



Shire of Northam
Heritage, Commerce and Lifestyle

Annual Report 2021 / 2022



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Acknowledgement of Country

The Shire of Northam would like to acknowledge the Traditional Custodians of the land on which we live, the Ballardong and Whadjuk people of the Nyoongar nation and pay our respects to Elders, past, present and emerging.

We thank them for the contributions made to life in the Shire of Northam and to this region.



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

Working with the Northam Shire Council over the past twelve months continues to provide me with a sense of pride. I believe that our Council has, and continues to, deliver on the best possible outcomes for all residents and ratepayers by working with a wide range of stakeholders.

Vision and Mission

Our Vision is “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”.

Our Mission 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”

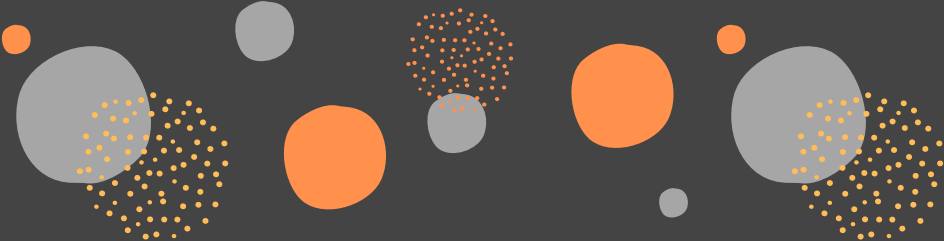
Councillors

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

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 nine 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.





Presidents Report

Strategic Drivers

The Shire of Northam's six key strategic drivers form part of the Council Plan. These drivers also identify areas on where to focus our efforts to benefit the Shire. These key drivers are:

- 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.

Our plan for the future

The Shire of Northam has recently endorsed a Council Plan – Our Plan for the Future. This plan combines both our Strategic Community Plan and Corporate Business Plans into one straightforward document.

In a summary, this plan addresses three key areas – Where we are now, where do we want to be, and how do we get there.

Following consultation with our community, a summary of the five key areas of the plan are as follows:

People - which focuses on a healthy, connected, caring and inclusive and safe community with access to quality services.

Planet - in which we should lead in sustainability, by having healthy and attractive natural habitats, rivers and waterways, becoming a resilient community, and sharing responsibility for climate action.

Place - by planning and developing responsibly for urban and rural communities, creating attractive and welcoming places and allowing for the safe, efficient, and sustainable movement of both people and vehicles.

Prosperity - where we allow for a diverse and growing economy by being an attractive destination for investors, businesses, and visitors alike, helping the local economy grow, and facilitating quality educational opportunities for everyone.

Performance - in where we are an open and accountable leadership organisation with effective governance, great customer service and a well-informed and engaged community.

Presidents Report

Developments

As highlighted in our Council Plan, there are examples of recent achievements to assist and develop our community. These include: The Northam Aquatic Facility, the Northam Youth Precinct, and artificial hockey pitch, continued rehabilitation of the Avon River, the Green Power Purchase Agreement, investment in renewable energy, and the lighting of Northam's suspension bridge.

Events

The Shire of Northam continues to host and facilitate a variety of major events. These include both the hosting of the National & World Women's Ballooning events in 2023, the annual Northam Motorsport and Avon River Festivals, with the 70th and 50th anniversary events in 2023 respectively, Carol's on Fitzgerald's, and the 50th Country Athletics Championships and the WA Country Swimming Pennants being hosted in Northam in 2023, amongst a variety of many continuing events.

We maintain our strong and vibrant Shire, which is demonstrated by both our strong local businesses and wider community. Together, we can all ensure the Shire of Northam continues to thrive and grow.



Elected Members

EAST WARD



PRESIDENT: Cr Chris Antonio

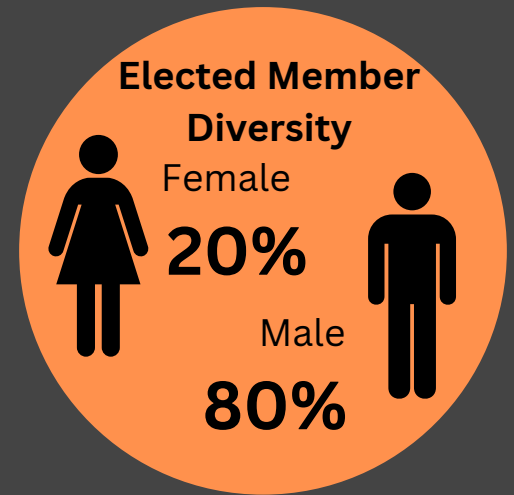
0429 220 210

president@northam.wa.gov.au

Term Expires: 2023

Committees, Advisory Groups and Working Groups:

- Audit & Risk Management Committee
- Chief Executive Officer Review Committee
- Community Grants Assessment Committee
- Local Emergency Management Committee
- Nyoongar Cultural Advisory Group (proxy)
- Along with regional committees representing the Shire of Northam.



Gender: Male
Country of Birth:
Australia
Age: 45 - 54 yrs
Linguistic Background:
English & Spanish

TOWN WARD



DEPUTY PRESIDENT: Cr Michael Ryan

0429 960 594

crryan@northam.wa.gov.au

Term Expires: 2025

Committees, Advisory Groups and Working Groups:

- Audit & Risk Management Committee
- Chief Executive Officer Review Committee
- Local Emergency Management Committee
- Nyoongar Cultural Advisory Group (proxy)

Elected Members

TOWN WARD



Cr Robert Tinetti

0407 428 574

crtinetti@northam.wa.gov.au

Term Expires: 2023

Committees, Advisory Groups and Working Groups:

- Grants Assessment Committee
- Community Safety Committee

Gender: Male
Country of Birth:
Australia
Age: 64+ yrs
**Linguistic
Background:**
English



Cr Maria Girak

0400 245 681

crgirak@northam.wa.gov.au

Term Expires: 2023

Committees, Advisory Groups and Working Groups:

- Bush Fire Advisory Committee

Gender: Female
Country of Birth:
Hungary
Age: 55 - 64 yrs
**Linguistic
Background:**
Hungarian & English



Cr Hayden Appleton

0448 870 770

crappleton@northam.wa.gov.au

Term Expires: 2025

Committees, Advisory Groups and Working Groups:

- Audit & Risk Management Committee

Gender: Male
Country of Birth:
Australia
Age: 35 - 44 yrs
**Linguistic
Background:**
English

Elected Members

TOWN WARD



Cr Des Hughes

(08) 9622 2562

crhughes@northam.wa.gov.au

Term Expires: 2025

Committees, Advisory Groups and Working Groups:

- Chief Executive Officer Review Committee
- Community Grants Assessment Committee

Gender: Male
Country of Birth:
Australia
Age: 64+ yrs
Linguistic
Background:
English

CENTRAL WARD



Cr Julie Williams

0419 194 161

crwilliams@northam.wa.gov.au

Term Expires: 2023

Committees, Advisory Groups and Working Groups:

- Chief Executive Officer Review Committee
- Community Safety Committee (Chair)
- Wheatbelt Joint Development Assessment Panel

Gender: Female
Country of Birth:
Singapore
Age: 55 - 64 yrs
Linguistic
Background:
English



Cr Attila Mencshelyi

0407 773 977

crmencshelyi@northam.wa.gov.au

Term Expires: 2025

Committees, Advisory Groups and Working Groups:

- Audit & Risk Management Committee
- Chief Executive Officer Review Committee
- Community Grants Assessment Committee
- Community Safety Committee
- Nyoongar Cultural Advisory Group

Gender: Male
Country of Birth:
Australia
Age: 64+ yrs
Linguistic
Background:
English & Hungarian

Elected Members

WEST WARD



Cr Paul Curtis

0428 290 320

crcurtis@northam.wa.gov.au

Term Expires: 2025

Committees, Advisory Groups and Working Groups:

- Bush Fire Advisory Committee
- Community Grants Assessments Committee
- Nyoongar Cultural Advisory Group (proxy)



Cr David Galloway

0419 989 009

crgalloway@northam.wa.gov.au

Term Expires: 2023

Committees, Advisory Groups and Working Groups:

- Community Grants Assessment Committee

Gender: Male
Country of Birth:
Australia
Age: 64+ yrs
Linguistic
Background:
English

OUTGOING MEMBERS



Cr Terry Little

Term Expired: 2021



Cr Carl Della

Term Expired: 2021



Cr Steven Pollard

Term Expired: 2021

Chief Executive Officer's Report

2021/22 has been another challenging year for the Shire of Northam, although I acknowledge that it is not just our organisation, or industry that has been impacted by the ongoing challenges around the COVID-19 pandemic. The pandemic has thrown many challenges to the world community and the Shire of Northam has not been spared the impact with border closures, travel restrictions, stay at home directions, mandatory mask wearing and vaccinations.

These new COVID-19 State imposed requirements made the workplace challenging and uncertain for our staff and I would like to sincerely express my gratitude to everyone who has worked at the Shire of Northam during the COVID-19 period. With the exception of a small minority, our workforce has embraced the changes and challenges and managed to deliver positive outcomes for our community.

Staff turnover remained a significant challenge for our organisation, an issue that we cannot seem to get on top of. We will continue to analyse our turnover to identify strategies and actions which we can implement to reduce it to a more acceptable level of around 10%. While we exit interview all staff, we are also in the process of undertaking a staff cultural survey which will lead into an organisational cultural strategy in 2022/23.

While turnover remains high, we will continue to focus on developing strong systems and documented processes to ensure new employees coming into our organisation have the tools and support to allow them to be strong contributors in the shortest possible period of time. We have in excess of 120 'mapped' processes across the organisation, whilst since we began mapping our processes in 2017 staff have contributed over 900 suggestions and improvement recommendations.



Chief Executive Officer's Report

As a local government, we continue to focus on our environment, with some significant milestones in 2021/22. We joined the Cities Power Partnership Program that brings local government across Australia together to share experiences and initiatives towards reducing operational impact on the environment, finalised an assessment of our carbon footprint which highlighted our regional waste facility as our largest impact by a significant amount. The Shire has completed the solar PV installation on six Shire owned buildings bringing the total number to eight across the Shire. There is now 178.2kW of solar panel installation which is producing upwards of 160,000kWh of green renewable energy per annum saving the organisation over \$50,000 in consumption costs and reducing the greenhouse gas emissions emitted into the atmosphere.

In 2021/22 we unfortunately saw major events such as the ballooning championships/Elevate and the Annual Motorsport Festival cancelled during the peak of COVID-19. While this was disappointing we did still manage to hold the very first Bilya Festival in 2021, which was a huge success. Our commitment to our Ballardong Noongar community remains strong with our ongoing support of the Bilya Koort Boodja, our Noongar Cultural Advisory Group and events such as the Bilya Festival.

We delivered more than \$2.0m in road projects over the financial year. Unfortunately, a combination of COVID-19, pressures on our contractors, supply chain issues and associated impacts on our work force we did not deliver a significant portion of our program. This has been deferred to the 2022/23 financial year where we hope that the pressures of 2021/22 will be relieved.

Our response to COVID-19 over the past two financial years has been strong. We committed significant amounts of financial resource to supporting our community, which has had an impact on our financial position. This is reflected in our financial health indicator which is at the weakest point it has been since 2015. Our main areas of concern are around our operating deficit and asset sustainability ratio. We are cognisant of the importance of being a financially strong local authority, and we will work diligently over the ensuing years to reposition the Shire of Northam back to its strong financial position.

Finally, I would like to thank the Shire President, Cr Antonio, and the entire Council for their continued support in 2021/22. We are very fortunate at the Shire of Northam that we operate in an environment of trust, respect and a shared vision for our Community. This makes the job of the Chief Executive Officer and all the staff that much clearer and easier, which results in better organisational and community outcomes.

Executive Staff

CHIEF EXECUTIVE OFFICER
JASON WHITEAKER



EXECUTIVE MANAGER
COMMUNITY
SERVICES

JO METCALF



EXECUTIVE MANAGER
CORPORATE
SERVICES

COLIN YOUNG



EXECUTIVE MANAGER
DEVELOPMENT
SERVICES

CHADD HUNT



EXECUTIVE MANAGER
ENGINEERING
SERVICES

SCOTT PATTERSON

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 opinions.
- 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

Implementation of the recommendation of the endorsed Report of Review to update the Shire of Northam's Local Planning Strategy and Local Planning Scheme No. 6 has continued with the assistance of Officers from the Department of Planning, Lands and Heritage.

The review is timely in that the new census information will be available for consideration together with DPLH's Northam Regional Land Supply Assessment, which will provide current information to inform the future strategic land use direction in the Shire.

The Strategy text and associated maps are nearing final drafts and will be advertised to the community for consideration in the near future.

Heritage

The second stage of the Heritage List is currently being finalised in consultation with landowners and the Shire's Heritage Consultant.

A grant from the Heritage Council of WA will facilitate a review of the Local Heritage Survey (formerly known as the Municipal Heritage Inventory), which will include community consultation and a call for new nominations.



Theme Area 1: Economic Growth

Statutory Planning

Development Applications

A total of 137 development applications were determined by the Shire of Northam to the value of \$38,607,507 during the 2021/22 financial year compared to 150 to the value of \$21,611,791 during the 2020/21 financial year.

The majority of new dwellings approved were in the rural residential areas of Wundowie and Bakers Hill with activity in the Northam townsite continuing.

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 Spud Shed and additions to St Joseph's Senior Campus were completed with works commencing at the Avon Logistics Hub.

Subdivision

During the 2021/22 financial year, 21 subdivision referrals were received from the Western Australian Planning Commission and 7 subdivision clearances. Subdivision activity has been spread throughout the Shire, including an increase in residential infill and light industrial development in the Northam townsite.

Scheme Amendments

During this period, 2 scheme amendments were lodged relating to the Avon Logistics Hub adjacent to the roadhouse in Northam and the Avon Industrial Park in Grass Valley.

Development Compliance

Development compliance also formed an important part of statutory planning activities in 2021/22, with 76 swimming pool fences being inspected, a number of unauthorised buildings and land uses being investigated, audits of extractive industries, and following up non-compliances with conditions of development and building approval.



