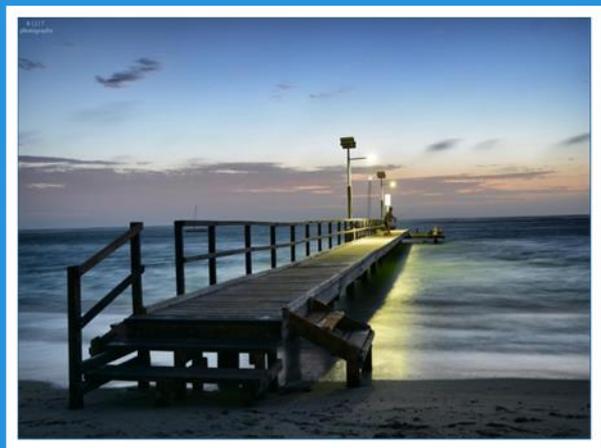




**2020/21  
ANNUAL REPORT**



## COUNCILLORS



**Cr Craig SIMKIN**  
Shire President, Northampton Ward  
Post Office, Binnu 6532  
Phone: (08) 99361048  
Email: [cr.simkin@northampton.wa.gov.au](mailto:cr.simkin@northampton.wa.gov.au)  
Elected 2011 Retires 2021



**Cr Shane KRAKOUER**  
Deputy President, Kalbarri Ward  
PO Box 486, Kalbarri 6536  
Phone: (08) 99372425  
Email: [cr.krakouer@northampton.wa.gov.au](mailto:cr.krakouer@northampton.wa.gov.au)  
Elected 2015 Retires 2023



**Cr Sandra STOCK-STANDEN**  
Northampton Ward  
PO Box 105, Northampton 6535  
Phone: (08) 99341078  
Email: [cr.stockstanden@northampton.wa.gov.au](mailto:cr.stockstanden@northampton.wa.gov.au)  
Elected 2004 Retires 2021



**Cr Elizabeth SUDLOW**  
Northampton Ward  
PO Box 19, Northampton 6535  
Phone: 0427362025  
Email: [cr.sudlow@northampton.wa.gov.au](mailto:cr.sudlow@northampton.wa.gov.au)  
Elected 2019 Retires 2023



**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 2021



**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 346, Kalbarri 6536  
Phone: 0428816950  
Email: [cr.smith@northampton.wa.gov.au](mailto:cr.smith@northampton.wa.gov.au)  
Elected 2017 Retires: 2021



**Cr Peter Stewart**

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: 2021

## **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, June and October meetings which are held in the Allen Centre, 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, being 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 2019.

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 Simkin, Krakouer, Suckling & Smith

#### Disability Services Committee

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

#### Staff Occupational, Health & Safety Committee

Cr's Hay & Krakouer

#### Senior Staff Employment Performance Review Committee

Cr's Simkin, Krakouer, Stewart, Smith & CEO

## COUNCILLOR TRAINING UNDERTAKEN

Training undertaken in 2019/20 by individual Councillors are as per the following:

**Councillor Training Record - 2019-2020**

Councillor	Training Dates	Training Provided	Cost	Location	Essential Training Requirement	Essential Training Completed
Elizabeth Sudlow	29 Jan 2020	Understanding Financial Reports & Budgets	\$475	Perth	Yes	Yes
	28 Jan 2020	Meeting Procedures	\$475	Perth	Yes	Yes
Roslyn Suckling	28 Jan 2020	Meeting Procedures	\$475	online	Yes	Yes
Des Pike	22 April 2020	Understanding LG	\$195	online	Yes	Yes
	11 May 2020	Conflicts of Interest	\$195	online	Yes	Yes
	28 Jan 2020	Meeting Procedures	\$195	online	Yes	Yes
Shane Krakouer	7 May 2020	Meeting Procedures	\$450	online	Yes	Yes
	20 June 2020	Understanding LG	\$195	online	Yes	Yes
	8 July 2020	Serving on Council	\$195	online	Yes	Yes
	18 June 2020	Conflicts of Interest	\$195	online	Yes	Yes
	18 May 2020	Understanding Financial Reports & Budgets	\$475	online	Yes	Yes



