



**2021/22  
ANNUAL REPORT**



## COUNCILLORS



**Cr Elizabeth SUDLOW**  
Shire President, Northampton Ward  
Post Office, Binnu 6532  
Phone: 0427362025  
Email: [cr.sudlow@northampton.wa.gov.au](mailto:cr.sudlow@northampton.wa.gov.au)  
Elected 2019 Retires 2023



**Cr Robert HORSTMAN**  
Deputy President, Northampton Ward  
PO Box 430, Northampton 6535  
Phone: (08) 99372425  
Email: [cr.horstman@northampton.wa.gov.au](mailto:cr.horstman@northampton.wa.gov.au)  
Elected 2021 Retires 2025



**Cr Roslyn SUCKLING**  
Northampton Ward  
PO Box 129 Northampton 6535  
Phone: (08) 99341177  
Email: [cr.suckling@northampton.wa.gov.au](mailto:cr.suckling@northampton.wa.gov.au)  
Elected 2015 Retires 2023



**Cr Tim HAY**  
Northampton Ward  
PO Box 142 Northampton 6535  
Phone (08) 99351052  
Email: [cr.hay@northampton.wa.gov.au](mailto:cr.hay@northampton.wa.gov.au)  
Elected 2017 Retires 2025



**Cr Des Pike**  
Kalbarri Ward  
PO Box 676, Kalbarri 6536  
Phone: (08) 99372894  
Email: [cr.pike@northampton.wa.gov.au](mailto:cr.pike@northampton.wa.gov.au)  
Elected: 2013 Retires: 2023



**Cr Stewart Smith**  
Kalbarri Ward  
PO Box 85, Kalbarri 6536  
Phone: 0407371430  
Email: [cr.stewart@northampton.wa.gov.au](mailto:cr.stewart@northampton.wa.gov.au)  
Elected 2017 Retires: 2025



**Cr Trevor Gibb**

Kalbarri Ward  
PO Box 323, Kalbarri 6536  
Phone: 0417920125  
Email: [cr.gibb@northampton.wa.gov.au](mailto:cr.gibb@northampton.wa.gov.au)  
Elected: 2021 Retires: 2025



**Cr Richard Burges**

Kalbarri Ward  
PO Box 65 , Kalbarri 6536  
Phone: 0417912901  
Email: [cr.burges@northampton.wa.gov.au](mailto:cr.burges@northampton.wa.gov.au)  
Elected 2021 Retires: 2025

## **COUNCIL & COMMITTEE MEETINGS**

### **COUNCIL MEETINGS**

Council Meetings are held on the third Friday of each month. All Council meetings are held in the Northampton Council Chambers except for the February, May, August and November meetings be held at the Allen Centre in Kalbarri.

The Council and Committee meetings are open to the public and there is public question time at the beginning of both Council and Committee meetings at which time the general public may ask questions on any Local Government matter.

Meeting dates and times are subject to change and if this does occur, notice of such changes are advertised as per the requirements of the Local Government Act 1995.

### **COMMITTEE MEETINGS**

Council has two operational standing committee, the Audit Committee and Senior Staff Performance Review Committee. Other committees, as listed below, have been retained and meet on an as needs basis. The members listed are those as at 30 June 2022.

None of the following committees have delegated power which requires all committee recommendations having to be put before full Council for final determination.

#### Audit Committee

Cr's Sudlow, Hay, Suckling & Stewart

#### Disability Services Committee

Cr's Stewart, Suckling, Principal Environmental Health Officer and Building Surveyor

#### Senior Staff Employment Performance Review Committee

Cr's Sudlow, Horstman, Stewart, Suckling & CEO

## COUNCILLOR TRAINING UNDERTAKEN

Training undertaken by current Councillors is follows:

Councillor	Unit Name	Competency Outcome Description	Competency Achieved Date
Trevor Gibb	Conflicts of Interest	Competent	15-05-2022
	Understanding Local Government	Competent	29-05-2022
	Serving on Council	Competent	05-08-2022
	Meeting Procedures	Competent	17-08-2022
	Understanding Financial Reports and Budgets	Competent	25-09-2022
Robert Horstman	Understanding Local Government	Competent	15-05-2022
	Conflicts of Interest	Participating but studies not finished (NO evidence)	
Desmond Pike	Understanding Local Government	Competent	22-04-2020
	Conflicts of Interest	Competent	11-05-2020
	Meeting Procedures	Competent	01-07-2020
	Serving on Council	Competent	29-09-2020
	Understanding Financial Reports and Budgets	Competent	12-10-2020
Peter Stewart	Understanding Local Government	Competent	09-08-2022
	Conflicts of Interest	Competent	09-08-2022
	Serving on Council	Competent	11-08-2022
	Meeting Procedures	Competent	12-08-2022
	Understanding Financial Reports and Budgets	Competent	13-08-2022
Roslyn Suckling	Meeting Procedures	Competent	16-05-2020
	Understanding Financial Reports and Budgets	Competent	15-07-2020
	Understanding Local Government	Competent	19-09-2020
	Conflicts of Interest	Competent	22-09-2020
	Serving on Council	Competent	01-10-2020
Liz Sudlow	Understanding Local Government	Competent	17-09-2020
	Meeting Procedures	Competent	12-11-2020
	Conflicts of Interest	Competent	12-11-2020
	Serving on Council	Competent	13-11-2020
	Understanding Financial Reports and Budgets	Competent	13-11-2020



Horrocks Playground

<b>2021/22 COUNCILLOR MEETING ATTENDANCE REGISTER</b>			
<b>COUNCILLOR</b>	<b>Ordinary Meetings</b>	<b>Special Meetings</b>	<b>Committee Meetings</b>
Cr Elizabeth Sudlow (Shire President)	10	2	1
Cr Robert Horstman (Deputy President)	7	2	
Cr Peter Stewart	11	2	1
Cr Trevor Gibb	6	1	
Cr Des Pike	10	2	
Cr Roslyn Suckling	9	1	1
Cr Tim Hay	8	1	
Cr Richard Burges	5	1	

<b>2021/22 COUNCILLOR REMUNERATION</b>				
<b>POSITION</b>	<b>Annual Allowance</b>	<b>Sitting Fees</b>	<b>IT Allowance</b>	<b>Travel Payment</b>
President	\$ 14,000	\$ 5,250	\$ 500	\$ 802
Deputy President	\$ 3,500	\$ 2,250	\$ 500	no claim
Councillors		\$ 15,600	\$ 500	\$ 2,386

<b>Other details</b>	<b>Australian Origin</b>	
	<b>Number</b>	<b>Origin</b>
Between 35 and 44 years	1	1
Between 45 and 54 years	2	2
Between 55 and 64 years	2	2
Over the age of 64 years	3	3

The above data only relates to Councillors as at 30 June 2022 and does not account for Councillors prior to the October 2021 election.

- Council numbers reduced to 8 following resignation of Sandra Stock-Standen.
- There are no Aboriginal or Torres Strait Islander elected members.
- No remuneration or allowance was paid by the Council to members of a standards panel under Schedule 5.1 and Clause 9 during the financial year.
- There was no amount ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made under section 5.107(1), 5.109(1) or 5.114(1) to the local government during the financial year.

## **COUNCIL SENIOR STAFF**



**Garry Keeffe**  
**Chief Executive Officer**



**Grant Middleton**  
**Deputy Chief Executive Officer**



**Neil Broadhurst**  
**Manager for Works & Technical Services**





## **PRESIDENTS REPORT – CR ELIZABETH SUDLOW**

It is my great pleasure as President of the Northampton Shire Council to present my first Annual Report, having been elected to the position in October 2021.

The October 2021 election saw the retirement of Councillor Craig Simkin, who was first elected to Council in 2011, serving for four years before being elected at Shire President for six years. I would like to thank him, on behalf of the Shire community, for his outstanding service to our community. During his time as President, Craig sold his farm in Binu and retired to Kalbarri. He was of course right in the firing line of Cyclone Seroja and his leadership in the period after the cyclone at Kalbarri, was invaluable. This election also saw the resignation of Councillor Stewart Smith who served for four years and I thank him for his service. We welcomed new faces, Councillor Trevor Gibb in the Kalbarri Ward and Councillor Rob Horstman for the Northampton Ward, who was subsequently elected as Vice President.

In the period following the October election, we saw the resignations of Councillors Shane Krakouer and Sandy Stock-Standen. Councillor Krakouer was elected in Oct 2015 and served as Vice President for four years. Sadly in July after a period of illness, Shane passed away peacefully in Kalbarri.

After 19 years of Council service, February saw the resignation of Sandy Stock-Standen to enable her take up a position as Work Health Safety Co-ordinator for the Shires of Northampton and Chapman Valley. While I was personally very sad to lose Sandy's experience on Council, she has already proven to be an invaluable asset to our workforce.

An Extraordinary election was held to fill the Kalbarri vacancy and Councillor Richard Burges was elected. Following Sandy's resignation in February, permission was sought to defer the filling of this vacancy due to the pending changes to the Local Government Act.

Since that time, we have learnt that as part of the reform, our Shire must reduce the number of Councillors from 9 to 7. In addition, at the next election in October 2023, wards are to be abolished. I don't believe this will have a negative impact on our governance, as Councillors do need to represent the length and breadth of all areas and communities across the Shire.

At the Christmas function, staff member Dale Maver on his retirement, was awarded a 40-year service award and CEO Garry Keeffe was awarded a 25-year service award to the Shire of Northampton.

The past year has certainly been a challenging one for the Shire of Northampton as the community deals with the recovery from the devastation caused by Cyclone Seroja. A combination of on-going Covid issues as well as workforce and material shortages have impacted insurance and re-build claims, and have resulted in frustrating delays. The majority of the damaged Shire buildings have now been repaired. In some areas, it has proved difficult to find builders who are willing to quote to repair heritage buildings, as the building guidelines are very specific. The twelve-month mark on 11<sup>th</sup> April 2022 was not marked in any special way in our region because the work still to be done at that time, was overwhelming.