Theme Area 1: Economic Growth

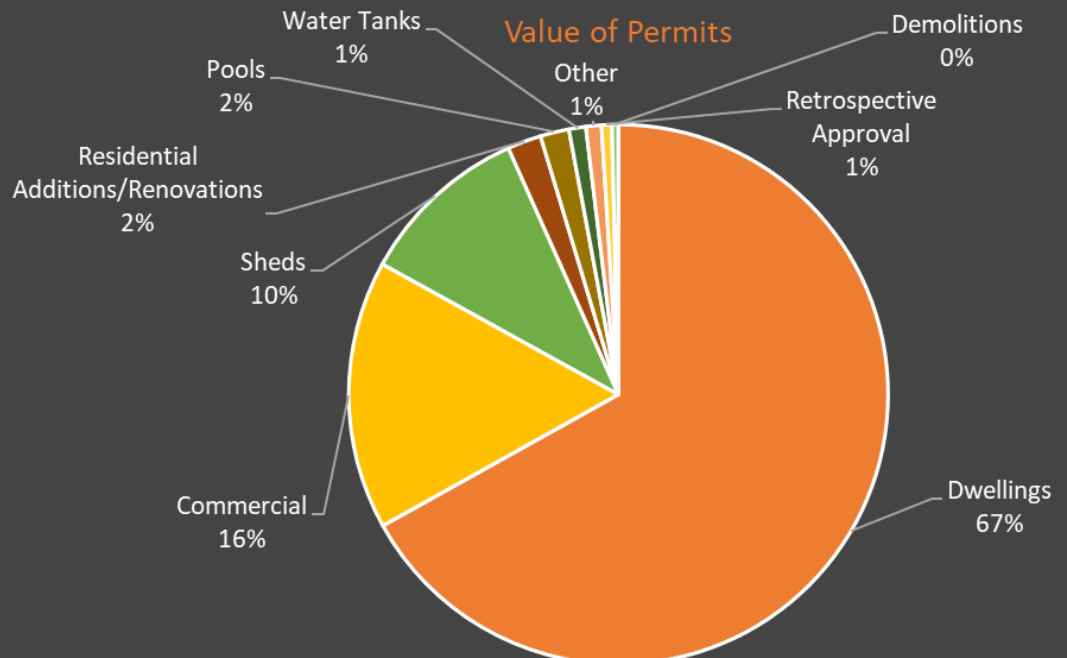
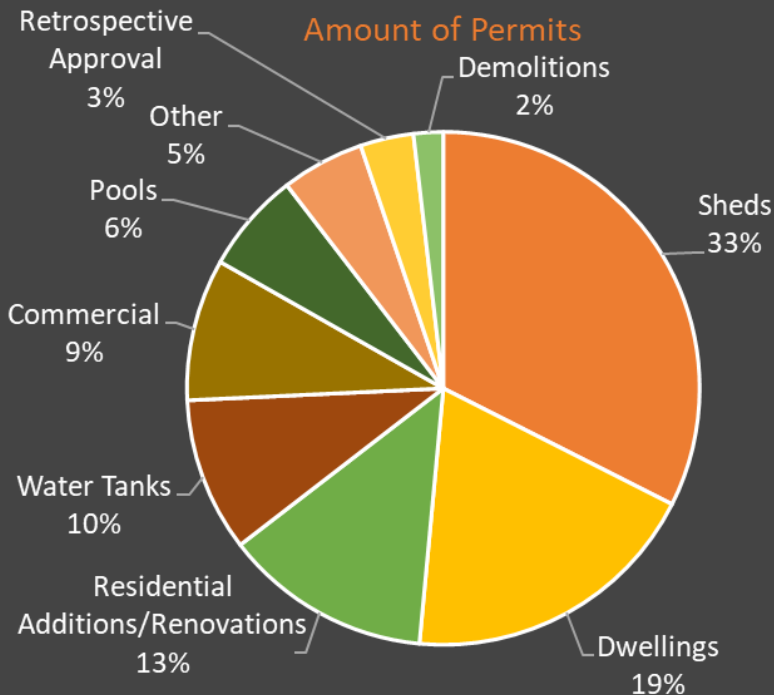
Building

Building activity within the Shire of Northam remains strong especially in the Housing Sector.

This is unfortunately being adversely affected due to building companies experiencing difficulties in regards to obtaining building materials and tradespersons.

The result of this is some housing projects being delayed with a construction time of up to two years in some instances.

Building Permits continue to be processed within statutory timelines.



Theme Area 1: Economic Growth

POP-UP SHOP

In 2021/2022 the Pop-up Shop on Fitzgerald Street was leased twice:

- 15/09/2021 to 31/12/2021 - Circuit Raiders
- 19/04/2022 to 18/07/2022 - The Treasure Chest

CREATE 298 CO-WORKING SPACE

Despite being affected by the COVID-19 Pandemic, Create 298 bookings have steadily increased through the 2021/2022 financial year.

Bookings were halted as the co-working space was closed to the public in March of 2022 following the state of emergency warning and subsequent changes to staff working arrangements.

Figures reflect paid external bookings only.

COMMUNITY EVENTS

Events in the 2021-2022 financial year were again affected by the COVID-19 pandemic. We saw major events such as the ballooning championships/Elevate and the Annual Motorsport Festival cancelled during the peak of the outbreak.

Community Run Events: 19

Shire Run Events: 4

(Bilya Festival 2021, Australia Day 2022, Reconciliation Breakfast/Sausage sizzle, Astro Photography workshop.)

Bookings.
2019/2020:
8
2020/2021:
15
2021/2022:
24



Theme Area 1: Economic Growth

CASE STUDY: AUSTRALIA DAY 2022

Australia Day in the Shire of Northam is an opportunity for the community to come together and reflect on our national journey.

Australia Day 2022 activities took place on Thursday, 26 January 2022 at various locations within the Shire of Northam. These activities consisted of a community breakfast in Bakers Hill, a community breakfast and pool entertainment in Wundowie, a citizenship ceremony, community awards, free pool entertainment and a Stargazing picnic in Northam.

The Citizenship Ceremony and Community Awards was hosted at our beautiful Bilya Koort Boodja centre. The Shire president, Chris Antonio led the proceedings along with Australia Day ambassador, Nahrel Dallywater. After the ceremony and awards all attendees were invited to attend a locally catered morning tea.

With free pool and slide entry from 12pm, our Aquatic centre saw a steady flow of families come and enjoy the afternoon. Staff dressed the part and hosted a series of free competitions. Free inflatables and BBQ were enjoyed by all.

Our local Bert Hawke oval came to life from 7pm for a stargazing picnic. The community were invited to bring a picnic along and enjoy an Astro Tourism laser pointer sky tour with the opportunity to gaze up at the night sky through six large telescopes.

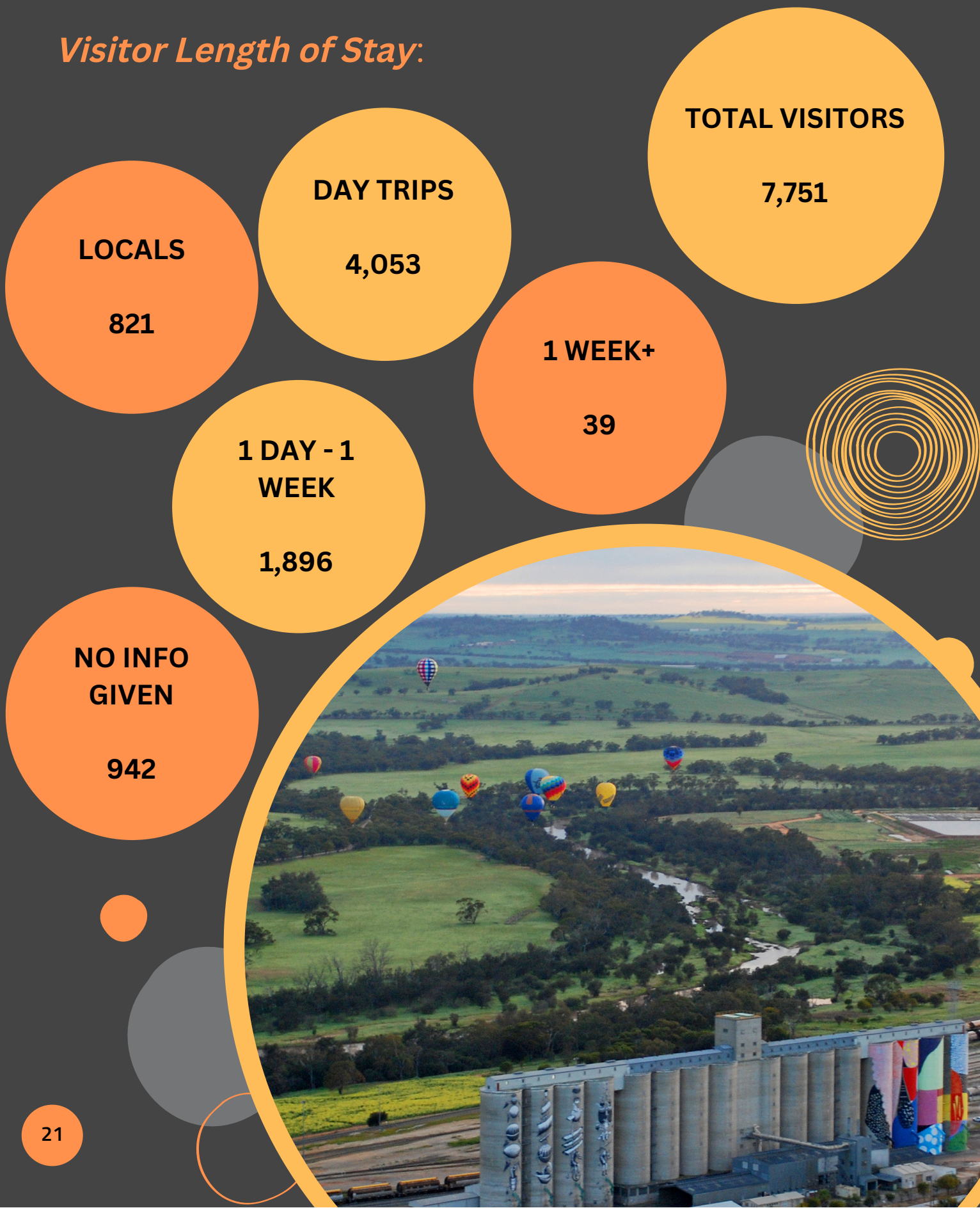
The first 120 people registered for the event received a free 'picnic under the stars' box for one. All attendees were encouraged to BYO picnics, blankets and binoculars or telescope. The star gazing event was well received and gave Northam a chance to show case our beautiful unpolluted night skies.



Theme Area 1: Economic Growth

Visitor Centre Key Statistics

Visitor Length of Stay:



Theme Area 2: Community Wellbeing

Killara Adult Day Care & Respite Centre

Key Statistics 2021/2022

**COMMUNITY
SERVICE HOURS**

1,497

**BROKERAGE
HOURS**

9,275



**RESPITE
HOURS**

18,690

**TRANSPORT
TRIPS**

397

Theme Area 2: Community Wellbeing Library

This year, two books launched. One “ANZAC Day with the Swans of Ypres” featured beautiful illustrations of Northam, as well as a historical retelling of Ypres. It was launched on the Friday ahead of Anzac Day 2022. Katie Stewart launched her 3rd book with Fremantle Press – “Wombat can’t sing”. This was held as part of “Love to Read Local” week, a tie in with WA Week.

The Library staff answered over 4,500 reference enquiries. These range from book suggestions, to directions, to digital help – accessing eResources, using modern technology and navigating websites.

TOTAL VISITS

16,300

HOUSEBOUND RUN BORROWERS

38

BORROWERS

1,956

ITEMS BORROWED

28,874

EVENTS

88

ATTENDEES

571

The Swan Room was booked for a total of 72 hours and used in between by local history enthusiasts.

Events held at the Library included:

- Seniors I.T.
- 0 – 5 years Better Beginnings Programmes
- Book club
- Young writer’s group; and
- School holiday sessions.

Theme Area 2: Community Wellbeing

Clubs and Aquatics

Sporting Clubs Support



Northam Aquatics:



Wundowie Aquatics



Theme Area 2: Community Wellbeing

Other

Wundowie to Northam (via Bakers Hill & Clackline) Community Transport

The Wundowie to Northam Community Transport service operated every 2nd & 4th Thursday of the month, excluding January. A total of 120 passengers utilised the service. 55 of these passengers were from Bakers Hill, and 65 from Wundowie.

Community Grants

In 2021/2022 a new community grants program was introduced. The restructure of the grants program saw the application process streamlined into two community grant categories, Quick Response Grants, which were open all year round for a wide variety of community projects up to \$5,000, and Community Development Grants, that opened for applications in August for larger, strategic community projects up to \$20,000. A Community Grants Roadshow was held with staff visiting Northam, Bakers Hill and Wundowie to introduce the new grants, along with tips and pointers for applying.

The Quick Response Grants proved very popular. The Shire received 26 applications, awarding a total of \$34,230 towards 19 community projects.

11 Community Development Grant applications were received and assessed by Council. 5 projects were supported, totalling \$63,800.

Council also supported a range of ongoing community events through their annual community allocations. Events supported include the Wundowie Iron Festival, Carols on Fitzgerald, Northam ANZAC Day, Northam Farmers Show, the Northam Art Prize, Northam Theatre Group, and the Northam PCYC School Holiday programs.



Theme Area 3: Safety & Security

The Shire of Northam Community Safety Committee launched the new Community Safety & Crime Prevention Plan 2022-2026. The plan provides a four year strategic outlook for the Shire, mapping the issues of primary concern to the community and documenting strategies and partnerships to deal with these issues.

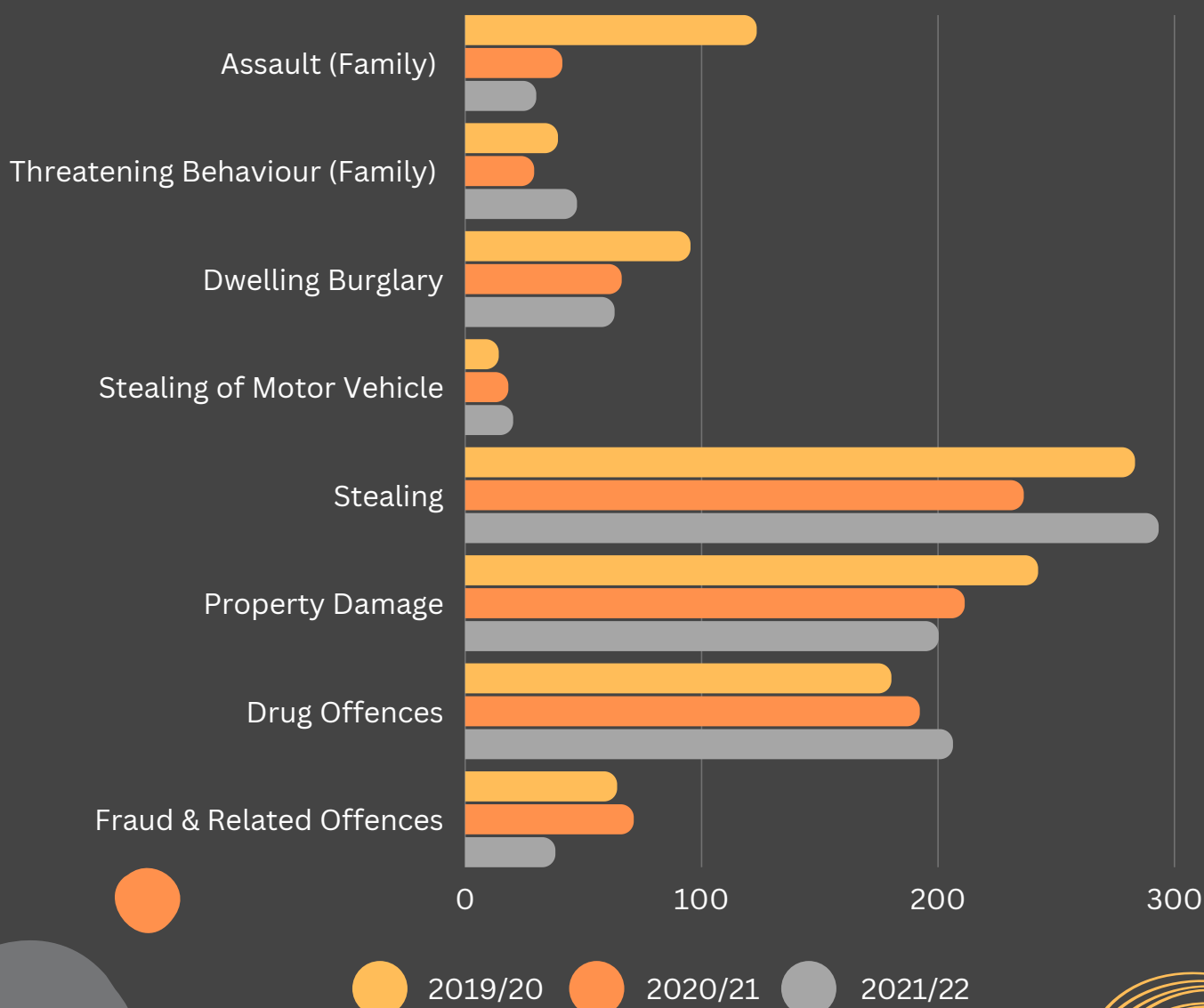
Together with key partners, the Shire of Northam is committed to ensuring continual improvements to community safety with a particular emphasis on minimising the occurrence and opportunity for anti-social and criminal activity.

The chart below shows an overall downward trend in reported crime over the past five years.