Horrocks Playground

<b>2020/21 COUNCILLOR MEETING ATTENDANCE REGISTER</b>			
<b>COUNCILLOR</b>	<b>Ordinary Meetings</b>	<b>Special Meetings</b>	<b>Committee Meetings</b>
Cr Craig Simkin (President)	10	1	3
Cr Shane Krakouer (Deputy President)	9	1	3
Cr Peter Stewart	8	1	1
Cr Stewart Smith	7	1	
Cr Des Pike	10	1	
Cr Sandra Stock-Standen	8		
Cr Roslyn Suckling	10	1	2
Cr Tim Hay	8	1	
Cr Elizabeth Sudlow	9	1	

<b>2020/21 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	\$ 5,800	\$ 500	\$ 1,386
Deputy President	\$ 3,500	\$ 2,800	\$ 500	\$ 2,322
Councillor's		\$ 17,000	\$ 500	\$ 2,298

<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	1	1
Between 55 and 64 years	3	3
Over the age of 64 years	4	4

- 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 compliant 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 CRAIG SIMKIN**

The time has come once again to submit my annual report and would like to say this will be my last as I will be standing down from Council after ten very satisfying years on Council and six years as President.

Throughout this year there has been a slow down with not a lot happening as we are still mainly in Covid-19 mode. In the previous report we were asked to freeze rates by state government and by doing this it does help our rate payers but takes away some finance to help manage Council and with the upkeep of projects although funding is still a main player. Enter cyclone Seroja on the 11 April 2021 and our region is suddenly turned upside down . The destruction that occurred has left the shire with a lot of rebuilds and shall take quite some time to put back in place. At this present moment the rebuild figure is around \$2.7million and could get to \$3.5million, all covered by insurance.

We believe that the rebuild could take as long as five years, who knows how long. I must congratulate everyone in our region for staying safe with no injuries being recorded and commend the resilience of the people and shire management for the way that you have pulled together to present our towns to a state that we were open for business and welcome visitors back.

There has been a reduction of projects throughout the year mainly due to the COVID and cyclone events. Since the ILUA, {Indigenous Land Use Agreement) was settled, land under shire control was relinquished to native title being the Lucky Bay camping node and the Pink Lake area . As of 1st July 2020, Lucky Bay has been put under DBCA {Parks and Wildlife) to manage and control.

The Pink Lake, which Shire was in consultation with Mid West Development Commission to improve, is now under the management of the Yamitja Marpla Corporation who are to progress with the development of the area to build a greater tourism and cultural area.

Council was successful in obtaining funding to prepare a CHRMAP for Horrocks Beach within the 2018/19 financial year, with the preparation of the plan completed. The purpose of the CHRMAP is to identify coastal hazards, evaluate their likelihood and consequences for specific assets, and identify management and adaption responses to the risks as well as prioritise these responses. Council appointed consultant GHD who completed the drafts of the Coastal Hazard Assessment together with development of the Final Report of the CHRMAP for Horrocks Beach. The Plan was advertised in March/April 2020 and due to Covid-19 the advertising period was extended for an additional 60 days over April to June in lieu of the Community Information Session. The Draft Horrocks Coastal Hazard Risk Management and Adaption Plan was presented to Council at their September meeting and adopted .

During the 2020 year the Council went out to consultation in different areas within our region to assess what the residents believed were the requirements in the Shire to formulate a strategic plan from 2020-2030. This has now been adopted and will be

implemented as we move through the years ahead. One main issue that still hasn't been resolved is the recommencing of a regular passenger transport service to Kalbarri which unfortunately is out of the control of Council to resolve. Another is the Northampton bypass which I must say I am disappointed in as thought we would have it by now. Tourism is still high on the plan as is aged care housing and short term accommodation.

One project that has come to our region is Australian Garnet sand mine near Lucky Bay. This mine is now in construction phase with a team of around 70 personal and should go into production phase about the second quarter of 2022. Once in production it is envisaged that the mine will have a staff of 70 full time workers. This is terrific for our region as the company wish to employ all staff from in and around our region.

Regards the Hydrogen plant proposal on Murchison House Station, this is now having wind assessment towers located so watch this progress.