The Shire is still negotiating with DFES to have infrastructure repaired at the beach and riverfront areas at Kalbarri, which cannot be covered by LGIS insurance. Now 19 months on from Cyclone Seroja, the lack of progress on this continues to be a great source of frustration. As well, we are hopeful to have made some headway on providing suitable short-term accommodation for staff in Kalbarri. I am only too aware of the challenges faced by small business operators in Kalbarri, in the post cyclone period and where Covid has resulted in an increase in local WA tourism to the regions. It is devastating to learn of the number of businesses that have closed in Kalbarri since the cyclone. As in many areas across Australia, the shortage of housing in Kalbarri is devastating from a social and economic perspective.

Data comparing 2019/20 with 2020/21 from Tourism WA shows that since the opening of the Skywalk there has been an increase of 183.5% in visitor numbers. Since Cyclone Seroja there has been a drop of 36% in visitor numbers to Kalbarri, while the rest of Coral Coast has increased by 2%, which represents a loss of \$33.6million in visitor spend.

A major foreshore development plan has been developed with community consultation and the Shire will continue to advocate for this as a medium to long term vision. According to economic modelling, the whole \$33 million 'build back better' project has a net value of \$360.8 million and the return on investment for government funding would only take 3.5 years to achieve.

As we are still very much in a recovery phase, projects for the last year have been more modest than in previous years. A full list can be found later in this report, but we are pleased to have improved the facilities for young people by way of new Pump tracks at Northampton and Horrocks and new playgrounds at Horrocks and at the Kalbarri Boat Pens park. Our Road Works projects included constructing and bitumen seals to Gwalla and Second streets, as well as a significant reseal program across the Shire, including portions of the Northampton Shire section of the Northampton - Nabawa road, the Kalbarri road, as well as shorter sections of the Port Gregory and Ogilvie East roads. There have been difficulties in acquiring the services of asphaltting contractors, so some projects such as the reseal of Grey St in Kalbarri, have been delayed until next year.

Looking forward, I'm optimistic that we are on the cusp of the development of some large-scale operations in the Shire. Australian Garnet Lucky Bay operation is close to be fully operational and has commenced producing saleable garnet. Australian Garnet has been committed to a 'no fly in/fly out' policy for the 75 staff who are locally based. While this is highly admirable, it has contributed to pressure on accommodation in Kalbarri, following the cyclone. The company is in the process of undertaking the construction work onsite for the installation of seven wind turbines and commissioning is planned to take place during May 2023. There are a number of companies, including Copenhagen Energy, Oakajee Energy and

others, who have expressed an interest to invest in the Shire. Given the urgent demand for green energy, these companies are in various stages of business planning and feasibility studies in the clean energy space in the Northampton Shire. On a world scale, the Midwest region is a standout in terms of sun and wind for energy production and the recent announcement of \$5.5 million state government investment into Oakajee for potential planning for power and water, is welcome news.

In February, Councillors met with state Energy Minister Bill Johnston to discuss the problems experienced with power outages, particularly during the Summer months. As a result of consultation with Western Power, work has continued to upgrade the infrastructure that was devastated in the cyclone. It will be interesting to see what this summer brings.

We have also met with state Ministers Hon Stephen Dawson (Emergency Services) and Hon Roger Cooke (Tourism) and federal Minister Kristy McBain (Regional Development and Local Government) regarding the Kalbarri foreshore. We continue to meet and liaise with the team at DFES, including regular meetings of the Local Recovery Response Group which is a collaboration with the Shire of Chapman Valley.

Changes to the Work Health and Safety legislation have made it imperative that we keep on top of the necessary auditing, training and safety processes to keep our staff safe. To this end, we have introduced a program called Sky Trust, which is a cloud based integrated management system that manages all compliances for risk and safety management. This includes inductions, plant management, hazard and incident controls as well as document control, HR profiles and employees training.

In June, Councillor Horstman and I attended the Australian Local Government Conference in Canberra, where our CEO Garry Keeffe gave a candid presentation to the Regional Forum regarding disaster recovery. Following the floods in the East, this was the anecdotal theme of the event. It is hard to fathom that since that time, there have now been three subsequent flood events in the Eastern States. In October Councillors Pike and Burges and I attended the Western Australian Local Government Conference in Perth, where the theme was Embracing Change. The changes that have been thrust upon us in recent years can at times feel overwhelming, but I am reminded of the adage "the only constant is change".

Although it does not pertain to the 2021/2022 year, it is of great significance that I have recently received the resignation of our long-serving Chief Executive Office, Garry Keeffe. Garry has given 26 years of service to the Shire of Northampton and 46 in total to local government. His plan was to serve out 30 and 50 years respectively, but has resigned in order to focus on his health. During his tenure, Garry has worked strategically to bring about significant improvements to our road infrastructure, with the sealing of many rural arterial roads. This is highly commendable for a Shire with an excess of 1300km of sealed and unsealed roads. In addition, the number of new shire buildings and improvements to other buildings, including heritage, and other town infrastructure over that period, is highly commendable, particularly in a shire with many distinct communities. On behalf of the present and past groups of Councillors over the 26-year period, it's my privilege to thank Garry for his service to the Shire of Northampton and wish him all the very best for his retirement.

To my fellow Councillors, thank you for your diligence and commitment to the Shire of Northampton. Together I believe we are an effective team who has as our goal, the provision of strong community leadership.

I would sincerely like to thank Deputy President Cr Rob Horstman for his contribution to Council and in particular, for his energy and insight. The 2021/2022 year has presented some significant challenges and I am indebted to the support Cr Horstman has provided to me, as we have worked together to navigate through the year's events. Finally, special thanks to my husband Tony, for his unwavering support at all times.



Kalbarri Marina Ablutions



## **CHIEF EXECUTIVE OFFICERS REPORT**

It is with pleasure to present my annual report on the 2021/2022 year of operations of the Shire of Northampton.

At the start of the year COVID 19 still had an effect on the shire and its operations but Cyclone Seroja has had a larger effect on the Council operations and finances in 2021/22 and is continuing.

As reported in the 2020/21 Annual Report the Council had 60 Council properties that were damaged, from minor to total destruction as a result of Cyclone Serja. Throughout 2021/22 many of these buildings and other items of infrastructure have been repaired however a number are not. The Council is waiting on contractors and insurance claim approvals for these.

## **STAFFING**

Following Cyclone Seroja and the building activity it has generated, the Council employed a full time Building Surveyor. We welcome Trevor Brandy to the team. Trevor is based in Kalbarri.

Other changes in staff were the retirement of Dale Maver after serving 40 years on the Council works staff section in various roles. We thank Dale for his long service and wish him a long and happy retirement.

## **BUDGETING**

The Shires budgeting process commences in February/March of each year with the preparation of a draft budget based on previously adopted works and capital expenditure programs and issues identified to elected members and staff by residents of the Shire.

Residents are encouraged to provide budgetary requests either to their elected members or to the management staff. The draft budget is presented at a special meeting of Council, normally held within the last two weeks of July of each year, where it is refined until a suitable balance between required works and an acceptable rate level is achieved.

## FINANCE

The Shire had a surplus cash position at 30 June 2022 of \$2,389,563. This surplus cash position includes restricted cash of \$4,178,912 associated with the following:

Prepaid Financial Assistance Grant	\$1,884,110
LRCI Grant prepaid	\$ 490,300
Sports Federation Grant not yet expended	\$ 10,000

### Major Sources of Income

Apart from the General Purpose Grant the other major sources of income required to match the expenditure of Council are:

Rates	\$4,705,484
General Purpose Grant	\$1,997,932
Road Grants (FAG's)	\$1,044,148
Refuse Charges	\$ 695,939
Direct Road Grants	\$ 803,111
Fees/Charges, reimbursements	\$1,519,512
Interest on Investments	\$ 11,289
Asset Sales	\$ 125,795
Insurance/DRFAWA	\$2,798,726
Loan Funds Utilised	\$ 0
Self Supporting Loan Payments	\$ 35,627



Northampton Pump Track

## MAJOR PROJECTS ACHIEVED IN 2021/22

Council received Federal Government Funding through the Local Roads and Community Infrastructure Program with the following projects being achieved in 2021/22:

- Construction of Pump track at Horrocks
- Construction of Pump track at Northampton
- Construction of new ablutions at the Kalbarri Boat Pens/Commercial Jetty
- Installation of new playground at Horrocks foreshore
- Installation of new playground Kalbarri Boat pens park

Other major projects were:

- Completion of the Allen Centre Long Vehicle Parking area
- Established new refuse dumping area at Binu Refuse Site
- Horrocks – installed a dump point and new access road to the facility
- Kalbarri Depot – installed new ablutions

Road Works Projects undertaken:

- Gwalla Street – construct and bitumen seal
- Second Avenue – construct and bitumen seal
- Forrest Street - reseal
- Brook Street - reseal
- Harney Street – reseal
- Richardson Street – reseal
- Dagleish Street – reseal
- Kalbarri Road – reseal a further 10km
- Northampton Nabawa Road – reseal whole section within the Northampton Shire
- Ogilvie East Road – reseal 3.25km
- Port Gregory Road – reseal 5.32km

Footpaths constructed:

- Grey Street – Kalbarri, replaced old asphalt section on river side of Grey Street

Road Plant Changeovers:

- Large Loader (Northampton)
- Maintenance Truck
- Completed truck and trailer roll tarpaulins

## REPORTING REQUIREMENTS

### REPORT ON THE SHIRE OF NORTHAMPTON PLAN FOR THE FUTURE – LOCAL GOVERNMENT ACT 1995 - SECTION 5.53(2)(E)

In accordance with legislation the Shire completed the process of full review of its Integrated Planning & Reporting (IPR) documents in 2021/22 to complement the Plan for the Future requirements of the Local Government Act, 1995, (Section 5.53(2)(e)) and associated legislation. The Long Term Financial Plan forms part of the adopted Corporate Business Plan. This plan is made up of a written section and supporting documents outlining the long term direction of the Council.

The Corporate Business Plan is made up of a number of informing strategies for a four year period with Asset Management Plans for a period of ten years and is the basis of formulating future budgets.

- The plan identifies and prioritizes the principal strategies and activities Council will undertake in response to the aspirations and objectives stated in the Strategic Community Plan.
- The plan states the services, operations and projects that Council will endeavour to deliver over the period of the plan, method for delivering these and the associated cost.
- The plan references resourcing considerations such as asset management plans, finances and workforce plans.
- The plan is reviewed annually.

The Corporate Business Plan also has the following supporting documents:

*Asset Management Plans (AMP)* – AMP's have been developed for buildings, recreation infrastructure, transportation infrastructure and plant /equipment, footpaths and other community amenities.