Type of Offence	2017/18	2018/19	2019/20	2020/21	2021/22
Homicide	1	2	0	0	1
Sexual Offences	32	32	123	41	30
Assault (Family)	136	122	167	166	215
Assault (Non-family)	123	102	99	105	140
Threatening Behaviour (Family)	22	23	39	28	46
Threatening behaviour (non-family)	43	27	36	29	47
Deprivation of Liberty	5	1	3	1	2
Robbery	4	3	1	2	4
Dwelling Burglary	85	115	95	66	63
Non-dwelling Burglary	55	49	56	25	25
Stealing of Motor Vehicle	19	35	14	18	20
Stealing	358	331	283	236	293
Property Damage	304	238	242	211	200
Arson	8	5	12	7	10
Drug Offences	257	225	180	192	206
Graffiti	7	22	17	4	14
Fraud & Related Offences	55	62	64	71	38
Breach of Violence Restraining Orders	60	111	117	74	65
Total Offences	1573	1520	1548	1276	1419

Theme Area 3: Safety & Security

Quick Overview - Last 3 Years



The Community Safety Committee emphasises the key message, "report any criminal or suspicious activity to authorities through the official channels"



Theme Area 4: Environment & Heritage

Environmental Sustainability

During the 2021/22 financial year environmental sustainability focused on providing advice and assistance with stakeholder advisory groups, fire mitigation works, targeted weed spraying programs, development and re-zoning 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.

The Shire maintained its Waterwise status and both the Wundowie and Northam Aquatic Precinct are now endorsed under the program. Maintenance scheduling ensures that appliances that require replacement utilise water efficiency equipment.

With focus moving towards addressing climate change and reducing shire emissions, the Shire continues to be involved with the nationally driven Cities Power Partnership Program that brings local government across Australia together to share experiences and initiatives towards reducing operational impact on the environment.

This year the shire further expanded on the capture of data monitoring asset consumption and emissions. The online platform utilised is now capturing waste deposited at both Old Quarry and Inkpen landfill facilities, bottled and bulk gas usage and the fuel consumed through the entire fleet in addition to electricity and water use for all its assets. The platform and available 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. 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.

Associated with reducing emissions, the Shire has completed the solar PV installation on six Shire owned buildings bringing the total number to eight across the Shire. There is now 178.2kW of solar panel installation which is producing upwards of 160,000kWh of green renewable energy per annum saving the organisation over \$50,000 in consumption costs and reducing the greenhouse gas emissions emitted into the atmosphere.



Theme Area 4: Environment & Heritage

Environmental Sustainability

On April 1st, the Shire committed to the first renewable energy Power Purchase Agreement (PPA) initiative lead by WALGA. This allowed the Shire to place the large electrical consuming assets under a 3 year contract with the option for assigning a proportion of the grid electricity from green renewable energy sources. The Shire has committed to increasing proportions of renewable energy over the next 3 years with 25%, 50% and 75% respectively for the duration of the contract for five of its buildings. Rehabilitation efforts focused on the planting of native plants in partnership with the Avon Valley Environmental Society (AVES). This involved planting along the Avon River from Enright park to Burlong with 1,300 tube stock plants to infill areas requiring attention. As part of this project AVES and students from Curtin University trialled planting with the use of permaculture practises to identify if localised weed control with the use of cardboard matting and mulch would improve the success rate of the rehabilitation efforts while the plants are establishing.

The annual 'Tree Subsidy Program' and the 'Native Plant Giveaway' were very successful with both programs utilising all the native tube stock allocated. The Tree Subsidy supplied just under 10,000 tube stock native trees and the biodegradable trees guards are improving with popularity as a means to protect the trees while they establish. In addition to the 2,000 tree guards sold, the Shire also introduced 'Biodegradable Tree Cocoons' which provide 25L water reservoirs around the plant with the aim of improving tree establishment and reducing time and effort in watering during the dry season. The 'Native Plant Giveaway' was held at Northam and Wundowie with just over 1,500 small trees, shrubs and ground covers supplied to residents. In addition to the annual native plant programs the Shire also donated 300 native tube stock trees to Northam Primary School for their National Tree Day.

In the following financial year the shire will explore options for the retro fit of LED lighting inside the Northam Recreation Precinct and the feasibility of transitioning some of the fleet cars to Electric Vehicles. This project will also identify the community requirements for EV charging stations within the Shire.



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, to promote good human health and environmental practices.



ENVIRONMENTAL HEALTH OFFICERS PERFORMED THE FOLLOWING TASKS:

- Regular monitoring of food premises was 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 with one new business currently under construction.
- 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. The results of the river waters assessment indicate that primary contact of this water body for recreational use should be avoided.
- Monitoring the environmental health risks associated with the use of reclaimed irrigation effluent and the positioning of public infrastructure continues to be undertaken with action being taken to eliminate any risk of contamination of such infrastructure.
- The Free Food Handlers course in its updated and improved version known as Food Safe for Food Handlers continues to be popular with people entering the Food Industry.
- Public Health and Environmental issues associated with major public events were monitored and attended to as required.
- New building developments were assessed for compliance with the Construction requirements of the Food Act 2008 and relevant Australian Standards. Also 55 onsite effluent disposal systems were approved.
- The inspection of defective housing was undertaken with several houses being deemed unfit for habitation and subsequently condemned. Demolition of these buildings is generally avoided with the intervention of professional house renovators who purchase them and place them on the market or retain them as rental properties.
- 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

The Shire of Northam operates two Waste Management Facilities:

- Old Quarry Road Waste Management Facility in Northam, which is our main facility and accepts both solid and liquid wastes; and
- Inkpen Road Waste Management Facility in Copley, which is a small landfill serving the communities of Bakers Hill and Wundowie.

Both facilities are managed by Avon Waste on behalf of the Shire and are also responsible for the kerbside collection throughout the Shire.

Waste & Recycling Statistics

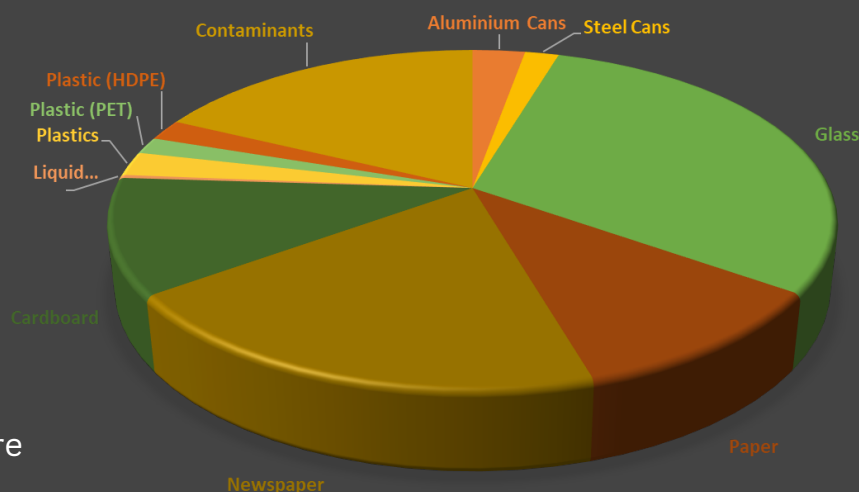
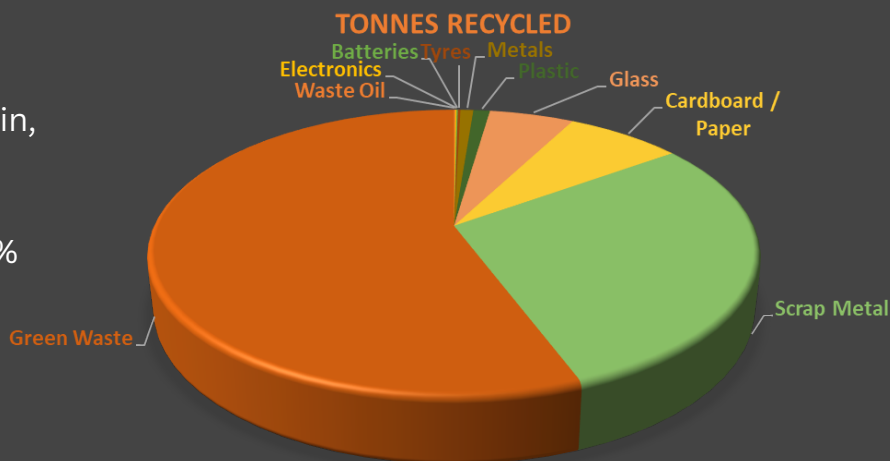
During this period 27,633 tonnes of waste was received at both facilities with 4,894 tonnes of this waste being collected from the Shires of Cunderdin, Kellerberrin, Toodyay and York.

Approximately 11,760 tonnes or 42.5% of waste received was diverted from landfill for recycling or reuse.

Although 650.52 tonnes of kerbside recycling was collected in 2021/22, 115.79 tonnes (18%) was landfilled due to contamination, resulting in 534.73 tonnes actually being recycled.

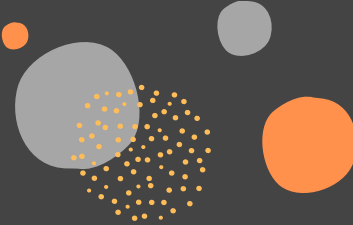
A community education campaign will be conducted to educate the community in 2022/23 to reduce the contamination rates.

The Shire also operates 5 septage ponds at the Old Quarry Road facility that accepted 3,329 tonnes of liquid waste, which was generated in the Shire and surrounding areas.

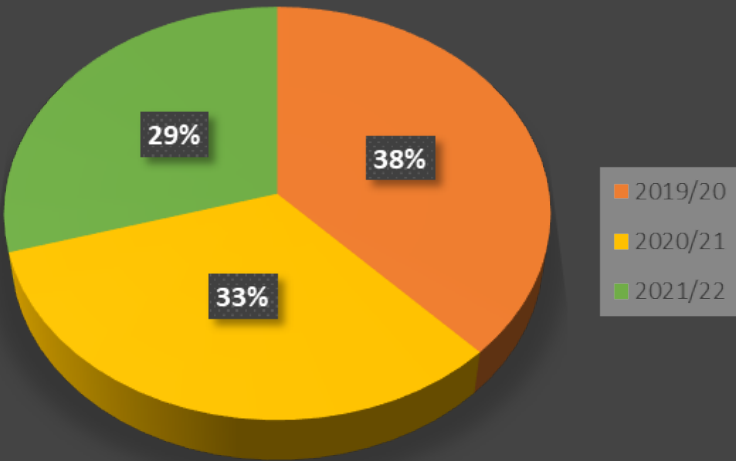


Theme Area 4: Environment & Heritage

Waste



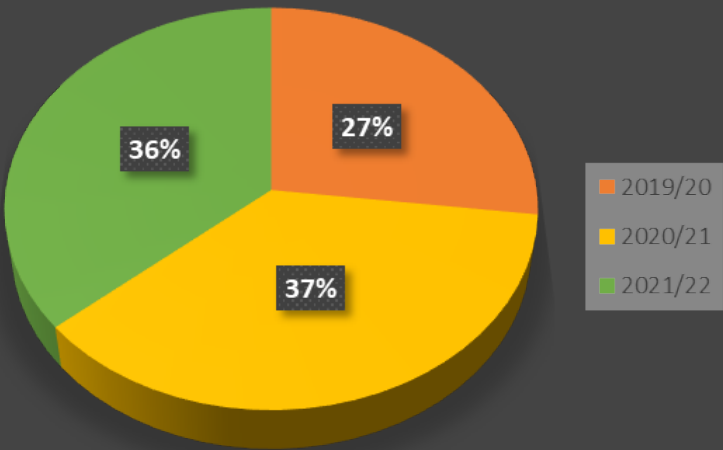
LANDFILL TOTAL



Waste Trends

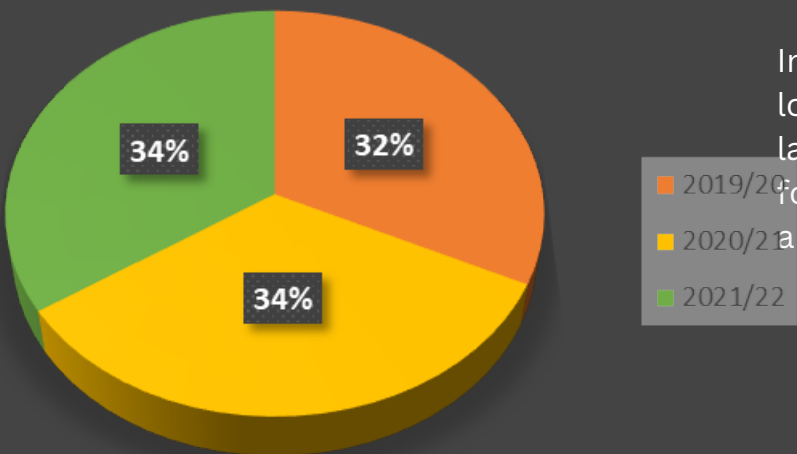
The amount of waste being disposed of in our landfills by the community is less than previous years as seen in the following graph –

TOTAL RECYCLED



However, the data shows that the recyclables collected at the kerbside has decreased compared to the previous year, but is an increase when compared to 2019/20 as shown in the following chart. As indicated previously, an 18% contamination rate significantly affects our recycling rates and success.

LANDFILL KERBSIDE OTHER LG



In this period, wastes collected from other local government areas and disposed of by landfilling is gradually increasing as seen in the following graph, which will require further analysis to address this issue.

Theme Area 4: Environment & Heritage

Waste

Facility update

A new waste transfer station and tip shop has been under construction at the Old Quarry Road Waste Management Facility during this period and will open in August 2022.

The new facility will require the community to pre-sort their waste to maximise recycling and reduce items being landfilled, and together with the tip shop, known as the Northam Re-Store, we are providing the community opportunities to "Re-Duce, Re-Use and Re-Cycle".

The transfer station will provide the community a safe and clean environment to dispose of their waste.

The Shire of Northam is working hard to reduce the amount of waste being disposed of by landfill and reach the WA regional target of 50% of materials recycled.



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 \$262,422 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:

- Perina Way, Northam
- Bernard Park
- Gordon Street, Northam
- East Street, Northam



Theme Area: 5 Infrastructure & Service Delivery Engineering Services

Roadworks

A total of \$2,083,379 was expended during the 2021/22 financial year on capital road projects.

The following roads were major projects completed in the Shire.

Reconstruction / Widening

- Wellington Street /Gairdner Street Roundabout, Northam
- Charles Street, Northam
- Dring Street, Northam
- Jennapullin Road, Grass Valley
- Southern Brook Road, Southern Brook

Resurfacing

- Markey Street, Northam
- Harvey Road, Mokine
- Springfield Road, Northam
- Lyon Street, Northam
- Werribee Road, Wundowie
- Leschenaultia Road, Wundowie

Road Safety

- Forrest Street, Northam
- Mitchell Avenue, Northam



Theme Area: 5 Infrastructure & Service Delivery Engineering Services

Parks, Playgrounds and Streetscapes

A total of \$ 1,078,639 was expended throughout the Shire to upgrade and develop park Infrastructure. This included the completion of Beavis Place in the Central Business District and upgrading APEX Park to a scheme watering system from the treated effluent scheme previously used. Plans for upgrades to Bernard Park Reticulation system also began with the designs being completed.

The Shire continues to work with Water Corporation on the upgrade and continued development of the treated effluent system. These upgrades will improve the quality of re-use water being applied to Parks and Ovals within Northam.



Drainage and Stormwater Management

A total of \$110,007 was expended throughout the Shire to complete drainage improvements and upgrade works. This included works carried out around Yilgarn Ave, Haddrill Road and within the area of Bakers Hill, Clackline and Northam town.

Building Works

Throughout the Shire there were numerous improvements on general building maintenance and capital projects for the 2021/22 Financial Year.

The following projects were completed within the building portfolio of the Shire:

- Suspension bridge decking renewal
- Flooring repairs to Southern Brook Hall
- Replace Café blinds to River's Edge Café
- Upgrade power supply to Clackline Hall
- Upgrade switchboard, install CCTV and upgrade kitchen at Bert Hawke Pavilion
- Upgrade kitchen at Grass Valley Hall
- Flooring upgrades to the public toilets at Bernard Park and Apex Park

Theme Area: 5 Infrastructure & Service Delivery

Bushfire Mitigation & Emergency Services

The Shire of Northam has 10 volunteer bushfire brigades with over 400 Bushfire and SES Volunteers in the Shire, although COVID has impacted on volunteer numbers.

In 2021/2022, the volunteers attended more than 131 fire and related incidents, including catastrophic weather conditions being declared on 6 February 2022.