I need to thank many people in my time on Shire and firstly to all the Councilors that I have sat in the chambers with during the ten years. There have been issues at times but none that could not be resolved over time. Also the good times like going to WALGA week and trying different restaurants and meeting other council members. To Garry Keeffe (CEO) who has done a power of work in the last two years and his wonderful office staff, many thanks and to Neil Broadhurst (Manager for Works and Technical Services) and works staff, thank you. To a couple of long time work staff employees I would sincerely congratulate Joe Tarchini on his retirement in December 2020 and also to Dale Maver who has been on long service and has since retired. Well done all.

In closing I wish the Council and residents all the best in going forward.





## **CHIEF EXECUTIVE OFFICERS REPORT**

It is with pleasure to present my annual report on the 2020/2021 year of operations of the Shire of Northampton.

This is my 25<sup>th</sup> year being the CEO for 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 towards the end of 2020/21 and is continuing.

There were 60 Council owned buildings that were damaged, from minor to total destruction. Those destroyed were the Ajana Hall, Northampton Exhibition Hall, Kalbarri Community Hall, Sally's Tree and Chinaman's Beach ablutions. Since the assessments on the buildings the Northampton Stud Breeders Shed and the residence located at the Northampton Works Depot have now also been assessed as not structurally sound and will require demolition.

Some buildings will not be replaced which others still under consideration to be with replaced or alternative options for their use to be considered.

As with many property owners, the Council is waiting on a large number of works to commence and delays in building materials is a major issue. We all need to be patient and recognise that the rebuild of the Shire will take some time, even years.

The cyclone threw many challenges to Council Management and general staff, and I take this opportunity to sincerely thank all staff for their tireless efforts in the weeks following the cyclone from clean ups to attending to community needs. It was a magnificent effort by all.

## **STAFFING**

A change in the Senior Management staff occurred with the retirement of the Principal Building Surveyor Mr Glenn Bangay. Mr Bangay served 12 years on Council, and we thank him for his service.

At the time of the resignation the number of building applications being received were very low and the Council resolved not to re-employ a Building Surveyor and that a consulting Building Surveyor firm be engaged, which occurred.

However due to cyclone Seroja creating a large volume of building applications for repair and renewal, Mr Bangay has been re-employed to assist with this influx. The consulting Building Surveyor firm has also been retained as has the employing of additional administration staff to assist.

The re-employing of a full time Building Surveyor is to be considered in the 2021/22 financial year.

Other changes in staff were the retirement of Joe Tarchini after serving 35 years on the Council works staff section in various roles. We thank Joe 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 2020 of \$1,846,346. This surplus cash position includes restricted cash of \$993,737 associated with the following:

Prepaid Financial Assistance Grant	\$903,939
ESL for BFS & SES received in advance	\$ 10,484
LRCI Grant carry over to 2021/22	\$200,441
Unexpended Insurance Advance	\$170,245

### 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	\$4,653,439
General Purpose Grant	\$1,573,802
Road Grants	\$1,515,833
Refuse Charges	\$ 788,100
Other Government Grants	\$ 423,300
Fees/Charges, reimbursements	\$ 731,588
Interest on Investments	\$ 36,087
Asset Sales	\$ 114,400
Rebates & Commissions	\$ 106,620
Loan Funds Utilised	\$ 340,000
Self Supporting Loan Payments	\$ 76,727

## MAJOR PROJECTS ACHIEVED IN 2020/21

Council received Federal Government Funding through the Local Roads and Community Infrastructure Program with the following projects being achieved in 2020/21:

- Installation of LED Notice Boards in Northampton and Kalbarri for Council and community promotion of events, meetings etc.
- Construction of new public toilets at Kings Park, Northampton
- Construction of new ablutions and car park at Jakes Point (note partially funded by Council).
- Construction of Long Vehicle and Coach Bus parking at rear of Allen Centre (works be completed early 2021/22.)
- Installation of a new playground at Horrocks.

Other major projects were:

- Re-surfacing of Kalbarri netball/tennis/basketball courts.
- Completion of refurbishment of steel frames at Horrocks Ablutions and Community Kitchens.
- Assisted Northampton Bowling Club with the installation of a new synthetic green.
- Assisted Northampton Men's Shed with construction of their new shed.
- Installation of new generators at Kalbarri Airport.

Road Works Projects undertaken:

- Reconstruct and bitumen seal Bateman Street, Northampton.
- Reconstruct and seal southern section of Fifth Avenue, Northampton.
- Construct parallel parking on Grey Street, Kalbarri.
- Re-seals of a number of streets, Kalbarri Road, Binu East Road.