*Workforce Plan (WFP)* – This plan has been developed and there are no foreseeable major changes to staffing levels.

The Corporate Business Plan will link all of the informing strategies relating to the next 4 years and provides details on how Council will deliver and resource the projects set out.

The operations of the Strategic Community Plan and Corporate Business Plan are to be reported on. Reporting required is to include an overview, what major initiatives are to continue into the next financial year, any modifications made to the Strategic Community Plan and any significant modifications made to the Corporate Business Plan.

A review of the Plan was undertaken by Council on the 20<sup>th</sup> May 2022 meeting and due to the continued repair works following cyclone Seroja, a number of proposed works have had to be deferred or cancelled. The following changes were made:

#### **Buildings Renewal and New**

- Consider installation of ceilings in the Binnu Hall in 2023/24
- Purchase/upgrade storage shed at the Port Gregory in 2022/23.



### **Roadworks**

- Purchase/upgrade storage shed at the Port Gregory in 2022/23.
- Binu East Road - reconstruction of the section 12.6 to 13.6 SLK in the 2022/23 financial year of the Corporate Business Plan and be further determined within the 2022/23 Budget.
- Installation of underground storm water drainage to the west side of Fifth Avenue, Northampton in 2023/24.
- Commence the upgrading of the Port Gregory car park and BBQ area for consideration in 2022/23.

### **Footpaths**

- Consider installation of a dual use pathway along the river side of the boat pen car park in 2024/25.
- The footpath plan be amended as per the following:
  - Stephen Street, Grey Street and George Grey Drive to occur in 2022/23
  - Clotworthy Street and Kaiber Street works be deferred to 2023/24
  - All projects listed for 2023/24 be deferred to 2024/25
  - All projects listed for 2024/25 be deferred to beyond 2025



Northampton Cemetery Memorial Tree area

### **PUBLIC INTEREST DISCLOSURE ACT 2003**

In the year under review, Council received no items for the reporting period under the Public Interest Disclosure Act 2003.



New Caterpillar Loader

**REGISTER OF COMPLAINTS**

In accordance with section 5.121 and of the Local Government Act 1995 states the following:

*5.121. Register of certain complaints of minor breaches*

- (1) *The complaints officer for each local government is required to maintain a register of complaints which records all complaints that result in action under section 5.110(6)(b) or (c).*
- (2) *The register of complaints is to include, for each recorded complaint*
  - (a) *the name of the council member about whom the complaint is made;*
  - (b) *the name of the person who makes the complaint;*
  - (c) *a description of the minor breach that the standards panel finds has occurred; and*
  - (d) *details of the action taken under section 5.110(6)(b) or (c).*

Section 5.53 (2) (hb) of the Local Government, 1995, stipulates the following details needs to be reported:

<b>Number of complaints recorded in the register</b>	<b>How complaints were dealt with</b>	<b>Other details that the regulations require</b>
2	All dealt with and resolved internally	Nil

**PAYMENTS TO EMPLOYEES (SECTION 5.53(2)(G) LOCAL GOVERNMENT ACT 1995)**

In accordance with section 5.53(2)(g) of the Local Government Act 1995 and Clause 19B of the Local Government (Administration) Regulations 1996, employee's payments equal to, or more than \$100,000.00 (cash component) are required to be recognised in the Annual Report.

<b>Range in increments of \$10,000</b>	<b>Number of Employees within each range</b>
\$180,000 - \$190,000	1
\$140,000 - \$150,000	1
\$120,000 - \$130,000	1

For the purpose of reporting in accordance with Local Government (Administration) Regulation 19B(e) the remuneration paid to the Chief Executive Officer in 2021/2022 was \$ 185,000.

**NATIONAL COMPETITION POLICY**

In accordance with the National Competition Policy - Clause 7 Statement the following relevant details are reported.

**Principle CN.10**

Details of the application and implementation of competitive neutrality principles to the activities and functions of the Shire of Northampton.

None of Council's business activities received in excess of \$200,000 revenue per annum, therefore Council has not applied the competitive neutrality principle to the National Competition Policy during the year under review.

**Principle SR.4**

The application and implementation of structural reform principles regarding Public Monopolies to the activities and principles of the Shire of Northampton.

Council does not consider any of its activities being monopolistic and will continually review all its activities and functions to ensure the following:

- Efficient and effective utilisation of Council's resources, (ie financial, human, plant and equipment, etc.) to the benefits of its electors.
- Ensure that the social ramification or alteration to any specific activity or function, are clearly identified.

Council does outsource some of its activities and has adopted the concept of resource sharing.

**Principle LR.8**

The application and implementation of a legislative review of its Local Laws.

A comprehensive review was undertaken in 2016/17 with many obsolete local laws repealed and additional and revised local laws adopted.

## DISABILITY SERVICES

In accordance with section 29(2) of the Disability Service Act 1993, it is a requirement for the Shire of Northampton to report on outcome-based activities highlighted in the Disability Service Plan (now known as the Disability Access and Inclusion Plan-DAIP) in 2021/22 Management undertook a desktop review with no changes being made or required.

Council aims to progressively improve access to facilities for people with disabilities over time. Significant progress has been made in recent years to improving access, and all new facilities or upgrades to existing facilities have access for those with a disability.

## STATE RECORDS ACT 2000 – STANDARD 2/PRINCIPAL 6

In accordance with the requirements of Standard 2, Principal 6 of the State Records Act, I hereby report on how the Shire of Northampton employees are complying with the Shire's Records Keeping Plan:

### Item 6.1 - Staff Training, Information Sessions, Publications.

Activities to ensure staff awareness and compliance are under process of being implemented in accordance with Council's endorsed Record Keeping Plan and will be an ongoing requirement of the organisation.

In addition training has been undertaken and continues to be reviewed to ensure Council's electronic filing system and hard copy system is utilised fully and correctly. The electronic system and hard copy filing system work in conjunction with each other ensuring correct record keeping procedures.

### Item 6.2 – Performance Indicators in place

The following performance indicators have been developed to measure the efficiency and effectiveness of the Shire of Northampton's record keeping system:-

A register is to be maintained by the Administration staff responsible for filing all records of:-

- Records that cannot be located
- Files that are missing and unable to be located

With the administration centre being relatively small the issue of missing files has not been encountered with the exception of files that were archived some years prior and these too have been very minimal.

### Item 6.3 – Agency Evaluation

The Shire of Northampton's record keeping system undertook a full review in 2019/2020 and will be continually reviewed and improved where possible in order to pursue best practice for the organisation. The current record keeping systems are assessed as being efficient and effective for the requirements of the organisation.

## CONCLUSION

In conclusion my special thanks go to the staff and Councillors for their assistance, guidance and co-operation during the period of this report.

I also take this opportunity to thank the many residents who have assisted Council in some form in achieving its goals and objectives throughout 202/22.

## SHIRE INFORMATION



## Contact Details

Northampton Administration Centre  
Phone: (08) 99341202  
Fax: (08) 99341072  
Address: PO Box 61  
Northampton 6535  
Email [council@northampton.wa.gov.au](mailto:council@northampton.wa.gov.au)  
Web – [www.northampton.wa.gov.au](http://www.northampton.wa.gov.au)

Kalbarri Administration Centre  
Phone: (08) 99371097  
Fax: (08) 99371466

All initial enquiries are to be directed to the relevant officer at the Northampton Office.

## Council Statistics

Distance from Perth	475km
Area	12,499 sqkm
Length of Sealed Roads	371 km
Length of Unsealed Roads	935 km
Population (permanent) (2021 Census)	3,227
Number of Employees	41 (FTE)

## Suburbs & Localities

Northampton, Kalbarri, Horrocks Beach, Port Gregory, Binnu, Ajana, Isseka.

## Boundaries

Shires of Chapman Valley, Shark Bay, City of Greater Geraldton and Murchison.

## Significant Local Events

Northampton Agricultural Show and Kalbarri Canoe & Cray Festival.

## History

Recorded history of this area dates back to 1629 with the wrecked Dutch ship Batavia and two men being marooned at the mouth of the Murchison River.

Copper was first discovered in WA at Wannernooka in 1842, with lead then being discovered in 1848.

A convict hiring station was established at Port Gregory from 1853-1856. The first railway commenced in 1874 and was completed in 1879 running from Geraldton to Northampton, later being extended to Ajana in 1913.

With the railway came the expansion of the district's mining and agriculture, more lead and copper mines were opened up, cereal crops (mainly wheat) were increasing, and sheep numbers also increased.

Local Government commenced in 1871, the district then named "Mines Road District". Its boundaries being described from the north by running a line running eastward from the mouth of the Murchison River, west by the Indian Ocean, south by a line running eastward from the mouth of the Buller River, with no eastern boundary.

The first local government administration centre/office was built in 1898 in Northampton, new offices were built in 1957 and were extensively extended and modified in 1984. The Kalbarri administration centre, being the "Allen Centre", was opened in 1992.

## **Council Agenda**

The agenda for an Ordinary Meeting of the Council is available for inspection by members of the public from the commencement of business on the day having been served on the Members, at the Northampton and Kalbarri offices of the Council. The agenda is generally available on the Monday prior to Council meetings.

Persons wishing for a matter to be considered by Council are required to have their request lodged to the relevant Senior Officer on the Tuesday the week before the Council meeting.

## **Fire Control**

Do not forget all owners and occupiers need to install firebreaks on their properties before 1 October and maintain them up until the 15 February of each year.

Firebreaks in the townsites of Horrocks and Kalbarri must be to a width of at least 3 metres, and are not to have bush pushed up then burnt at a later date. All material must be removed or slashed.

All remaining areas need to have firebreaks not less than 2 metres wide immediately inside all external boundaries of the property and also immediately surrounding all buildings on the property. Other requirements are stated on the Fire Break Notice which is issued with the rate assessments.

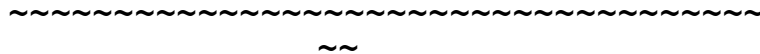
They can be installed by raking, scraping, ploughing, cultivating, scarifying, or chemical spraying. If any of these methods are impracticable, please contact the Bush Fire Control Officer, Mr Robert McKenzie on (08) 99341202, your local Fire Control Officer or the Shire Office.