Through the Department of Fire and Emergency Services (DFES) Emergency Services Levy (ESL) brigades were provided funding for extra training including having access to the DFES on-road driver training, further enhancing the skills of the volunteers who are actively involved in driving under emergency conditions.

This year the Australian Fire Danger Rating System was introduced to replace the previous system moving from 6 ratings to 4. The leadership team has been working to update local systems and signage to ensure that Harvest Vehicle and Movements Bans are managed. We have also introduced several on-line systems to improve our services to the brigades.



Theme Area: 5 Infrastructure & Service Delivery

Bushfire Mitigation & Emergency Services

The extension to the Northam Co-Location building has commenced to provide better facilities for the Northam Central Bushfire Brigade and the SES, which was made possible through the Local Government Grant Scheme grants program together with improvements to the Clackline Bushfire Brigade shed.

Staff have through extensive consultation with our volunteers, completed a comprehensive resource to risk assessment of the existing allocation of resourcing within the Shire of Northam, Emergency Service Fleet, and as a result of the in-depth review, have identified several key areas to ensure that resources and capability match the determined risk associated within each brigade fire district. This has enabled efficiencies to be achieved to ensure a more robust capable service to the community.



The Shire of Northam Bush Fire Risk Management Plan has been completed, and endorsed by Council. This has enabled the Shire of Northam to access funding opportunities through the Mitigation Activity Fund to employ a Bushfire Mitigation Risk Officer to complete mitigation works on reserves that are vested with the Shire of Northam. This position will be shared with the Shires of Kellerberrin and Quairading.

Staff are assisting brigades with community engagement strategies and have continued promoting and assisting with the Shire's Emergency Services Cadet Group, which aims to recruit and retain more volunteers across all services.

The Shire is continuing to work with the volunteer bushfire brigades to improve our response to fire incidents and the safety of our volunteers.

Theme Area 6: Governance & Leadership

Human Resources

The Shire of Northam is committed to providing the best services to our community by recruiting and developing employees with the right skills and expertise.

The Shire's Integrated Workforce Plan details the workforce type and volume required to deliver on our strategic and operational objectives. The cost implications of the workforce requirements are factored into our Long Term Financial Plan.

The Shire has a range of mechanisms in place to ensure the workplace is inclusive, diverse and free from harassment and discrimination including:

- Protocols governing equal employment opportunity, recruitment, grievance resolution, employee relations and bullying and harassment;
- Employee training and development; and
- Ensuring compliance with State and Federal Acts and Regulations relating to equal opportunity and discrimination.

Key achievements:

- Met with local schools and youth groups to discuss work experience opportunities.
- Initiated a staff engagement survey.
- Facilitated a range of training for staff across the organisation.
- Provided opportunities for employees aspiring to be managers.
- Implemented an employee intranet to promote employee communication and engagement.
- Provided a free counselling service for employees.

Statistics:
Aboriginal or Torres Strait Islander Employees:

7%

Statistics:

- Employee turnover: 26%
*decrease of 2%
- Employees recruited: 62
- Job applications received: 500
- Health and wellbeing initiatives: 3
- Spent \$33,438.30 on employee training

Top 3 recruitment sources:

- Seek: 56%
- Shire website: 20%
- Facebook: 16%

**As of June 30, 2022
our workforce was
made up of:**

•Women: 84
•Men: 59

**Women in
Management
47%**

**Men in
Management:
53%**



Theme Area 6: Governance & Leadership

Work Health & Safety

The Shire aims to be a leader in work health, safety and injury management, ensuring that the safety and health of our staff and community is integrated into everything we do, from contract management and procurement to service delivery, events management and staff performance reviews.

Throughout 2021/22, the Shire continued to implement COVID-19 Safe Measures including physical distancing, Personal Protective Equipment, strict hygiene and contact tracing measures across all operations in line with advice from Department of Mines, Industry Regulation and Safety, Safe Work Australia and the Department of Health. This included ongoing flexible work arrangements to provide working from home and work from other facility options where required during periods of lockdown or similar restrictions.

We pride ourselves in fostering work environments where staff are encouraged to report hazards, incidents and near misses, knowing that the information they report will be acted on to improve safety and health.

Unfortunately 2021/22 saw 6 injuries which resulted in lost time injury claims being lodged resulting in the Lost Time Injury Rate being the same as the previous year. The Shire continues to investigate these incidents to identify underlying contributing factors and implement corresponding control measures. This includes risk assessing of all tasks in consultation with our workers and safety and health representatives to improve safe working methods.



Key achievements:

- Undertook random site visits across Shire workplaces.
- Reviewed the process for workplace inspections to ensure that workplaces are being inspected regularly and the inspection are recorded accurately.
- Communicated information on the new Work Health and Safety Act 2020 and accompanying regulations which came into effect on 31 March 2022. Focus was given to the implications and transition requirements for this legislation for the organisation, managers, employees, contractors and volunteers.
- Reviewed the process for completing Safe Work Method Statements and Take 5's.

Statistics:

- **Lost Time Injury Rate: 30.7**
- **Reported Incidents: 112**
- **Reported Hazards: 16**
- **Reported Near Misses: 3**
- **Safety Officer Visits: 102**

Theme Area 6: Governance & Leadership



Internal Audit Program

The internal audit program continued over 2021/22. The program focused on a range of areas to monitor compliance with legislation and policies. All audits were presented to the Audit and Risk Management Committee and Council to review.

Statistics:

- Internal audits undertaken:
24
- Number of non-compliances identified:
11



Policies

The following policies were reviewed in 2021/22:

- Local Planning Policy 2 – General Development Guidelines
- Policy C 3.3 - Art Policy
- Policy C 3.1 – Community Grants Program
- Policy C 3.4 – Write Off / Waive Fees or Debts
- G 1.15 Code of Conduct – Employees, Volunteers, Contractors and Agency Staff

Statistics:

- Total policies:
82
- Policies reviewed:
5

Theme Area 6: Governance & Leadership

Customer Service

The Shire of Northam is committed to excellence in organisational performance and customer service.

To understand local needs and priorities, the Shire of Northam commissioned an independent review into its performance. In 2021, 881 community members completed a MARKYT® Community Scorecard. The top priorities were community safety and crime prevention and local roads, followed by streetscapes and verges, economic development, footpaths, trails and cycleways, and the river and waterways. The score cards results were used to support a review of the Strategic Community Plan (SCP) which commenced in 2021/22.

Key achievements:

- Provided Service Area Plans for each Department, with consideration for innovations to improve customer service and business efficiencies;
- Maintained a Communication Plan and Customer Service Charter;
- Provided a community dashboard reporting number of complaints, customer requests and progress towards operational areas including road grading; and
- Published the complaints process on the Shire website.

Customer requests

received:

2,498

Complaints received:

32

Ombudsman complaints

received:

0



Theme Area 6: Governance & Leadership

Risk Management

Risk management is an integral part of the Shire's decision making process. The Council acknowledges that risk management is a fundamental element of good business practice. The Council Policy – Risk Management defines the principles that establish and maintain an integrated risk management system across all strategic and operational functions of the City, including project and event management.

The Shire fulfils its requirement under Regulation 17 of the Local Government (Audit) Regulations 1996 by conducting regular reviews of its Risk Management Framework to ensure continuous improvement and meets industry best practice.

The Shire of Northam Risk Register is regularly monitored and reviewed with overdue and non-compliant risk treatment strategies reported to the Audit and Risk Management Committee each quarter.

- **Identified risks: 42**
- **Risk mitigation/treatments strategies: 129**
- **No. reported to Audit & Risk Management Committee: 6**



Local Government Elections

Local Government Elections were held on October 16, 2021. There were six candidates nominated for five vacancies across all Shire wards. Two sitting Councillors were returned, and three new Councillors were elected.

A Special Meeting of Council was held on October 18, 2021 to elect the President and Deputy President. Cr Christopher Antonio was re-elected as Shire President and Cr Michael Ryan was elected as Deputy President.

The next Local Government Election will be held in October 2023. Voting in a local government election is not compulsory in Western Australia, however all electors are strongly encouraged to vote.

Theme Area 6: Governance & Leadership

Attendance at Council Meetings

The attendance of Elected Members at Council Meetings, Council Forums, Special Council and Strategic Council meetings are as follows:

**No. of Items
Considered at
Council in
2021/2022:**

233

	Attended	Leave of Absence	Apology	Absent
Cr C Antonio	28	0	1	0
Cr M Ryan	25	0	3	1
Cr R Tinetti	27	2	0	0
Cr M Girak	24	3	2	0
Cr H Appleton	19	0	0	0
Cr D Hughes	19	0	0	0
Cr J Williams	24	3	2	0
Cr A Mencshelyi	24	1	3	1
Cr P Curtis	14	1	1	3
Cr D Galloway	28	0	1	0
Cr T Little	8	0	2	0
Cr S Pollard	7	2	1	0
Cr C Della	6	3	1	0

Theme Area 6: Governance & Leadership

Attendance at Committee Meetings

During 2021/2022, Council appointed the following Committees:

- Audit & Risk Management Committee
- Bush Fire Advisory Committee
- Chief Executive Officer Review Committee
- Community Grant Assessment Committee
- Community Safety Committee
- Local Emergency Management Committee
- Nyoongar Cultural Advisory Group

	Attended	Leave of Absence	Apology	Absent
Cr C Antonio	14	0	0	0
Cr M Ryan	10	0	2	1
Cr R Tinetti	3	0	1	0
Cr M Girak	0	1	1	1
Cr H Appleton	3	0	0	0
Cr D Hughes	5	0	0	0
Cr J Williams	10	1	0	0
Cr A Mencshelyi	14	0	2	2
Cr P Curtis	4	0	0	0
Cr D Galloway	1	0	0	0
Cr T Little	1	0	0	0
Cr S Pollard	1	0	0	0
Cr C Della	0	0	0	1

Theme Area 6: Governance & Leadership

Elected Member Training

	Understanding Local Government	Serving on Council	Meeting Procedures	Conflicts of Interest	Understanding Financial Reports and Budgets
Cr C Antonio	Completed 2019	Completed 2019	Completed 2017	Completed 2019	Completed 2019
Cr M Ryan	In Progress	In Progress	In Progress	Completed 2022	In Progress
Cr R Tinetti	Completed 2020	Completed 2020	Completed 2020	Completed 2020	Completed 2020
Cr M Girak	Completed 2019	Completed 2020	Completed 2020	Completed 2019	Completed 2020
Cr H Appleton	Completed 2022	In Progress	In Progress	Completed 2022	In Progress
Cr D Hughes	Completed 2022	In Progress	In Progress	Completed 2022	In Progress
Cr J Williams	Completed 2020	Completed 2020	Completed 2020	Completed 2020	Completed 2020
Cr A Mencshelyi	In Progress	In Progress	In Progress	In Progress	In Progress
Cr P Curtis	In Progress	In Progress	In Progress	In Progress	In Progress
Cr D Galloway	Completed 2019	Completed 2020	Completed 2020	Completed 2019	Completed 2020

Note: Under the *Local Government Act 1995*, mandatory training needs to be completed within 12 months of an Elected Member being elected to office.

Additional Training: Cr Chris Antonio has also been working diligently towards a Diploma in Local Government - Elected Members.

Local Government Convention 2021 - Cr C Antonio, Cr J Williams, Cr R Tinetti and Cr A Mencshelyi attended the Local Government Convention for 2021.

Theme Area 6: Governance & Leadership

Fee Waivers - 2020/2021

Person/Party	Waiver Requested	Fee Waived
Holyoake	Turn Up in Blue event (Electricity fees)	\$98.00
Mental Illness Fellowship	Mental Health workshops (Booking fees)	\$795.00
Institute of Indigenous Wellbeing and Sport	Beatball program (Booking fees)	\$2,524
WA Disability Sporting Association	Come and Try Day (Booking fees)	\$170.00
Share and Care	Northam Aquatic Centre (Family Season Passes)	\$860.00
Rotary Club of Northam	Rotary Radio Auction (Family Season Passes)	\$430.00
Irishtown Agricultural Hall Club Inc.	Community Christmas Party (Half Season Pass)	\$240.00
Diabetes WA	Education workshop (Booking fees)	\$630.00
Vintage Sports Car Club of WA Inc.	Northam Motor Sport Festival (Application, booking and hire fees)	\$354.00
Clackline Muresk Bush Fire Brigade	Pre-season tour (Bus fee)	\$100.00
Avon Valley Art Society	Art Awards and Exhibition (Booking fees)	\$1,165.00
Avonvale Primary School P&C	Easter and Halloween Disco (Booking fees)	\$182.00
Notre Dame University	Student Placement Program (Booking fees)	\$260.00
Rainbow Farm Reiki & Readings	Fundraising Event (Booking fees)	\$308.00
Alcohol & Drug Foundation	Workshop (Booking fees)	\$147.50
Comfort Quilts Against Cancer	Fundraiser (Booking fees)	\$168.00
Avon Valley Art Society	Northam Art Prize (Booking fees)	\$1,617.00
Shire of Northam	NAIDOC Event (Entry fees)	\$235.00
	Total	\$10,283.50

Theme Area 6: Governance & Leadership

Councillor Allowances

Name	Position	President Allowance	Deputy President Allowance	Travel Allowance	Annual Meeting Fees	IT Allowance	Total
Cr Chris Antonio	Shire President	\$45,000.00	-	\$7,810.25	\$23,600.00	\$3,118.76	\$79,529.01
Cr Michael Ryan	Councillor / Deputy President	-	\$7,953.63	-	\$19,750.00	\$3,118.76	\$30,822.39
Cr Robert Tinetti	Councillor	-	-	-	\$19,750.00	\$3,118.76	\$22,868.76
Cr Maria Girak	Councillor	-	-	-	\$19,750.00	\$3,118.76	\$22,868.76
Cr Hayden Appleton	Councillor	-	-	-	\$13,963.05	\$2,204.92	\$16,167.97
Cr Desmond Hughes	Councillor	-	-	\$203.90	\$13,963.05	\$2,204.92	\$16,371.87
Cr Julie Williams	Deputy President / Councillor	-	\$3,296.37	\$679.32	\$19,750.00	\$3,118.76	\$26,844.45
Cr Attila Mencshelyi	Councillor	-	-	\$725.20	\$19,750.00	\$3,118.76	\$23,593.96
Cr David Galloway	Councillor	-	-	\$844.92	\$19,750.00	\$3,118.76	\$23,713.68
Cr Paul Curtis	Councillor	-	-	\$1,077.15	\$13,963.05	\$2,204.92	\$17,245.12
Cr Terry Little	Councillor	-	-	\$569.80	\$5,786.95	\$913.84	\$7,270.59
Cr Steven Pollard	Councillor	-	-	\$76.96	\$5,786.95	\$913.84	\$6,777.75
Cr Carl Della	Councillor	-	-	-	\$5,786.95	\$913.84	\$6,700.79

Theme Area 6: Governance & Leadership

Social Media Snapshot

Shire of Northam:



Visit Northam:



Bilya Koort Boodja:



Theme Area 6: Governance & Leadership

Social Media Snapshot



Website News Items & Public Notices:

2020-21

51

2021-22

122

Website Sessions:

2020-21

78,613

2021-22

159,198

Website Users:

2020-21

76,790

2021-22

111,634

Theme Area 6: Governance & Leadership

Ranger Services

The Ranger Services has had another busy year with increases in most areas of importance such as registration of animals, removal of abandoned vehicles and bushfire compliance. Complaints regarding cats has increased significantly as we endeavor to gain control of the feral/stray cat populations due to the unusual occurrence of a second breeding season.

Ranger Services primarily encourages and enforces compliance with Local and State Laws with respect to pets, livestock, parking, 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 253 infringements were issued in the 2020-2021 financial year in comparison to a total of 138 in the 2021-2022 financial year. Fire management in 2020-2021 saw 74 infringements, compared to 44 infringements in 2021-2022. 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 remained the same in the 2021-2022 period, however the number of dog attack infringements/prosecutions have decreased this is as a direct consequence of the push by rangers to get dog owners to surrender aggressive dogs in lieu of prosecution. This action removes the risk to the community.