Footpaths constructed:

- Essex Street – section from long vehicle parking to RSL Hall and Northampton Visitors Centre.
- Red Bluff Road – section from Red Bluff Road to Red Bluff ablutions car park
- Hackney Street – section from Kalbarri School car park to Walker Street.

Road Plant Changeovers:

- Six Wheel Tip Truck and tandem axle Pig tipping trailer.
- Installation of roll tarps on trucks and trailers (only partially complete)
- Maintenance Truck (to be delivered now in 2021/22)

Due to Cyclone Seroja a number of road works projects had to be deferred due to expenditure requirements for the cleanup after the cyclone. These projects are relisted for inclusion in the 2021/22 Budget.

## 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 2020/21 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 provide detail 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 at the 21<sup>st</sup> May 2021 meeting and due to the aftermath of cyclone Seroja a number of proposed work have had to be deferred or cancelled. The following changes were made:

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

- Kings Park Ablutions be deleted from plan as were constructed in 2020/21 through the Local Roads and Community Infrastructure Project.
- Kalbarri Marina Ablutions – be constructed in 2021/22.

### **Recreational Renewal**

- Sealing of Port Gregory BBQ & Car Park – works to be considered in 2023/24
- Kalbarri Foreshore – all future works to be deferred until a plan for future works has been developed. Plan to be prepared in association with the community.
- Kalbarri Foreshore - the provision of gym equipment proposed to be located on the Kalbarri foreshore parkland no longer be considered and the project be deleted from the Corporate Business Plan.
- That the Pump Tracks for Horrocks and Northampton be deferred until 2021/22.

### **Roadworks**

- Maver Street - the installing of kerb and drainage be listed for 2024/25.
- Murchison House Station Road – gravel reconstruction be considered in 2025/26 at an estimated cost of \$393,000.
- That due to Cyclone Seroja, that Council defers the following programmed works to 2021/22 of the Corporate Business Plan:
  - Karina Mews - reseal and replace kerbing \$41,000
  - Smith Street - asphalt reseal and replace kerbing \$90,000
  - Glance Street – reseal \$22,000
- The reconstruction and bitumen sealing of the Jakes Point Car Park be deferred until to 2025/26 to allow the natural elements redefine the beach front area to determine future car park construction works.

### **Footpaths**

- The construction of a footpath along Kaiber Street, Kalbarri to be considered in 2022/.
- The construction of a footpath on Blue Holes Road be considered beyond 2025.
- The construction of a dual use pathway along Red Bluff Road be deferred to 2022/23 due to funding impending for this project.
- The construction of a pathway on Auger Street be deferred until 2023/24.

### **Kalbarri Airport**

- The re-sealing of the Kalbarri airstrip and apron areas be deferred until 2022/23.

## **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.

## 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:

Number of complaints recorded in the register	How complaints were dealt with	Other details that the regulations require
5	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.

Range in increments of \$10,000	Number of Employees within each range
\$170,000 - \$180,000	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 2020/2021 was \$ 186,522.

## **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 on 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 2020/21 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.

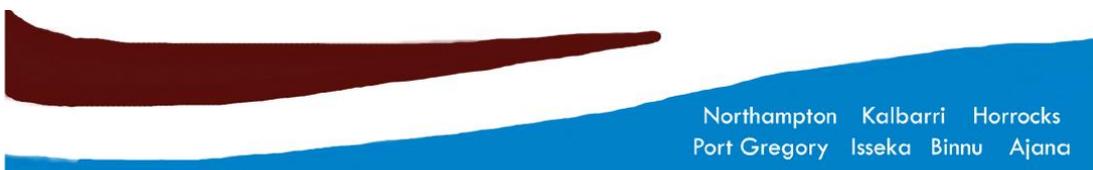
## CONCLUSION

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 wish to recognise and thank the support and the workload of the Shire President Cr Craig Simkin throughout the year and in particular during the cyclone aftermath. Cr Simkin was instrumental in getting "the job done" in getting Kalbarri back on its feet.

I also take this opportunity to thank the many residents who have assisted Council in some form in achieving its goals and objectives throughout 2020/21.