Burning permits are required for the period 1 September to 14 October and 2 March to 15 April of each year and burning is prohibited for the period 15 October to 1 March of each year, with the exception of small heaps of rubbish on the ground between 6pm and 11pm within a low, moderate or high fire weather warning.

All burning periods are reviewed annually and are subject to change.

## **Citizenship Ceremonies**

The Shire of Northampton conducts Citizenship ceremonies to approved applicants when required and is normally held during an ordinary meeting of Council. Application forms for citizenship are available from Post Offices and the Ministry of Immigration and Multicultural Affairs.



## **PART 2**

### **AUDIT REPORT**

**&**

### **ANNUAL FINANCIAL STATEMENTS**



Grant Middleton – Deputy CEO



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

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

*A proud and unique community recognising the past and creating the future.*

Principal place of business:  
199 Hampton Road Northampton

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

The attached financial report of the Shire of Northampton 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 Northampton 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

9th day of

December 2022



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Acting Chief Executive Officer

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Maurice Battilana

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

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	24(a)	4,630,284	4,646,218	4,726,214
Operating grants, subsidies and contributions		4,705,484	2,883,980	3,442,918
Fees and charges	23(c)	1,519,592	1,254,773	1,261,792
Interest earnings		34,748	51,500	45,676
Other revenue		2,798,726	0	500,000
		<b>13,688,834</b>	<b>8,836,471</b>	<b>9,976,600</b>
<b>Expenses</b>				
Employee costs		(3,924,007)	(3,837,409)	(3,611,337)
Materials and contracts		(4,464,345)	(2,809,898)	(3,378,417)
Utility charges		(370,343)	(326,395)	(375,722)
Depreciation	10(a)	(2,408,508)	(2,353,300)	(2,351,791)
Finance costs	2(b)	(58,613)	(61,171)	(65,860)
Insurance		(201,345)	(211,641)	(196,519)
Other expenditure	2(b)	(590,031)	(510,817)	(498,783)
		<b>(12,017,192)</b>	<b>(10,110,631)</b>	<b>(10,478,429)</b>
		<b>1,671,642</b>	<b>(1,274,160)</b>	<b>(501,829)</b>
Capital grants, subsidies and contributions	2(a)	804,611	981,656	692,484
Profit on asset disposals	10(b)	14,501	26,000	92,927
Loss on asset disposals	10(b)	(634,888)	(10,500)	(1,147,848)
Fair value adjustments to financial assets at fair value through profit or loss		0	0	3,738
		<b>184,224</b>	<b>997,156</b>	<b>(358,699)</b>
<b>Net result for the period</b>	23(b)	<b>1,855,866</b>	<b>(277,004)</b>	<b>(860,528)</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	7,700,841	0	(178,840)
<b>Total other comprehensive income for the period</b>		<b>7,700,841</b>	<b>0</b>	<b>(178,840)</b>
<b>Total comprehensive income for the period</b>		<b>9,556,707</b>	<b>(277,004)</b>	<b>(1,039,368)</b>

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

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

	NOTE	2022	2021
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	4,178,912	2,524,567
Trade and other receivables	5	422,409	587,673
Other financial assets	4(a)	35,627	34,126
Inventories	6	11,568	5,791
Assets classified as held for sale	7	180,000	235,000
<b>TOTAL CURRENT ASSETS</b>		<b>4,828,516</b>	<b>3,387,157</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	95,432	90,278
Other financial assets	4(b)	624,184	657,316
Property, plant and equipment	8	36,097,634	27,231,977
Infrastructure	9	97,232,944	97,686,367
<b>TOTAL NON-CURRENT ASSETS</b>		<b>134,050,194</b>	<b>125,665,938</b>
<b>TOTAL ASSETS</b>		<b>138,878,710</b>	<b>129,053,095</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	717,614	569,592
Other liabilities	12	497,341	200,441
Borrowings	13	202,649	196,293
Employee related provisions	14	732,724	718,084
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,150,328</b>	<b>1,684,410</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	1,179,735	1,382,384
Employee related provisions	14	63,089	71,708
Other provisions	15	986,184	971,926
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,229,008</b>	<b>2,426,018</b>
<b>TOTAL LIABILITIES</b>		<b>4,379,336</b>	<b>4,110,428</b>
<b>NET ASSETS</b>		<b>134,499,374</b>	<b>124,942,667</b>
<b>EQUITY</b>			
Retained surplus		85,375,453	83,662,580
Reserve accounts	27	982,603	839,610
Revaluation surplus	16	48,141,318	40,440,477
<b>TOTAL EQUITY</b>		<b>134,499,374</b>	<b>124,942,667</b>

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

**SHIRE OF NORTHAMPTON**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2020</b>		<b>84,397,679</b>	<b>965,039</b>	<b>40,619,317</b>	<b>125,982,035</b>
Comprehensive income for the period					
Net result for the period		(860,528)	0	0	(860,528)
Other comprehensive income for the period	16	0	0	(178,840)	(178,840)
Total comprehensive income for the period		(860,528)	0	(178,840)	(1,039,368)
Transfers from reserves	27	165,500	(165,500)	0	0
Transfers to reserves	27	(40,071)	40,071	0	0
<b>Balance as at 30 June 2021</b>		<b>83,662,580</b>	<b>839,610</b>	<b>40,440,477</b>	<b>124,942,667</b>
Comprehensive income for the period					
Net result for the period		1,855,866	0	0	1,855,866
Other comprehensive income for the period	16	0	0	7,700,841	7,700,841
Total comprehensive income for the period		1,855,866	0	7,700,841	9,556,707
Transfers from reserves	27	16,790	(16,790)	0	0
Transfers to reserves	27	(159,783)	159,783	0	0
<b>Balance as at 30 June 2022</b>		<b>85,375,453</b>	<b>982,603</b>	<b>48,141,318</b>	<b>134,499,374</b>

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		4,673,185	4,646,218	4,821,716
Operating grants, subsidies and contributions		5,132,599	2,883,980	3,313,502
Fees and charges		1,519,592	1,254,773	1,277,619
Interest received		34,748	51,500	45,676
Goods and services tax received		0	0	4,143
Other revenue		2,812,984	0	500,000
		14,173,108	8,836,471	9,962,656
<b>Payments</b>				
Employee costs		(3,902,157)	(3,837,409)	(3,622,899)
Materials and contracts		(4,312,959)	(2,809,898)	(3,348,266)
Utility charges		(370,343)	(326,395)	(375,722)
Finance costs		(58,613)	(61,171)	(65,860)
Insurance paid		(201,345)	(211,641)	(196,519)
Goods and services tax paid		17,024	0	0
Other expenditure		(590,031)	(510,817)	(498,783)
		(9,418,424)	(7,757,331)	(8,108,049)
<b>Net cash provided by (used in) operating activities</b>	17(b)	4,754,684	1,079,140	1,854,607
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(2,228,646)	(1,635,515)	(924,473)
Payments for construction of infrastructure	9(a)	(1,637,436)	(2,250,885)	(1,962,232)
Non-operating grants, subsidies and contributions		804,611	981,656	692,484
Proceeds from financial assets at amortised cost		0		16,052
Proceeds from financial assets at amortised cost - self supporting loans		35,627	35,626	35,156
Proceeds from financial assets at fair values through profit and loss		(3,997)		
Proceeds from sale of property, plant & equipment	10(b)	125,795	157,000	214,682
<b>Net cash provided by (used in) investing activities</b>		(2,904,046)	(2,712,118)	(1,928,331)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	26(a)	(196,293)	(196,293)	(190,417)
Proceeds from new borrowings	26(a)	0	100,000	0
<b>Net cash provided by (used in) financing activities</b>		(196,293)	(96,293)	(190,417)
<b>Net increase (decrease) in cash held</b>		1,654,345	(1,729,271)	(264,141)
Cash at beginning of year		2,524,567	2,522,523	2,788,706
<b>Cash and cash equivalents at the end of the year</b>	17(a)	4,178,912	793,252	2,524,565

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>	25(b)	1,548,264	1,846,346	1,711,253
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities (excluding general rate)</b>				
Rates (excluding general rate)	24(b)	50,202	51,000	51,348
Operating grants, subsidies and contributions		4,705,484	2,883,980	3,442,918
Fees and charges		1,519,592	1,254,773	1,261,792
Interest earnings		34,748	51,500	45,676
Other revenue		2,798,726	0	500,000
Profit on asset disposals	10(b)	14,501	26,000	92,927
Fair value adjustments to financial assets at fair value through profit or loss		0	0	3,738
		9,123,253	4,267,253	5,398,399
<b>Expenditure from operating activities</b>				
Employee costs		(3,924,007)	(3,837,409)	(3,611,337)
Materials and contracts		(4,464,345)	(2,809,898)	(3,378,417)
Utility charges		(370,343)	(326,395)	(375,722)
Depreciation		(2,408,508)	(2,353,300)	(2,351,791)
Finance costs		(58,613)	(61,171)	(65,860)
Insurance		(201,345)	(211,641)	(196,519)
Other expenditure		(590,031)	(510,817)	(498,783)
Loss on asset disposals	10(b)	(634,888)	(10,500)	(1,147,848)
		(12,652,080)	(10,121,131)	(11,626,277)
Non-cash amounts excluded from operating activities	25(a)	3,029,380	2,337,800	4,371,320
<b>Amount attributable to operating activities</b>		(499,447)	(3,516,078)	(1,856,558)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		804,611	981,656	692,484
Proceeds from disposal of assets	10(b)	125,795	157,000	214,682
Proceeds from financial assets at amortised cost - self supporting loans	26(a)	35,627	35,626	35,156
Purchase of property, plant and equipment	8(a)	(2,228,646)	(1,635,515)	(924,473)
Purchase and construction of infrastructure	9(a)	(1,637,437)	(2,250,885)	(2,934,158)
		(2,900,050)	(2,712,118)	(2,916,309)
<b>Amount attributable to investing activities</b>		(2,900,050)	(2,712,118)	(2,916,309)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	26(a)	(196,293)	(196,293)	(190,417)
Proceeds from borrowings	26(a)	0	100,000	0
Transfers to reserves (restricted assets)	27	(159,783)	(117,075)	(40,071)
Transfers from reserves (restricted assets)	27	16,790	0	165,500
<b>Amount attributable to financing activities</b>		(339,286)	(213,368)	(64,988)
<b>Surplus/(deficit) before imposition of general rates</b>		(2,190,519)	(4,595,218)	(3,126,602)
<b>Total amount raised from general rates</b>	24(a)	4,580,082	4,595,218	4,674,866
<b>Surplus/(deficit) after imposition of general rates</b>	25(b)	<b>2,389,563</b>	<b>0</b>	<b>1,548,264</b>