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

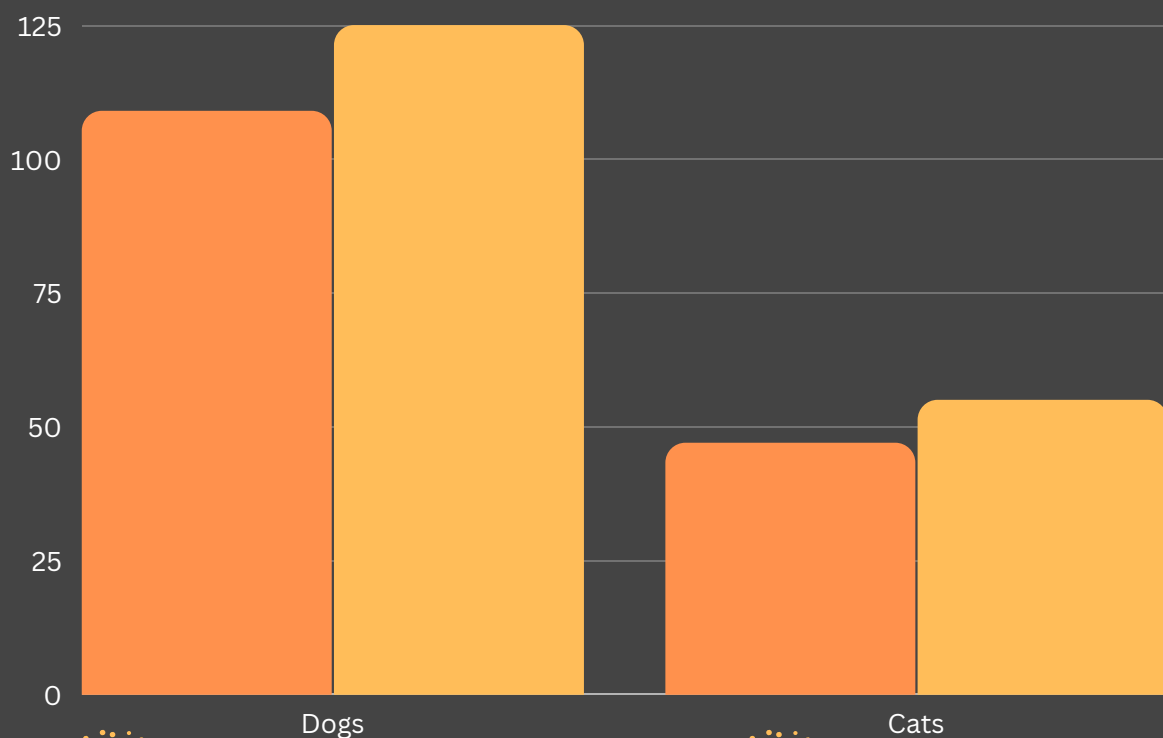
Impounding of dogs has increased from the 2020-2021 period, dog registrations have increased, and less impounded dogs are presenting unregistered or un-microchipped. These numbers indicate that education programs and registration/ microchip drives are being successful.

In the 2022/2023 financial year there are major amendments to the Dog Act 1976 that are to be implemented. In particular, the mandatory requirement to have non-breeding dogs de-sexed. The Shire of Northam has partnered with the RSPCA and local Vets to supply pet owners with a voucher discounting the de-sexing and microchipping of pets up to 75%, the Shire of Northam's contribution is free lifetime registration to pensioners/ health card holders/seniors and people in need of assistance to enable them to become compliant with the new law changes.



Impounded Animals

■ 2020/2021 ■ 2021/2022

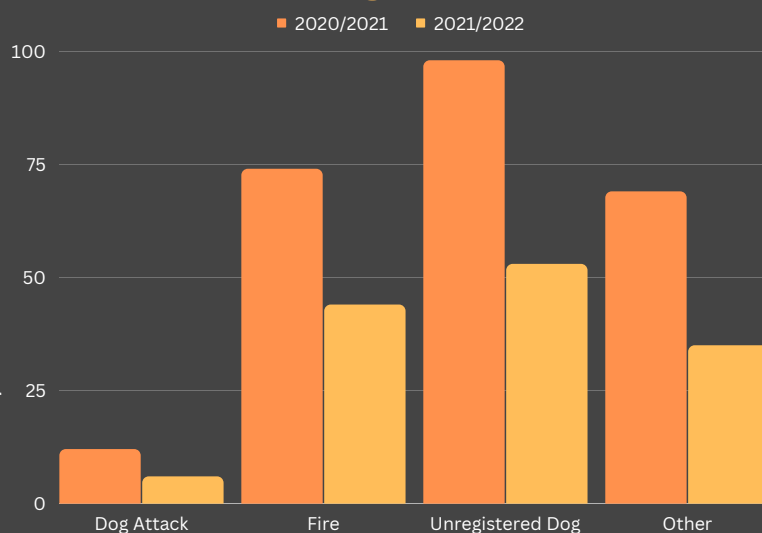


Theme Area 6: Governance & Leadership

Ranger Services

Information is 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. Rangers also provide a range of information sheets and regular compliance information updates.

Infringements



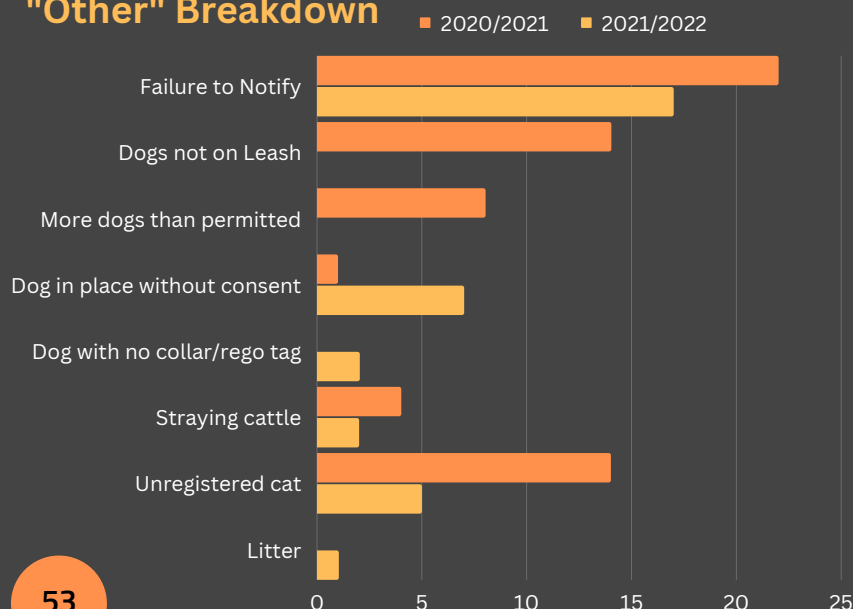
In the field, Rangers give away free Shire of Northam dog leads to encourage 'Dog-on-a-Leash in Public Places' compliance. They also distribute colouring books about responsible dog and cat ownership to children when appropriate.

Management of the White Swan Colony continues with the nesting period from September to November. Currently expecting the arrival of a new cygnet in November 2022. 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, Northam Resource Management have now received a scoping project report. This has been supplied to Department of Biosecurity Attractions and Community (DBAC). The Shire rangers in conjunction with other shires, government and non-government organisations participated in a planning workshop to create and implement "best practise" for best success.

"Other" Breakdown



Regular targeted parking patrols are conducted as per the Parking and Parking Facilities Local Law 2008. Problem areas are identified, with warning parking notices distributed in the first instance followed by infringements if warning notices are not complied with. As in previous years particular attention was required around our school areas educating parents and carers to park safely.

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 Shire of Northam website at <https://www.northam.wa.gov.au/documents/freedom-of-information>

During 2021/22, all 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

Applications received: 8

RECORD KEEPING

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.

Boxes destroyed: 21
Dates Destroyed: 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 to \$139,000	
\$ 140,000 to \$149,000	
\$ 150,000 to \$159,000	
\$ 160,000 to \$169,000	1
\$ 170,000 to \$179,000	
\$ 180,000 to \$189,000	2
\$ 190,000 to \$199,000	1
\$ 200,000 to \$209,000	
\$ 210,000 to \$219,000	
\$ 220,000 to \$229,000	
\$ 230,000 to \$239,000	
\$ 240,000 to \$249,000	
\$ 250,000 to \$259,000	
\$ 260,000 to \$269,000	
\$ 270,000 to \$279,000	
\$ 280,000 to \$289,000	1

STRATEGIC COMMUNITY PLAN & CORPORATE BUSINESS PLAN

The Shire of Northam undertook a major review of the Strategic Community Plan which was adopted by Council on 15 June 2022.

More than 800 community members and key partners provided input through this planning process.

The Shire of Northam took a slightly different approach with respect to these two key planning documents, whereby it incorporated these two documents into one succinct plan for the future. This approach has been taken to make it easier for elected members and the community to gain a clear understanding of not only what the priority strategies are, but also the specific actions Council is taking to assist in achieving the established goals and objectives.

This review resulted in the performance areas, objectives and actions being amended in response to the current priorities which shift overtime in response to what's happening locally and globally and the changing community expectations

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.

Statutory Reports

NATIONAL COMPETITIVE 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 National Competition Policy statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws.

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.

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 2021/22 the Shire of Northam did not review any of its local laws.

REGISTER OF COMPLAINTS AND MINOR BREACHES

Section 5.53(hb) of the Local Government Act 1995 specifies that the annual report is to contain details of entries made in the register of complaints during the financial year in review.

The register of complaints is to include:

- The name of the council member about whom the complaint is made.
- The name of the person who makes the complaint.
- The description of the minor breach that the standards panel finds has occurred.
- Details of the action taken.

The standards panel made no findings of minor breaches in 2021/22.



Monitoring & Reporting Human Resources

Performance Area	Key Performance Indicator	Formula	Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
Safe Working Environment / Workplace Safety	Lost Time Injury Frequency Rate	Number of lost time injuries x 1,000,000	<15	30.7	30.7	30.7
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 2023)	Not measured (Next audit 2023)	Not measured (Next audit 2023)
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%	62%	Not measured (Next Survey 2021)	Not measured (Next Survey 2021)
Retention of Valued Staff / Staff Turnover	Staff Turnover Rate	Number of staff separations* Total number of staff (less casual and Council initiated)	<20%	33%	27%	16%

Monitoring & Reporting

Financial Management

Performance Area	Key Performance Indicator	Formula	Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
Budget Management	Percentage variance in actual year to date expenditure operating versus budgeted expenditure	Actual Expenditure - Budgeted Expenditure x 100	<10%	-4.47%	-6.34%	1.76%
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	(Current Assets MINUS Restricted Assets) (Current Liabilities MINUS Liabilities Associated with Restricted Assets)	1:1 (100% or greater)	223%	394%	310%
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	5.76	6.10	6.90

Monitoring & Reporting Governance

Performance Area	Key Performance Indicator	Formula	Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
Corporate Plan Achievement	Percentage of identified Corporate Actions achieved	Corporate Actions undertaken in current year. Total Number of Corporate Actions	100%	CEO - 92% COMMS - 97% CORP - 54% DS - 75% ES - 65% Completed *	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%	64% Completed	42% Completed	71% Completed

* COMMS = Community Services
CORP = Corporate Services
DS = Development Services
ES = Engineering Services

Monitoring & Reporting Compliance

Performance Area	Key Performance Indicator	Formula	Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
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	7 days	8.98 days	3.74 days
			Certified <10 working days	3.62 days	4.56 days	3.33 days
Development Application Processing	Average Development Application processing times	Total days to process development applications	<30 days (delegated decisions)	12 days	16 days	20 days
		Total number of development applications	<40 days (non-delegated decisions)	58 days	61 days	56 days
		Development applications process times measured by the official date received and official date approval issued, less any official hold periods recorded	RDAP Decision	No Application	No Application	79 days
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	No. 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 2023	100%	96%

SHIRE OF NORTHAM

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

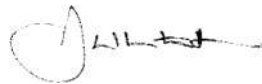
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Principal place of business:
395 fitzgerald Street
Northam WA 6401

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

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

Signed on the 16th day of December 2022



Chief Executive Officer

Jason B Whiteaker

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
Revenue				
Rates	27(a),2(a)	10,722,615	10,752,585	10,106,716
Operating grants, subsidies and contributions	2(a)	5,619,500	5,332,005	5,164,488
Fees and charges	25(c),2(a)	4,110,409	4,317,737	4,114,035
Interest earnings	2(a)	188,965	178,500	99,091
Other revenue	2(a)	980,198	1,215,813	1,083,794
		21,621,687	21,796,640	20,568,124
Expenses				
Employee costs		(9,481,810)	(8,933,567)	(8,819,457)
Materials and contracts		(6,566,985)	(8,890,015)	(5,894,733)
Utility charges		(1,232,564)	(1,159,630)	(1,229,796)
Depreciation	10(a)	(5,027,936)	(4,927,719)	(4,975,800)
Finance costs	2(b)	(214,286)	(215,505)	(227,162)
Insurance		(554,417)	(551,889)	(470,168)
Other expenditure	2(b)	(649,710)	(159,336)	(422,699)
		(23,727,708)	(24,837,661)	(22,039,815)
		(2,106,021)	(3,041,021)	(1,471,691)
Non - Operating Capital grants, subsidies and contributions	2(a)	3,313,239	6,184,337	2,902,333
Profit on asset disposals	10(b)	487,502	335,308	26,070
Loss on asset disposals	10(b)	(257,846)	(118,362)	(343,786)
Fair value adjustments to financial assets at fair value through profit or loss		11,990	0	7,758
Reversal of prior year loss on revaluation of Infrastructure Streetscape	9(a)	(91,084)	0	0
		3,463,801	6,401,283	2,592,375
Net result for the period	25(b)	1,357,780	3,360,262	1,120,684
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	8,491,395	0	0
Total other comprehensive income for the period	17	8,491,395	0	0
Total comprehensive income for the period		9,849,175	3,360,262	1,120,684

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



SHIRE OF NORTHAM
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	6,279,186	8,872,241
Trade and other receivables	5	3,120,591	3,512,304
Other financial assets	4(a)	3,687,128	20,850
Other assets	7	278,898	398,000
TOTAL CURRENT ASSETS		13,365,803	12,803,395
NON-CURRENT ASSETS			
Trade and other receivables	5	479,280	428,969
Other financial assets	4(b)	362,304	323,833
Property, plant and equipment	8	64,917,760	55,636,285
Infrastructure	9	170,833,866	170,708,690
Right-of-use assets	11(a)	49,146	987
TOTAL NON-CURRENT ASSETS		236,642,356	227,098,764
TOTAL ASSETS		250,008,159	239,902,159
CURRENT LIABILITIES			
Trade and other payables	12	2,897,214	2,161,216
Other liabilities	13	801,140	1,120,876
Lease liabilities	11(b)	11,093	1,012
Borrowings	14	368,947	357,208
Employee related provisions	15	1,312,900	1,156,374
Other provisions	16	0	70,000
TOTAL CURRENT LIABILITIES		5,391,294	4,866,686
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	38,559	0
Borrowings	14	5,332,372	5,701,320
Employee related provisions	15	151,151	179,629
Other provisions	16	159,546	159,546
TOTAL NON-CURRENT LIABILITIES		5,681,628	6,040,495
TOTAL LIABILITIES		11,072,922	10,907,181
NET ASSETS		238,935,237	228,994,978
EQUITY			
Retained surplus		112,442,650	113,277,270
Reserve accounts	30	5,868,771	3,676,371
Revaluation surplus	17	120,623,816	112,041,337
TOTAL EQUITY		238,935,237	228,994,978

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 2022

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		112,446,383	3,386,574	112,041,337	227,874,294
Comprehensive income for the period					
Net result for the period		1,120,684	0	0	1,120,684
Total comprehensive income for the period		1,120,684	0	0	1,120,684
Transfers from reserves	30	390,368	(390,368)	0	0
Transfers to reserves	30	(680,165)	680,165	0	0
Balance as at 30 June 2021		113,277,270	3,676,371	112,041,337	228,994,978
Comprehensive income for the period					
Net result for the period		1,357,780	0	91,084	1,448,864
Other comprehensive income for the period	17	0	0	8,491,395	8,491,395
Total comprehensive income for the period		1,357,780	0	8,582,479	9,940,259
Transfers from reserves	30	2,619,512	(2,619,512)	0	0
Transfers to reserves	30	(4,811,912)	4,811,912	0	0
Balance as at 30 June 2022		112,442,650	5,868,771	120,623,816	238,935,237

