0.53
Asset renewal funding ratio	0.97	0.97	0.98
Asset sustainability ratio	0.57	1.21	1.31
Debt service cover ratio	5.97	6.90	14.45
Operating surplus ratio	(0.12)	(0.05)	0.06
Own source revenue coverage ratio	0.68	0.66	0.74

Note: Financial Year 2020, the book loss on the Sale of Victoria Oval of \$1,077,800 has had a negative one off impact on the debt service cover ratio, operating surplus ratio and own source revenue coverage ratio.

The above ratios are calculated as follows:

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