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

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

**1. BASIS OF PREPARATION**

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

**Local Government Act 1995 requirements**

Section 6.4(2) of the Local Government Act 1995 read with the Local Government (Financial Management) 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 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 City 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.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated

**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.

**Judgements and estimates**

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

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

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

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

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

**2. REVENUE AND EXPENSES**

**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	4,630,284	0	4,630,284
Operating grants, subsidies and contributions	4,705,484	0	0	0	4,705,484
Fees and charges	1,519,592	0	0	0	1,519,592
Interest earnings	34,748	0	0	0	34,748
Other revenue	2,798,726	0	0	0	2,798,726
Non-operating grants, subsidies and contributions		804,611	0	0	804,611
<b>Total</b>	<b>9,058,550</b>	<b>804,611</b>	<b>4,630,284</b>	<b>0</b>	<b>14,493,445</b>

**For the year ended 30 June 2021**

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	4,726,214	0	4,726,214
Operating grants, subsidies and contributions	3,442,918	0	0	0	3,442,918
Fees and charges	1,261,792	0	0	0	1,261,792
Interest earnings	45,676	0	0	0	45,676
Other revenue	500,000	0	0	0	500,000
Non-operating grants, subsidies and contributions	0	692,484	0	0	692,484
<b>Total</b>	<b>5,250,386</b>	<b>692,484</b>	<b>4,726,214</b>	<b>0</b>	<b>10,669,084</b>

Note	2022 Actual	2022 Budget	2021 Actual
<b>Interest earnings</b>			
Interest on reserve funds	3,259	5,100	5,070
Rates instalment and penalty interest (refer Note 24(e))	23,460	36,500	32,433
Other interest earnings	8,029	9,900	8,173
	34,748	51,500	45,676
<b>(b) Expenses</b>			
<b>Auditors remuneration</b>			
- Audit of the Annual Financial Report	40,800	40,800	40,000
- Other services	3,700	4,400	0
	44,500	45,200	40,000
<b>Finance costs</b>			
Borrowings	26(a) 58,613	61,171	65,860
	58,613	61,171	65,860
<b>Other expenditure</b>			
Sundry expenses	590,031	510,817	498,783
	590,031	510,817	498,783

**SHIRE OF NORTHAMPTON**  
**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

Note	2022	2021
	\$	\$
	3,196,309	1,684,957
	982,603	839,610
17(a)	4,178,912	2,524,567
	3,196,309	1,684,957
17(a)	982,603	839,610
	4,178,912	2,524,567

**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.

**Restricted financial assets**

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

Details of restrictions on financial assets can be found at Note 17.

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

**Other financial assets at amortised cost**

Self supporting loans receivable

Held as

- Unrestricted other financial assets at amortised cost

**(b) Non-current assets**

Financial assets at amortised cost

Financial assets at fair value through profit and loss

**Financial assets at amortised cost**

Self supporting loans receivable

**Financial assets at fair value through profit and loss**

Units in Local Government House Trust

	2022	2021
	\$	\$
	35,627	34,126
	35,627	34,126
26(a)	35,627	34,126
	35,627	34,126
	35,627	34,126
	35,627	34,126
	546,380	583,509
	77,804	73,807
	624,184	657,316
	546,387	583,515
	546,387	583,515
	77,804	73,807
	77,804	73,807

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

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

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

**Financial assets at fair value through profit and loss**

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

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

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 20.

**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**5. TRADE AND OTHER RECEIVABLES**

Note	2022	2021
	\$	\$
<b>Current</b>		
Rates receivable	161,477	179,502
Trade and other receivables	186,022	327,363
GST receivable	0	17,024
Other receivables - Rubbish	22,638	21,389
Emergency Services Levy	52,272	42,395
	422,409	587,673
<b>Non-current</b>		
Pensioner's rates and ESL deferred	95,432	90,278
	95,432	90,278

**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 20.

**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 City measures them subsequently at amortised cost using the effective interest rate method.

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

**6. INVENTORIES**

Note	2022	2021
	\$	\$
<b>Current</b>		
Fuel and materials	11,568	5,791
	11,568	5,791

The following movements in inventories occurred during the year:

<b>Balance at beginning of year</b>	5,791	5,791
Additions to inventory	5,777	
<b>Balance at end of year</b>	11,568	5,791

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**SHIRE OF NORTHAMPTON  
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**7. OTHER ASSETS**

	2022	2021
	\$	\$
<b>Non-current assets held for sale</b>		
Land	180,000	235,000
	180,000	235,000

**Land classified as held for sale**

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

	30 June 2022 Actual	30 June 2021 Actual	1 July 2020 Actual
	\$	\$	\$
<b>Contract assets</b>			
Contract assets	0	0	
Loss allowance	0	0	
Total contract assets	0	0	0

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

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

**Non-current assets held for sale**

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

**SHIRE OF NORTHAMPTON**  
**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	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>		4,128,177	21,297,427	25,425,604	71,065	2,936,434	28,433,103
Additions			440,289	440,289	75,304	408,880	924,473
Disposals		0	(1,066,025)	(1,066,025)	0	(126,161)	(1,192,186)
Revaluation increments / (decrements) transferred to revaluation surplus			(833)	(833)			(833)
Depreciation	10(a)		(410,652)	(410,652)	(18,033)	(503,895)	(932,580)
<b>Balance at 30 June 2021</b>		4,128,177	20,260,206	24,388,383	128,336	2,715,258	27,231,977
<b>Comprises:</b>							
Gross balance amount at 30 June 2021		4,128,177	21,765,518	25,893,695	202,525	4,674,457	30,770,677
Accumulated depreciation at 30 June 2021		0	(1,505,312)	(1,505,312)	(74,189)	(1,959,199)	(3,538,700)
<b>Balance at 30 June 2021</b>		4,128,177	20,260,206	24,388,383	128,336	2,715,258	27,231,977
Additions			1,499,018	1,499,018	24,404	705,224	2,228,646
Disposals		0	(35,295)	(35,295)	0	(119,749)	(155,044)
Revaluation increments / (decrements) transferred to revaluation surplus		2,419,873	5,280,969	7,700,842			7,700,842
Depreciation	10(a)	0	(394,982)	(394,982)	(28,072)	(485,733)	(908,787)
<b>Balance at 30 June 2022</b>		6,548,050	26,609,916	33,157,966	124,668	2,815,000	36,097,634
<b>Comprises:</b>							
Gross balance amount at 30 June 2022		6,548,050	26,609,916	33,157,966	226,929	5,103,923	38,488,818
Accumulated depreciation at 30 June 2022		0	0	0	(102,261)	(2,288,923)	(2,391,184)
<b>Balance at 30 June 2022</b>		6,548,050	26,609,916	33,157,966	124,668	2,815,000	36,097,634

**SHIRE OF NORTHAMPTON  
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**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	2/3	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2022	Price per hectare/ market borrowing rate
Buildings	2/3	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2022	Replacement cost, residual value, short life/long life split, pattern of consumption and consumption score.

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.

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - Roads	Other infrastructure - Footpaths and Carparks	Other infrastructure - Drainage	Other infrastructure - Parks & Ovals	Other infrastructure - Airport	Other infrastructure - Water & Sewer Reticulation	Other infrastructure - Waste Site Remediation	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	80,571,386	3,108,303	5,563,601	5,115,980	1,846,246	43,321	0	96,248,837
Additions	1,104,213	376,621	0	460,727	20,671	0	971,926	2,934,158
(Disposals)	0	0	0	(77,417)	0	0	0	(77,417)
Depreciation	10(a) (1,087,049)	(62,015)	(71,328)	(153,976)	(42,652)	(2,191)	0	(1,419,211)
<b>Balance at 30 June 2021</b>	80,588,550	3,422,909	5,492,273	5,345,314	1,824,265	41,130	971,926	97,686,367
<b>Comprises:</b>								
Gross balance at 30 June 2021	83,728,358	3,586,667	5,706,258	5,757,226	1,951,487	43,321	971,926	101,745,243
Accumulated depreciation at 30 June 2021	(3,139,808)	(163,758)	(213,985)	(411,912)	(127,222)	(2,191)	0	(4,058,876)
<b>Balance at 30 June 2021</b>	80,588,550	3,422,909	5,492,273	5,345,314	1,824,265	41,130	971,926	97,686,367
Additions	1,149,578	192,528	0	288,714	0	6,617	0	1,637,437
(Disposals)	0	0	0	(591,138)	0	0	0	(591,138)
Depreciation	10(a) (1,118,786)	(69,312)	(71,328)	(178,394)	(42,737)	(911)	(18,253)	(1,499,721)
<b>Balance at 30 June 2022</b>	80,619,342	3,546,125	5,420,945	4,864,496	1,781,527	46,836	953,673	97,232,944
<b>Comprises:</b>								
Gross balance at 30 June 2022	84,877,936	3,779,195	5,706,258	5,390,933	1,951,487	49,937	971,926	102,727,672
Accumulated depreciation at 30 June 2022	(4,258,594)	(233,070)	(285,313)	(526,437)	(169,960)	(3,101)	(18,253)	(5,494,728)
<b>Balance at 30 June 2022</b>	80,619,342	3,546,125	5,420,945	4,864,496	1,781,527	46,836	953,673	97,232,944