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 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		10,760,962	10,952,585	10,166,045
Operating grants, subsidies and contributions		5,703,924	5,332,005	5,528,970
Fees and charges		4,089,918	4,517,737	4,127,427
Interest received		188,965	178,500	99,091
Goods and services tax received		118,049	300,000	0
Other revenue		980,198	1,291,150	1,257,691
		21,842,016	22,571,977	21,179,224
Payments				
Employee costs		(9,347,314)	(9,394,258)	(8,976,470)
Materials and contracts		(5,817,341)	(8,390,015)	(7,104,415)
Utility charges		(1,232,564)	(1,059,630)	(1,110,996)
Finance costs		(214,287)	(215,505)	(227,162)
Insurance paid		(554,417)	(551,889)	(470,168)
Goods and services tax paid		0	(300,000)	(172,519)
Other expenditure		(649,710)	(59,336)	(422,699)
		(17,815,633)	(19,970,633)	(18,484,429)
Net cash provided by (used in) operating activities	18(b)	4,026,383	2,601,344	2,694,795
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets		(3,659,609)	0	0
Payments for Community Advance		(60,000)	0	0
Payments for purchase of property, plant & equipment	8(a)	(2,270,566)	(4,297,491)	(2,527,349)
Payments for construction of infrastructure	9(a)	(4,888,099)	(12,331,456)	(4,131,007)
Non-operating grants, subsidies and contributions		3,143,585	6,789,559	2,902,333
Proceeds Community Advance		6,000	0	0
Proceeds from financial assets at amortised cost - self supporting loans		20,851	20,850	20,203
Proceeds from sale of property, plant & equipment	10(b)	1,454,723	984,500	416,093
Net cash provided by (used in) investing activities		(6,253,115)	(8,834,038)	(3,319,727)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	29(a)	(357,209)	(357,209)	(345,975)
Payments for principal portion of lease liabilities	29(b)	(9,114)	0	(25,025)
Proceeds from new borrowings	29(a)	0	1,500,000	0
Net cash provided by (used in) financing activities		(366,323)	1,142,791	(371,000)
Net increase (decrease) in cash held		(2,593,055)	(5,089,903)	(995,932)
Cash at beginning of year		8,872,241	8,872,241	9,868,173
Cash and cash equivalents at the end of the year	18(a)	6,279,186	3,782,338	8,872,241

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	28(b)	5,723,222	6,575,739	6,309,758
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	27(b)	15,225	14,511	14,845
Operating grants, subsidies and contributions		5,619,500	5,332,005	5,164,488
Fees and charges		4,110,409	4,317,737	4,114,035
Interest earnings		188,965	178,500	99,091
Other revenue		980,198	1,215,813	1,083,794
Profit on asset disposals	10(b)	487,502	335,308	26,070
Fair value adjustments to financial assets at fair value through profit or loss		11,990	0	7,758
		11,413,789	11,393,874	10,510,081
Expenditure from operating activities				
Employee costs		(9,481,810)	(8,933,567)	(8,819,457)
Materials and contracts		(6,566,984)	(8,890,015)	(5,894,734)
Utility charges		(1,232,564)	(1,159,630)	(1,229,796)
Depreciation		(5,027,936)	(4,927,719)	(4,975,800)
Finance costs		(214,287)	(215,505)	(227,162)
Insurance		(554,417)	(551,889)	(470,168)
Other expenditure		(649,710)	(159,336)	(422,699)
Loss on asset disposals	10(b)	(257,846)	(118,362)	(343,786)
		(24,076,638)	(24,956,023)	(22,383,602)
Non-cash amounts excluded from operating activities	28(a)	4,749,206	4,450,772	5,175,638
Amount attributable to operating activities		(7,913,643)	(9,111,377)	(6,697,883)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		3,313,239	6,184,337	2,902,333
Proceeds from disposal of assets	10(b)	1,454,723	984,500	416,093
Proceeds from financial assets at amortised cost - self supporting loans	29(a)	20,851	20,850	20,203
Proceeds Community Advance		6,000	0	0
Movement leave budgeted added back		100,000	0	0
Payments for Community Advance		(60,000)	0	0
Purchase of property, plant and equipment	8(a)	(2,270,566)	(4,297,491)	(2,527,349)
Purchase and construction of infrastructure	9(a)	(4,888,099)	(12,331,456)	(4,131,007)
		(2,323,852)	(9,439,260)	(3,319,727)
Amount attributable to investing activities		(2,323,852)	(9,439,260)	(3,319,727)
FINANCING ACTIVITIES				
Repayment of borrowings	29(a)	(357,209)	(357,209)	(345,975)
Proceeds from borrowings	29(a)	0	1,500,000	0
Payments for principal portion of lease liabilities	29(b)	(9,114)	0	(25,025)
Transfers to reserves (restricted assets)	30	(4,811,912)	(2,491,317)	(680,165)
Transfers from reserves (restricted assets)	30	2,619,512	2,585,350	390,368
Amount attributable to financing activities		(2,558,723)	1,236,824	(660,797)
Surplus/(deficit) before imposition of general rates		(7,072,996)	(10,738,074)	(4,368,649)
Total amount raised from general rates	27(a)	10,707,390	10,738,074	10,091,871
Surplus/(deficit) after imposition of general rates	28(b)	3,634,394	0	5,723,222

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

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

1. BASIS OF PREPARATION

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

Local Government Act 1995 Requirement

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

The Local Government (Financial Management) Regulations 1996 specify that vested land is a right-of-use asset to be measured at cost and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity

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

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

Judgements and estimates

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
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	Output method based on project milestones and/or completion date matched to performance obligations
Fees and Charges, 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	On payment and issue of the licence, registration or approval
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	Output method based on provision of service or completion of works
Fees and charges, 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	Output method based on goods
Fees and Charges, waste management entry fees	Waste and recycling disposal at disposal sites	Single point in time	Payment at gate or under normal trading terms for debtors	None	On entry to facility

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

Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	10,707,390	15,225	10,722,615
Operating grants, subsidies and contributions	1,476,891	0	0	4,142,609	5,619,500
Fees and charges	2,196,145	0	1,914,264	0	4,110,409
Interest earnings	25,820	0	163,145	0	188,965
Other revenue	710,860	0	0	269,338	980,198
Non-operating grants, subsidies and contributions	0	3,313,239	0	0	3,313,239
Total	4,409,716	3,313,239	12,784,799	4,427,172	24,934,926

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	10,091,871	14,845	10,106,716
Operating grants, subsidies and contributions	1,752,329	0	0	3,412,159	5,164,488
Fees and charges	2,827,228	0	1,286,807	0	4,114,035
Interest earnings	35,555	0	63,536	0	99,091
Other revenue	760,558	0	0	323,236	1,083,794
Non-operating grants, subsidies and contributions	0	2,902,333	0	0	2,902,333
Total	5,375,670	2,902,333	11,442,214	3,750,240	23,470,457

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

2. REVENUE AND EXPENSES (Continued)

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
(a) Revenue (Continued)				
Interest earnings				
Financial assets at amortised cost - self supporting loans		4,525	0	5,317
Interest on reserve funds		10,837	18,000	11,148
Rates instalment and penalty interest (refer Note 27(c))		163,145	139,500	63,536
Other interest earnings		10,458	21,000	19,090
		188,965	178,500	99,091
(b) Expenses				
Auditors remuneration				
- Audit of the Annual Financial Report		47,900	48,500	47,000
- Other services		20,586	25,000	9,035
		68,486	73,500	56,035
Finance costs				
Borrowings	29(a)	213,009	215,505	226,705
Lease liabilities	29(b)	1,277	0	457
		214,286	215,505	227,162
Other expenditure				
Sundry expenses		649,710	159,336	422,699
		649,710	159,336	422,699

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

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Term deposits
Total cash and cash equivalents

Held as
- Unrestricted cash and cash equivalents
- Restricted cash and cash equivalents

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Note	2022	2021
	\$	\$
	3,314,667	2,193,939
	2,964,519	6,678,302
18(a)	6,279,186	8,872,241
	410,415	5,195,870
18(a)	5,868,771	3,676,371
	6,279,186	8,872,241

Restricted financial assets

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

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

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Self supporting loans receivable
Term deposits
Community Advance

Held as
- Unrestricted other financial assets at amortised cost

(b) Non-current assets

Financial assets at fair value through profit and loss
Financial assets at amortised cost

Financial assets at amortised cost

Self supporting loans receivable
Community Advance

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2022	2021
	\$	\$
	3,687,128	20,850
	3,687,128	20,850
28(b)	21,519	20,850
	3,659,609	0
	6,000	0
	3,687,128	20,850
	3,687,128	20,850
	3,687,128	20,850
	233,411	221,421
	128,893	102,412
	362,304	323,833
	80,893	102,412
	48,000	0
	128,893	102,412
	233,411	221,421
	233,411	221,421

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non -Current financial assets at amortised cost fair values are based on discounted cash flows using a current market rate. They are classified as level 2 fair values in the fair value hierarchy(see Note 24(i)) due to the observable market rates.

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

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

5. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
 Trade and other receivables from contracts with customers
 GST receivable
 Allowance for credit losses of trade and other receivables

Note

2022

2021

\$

\$

2,433,612

2,493,261

536,337

797,324

261,734

379,783

(111,092)

(158,064)

3,120,591

3,512,304

Non-current

Pensioner's rates and ESL deferred

479,280

428,969

479,280

428,969

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

Classification and subsequent measurement

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

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

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

6. INVENTORIES

The Shire does not carry 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 2022

7. OTHER ASSETS

Other assets - current

Contract assets

2022	2021
\$	\$
278,898	398,000
278,898	398,000

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Contract assets represent the funds to be recovered based on work completed for the construction of a non-financial assets 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 2022

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Note	Land \$	Buildings - non- specialised \$	Buildings - specialised \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Bushfire Equipment \$	Works in Progress \$	Total property, plant and equipment \$
Balance at 1 July 2020		10,087,782	3,712,962	34,717,297	48,518,041	959,055	4,391,382	1,611,460	0	55,479,938
Additions		0	167,516	855,267	1,022,783	0	516,530	988,036	0	2,527,349
Disposals		(235,000)	0	0	(235,000)	0	(307,279)	(191,531)	0	(733,810)
Depreciation	10(a)	0	(87,440)	(740,675)	(828,115)	(154,768)	(487,304)	(167,005)	0	(1,637,192)
Balance at 30 June 2021		9,852,782	3,793,038	34,831,889	48,477,709	804,287	4,113,329	2,240,960	0	55,636,285
Comprises:										
Gross balance amount at 30 June 2021		9,852,782	4,134,793	37,608,150	51,595,725	1,376,962	5,628,451	2,862,800	0	61,463,938
Accumulated depreciation at 30 June 2021		0	(341,755)	(2,776,261)	(3,118,016)	(572,675)	(1,515,122)	(621,840)	0	(5,827,653)
Balance at 30 June 2021		9,852,782	3,793,038	34,831,889	48,477,709	804,287	4,113,329	2,240,960	0	55,636,285
Additions		0	23,436	458,606	482,042	0	614,622	233,137	940,765	2,270,566
Disposals		(720,150)	(139,609)	0	(859,759)	0	(334,508)	(30,800)	0	(1,225,067)
Revaluation increments / (decrements) transferred to revaluation surplus		33,468	701,416	7,756,511	8,491,395	0	0	0	0	8,491,395
Depreciation	10(a)	0	(87,777)	(764,837)	(852,614)	(130,190)	(469,510)	(231,737)		(1,684,051)
Transfers		0	(150,715)	1,882,123	1,731,408	(453,491)	0	0	150,715	1,428,632
Balance at 30 June 2022		9,166,100	4,139,789	44,164,292	57,470,181	220,606	3,923,933	2,211,560	1,091,480	64,917,760
Comprises:										
Gross balance amount at 30 June 2022		9,166,100	4,139,789	44,164,292	57,470,181	427,591	5,722,089	3,054,937	1,091,480	67,766,278
Accumulated depreciation at 30 June 2022		0	0	0	0	(206,985)	(1,798,156)	(843,377)	0	(2,848,518)
Balance at 30 June 2022		9,166,100	4,139,789	44,164,292	57,470,181	220,606	3,923,933	2,211,560	1,091,480	64,917,760

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

(i) Fair Value		Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings							
Land			2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2022	Price per hectare/ available market information
Land			3	Improvements to land valued using cost approach using current replacement cost	Independent registered valuers	June 2022	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Buildings - non-specialised			3	Improvements to buildings valued using cost approach using current replacement cost	Independent registered valuers	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - specialised			3	Improvements to buildings valued using cost approach using current replacement cost	Independent registered valuers	June 2022	Improvements to land using 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 by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

(ii) Cost

Furniture and equipment

Not applicable

Cost

Not applicable

Plant and equipment

Not applicable

Cost

Not applicable

Not applicable

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Note	Infrastructure - roads	Infrastructure Footpaths	Infrastructure Drainage	Infrastructure Playground Equipment	Other Infrastructure	Infrastructure Streetscape	Infrastructure Bridges and Culverts	Infrastructure Aerodrome	Infrastructure Work in Progress	Total Infrastructure
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 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		4,131,007
Depreciation	10(a)	(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
Balance 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 balance 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)
Balance 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
Additions		2,097,836	262,422	110,397	0	1,110,513	18,935	194,740	12,490	1,080,766	4,888,099
Depreciation	10(a)	(1,564,195)	(167,001)	(155,591)	(46,099)	(733,266)	(18,744)	(568,541)	(80,854)	0	(3,334,291)
Transfers		0	0	0	0	(1,496,129)	0	0	0	67,497	(1,428,632)
Balance at 30 June 2022		88,855,923	4,980,566	12,846,858	247,303	20,310,903	550,216	40,783,857	1,109,977	1,148,263	170,833,866
Comprises:											
Gross balance at 30 June 2022		94,764,462	5,615,031	13,408,812	431,700	22,822,454	595,014	42,942,293	1,390,432	1,148,263	183,118,461
Accumulated depreciation at 30 June 2022		(5,908,539)	(634,465)	(561,954)	(184,397)	(2,511,551)	(44,798)	(2,158,436)	(280,455)	0	(12,284,595)
Balance at 30 June 2022		88,855,923	4,980,566	12,846,858	247,303	20,310,903	550,216	40,783,857	1,109,977	1,148,263	170,833,866

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	3	Cost approach using current 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 current 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 current 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 current replacement cost	Independent valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Other infrastructure	3	Cost approach using current 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 current 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 current 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 current 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 2022

10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	8(a)	87,777	87,026	87,440
Buildings - specialised	8(a)	764,837	737,164	740,675
Furniture and equipment	8(a)	130,190	154,034	154,768
Plant and equipment	8(a)	469,510	484,995	487,304
Bushfire Equipment	8(a)	231,737	166,213	167,005
Infrastructure - roads	9(a)	1,564,195	1,512,419	1,519,622
Infrastructure Footpaths	9(a)	167,001	160,793	161,559
Infrastructure Drainage	9(a)	155,591	152,974	153,702
Infrastructure Playground Equipment	9(a)	46,099	0	46,099
Other infrastructure	9(a)	733,266	906,372	781,880
Infrastructure Streetscape	9(a)	18,744	0	14,159
Infrastructure Bridges and Culverts	9(a)	568,541	565,726	568,421
Infrastructure Aerodrome	9(a)	80,854	0	68,551
Right-of-use assets - land and buildings	11(a)	8,608	0	9,661
Right-of-use assets - plant and equipment	11(a)	987	0	14,954
		5,027,936	4,927,719	4,975,800

Revision of useful lives of plant and equipment

As part of the Revaluing of Buildings during the year all building depreciation rates were reviewed, no changes were made.