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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value</b>					
<b>Infrastructure - Roads</b>	3	All assets inspected with inventory and condition survey results applied to industry replacement costs unit rates.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Other infrastructure - Footpaths and Car</b>	3	All assets inspected with inventory and condition survey results applied to industry replacement costs unit rates.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Other infrastructure - Drainage</b>	3	All assets inspected with inventory and condition survey results applied to industry replacement costs unit rates.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Other infrastructure - Parks &amp; Ovals</b>	3	Recurring and non-recurring fair value measurements based on physical inspection of assets capturing asset age, type and	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b>Other infrastructure - Airport</b>	3	Recurring and non-recurring fair value measurements based on physical inspection of assets capturing asset age, type and	Management 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 NORTHAMPTON**  
**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	8(a)	394,982	411,000	410,652
Furniture and equipment	8(a)	28,072	18,000	18,033
Plant and equipment	8(a)	485,733	504,000	503,895
Infrastructure - Roads	9(a)	1,118,786	1,087,800	1,087,049
Other infrastructure - Footpaths and Carparks	9(a)	69,312	62,100	62,015
Other infrastructure - Drainage	9(a)	71,328	71,400	71,328
Other infrastructure - Parks & Ovals	9(a)	178,394	154,100	153,976
Other infrastructure - Airport	9(a)	42,737	42,700	42,652
Other infrastructure - Water & Sewer Reticulation	9(a)	911	2,200	2,191
Other infrastructure - Waste Site Remediation	9(a)	18,253		0
		<b>2,408,508</b>	<b>2,353,300</b>	<b>2,351,791</b>

**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	30 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 20 years
Road Formation	Not Depreciated
Road Pavement	40 - 50 years
Bituminous Seal	20 -30 years
Asphalt Seal	20 - 30 Years
Gravel Road Formation	Not Depreciated
Gravel Road Pavement	40 - 50 Years
Gravel Sheet	10 - 20 Years
Infrastructure - footpaths/carparks	20 to 30 years
Infrastructure - drainage	50 to 80 years
Infrastructure - parks and ovals	20 to 75 years
Infrastructure - airport	10 to 60 Years
Water & Sewer	20 to 75 Years

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

10. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings	35,295			(35,295)					1,066,025	0	0	(1,066,025)
Plant and equipment	119,749	125,795	14,501	(8,455)	141,500	157,000	26,000	(10,500)	126,161	214,682	92,927	(4,406)
Other infrastructure - Parks & Ova	591,138			(591,138)					77,417			(77,417)
	746,182	125,795	14,501	(634,888)	141,500	157,000	26,000	(10,500)	1,269,603	214,682	92,927	(1,147,848)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
<b>Plant and Equipment</b>				
<b>Health</b>				
P282 - Kia Optima - EHO	10,023	9,545	0	(478)
<b>Recreation and culture</b>				
A/Block Kalbarri Marina	35,295	0	0	(35,295)
<b>Transport</b>				
P198 - Ute M'tce Grader Op	2,542	1,250	0	(1,292)
P252 - Heavy Loader N'hpton	86,685	80,000	0	(6,685)
P234 - M'tce Truck N'hpton	20,499	35,000	14,501	0
<b>Economic services</b>				
Lucky Bay Camp Grounds	591,138	0	0	(591,138)
	746,182	125,795	14,501	(634,888)

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

**10. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

**Initial recognition and measurement for assets held at cost**

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

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

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

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

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

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

**Revaluation**

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

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

**Revaluation (continued)**

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

**Depreciation**

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

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

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

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

**Depreciation on revaluation**

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

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

**Amortisation**

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

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

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

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**11. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors	
Prepaid rates	
Accrued payroll liabilities	
Bonds and deposits held	
Accrued Expenditure	
Accrued Interest on Long term Borrowings	

	2022	2021
	\$	\$
	311,772	287,588
	104,663	74,633
	87,330	71,501
	168,160	35,991
	38,343	91,223
	7,346	8,656
	717,614	569,592

**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 NORTHAMPTON**  
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**12. OTHER LIABILITIES**

**Current**

Contract liabilities

**Reconciliation of changes in contract liabilities**

Opening balance

Additions

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

	2022	2021
	\$	\$
	497,341	200,441
	497,341	200,441
	200,441	0
	497,341	200,441
	(200,441)	
	497,341	200,441

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

**Reconciliation of changes in capital grant/contribution liabilities**

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

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

**SHIRE OF NORTHAMPTON  
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**13. BORROWINGS**

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		202,649	1,179,735	1,382,384	196,293	1,382,384	1,578,677
<b>Total secured borrowings</b>	26(a)	202,649	1,179,735	1,382,384	196,293	1,382,384	1,578,677

**Secured liabilities and assets pledged as security**

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Northampton. Other loans relate to transferred receivables. Refer to Note 5.

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

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

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

**Risk**

Information regarding exposure to risk can be found at Note 20.

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

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**14. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	2022	2021
<b>Current provisions</b>	\$	\$
<b>Employee benefit provisions</b>		
Annual Leave	265,551	258,553
Long Service Leave	467,173	459,531
	<u>732,724</u>	<u>718,084</u>
<b>Non-current provisions</b>		
Long Service Leave	63,089	71,708
	<u>63,089</u>	<u>71,708</u>
	<u>795,813</u>	<u>789,792</u>

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
	\$	\$
	795,813	789,792
	<u>795,813</u>	<u>789,792</u>

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

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**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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



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**15. OTHER PROVISIONS**

	Note	Provision for Waste Site Remediation \$	Total \$
<b>Opening balance at 1 July 2021</b>			
Non-current provisions		971,926	971,926
		<u>971,926</u>	<u>971,926</u>
Additional provision		14,258	14,258
<b>Balance at 30 June 2022</b>		<u>986,184</u>	<u>986,184</u>
<b>Comprises</b>			
Non-current		986,184	986,184
		<u>986,184</u>	<u>986,184</u>

**Provision for remediation costs are split as follows**

Northampton Landfill Site	282,093
Kalbarri Landfill Site	455,406
Port Gregory Landfill Site	128,428
Binnu Landfill Site	120,257
	<u>986,184</u>

**Other provisions**

Amounts which are reliably expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

**Make good provisions**

Under the licence for the operation of the Shire's waste landfill site, the Shire has a legal obligation to restore the site.

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected the present value of the remediation provision at each reporting date.

**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 NORTHAMPTON**  
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**16. REVALUATION SURPLUS**

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	0	2,419,873	0	2,419,873	2,419,873	0	0	0	0	0
Revaluation surplus - Land and Buildings	11,031,368	5,280,969	0	5,280,969	16,312,337	11,032,201	0	(833)	(833)	11,031,368
Revaluation surplus - Infrastructure - Roads	21,121,451	0	0	0	21,121,451	21,121,451	0	0	0	21,121,451
Revaluation surplus - Other infrastructure - Footpaths and C	774,377	0	0	0	774,377	774,377	0	0	0	774,377
Revaluation surplus - Other infrastructure - Drainage	5,673,060	0	0	0	5,673,060	5,673,060	0	0	0	5,673,060
Revaluation surplus - Other infrastructure - Parks & Ovals	634,182	0	0	0	634,182	634,182	0	0	0	634,182
Revaluation surplus - Other infrastructure - Airport	1,206,039	0	0	0	1,206,039	1,206,039	0	0	0	1,206,039
	40,440,477	7,700,842	0	7,700,842	48,141,319	40,441,310	0	(833)	(833)	40,440,477

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 NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**17. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	4,178,912	793,252	2,524,567

**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	982,603	956,685	839,610
		982,603	956,685	839,610

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

Restricted reserve accounts	27	982,603	956,685	839,610
<b>Total restricted financial assets</b>		982,603	956,685	839,610

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

Net result		1,855,866	(277,004)	(860,528)
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		0	0	(3,738)
Depreciation/amortisation		2,408,508	2,353,300	2,351,791
(Profit)/loss on sale of asset		620,387	(15,500)	1,054,921
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		160,110	0	(141,643)
(Increase)/decrease in other assets		55,000	0	0
(Increase)/decrease in inventories		(5,777)	0	3,723
Increase/(decrease) in trade and other payables		148,022	0	92,310
Increase/(decrease) in employee related provisions		6,021	0	(61,963)
Increase/(decrease) in other provisions		14,258	0	
Increase/(decrease) in other liabilities		296,900	0	112,218
Non-operating grants, subsidies and contributions		(804,611)	(981,656)	(692,484)
Net cash provided by/(used in) operating activities		4,754,684	1,079,140	1,854,607

**(c) Undrawn Borrowing Facilities  
Credit Standby Arrangements**

Bank overdraft limit		0		0
Bank overdraft at balance date		0		0
Credit card limit		10,000		10,000
Credit card balance at balance date		(5,886)		(1,766)
<b>Total amount of credit unused</b>		4,114		8,234

**Loan facilities**

Loan facilities - current		202,649		196,293
Loan facilities - non-current		1,179,735		1,382,384
<b>Total facilities in use at balance date</b>		1,382,384		1,578,677

<b>Unused loan facilities at balance date</b>		0		0
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**SHIRE OF NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**18. CONTINGENT LIABILITIES**

The Shire of Northampton did not have any contingent liabilities for 2021/2022.

**SHIRE OF NORTHAMPTON**  
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**19. RELATED PARTY TRANSACTIONS**

(a) Elected Member Remuneration	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Councillor Sudlow</b>				
President's annual allowance		14,000	0	0
Meeting attendance fees		5,350	3,500	2,500
Annual allowance for ICT expenses		500	500	500
Travel and accommodation expenses		802	0	960
		20,652	4,000	3,960
<b>Councillor Horstman</b>				
Deputy President's annual allowance		3,500	0	0
Meeting attendance fees		2,250	0	0
Annual allowance for ICT expenses		500	0	0
		6,250	0	0
<b>Councillor Hay</b>				
Meeting attendance fees		2,500	3,500	2,250
Annual allowance for ICT expenses		500	500	500
Travel and accommodation expenses		356	0	629
		3,356	4,000	3,379
<b>Councillor Pike</b>				
Meeting attendance fees		3,250	3,500	2,750
Annual allowance for ICT expenses		500	500	500
		3,750	4,000	3,250
<b>Councillor Suckling</b>				
Meeting attendance fees		3,100	3,500	2,950
Annual allowance for ICT expenses		500	500	500
Travel and accommodation expenses		152	0	511
		3,752	4,000	3,961
<b>Councillor Stock-Standen</b>				
Meeting attendance fees		1,750	3,500	2,000
Annual allowance for ICT expenses		500	500	500
Travel and accommodation expenses		208	0	198
		2,458	4,000	2,698
<b>Councillor Stewart</b>				
Meeting attendance fees		3,400	3,500	2,350
Annual allowance for ICT expenses		500	500	500
Travel and accommodation expenses		877	0	0
		4,777	4,000	2,850
<b>Ex Councillor Simkin</b>				
President's annual allowance			14,000	14,000
Meeting attendance fees		2,500	7,300	5,800
Annual allowance for ICT expenses		0	500	500
Travel and accommodation expenses		792	0	1,386
		3,292	21,800	21,686
<b>Ex Councillor Krakouer</b>				
Deputy President's annual allowance				
Meeting attendance fees		1,500	3,500	3,500
Child care expenses		0	3,500	2,800
Annual allowance for ICT expenses		0	500	500
Travel and accommodation expenses		2,152	0	2,322
		3,652	7,500	9,122
<b>Ex Councillor Smith</b>				
Meeting attendance fees		1,000	3,500	2,200
Annual allowance for ICT expenses		0	500	500
		1,000	4,000	2,700
<b>Councillor Burgess</b>				
Meeting attendance fees		1,250	0	0
Annual allowance for ICT expenses		500	0	0
Travel and accommodation expenses		396	0	0
		2,146	0	0

**SHIRE OF NORTHAMPTON**  
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**19. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Note	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>Councillor Gibb</b>			
Meeting attendance fees	2,000	0	0
Annual allowance for ICT expenses	500	0	0
Travel and accommodation expenses	396	0	0
	2,896	0	0
	57,981	57,300	53,606

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

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
President's annual allowance	14,000	14,000	14,000
Deputy President's annual allowance	3,500	3,500	3,500
Meeting attendance fees	29,850	35,300	25,600
Annual allowance for ICT expenses	4,500	4,500	4,500
Travel and accommodation expenses	6,131	0	6,006
19(b)	57,981	57,300	53,606

**(b) Key Management Personnel (KMP) Compensation**

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	572,831	603,974
Post-employment benefits	80,494	74,078
Employee - other long-term benefits	18,436	0
Employee - termination benefits	0	29,945
Council member costs	57,981	53,606
19(a)	729,742	761,603

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*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 NORTHAMPTON  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**19. 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.

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

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

Purchase of goods and services

**Amounts outstanding from related parties:**

Loans to key management personnel

	<b>2022 Actual</b>	<b>2021 Actual</b>
	\$	\$
	34,281	37,538
	254,837	274,738

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

**20. 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.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
<b>Market risk - interest rates</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
<b>Liquidity risk</b>	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.

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2022</b>					
Cash and cash equivalents	0.62%	4,178,912	982,603	3,195,059	1,250
<b>2021</b>					
Cash and cash equivalents	0.03%	2,524,567	839,610	1,683,507	1,450

**Sensitivity**

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

Impact of a 1% movement in interest rates on profit and loss and equity\*

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
	31,951	16,835

\* Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 26(a).



**SHIRE OF NORTHAMPTON**  
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**20. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

**Trade and Other Receivables**

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

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

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

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

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

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

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
<b>30 June 2022</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	111,589	40,317	27,354	77,649	256,909	
Loss allowance					0	5
<b>30 June 2021</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	161,945	30,252	19,587	57,996	269,780	
Loss allowance					0	5

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

	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
<b>30 June 2022</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	186,613	9,874	1,571	10,602	208,660	
Loss allowance					0	5
<b>30 June 2021</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	333,536	2,841	177	12,198	348,752	
Loss allowance					0	5

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**20. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Opening loss allowance as at 1 July	\$ 0	\$	\$ 0	\$	\$ 0	\$
Closing loss allowance at 30 June	0	0	0	0	0	0

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

**Contract Assets**

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Shire has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

**SHIRE OF NORTHAMPTON**  
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**20. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk**

**Payables and borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 17(c).

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

	<b>Due within 1 year</b>	<b>Due between 1 &amp; 5 years</b>	<b>Due after 5 years</b>	<b>Total contractual cash flows</b>	<b>Carrying values</b>
	\$	\$	\$	\$	\$
<b><u>2022</u></b>					
Trade and other payables	717,614	0	0	717,614	717,614
Borrowings	0	173,650	1,465,285	1,638,935	1,382,384
Contract liabilities	497,341	0	0	497,341	497,341
	<u>1,214,955</u>	<u>173,650</u>	<u>1,465,285</u>	<u>2,853,890</u>	<u>2,597,339</u>
<b><u>2021</u></b>					
Trade and other payables	569,591	0	0	569,591	569,592
Borrowings	0	264,333	1,621,144	1,885,477	1,578,677
Contract liabilities	200,441	0	0	200,441	200,441
	<u>770,032</u>	<u>264,333</u>	<u>1,621,144</u>	<u>2,655,509</u>	<u>2,348,710</u>

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

**21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

The Shire of Northampton did not have any subsequent events or events occurring after the end of the reporting period for 2021/2022.

**22. OTHER SIGNIFICANT ACCOUNTING POLICIES**

**a) Goods and services tax (GST)**

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

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

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

**b) Current and non-current classification**

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

**g) Fair value of assets and liabilities**

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

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

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

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

**h) Interest earnings**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

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

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

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

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

**k) Initial application of accounting standards**

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

**New accounting standards for application in future years**

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

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

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

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

**23. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

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

<b>Objective</b>	<b>Description</b>
<p><b>Governance</b></p> <p>To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district.</p>
<p><b>General purpose funding</b></p> <p>To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p><b>Law, order, public safety</b></p> <p>To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.</p>
<p><b>Health</b></p> <p>To provide an operational framework for environmental and community health.</p>	<p>Inspection of food outlets and their control, administration of health local laws and maintenance of the Northampton and Kalbarri doctors surgery.</p>
<p><b>Education and welfare</b></p> <p>To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>Maintenance of child minding centre's, operational costs associated with child care facilities.</p>
<p><b>Housing</b></p> <p>To provide and maintain housing.</p>	<p>Provision and maintenance of housing.</p>
<p><b>Community amenities</b></p> <p>To provide services required by the community.</p>	<p>Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and town planning schemes, cemetery and public conveniences.</p>
<p><b>Recreation and culture</b></p> <p>To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.</p>	<p>Maintenance of public halls, civic centres, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and operation of library, museum and other cultural facilities.playgrounds.</p>
<p><b>Transport</b></p> <p>To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.</p>
<p><b>Economic services</b></p> <p>To help promote the shire and its economic wellbeing.</p>	<p>Tourism and area promotion including the Little Bay camping areas. Port Gergory water supply and Building control.</p>
<p><b>Other property and services</b></p> <p>To monitor and control Shire's overhead operating accounts.</p>	<p>Private works operation, plant repair and operation costs and engineering operation costs and misc major event costs</p>

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

**23. FUNCTION AND ACTIVITY (Continued)**

**(b) Income and expenses**

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>Income excluding grants, subsidies and contributions</b>			
Governance	29,935	13,500	38,069
General purpose funding	4,614,831	4,646,718	4,720,543
Law, order, public safety	13,902	13,500	13,807
Health	11,962	16,612	13,642
Education and welfare	41,235	65,723	37,794
Housing	40,465	68,240	68,792
Community amenities	1,085,512	872,942	894,832
Recreation and culture	12,364	12,460	12,202
Transport	18,672	25,241	58,391
Economic services	310,295	223,555	234,945
Other property and services	2,818,678	20,000	537,330
	8,997,851	5,978,491	6,630,347
<b>Grants, subsidies and contributions</b>			
Governance	55,376	42,030	80,968
General purpose funding	3,269,390	835,071	2,270,684
Law, order, public safety	106,732	77,666	112,510
Health	15,594	16,500	15,722
Education and welfare	194,890	134,000	218,575
Housing	28,448	8,000	7,210
Community amenities	9,515	405,061	26,007
Recreation and culture	81,822	771,494	186,253
Transport	994,264	1,001,710	869,066
Economic services	17,912	8,000	13,459
Other property and services	736,152	566,104	334,948
	5,510,095	3,865,636	4,135,402
<b>Total Income</b>	<b>14,507,946</b>	<b>9,844,127</b>	<b>10,765,749</b>
<b>Expenses</b>			
Governance	(963,723)	(917,940)	(890,489)
General purpose funding	(263,755)	(281,435)	(299,829)
Law, order, public safety	(448,682)	(371,591)	(395,978)
Health	(224,975)	(221,420)	(202,937)
Education and welfare	(283,088)	(247,577)	(255,006)
Housing	(91,718)	(80,882)	(187,770)
Community amenities	(1,839,560)	(1,611,155)	(1,842,209)
Recreation and culture	(1,885,869)	(1,898,598)	(2,479,017)
Transport	(3,542,199)	(3,853,340)	(3,385,749)
Economic services	(972,002)	(428,844)	(397,196)
Other property and services	(2,136,509)	(208,349)	(1,290,097)
<b>Total expenses</b>	<b>(12,652,080)</b>	<b>(10,121,131)</b>	<b>(11,626,277)</b>
<b>Net result for the period</b>	<b>1,855,866</b>	<b>(277,004)</b>	<b>(860,528)</b>

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

**23. FUNCTION AND ACTIVITY (Continued)**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>(c) Fees and Charges</b>			
Governance	29,936	13,500	23,957
Law, order, public safety	13,903	13,500	13,806
Health	11,962	12,612	13,642
Education and welfare	41,235	65,723	37,794
Housing	40,465	68,240	68,792
Community amenities	1,085,512	872,942	894,833
Recreation and culture	12,364	12,460	12,203
Transport	4,171	3,241	2,990
Economic services	260,093	172,555	160,182
Other property and services	19,951	20,000	33,593
	<b>1,519,592</b>	<b>1,254,773</b>	<b>1,261,792</b>

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>(d) Total Assets</b>		
Governance	1,686,998	910,768
General purpose funding	327,328	312,176
Law, order, public safety	1,162,036	831,305
Health	839,052	593,177
Education and welfare	612,320	570,805
Housing	2,820,539	1,839,650
Community amenities	4,032,135	3,745,992
Recreation and culture	27,612,083	21,837,258
Transport	92,118,127	92,567,797
Economic services	995,963	1,232,660
Other property and services	562,552	745,956
Unallocated	6,109,577	3,865,551
	<b>138,878,710</b>	<b>129,053,095</b>