Depreciation rates

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

Asset Class	Useful life
Buildings	20 to 55 years
Furniture & Equipment	4 to 10 years
Plant & Equipment (Bush fire)	3 to 15 years
Sealed Roads & Streets	
Formation	Not depreciated
Pavement	80 years
Seal	
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
Playground Equipment	5 to 15 years
Bridges & Culverts	75 to 100 years
Parks, Reserves and other infrastructure	4 to 55 years
Infrastructure-Aerodrome	5 to 50 years
Footpaths	
Insitu concrete & slabs	32 years
Drainage	85 years

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

10. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	720,150	1,185,201	465,051	0	406,500	724,500	318,000	0	235,000	137,970	9,200	(106,230)
Buildings - non-specialised	139,609	0	0	(139,609)	0	0	0	0	0	0	0	0
Plant and equipment	365,308	269,522	22,451	(118,237)	361,054	260,000	17,308	(118,362)	498,810	278,123	16,870	(237,556)
	1,225,067	1,454,723	487,502	(257,846)	767,554	984,500	335,308	(118,362)	733,810	416,093	26,070	(343,786)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Plant and Equipment				
Community amenities				
EMDS Vehicle PN1404	33,065	34,818	1,753	0
Toyota Hilux L/T	30,800	42,727	11,927	0
Transport				
Isuzu Flocon	77,108	43,273	0	(33,835)
Toyota Hilux Workmate	10,000	11,818	1,818	0
Holden Captiva	15,696	9,091	0	(6,605)
Fuso Canter 4T wide cab	35,000	36,717	1,717	0
Toro Procore deep tyne arerator	25,259	7,280	0	(17,979)
Case Tractor	33,236	11,823	0	(21,413)
Variable Message Board	13,144	18,380	5,236	0
Komatus Loader	92,000	53,595	0	(38,405)
	365,308	269,522	22,451	(118,237)
Land and Buildings				
Education and welfare				
May Street Kindy	23,916	0	0	(23,916)
Bernard Park Playgroup	115,693	0	0	(115,693)
Recreation and culture				
Sale of Land, Yilgarn Ave	366,200	723,551	357,351	0
Economic services				
GEH/Bodegeoro Road	1,650	1,650	0	0
Blackberry Close	352,300	460,000	107,700	0
	859,759	1,185,201	465,051	(139,609)
	1,225,067	1,454,723	487,502	(257,846)

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

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

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

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

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

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

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

11. LEASES

(a) Right-of-Use Assets

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

Balance at 1 July 2020

Depreciation

Balance at 30 June 2021

Additions

Depreciation

Balance at 30 June 2022

Note	Right-of-use assets - land and buildings	Right-of-use assets - plant and equipment	Right-of-use assets Total
	\$	\$	\$
	9,661	15,941	25,602
	(9,661)	(14,954)	(24,615)
	0	987	987
	57,754	0	57,754
10(a)	(8,608)	(987)	(9,595)
	49,146	0	49,146

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

Depreciation on right-of-use assets

10(a)

Interest expense on lease liabilities

29(b)

Total amount recognised in the statement of comprehensive income

Total cash outflow from leases

2022 Actual	2021 Actual
\$	\$
9,595	24,615
1,277	457
10,872	25,072
(7,837)	(24,568)
11,093	1,012
38,559	0
49,652	1,012

(b) Lease Liabilities

Current

Non-current

29(b)

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 term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 29(b).

Right-of-use assets - valuation measurement

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

Right-of-use assets - depreciation

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

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

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued payroll liabilities
 ATO liabilities
 Bonds and deposits held
 Accrued Expenditure
 Interest Accrued on Loans

2022	2021
\$	\$
1,457,792	835,301
390,171	361,162
143,994	119,824
81,724	99,446
722,287	579,213
40,831	102,170
60,415	64,100
2,897,214	2,161,216

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

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

Prepaid rates

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

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

13. OTHER LIABILITIES

Current

Contract liabilities
Capital grant/contributions liabilities

Reconciliation of changes in contract liabilities

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

	2022	2021
	\$	\$
	79,000	229,082
	722,140	891,794
	801,140	1,120,876
	1,120,876	712,567
	801,140	408,309
	(1,120,876)	0
	801,140	1,120,876

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

14. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		368,947	5,332,372	5,701,319	357,208	5,701,320	6,058,528
Total secured borrowings	29(a)	368,947	5,332,372	5,701,319	357,208	5,701,320	6,058,528

Secured liabilities and assets pledged as security

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

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy 23 (c) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 23.

Details of individual borrowings required by regulations are provided at Note 29(a).

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

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave

Long Service Leave

Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
Annual Leave	605,301	546,101
Long Service Leave	707,599	610,273
	1,312,900	1,156,374
Long Service Leave	151,151	179,629
	151,151	179,629
	1,464,051	1,336,003

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

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

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
Less than 12 months after the reporting date	100,000	200,000
More than 12 months from reporting date	1,364,051	1,136,003
	1,464,051	1,336,003

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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

16. OTHER PROVISIONS

	Note	Provision for contingent liability \$	Bonds \$	Total \$
Opening balance at 1 July 2021				
Current provisions		70,000	0	70,000
Non-current provisions		0	159,546	159,546
		70,000	159,546	229,546
Additional provision		0	0	0
Amounts used		(70,000)		(70,000)
Balance at 30 June 2022		0	159,546	159,546
Comprises				
Non-current		0	159,546	159,546
		0	159,546	159,546

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 in 2020/21 is related to a legal dispute. This legal dispute has since been settled.

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 2022

17. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	10,427,174	33,468	0	33,468	10,460,642	10,427,174	10,427,174
Buildings- Non specialised	13,445,586	701,416	0	701,416	14,147,002	13,445,586	13,445,586
Buildings - specialised	0	7,756,511	0	7,756,511	7,756,511	0	0
Furniture and equipment	175,330	0	0	0	175,330	175,330	175,330
Plant and equipment	368,708	0	0	0	368,708	368,708	368,708
Bushfire Equipment	1,074,141	0	0	0	1,074,141	1,074,141	1,074,141
Revaluation surplus - Infrastructure - roads	53,504,060	0	0	0	53,504,060	53,504,060	53,504,060
Infrastructure Playground Equipment	631,572	0	0	0	631,572	631,572	631,572
Infrastructure Streetscape	(91,084)	91,084	0	91,084	0	(91,084)	(91,084)
Infrastructure Bridges and Culverts	26,588,240	0	0	0	26,588,240	26,588,240	26,588,240
Other infrastructure	5,917,610	0	0	0	5,917,610	5,917,610	5,917,610
	112,041,337	8,582,479	0	8,582,479	120,623,816	112,041,337	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.

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

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
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Cash and cash equivalents	3	6,279,186	3,782,338	8,872,241
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Restrictions

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

- Cash and cash equivalents	3	5,868,771	3,582,338	3,676,371
		5,868,771	3,582,338	3,676,371

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

Total restricted financial assets		5,868,771	3,582,338	3,676,371
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**(b) Reconciliation of Net Result to Net Cash Provided
By Operating Activities**

Net result		1,357,780	3,360,262	1,120,684
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Non-cash items:

Adjustments to fair value of financial assets at fair value through profit and loss		(11,990)	0	(7,758)
Depreciation/amortisation		5,027,936	4,927,719	4,975,800
(Profit)/loss on sale of asset		(229,656)	(216,946)	317,716
Loss on revaluation of fixed assets		91,084	0	0

Changes in assets and liabilities:

(Increase)/decrease in trade and other receivables		341,402	(422,921)	(77,596)
(Increase)/decrease in other assets		119,102	0	(395,473)
Increase/(decrease) in trade and other payables		735,998	577,345	(667,427)
Increase/(decrease) in employee related provisions		128,048	(35,000)	
Increase/(decrease) in other provisions		(70,000)		(77,127)
Increase/(decrease) in other liabilities		(319,736)	595,222	408,309

Non-operating grants, subsidies and contributions		(3,143,585)	(6,184,337)	(2,902,333)
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Net cash provided by/(used in) operating activities		4,026,383	2,601,344	2,694,795
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(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

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		(8,199)		(3,125)
Total amount of credit unused		106,801		111,875

Loan facilities

Loan facilities - current		368,947		357,208
Loan facilities - non-current		5,332,372		5,701,320
Total facilities in use at balance date		5,701,319		6,058,528

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

19. CONTINGENT LIABILITIES

The Shire has two possibly contaminated sites subject to investigations. The two sites are 1872 and 7243 with site parcel numbers 71334 and 43852 respectively.

20. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	3,200,627	4,204,115
- plant & equipment purchases	434,003	0
	3,634,630	4,204,115
Payable:		
- not later than one year	3,634,630	4,204,115

The Commitment as of 30 June 2022 relates to the BKB Fire Pit \$23,709, Road Projects \$1,270,864, Forrest Street Road and Spenser Brooke Road \$ 968,079, Bakers Hill Water Project \$20,500, Northam Tip Shop \$84,155, Wundowie Fire Shed \$ 56,266, Northam SES Shed \$ 42,527, Beavis Place Realignment \$ 25,173, CCTV Community Policing \$ 34,061, Consultants \$184,020 Road Plant Purchases \$434,003, Northam Depot Redevelopment \$423,404, Memorial Hall \$ 67,869.

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.

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

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Councillor Antonio			
President's annual allowance	45,000	45,000	45,000
Meeting attendance fees	23,600	23,600	23,600
ICT expenses	381	381	381
Annual allowance for ICT expenses	3,119	3,119	3,063
Travel expenses	7,810	7,500	6,715
Annual allowance for travel and accommodation expenses		360	
	79,910	79,960	78,759
Councillor Ryan			
Deputy President's annual allowance	7,954	0	0
Meeting attendance fees	19,750	19,750	19,750
ICT expenses	381	381	381
Annual allowance for ICT expenses	3,119	3,119	3,063
Annual allowance for travel and accommodation expenses		360	
	31,204	23,610	23,194
Councillor Williams			
Deputy President's annual allowance	3,296	11,250	11,250
Meeting attendance fees	19,750	19,750	19,750
ICT expenses	381	381	381
Annual allowance for ICT expenses	3,119	3,119	3,063
Travel expenses	679	3,000	1,918
	27,225	37,500	36,362
Councillor Mencshelyi			
Meeting attendance fees	19,750	19,750	19,750
ICT expenses	381	381	381
Annual allowance for ICT expenses	3,119	3,119	3,063
Travel expenses	725		
Annual allowance for travel and accommodation expenses		360	
	23,975	23,610	23,194
Councillor Della			
Meeting attendance fees	5,787	19,750	19,750
ICT expenses	112	381	381
Annual allowance for ICT expenses	914	3,119	3,063
	6,813	23,250	23,194
Councillor Galloway			
Meeting attendance fees	19,750	19,750	19,750
ICT expenses	381	381	381
Annual allowance for ICT expenses	3,119	3,119	3,063
Travel expenses	845	2,500	1,189
Annual allowance for travel and accommodation expenses		360	
	24,095	26,110	24,383
Councillor Girak			
Meeting attendance fees	19,750	19,750	19,750
ICT expenses	381	381	381
Annual allowance for ICT expenses	3,119	3,119	3,063
Annual allowance for travel and accommodation expenses		360	
	23,250	23,610	23,194
Councillor Little			
Meeting attendance fees	5,787	19,750	19,750
ICT expenses	112	381	381
Annual allowance for ICT expenses	914	3,119	3,063
Travel expenses	570	3,000	2,141
	7,383	26,610	25,335

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Councillor Pollard			
Meeting attendance fees	5,787	19,750	19,750
ICT expenses	112	381	381
Annual allowance for ICT expenses	914	3,119	3,063
Travel expenses	77		48
Annual allowance for travel and accommodation expenses		360	
	6,890	23,610	23,242
Councillor Tinnetti			
Meeting attendance fees	19,750	19,750	19,750
ICT expenses	381	381	381
Annual allowance for ICT expenses	3,119	3,119	3,063
Annual allowance for travel and accommodation expenses		360	
	23,250	23,610	23,194
Councillor Appleton			
Meeting attendance fees	13,963	0	0
ICT expenses	269	0	0
Annual allowance for ICT expenses	2,205	0	0
Annual allowance for travel and accommodation expenses		360	0
	16,437	360	0
Councillor Curtis			
Meeting attendance fees	13,963	0	0
ICT expenses	269	0	0
Annual allowance for ICT expenses	2,205	0	0
Travel expenses	1,077		
Annual allowance for travel and accommodation expenses		360	
	17,514	360	0
Councillor Hughs			
Meeting attendance fees	13,963	0	0
Child care expenses			
Other expenses			
ICT expenses	269	0	0
Annual allowance for ICT expenses	2,205	0	0
Travel expenses	204	0	0
Annual allowance for travel and accommodation expenses			
	16,641	0	0
	304,587	312,200	304,051

Fees, expenses and allowances to be paid or reimbursed to elected council members.	2022 Actual \$	2022 Budget \$	2021 Actual \$
President's annual allowance	45,000	45,000	45,000
Deputy President's annual allowance	11,250	11,250	11,250
Meeting attendance fees	201,350	201,350	201,350
ICT expenses	3,810	3,810	3,810
Annual allowance for ICT expenses	31,190	31,190	30,630
Travel and accommodation expenses	11,987	16,000	12,011
Annual allowance for travel and accommodation expenses	0	3,600	0
21(b)	304,587	312,200	304,051

The total of compensation paid to KMP of the Shire during the year are as follows:	2022 Actual \$	2021 Actual \$
Short-term employee benefits	826,594	787,681
Post-employment benefits	89,176	83,624
Employee - other long-term benefits	92,482	95,315
Council member costs	304,587	304,051
21(a)	1,312,839	1,270,671

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

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

Council member costs

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

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

21. RELATED PARTY TRANSACTIONS

(c) Transactions with related parties

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

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

	2022 Actual	2021 Actual
	\$	\$
Sale of goods and services	57,797	34,682
Purchase of goods and services	18,073	4,994

Amounts receivable from related parties:

Trade and other receivables	0	1,753
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(d) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

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

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

22. JOINT ARRANGEMENTS

Share of joint operations

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

Statement of Financial Position

Land and buildings fair value 30 June 2017
Land and buildings fair value 30 June 2022
Other infrastructure fair value 30 June 2018
Additions at cost
Less : accumulated depreciation

Total assets

Statement of Comprehensive Income

Other revenue
Other expenditure
Profit/(loss) for the period
Other comprehensive income
Total comprehensive income for the period

	2022 Actual	2021 Actual
	\$	\$
	0	1,062,175
	990,001	0
	8,800	8,800
	0	20,285
	(2,597)	(88,144)
	996,204	1,003,116
	48,009	51,639
	(57,291)	(59,968)
	(9,282)	(8,329)
	15,386	0
	6,104	(8,329)

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 Shires 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 2022

23. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2022					
Cash and cash equivalents	2.8%	6,279,186	2,964,519	3,310,827	3,840
Financial assets at cost - term deposits	3.28%	3,659,609	3,659,609	0	0
2021					
Cash and cash equivalents	0.10%	8,872,241	0	8,868,461	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.

	2022 \$	2021 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	33,108	88,722

* 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 29(a).

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

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.74%	1.00%	1.42%	2.02%		
Gross carrying amount	735,302	429,283	408,293	860,734	2,433,612	
Loss allowance	26,203	21,532	18,147	44,546	110,428	5
30 June 2021						
Rates receivable						
Expected credit loss	0.77%	1.12%	1.56%	1.3348%		
Gross carrying amount	602,651	646,352	364,985	879,273	2,493,261	
Loss allowance	53,247	11,764	75,590	17,463	158,064	5

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Current year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.80%	3.58%	4.05%	53.14%		
Gross carrying amount	475,635	13,035	5,397	42,270	536,337	
Loss allowance	0	0	0	664	664	5
30 June 2021						
Trade and other receivables						
Expected credit loss	0.80%	3.58%	4.05%	53.14%		
Gross carrying amount	473,420	111,013	40,981	171,910	797,324	
Loss allowance	0	0	0	0	0	5

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

23. 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
	\$	\$	\$	\$	\$
2022					
Trade and other payables	2,897,214	0	0	2,897,214	2,897,214
Borrowings	531,595	2,114,076	4,546,201	7,191,872	5,701,319
Lease liabilities	11,093	38,559	0	49,652	49,652
	3,439,902	2,152,635	4,546,201	10,138,738	8,648,185
2021					
Trade and other 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
Lease liabilities	1,012	0	0	1,012	1,012
	2,693,823	2,126,379	4,502,360	9,322,562	8,220,755

24. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

k) Initial application of accounting standards

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

New accounting standards for application in future years

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments

- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates

- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

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

25. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
Governance To provide a decision making process for the efficient allocation of scarce resources.	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
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
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 2022

25. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

Income excluding capital grants, subsidies and contributions

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Governance	84,949	35,070	127,409
General purpose funding	15,238,005	12,660,724	13,749,234
Law, order, public safety	669,750	932,777	712,623
Health	47,752	61,000	13,590
Education and welfare	1,250,930	1,114,006	1,296,203
Housing	49,764	62,277	61,647
Community amenities	2,858,035	2,998,777	2,892,789
Recreation and culture	671,374	1,228,781	408,654
Transport	56,245	2,207,999	477,861
Economic services	581,012	668,337	530,113
Other property and services	334,465	160,200	331,829
	21,842,281	22,129,948	20,601,952

Capital grants, subsidies and contributions

Law, order, public safety	373,948	599,563	1,649,891
Community amenities	286,711	286,711	23,289
Recreation and culture	164,000	1,544,812	152,391
Transport	2,488,580	3,607,731	1,067,652
Economic services	0	145,520	9,110
	3,313,239	6,184,337	2,902,333

Total Income

25,155,520 28,314,285 23,504,285

Expenses

Governance	(1,385,148)	(2,389,572)	(1,614,067)
General purpose funding	(345,951)	(390,724)	(224,868)
Law, order, public safety	(1,957,475)	(2,035,556)	(1,737,954)
Health	(308,579)	(364,574)	(247,367)
Education and welfare	(1,418,293)	(1,421,029)	(1,286,827)
Housing	(65,747)	(71,622)	(64,710)
Community amenities	(3,270,648)	(3,941,991)	(3,193,837)
Recreation and culture	(5,105,638)	(5,095,394)	(4,847,850)
Transport	(6,549,800)	(6,311,069)	(6,168,888)
Economic services	(2,651,841)	(2,882,816)	(2,389,366)
Other property and services	(738,620)	(49,676)	(607,867)

Total expenses

(23,797,740) (24,954,023) (22,383,601)

Net result for the period

1,357,780 3,360,262 1,120,684

SHIRE OF NORTHAM
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25. FUNCTION AND ACTIVITY (Continued)

	2022 Actual	2022 Budget	2021 Actual
(c) Fees and Charges	\$	\$	\$
Governance	0	0	26
General purpose funding	110,163	78,000	63,678
Law, order, public safety	51,113	52,577	61,754
Health	28,997	36,000	3,554
Education and welfare	190,214	92,000	239,923
Housing	49,246	61,677	61,209
Community amenities	2,803,175	2,894,944	2,843,633
Recreation and culture	420,487	421,816	360,979
Transport	52,588	57,500	9,232
Economic services	404,376	618,223	470,689
Other property and services	50	5,000	(642)
	4,110,409	4,317,737	4,114,035

26. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no anticipated subsequent events as of date of preparation of the financial statements.

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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27. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in \$	Number of Properties	2021/22		2021/22 Actual Rate	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
				Actual Value *	Rateable Value							
00 Non Rateable Value	Gross rental valuation	0	712	4,964,903	\$	0			0	0	\$	0
01 GRV Townsite Residential	Gross rental valuation	10.2492	4,143	9,381,793	6,330,186	6,330,186	22,443	1,369	37,337	400	6,367,923	6,055,561
02 GRV Northam Commercial /Indu.	Gross rental valuation	11.0866	250	15,166,595	1,681,460	1,681,460	20,467	7,101	20,000	300	1,701,760	1,702,622
05 Agricultural Local	Unimproved valuation	0.6224	275	113,672,004	712	708,509	712	303	0	100	707,594	720,969
06 Agricultural Regional	Unimproved valuation	0.4913	172	137,135,981	(393)	673,426	(393)	70	2,000	100	675,849	642,597
07 Rural Small Holding	Unimproved valuation	0.9075	52	7,370,997	935	67,898	935	71	2,000	100	68,992	71,994
Sub-Total			5,604	287,692,272	9,459,781	9,512,857	44,163	8,913	61,337	1,000	9,522,118	9,193,743
Minimum payment												
01 GRV Townsite Residential	Gross rental valuation	968	905	3,525,458	876,040	876,040	0	0	0	0	876,040	817,737
02 GRV Northam Commercial /Indu.	Gross rental valuation	968	25	131,995	24,200	24,200	0	0	0	0	24,200	48,144
05 Agricultural Local	Unimproved valuation	968	151	16,274,598	146,168	146,168	562	0	0	0	146,168	144,975
06 Agricultural Regional	Unimproved valuation	840	155	19,477,519	130,200	130,200	840	0	0	0	130,200	144,569
07 Rural Small Holding	Unimproved valuation	917	44	2,084,037	40,348	40,348	0	0	0	0	40,348	45,312
Sub-Total			1,280	41,493,608	1,216,956	1,218,358	1,402	0	0	0	1,216,956	1,200,737
Discounts on general rates (Refer note 25(b))												
Concessions on general rates (Refer note 25(b))			6,884	329,185,880	10,676,737	10,731,216	45,565	8,913	61,337	1,000	10,739,074	10,394,480
Total amount raised from general rates												
						(23,415)					(1,000)	(259,096)
						(411)					0	(43,513)
						10,707,390					10,738,074	10,091,871
Ex-gratia Rates												
CBH			1	0	15,225	15,225	0	0	0	0	14,511	14,845
Sub-Total			1	0	15,225	15,225	0	0	0	0	14,511	14,845
Total amount raised from rates (excluding general rates)												
						15,225					14,511	14,845
Total Rates						10,722,615					10,752,585	10,106,716

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

(b) Total Rates

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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27. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	29/09/2021	0.0	0.00%	7.00%
Option Two				
First instalment	29/09/2021	0.0	0.00%	7.00%
Second instalment	31/01/2022	10.0	3.00%	7.00%
Option Three				
First instalment	29/09/2021	0.0	0.00%	7.00%
Second instalment	29/11/2021	10.0	3.00%	7.00%
Third instalment	31/01/2022	10.0	3.00%	7.00%
Fourth instalment	31/03/2022	10.0	3.00%	7.00%

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Interest on unpaid rates	143,471	110,500	63,536
Interest on instalment plan	19,674	29,000	0
Charges on instalment plan	32,710	38,000	0
	195,855	177,500	63,536

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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28. RATE SETTING STATEMENT INFORMATION

		2021/22 2021/22 (30 June 2022) Carried Forward)	Budget (30 June 2022) Carried Forward)	2021/22 (1 July 2021) Brought Forward)	2020/21 (30 June 2021) Carried Forward
Note		\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .					
Adjustments to operating activities					
Less: Profit on asset disposals	10(b)	(487,502)	(335,308)	(26,070)	(26,070)
Less: Reversal of prior year loss on revaluation of fixed assets		91,084	0	0	0
Less: Movement in liabilities associated with restricted cash		(49,379)	(260,001)	(96,609)	(96,609)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(11,990)	0	(7,758)	(7,758)
Add: Loss on disposal of assets	10(b)	257,846	118,362	343,786	343,786
Add: Depreciation	10(a)	5,027,936	4,927,719	4,975,800	4,975,800
Non-cash movements in non-current assets and liabilities:					
Pensioner deferred rates		(50,311)	0	37,152	37,152
Employee benefit provisions		(28,478)	0	(50,663)	(50,663)
Non-cash amounts excluded from operating activities		4,749,206	4,450,772	5,175,638	5,175,638
(b) Surplus/(deficit) after imposition of general rates					
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.					
Adjustments to net current assets					
Less: Reserve accounts	30	(5,868,771)	(3,582,338)	(3,676,371)	(3,676,371)
Less: Financial assets at amortised cost - self supporting loans	4(a)	(21,519)	0	(20,850)	(20,850)
Less: Community Advance		(6,000)	0	0	0
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings	14	368,947	370,000	357,208	357,208
- Budgeted leave cash backed		350,000	250,000	250,000	250,000
- Current portion of lease liabilities	11(b)	11,093	0	1,012	1,012
- Employee benefit provisions		826,135	879,390	875,514	875,514
Total adjustments to net current assets		(4,340,115)	(2,082,948)	(2,213,487)	(2,213,487)
Net current assets used in the Rate Setting Statement					
Total current assets		13,365,803	5,880,820	12,803,395	12,803,395
Less: Total current liabilities		(5,391,294)	(3,797,872)	(4,866,686)	(4,866,686)
Less: Total adjustments to net current assets		(4,340,115)	(2,082,948)	(2,213,487)	(2,213,487)
Net current assets used in the Rate Setting Statement		3,634,394	0	5,723,222	5,723,222

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

29. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget			
		Principal		Principal		Principal		Principal	
		Principal at 1 July 2020	New Loans During 2020-21	Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Repayments During 2021-22	Principal at July 2021	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$
Recreation and culture									
Loan 224 Recreation Facilities		769,629	0	(49,844)	719,785	0	0	719,786	0
Loan 228 Northam Aquatic Centre		4,406,807	0	(189,024)	4,217,783	0	0	4,217,782	666,658
Loan 227 Northam Youth Space		454,903	0	(46,122)	408,781	0	0	408,781	4,025,187
Covid-19 Response Loan		0	0	0	0	0	0	0	361,611
Economic services									
Loan 225 Victoria Oval		629,698	0	(40,782)	588,916	0	0	588,916	0
Total		6,261,037	0	(325,772)	5,935,265	0	0	5,935,265	1,500,000
									545,449
									(336,359)
									7,098,906
Self Supporting Loans									
Recreation and culture									
Loan 219A Northam Bowling Club		143,466	0	(20,203)	123,263	0	0	123,263	0
Total Self Supporting Loans		143,466	0	(20,203)	123,263	0	0	123,263	0
									(20,850)
									102,413
Total Borrowings	14	6,404,503	0	(345,975)	6,058,528	0	0	6,058,528	1,500,000
									(357,209)
									7,201,319

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost.
All other loan repayments were financed by general purpose revenue.

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
						\$	\$	\$
Recreation and culture								
Loan 224 Recreation Facilities		Recreation and culture	224	WATC*	6.48%	(50,077)	(50,660)	(53,701)
Loan 228 Northam Aquatic Centre		Recreation and culture	228	WATC*	1.88%	(105,912)	(107,129)	(110,848)
Loan 227 Northam Youth Space		Recreation and culture	227	WATC*	2.26%	(11,522)	(11,698)	(12,901)
Economic services								
Loan 225 Victoria Oval		Economic services	225	WATC*	6.48%	(40,973)	(41,448)	(43,938)
Total						(208,484)	(210,935)	(221,388)
Self Supporting Loans Interest Repayments								
Recreation and culture								
Loan 219A Northam Bowling Club		Recreation and culture	219A	WATC*	3.18%	(4,525)	(4,570)	(5,317)
Total Self Supporting Loans Interest Repayments						(4,525)	(4,570)	(5,317)
Total Interest Repayments	2(b)					(213,009)	(215,505)	(226,705)

SHIRE OF NORTHAM
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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29. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual					
		Principal			Principal		
		Principal at 1 July 2020	New Leases During 2020-21	Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Repayments During 2021-22
		\$	\$	\$	\$	\$	\$
Photocopier		4,980	0	0	1,012	0	(1,012)
Floor cleaner		11,229	0	0	0	0	0
Village Green		9,828	0	0	0	0	0
Village Green (new)		0	0	0	0	57,754	(8,102)
Total Lease Liabilities	11(b)	26,037	0	0	1,012	57,754	(9,114)
							49,652
Lease Interest Repayments							
Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Actual for year ending 30 June 2021
						\$	\$
Photocopier		Governance	1	Canon Finance	3.20%	4	98
Floor cleaner		Recreation and culture	2	Tennant Finance	3.20%		191
Village Green		Economic services	3	Malinowski Holdings Pty Ltd	3.20%		168
Village Green (new)		Economic services	4	Malinowski Holdings Pty Ltd	3.20%		
Total Interest Repayments	2(b)					1,273	457
						1,277	

SHIRE OF NORTHAM
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30 RESERVE ACCOUNTS

	2022				2022				2021			
	Actual	2022	Actual	2022	Budget	2022	Budget	2022	Actual	2021	Actual	2021
	Opening	Transfer to	Transfer (from)	Actual	Opening	Transfer to	Transfer (from)	Closing	Opening	Transfer to	Transfer (from)	Actual
	Balance				Balance			Balance	Balance			Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	875,514	2,493	(51,872)		875,513	3,877	0	879,390	972,124	4,115	(100,725)	875,514
(b) Office Equipment Reserve	0	100,084	0		0	101,329	0	101,329	0	0	0	0
(c) Plant & Equipment Reserve	118,948	368	0		118,948	230,526	(230,000)	119,474	118,447	230,501	(230,000)	118,948
(d) Road & Bridgework Reserve	0	200,169	0		0	200,886	0	200,886	0	0	0	0
(e) Refuse Site Reserve	350,437	200,978	(226,487)		350,438	202,320	(26,487)	526,271	199,244	151,193	0	350,437
(f) Speedway Reserve	150,242	464	0		150,242	665	0	150,907	149,610	632	0	150,242
(g) Community Bus replacement Reserve	0	100,184	0		0	100,000	0	100,000	0	0	0	0
(h) Septage Pond Reserve	268,140	15,007	0		268,140	15,479	0	283,619	232,077	36,063	0	268,140
(i) Killara Reserve	438,800	151,318	(144,854)		438,800	152,021	(132,564)	458,257	246,953	251,490	(59,643)	438,800
(j) Rec and Community Facilities Reserve	0	143,129	0		0	141,222	0	141,222	0	0	0	0
(k) Council Buildings and Amenities Reserve	0	278,713	0		0	281,135	0	281,135	0	0	0	0
(l) Parking Facility Reserve	0	100,084	0		0	100,000	0	100,000	0	0	0	0
(m) Reticulation Scheme Reserve	0	236,498	0		0	237,346	0	237,346	0	0	0	0
(n) Revaluation Reserve	72,491	165	(70,000)		72,491	11	(70,000)	2,502	72,186	305	0	72,491
(o) COVID-19 Reserve	1,401,799	724,500	(2,126,299)		1,401,799	724,500	(2,126,299)	0	1,395,933	5,866	0	1,401,799
(p) Unused Grants Reserve	0	2,557,758	0		0	0	0	0	0	0	0	0
	3,676,371	4,811,912	(2,619,512)		3,676,371	2,491,317	(2,585,350)	3,582,338	3,386,574	680,165	(390,368)	3,676,371

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

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

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Name of Reserve	Anticipated		Purpose of the reserve
	date of use		
(a) Leave reserve	Ongoing		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) Office Equipment Reserve	Ongoing		For the acquisition and upgrading of Council offices, furniture, computers and general equipment.
(c) Plant & Equipment Reserve	Ongoing		For the acquisition and upgrading of the Council works plant and general equipment in accordance with the plant replacement program. Funds are not expected to be used in a set period of time as further transfers to the reserve account are expected as funds are utilised.
(d) Road & Bridgework Reserve	Ongoing		For the provision of upgrading of road, drainage 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.
(e) 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.
(f) 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.
(g) 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.
(h) 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.
(i) 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.
(j) Rec and Community Facilities Reserve	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.
(k) Council Buildings and 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.
(l) Parking Facility 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.
(m) 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.
(n) Revaluation Reserve	Ongoing		Provision for the 4 yearly revaluation of the Shires GRV properties.
(o) COVID-19 Reserve	Closed 30 June 2022		Response to the COVID-19 pandemic.
(p) Unused Grants Reserve	Ongoing		Holding grants that are not expected to be utilised in the current financial year

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

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:

	1 July 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
Public Open Space Funds	230,761	0	0	230,761
	230,761	0	0	230,761



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Northam

To the Councillors of the Shire of Northam

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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

A handwritten signature in black ink, appearing to read 'NRaniga'.

Nayna Raniga
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 December 2022