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

24. RATING INFORMATION

(a) General Rates

RATE TYPE		Rate in	Number of	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2020/21		
Rate Description	Basis of valuation	\$	Properties	Actual Rateable Value *	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue	
General	Gross rental valuation	0.079956	1,406	20,427,856	1,603,612	(21,624)	(7,329)	1,574,659	1,591,761	0	0	1,591,761	1,719,021	
General	Unimproved valuation	0.011983	424	171,141,700	2,338,747	1,026	80	2,339,853	2,338,452	0	0	2,338,452	2,347,619	
<b>Sub-Total</b>			1,830	191,569,556	3,942,359	(20,598)	(7,249)	3,914,512	3,930,213	0	0	3,930,213	4,066,640	
<b>Minimum payment</b>														
		\$												
General	Gross rental valuation	565	1,197	3,881,192	636,755			636,755	630,540	0	0	630,540	583,351	
General	Unimproved valuation	565	72	72,525,445	28,815			28,815	34,465	0	0	34,465	25,332	
<b>Sub-Total</b>			1,269	76,406,637	665,570	0	0	665,570	665,005	0	0	665,005	608,683	
			3,099	267,976,193	4,607,929	(20,598)	(7,249)	4,580,082	4,595,218	0	0	4,595,218	4,675,323	
Discounts on general rates (Refer note 24(d))										0			0	(457)
<b>Total amount raised from general rates</b>										4,580,082			4,595,218	4,674,866
* Rateable value is based on the value of properties at the time the rate is raised.														
<b>(b) Rates (excluding general rates)</b>														
		Rate in												
		\$												
Port Gregory Water Supply	GRV	0.037394	55	561,589	21,000			21,000	21,000	0	0	21,000	21,002	
Kalbarri Tourism Rate	GRV	0.001821	1,759	16,088,152	30,104	(902)		29,202	30,000	0	0	30,000	30,346	
<b>Sub-Total</b>			1,814	16,649,741	51,104	(902)	0	50,202	51,000	0	0	51,000	51,348	
<b>Total amount raised from rates (excluding general rates)</b>										50,202			51,000	51,348
<b>(c) Total Rates</b>										4,630,284			4,646,218	4,726,214

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

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

24. RATING INFORMATION (Continued)

(d) Specified Area Rate

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	2021/22 Actual Rate Applied to Costs	2021/22 Actual Rate Set Aside to Reserve	2021/22 Actual Reserve Applied to Costs	2021/22 Budget Rate Applied to Costs	2021/22 Budget Rate Set Aside to Reserve	2021/22 Budget Reserve Applied to Costs
			\$	\$	\$	\$	\$	\$
Port Gregory Water Supply		Kalbarri Townsite	21,000	0	0	21,000	0	0
Kalbarri Tourism Rate		Port Gregory Townsite	29,202	0	0	30,000	0	0
			50,202	0	0	51,000	0	0

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

Rates Discounts

Rate or Fee Discount Granted	Type	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$	Circumstances in which Discount is Granted
Write Off	Rate			0	0	457	
						457	
Total discounts/concessions (Note 24)				0	0	0	457

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

24. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	07-10-22	0	0%	7.0%
<b>Option Two</b>				
First instalment	07-10-22	5.0	5.00%	7.0%
Second instalment	09-12-22	5.0	5.00%	7.0%
<b>Option Three</b>				
First instalment	07-10-22	5.0	5.00%	7.0%
Second instalment	09-12-22	5.0	5.00%	7.0%
Third instalment	10-02-23	5.0	5.00%	7.0%
Fourth instalment	15-04-23	5.0	5.00%	7.0%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	8,495	16,500	13,988
Interest on instalment plan	14,965	20,000	18,445
	23,460	36,500	32,433

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

**25. RATE SETTING STATEMENT INFORMATION**

		2021/22 Budget	2021/22	2020/21
	2021/22 (30 June 2022)	(30 June 2022)	(1 July 2021)	(30 June 2021)
Note	Carried Forward)	Carried Forward)	Brought Forward)	Carried Forward)
	\$	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
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> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	10(b)	(14,501)	(26,000)	(92,927)
Less: Fair value adjustments to financial assets at fair value through profit and loss		0	(3,738)	(3,738)
Add: Loss on disposal of assets	10(b)	634,888	10,500	1,147,848
Add: Depreciation	10(a)	2,408,508	2,353,300	2,351,791
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(5,154)	(10,642)	
Employee benefit provisions		(8,619)	7,062	
Other provisions		14,258	971,926	
<b>Non-cash amounts excluded from operating activities</b>		<b>3,029,380</b>	<b>2,337,800</b>	<b>4,371,320</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
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.				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	27	(982,603)	(956,685)	(839,610)
Less: Financial assets at amortised cost - self supporting loans	4(a)	(35,627)	(35,627)	(34,126)
- Land held for resale	7	(180,000)	(235,000)	(235,000)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	13	202,649	196,291	196,293
- Employee benefit provisions		706,956	757,961	757,960
<b>Total adjustments to net current assets</b>		<b>(288,625)</b>	<b>(273,060)</b>	<b>(154,483)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		4,828,516	1,746,756	3,387,157
Less: Total current liabilities		(2,150,328)	(1,473,696)	(1,684,410)
Less: Total adjustments to net current assets		(288,625)	(273,060)	(154,483)
<b>Net current assets used in the Rate Setting Statement</b>		<b>2,389,563</b>	<b>0</b>	<b>1,548,264</b>

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

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget				
		Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Staff Housing		189,159		(35,418)	153,741		(36,586)	117,155	153,741		(36,586)	117,155
RSL Hall Development		454,484		(46,459)	408,025		(47,420)	360,605	408,025		(47,420)	360,605
Plant Purchases		133,684		(42,800)	90,884		(44,538)	46,346	90,884		(44,538)	46,346
Plant Purchases		340,000		(31,614)	308,386		(32,122)	276,264	308,386		(32,122)	276,264
Plant Purchases (New)		0			0			0	0	100,000		100,000
<b>Total</b>		<b>1,117,327</b>	<b>0</b>	<b>(156,291)</b>	<b>961,036</b>	<b>0</b>	<b>(160,666)</b>	<b>800,370</b>	<b>961,036</b>	<b>100,000</b>	<b>(160,666)</b>	<b>900,370</b>
<b>Self Supporting Loans</b>												
Pioneer Lodge		358,025		(15,122)	342,903		(15,726)	327,177	342,904		(15,726)	327,178
Staff Housing		293,742		(19,004)	274,738		(19,901)	254,837	274,738		(19,901)	254,837
<b>Total Self Supporting Loans</b>		<b>651,767</b>	<b>0</b>	<b>(34,126)</b>	<b>617,641</b>	<b>0</b>	<b>(35,627)</b>	<b>582,014</b>	<b>617,642</b>	<b>0</b>	<b>(35,627)</b>	<b>582,015</b>
<b>Total Borrowings</b>	13	<b>1,769,094</b>	<b>0</b>	<b>(190,417)</b>	<b>1,578,677</b>	<b>0</b>	<b>(196,293)</b>	<b>1,382,384</b>	<b>1,578,678</b>	<b>100,000</b>	<b>(196,293)</b>	<b>1,482,385</b>

\* 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	Budget for year ending	Actual for year ending
						30 June 2022	30 June 2022	30 June 2021
						\$	\$	\$
Staff Housing			154	WATC	3.27%	(5,665)	(5,773)	(7,052)
RSL Hall Development			156	WATC	2.06%	(10,870)	(10,920)	(12,160)
Plant Purchases			153	WATC	4.02%	(2,976)	(3,787)	(5,008)
Plant Purchases			157	WATC	1.60%	(6,757)	(6,864)	(7,488)
<b>Total</b>						<b>(26,268)</b>	<b>(27,344)</b>	<b>(31,708)</b>
<b>Self Supporting Loans Interest Repayments</b>								
Pioneer Lodge			155	WATC	3.95%	(15,489)	(15,723)	(16,201)
Staff Housing			152	NAB	5.24%	(16,856)	(18,104)	(17,951)
<b>Total Self Supporting Loans Interest Repayments</b>						<b>(32,345)</b>	<b>(33,827)</b>	<b>(34,152)</b>
<b>Total Interest Repayments</b>	2(b)					<b>(58,613)</b>	<b>(61,171)</b>	<b>(65,860)</b>

\* WA Treasury Corporation

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

**27. RESERVE ACCOUNTS**

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) Leave reserve	230,764	5,796		236,560	230,764	6,250		237,014	253,511	6,253	(29,000)	230,764
(b) Roadworks Reserve	29,140	316		29,456	29,140	500		29,640	28,639	501		29,140
(c) Kalbarri Airport Reserve	105,473	100,062		205,535	105,473	100,100		205,573	85,422	20,051		105,473
(d) Building/Housing Reserve	131,364	136	(16,790)	114,710	131,364	500		131,864	120,863	10,501		131,364
(e) Tourism Infrastructure Reserve	0			0				0	100,000		(100,000)	0
(f) Computer Office Equipment Reserve	33,698	163		33,861	33,698	250		33,948	33,698			33,698
(g) Land Development Reserve	309,171	46,335		355,506	309,171	2,500		311,671	308,919	252		309,171
(h) Port Gregory Water Supply Reserve	0			0				0	33,987	2,513	(36,500)	0
(i) Specified Area Rate Reserve	0	6,975		6,975	0	6,975		6,975	0			0
	839,610	159,783	(16,790)	982,603	839,610	117,075	0	956,685	965,039	40,071	(165,500)	839,610
	839,610	159,783	(16,790)	982,603	839,610	117,075	0	956,685	965,039	40,071	(165,500)	839,610

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Future Use	To be used to fund annual and long service leave requirements
(b) Roadworks Reserve	Future Use	To be used to fund major reseals of bitumen roads and other major road construction works including footpath construction
(c) Kalbarri Airport Reserve	2022/2023	To be used for the maintenance and construction of the Kalbarri Airport
(d) Building/Housing Reserve	Future Use	To be used for the construction of new housing and upgrades to buildings under Council control
(e) Tourism Infrastructure Reserve	Future Use	To be used for the development of Tourism Infrastructure.
(f) Computer Office Equipment Reserve	Future Use	To be used to for the purchase and upgrade of office equipment and computers
(g) Land Development Reserve	Future Use	To be used for the development of Council land for sale on the open market.
(h) Port Gregory Water Supply Reserve	2020/2021	To be used for the replacement of the Port Gregory pipeline.
(i) Specified Area Rate Reserve	Future Use	To be used for Kalbarri Tourism advertising