## 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) (2016 Census)	3,319
Number of Employees	40 (FTE)

## Suburbs & Localities

Northampton, Kalbarri, Horrocks Beach, Port Gregory, Binu, 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 usually 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**

Don't 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 lots 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.

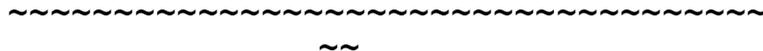
They can be installed by raking, scraping, ploughing, cultivating, scarifying, or chemical spraying. If any of these methods are impracticable, please contact the Bush Fire Control Officer, Mr Robert McKenzie on (08) 99341202, your local Fire Control Officer or the Shire Office.

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 2021**

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**COMMUNITY VISION**

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

Principal place of business:  
199 Hampton Road  
Northampton W.A 6535

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

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed on the 16 day of December 2021



Chief Executive Officer

Garry L Keeffe



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Rates	24(a)	4,726,214	4,720,586	4,709,139
Operating grants, subsidies and contributions	2(a)	3,442,918	2,000,206	2,690,764
Fees and charges	2(a)	1,261,792	1,174,701	1,258,415
Interest earnings	2(a)	45,676	82,500	75,737
Other revenue	2(a)	500,000	0	0
		<b>9,976,600</b>	<b>7,977,993</b>	<b>8,734,055</b>
<b>Expenses</b>				
Employee costs		(3,611,337)	(3,675,853)	(3,384,466)
Materials and contracts		(3,378,417)	(2,513,572)	(2,281,487)
Utility charges		(375,722)	(346,790)	(402,004)
Depreciation on non-current assets	10(b)	(2,351,791)	(2,240,500)	(2,238,473)
Interest expenses	2(b)	(65,860)	(68,476)	(68,090)
Insurance expenses		(196,519)	(198,215)	(177,465)
Other expenditure	2(b)	(498,783)	(504,546)	(546,118)
		<b>(10,478,429)</b>	<b>(9,547,952)</b>	<b>(9,098,103)</b>
		<b>(501,829)</b>	<b>(1,569,959)</b>	<b>(364,048)</b>
Non-operating grants, subsidies and contributions	2(a)	692,484	682,484	1,519,153
Profit on asset disposals	10(a)	92,927	62,500	14,007
(Loss) on asset disposals	10(a)	(1,147,848)	(12,000)	(182,954)
Fair value adjustments to financial assets at fair value through profit or loss		3,738	0	0
		<b>(358,699)</b>	<b>732,984</b>	<b>1,350,206</b>
		<b>(860,528)</b>	<b>(836,975)</b>	<b>986,158</b>
<b>Net result for the period</b>				
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	(178,840)	0	0
		<b>(178,840)</b>	<b>0</b>	<b>0</b>
<b>Total other comprehensive income for the period</b>				
		<b>(1,039,368)</b>	<b>(836,975)</b>	<b>986,158</b>
<b>Total comprehensive income for the period</b>				

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
	2(a)			
Governance		101,188	69,400	90,708
General purpose funding		6,991,227	6,082,050	6,491,553
Law, order, public safety		126,317	75,621	180,964
Health		29,364	34,612	32,564
Education and welfare		256,369	216,658	224,288
Housing		76,002	77,836	67,851
Community amenities		920,839	868,847	887,642
Recreation and culture		188,455	30,065	93,438
Transport		189,572	183,646	180,812
Economic services		224,989	196,965	310,602
Other property and services		872,278	142,293	173,633
		<b>9,976,600</b>	<b>7,977,993</b>	<b>8,734,055</b>
<b>Expenses</b>				
	2(b)			
Governance		(890,489)	(857,374)	(934,238)
General purpose funding		(299,829)	(279,797)	(268,589)
Law, order, public safety		(395,978)	(364,629)	(434,169)
Health		(202,937)	(225,918)	(200,788)
Education and welfare		(238,806)	(249,102)	(98,599)
Housing		(74,654)	(70,823)	(93,330)
Community amenities		(1,606,546)	(1,621,783)	(1,578,943)
Recreation and culture		(1,665,141)	(1,742,758)	(1,542,891)
Transport		(3,373,253)	(3,743,596)	(3,087,782)
Economic services		(392,790)	(303,696)	(545,256)
Other property and services		(1,272,146)	(20,000)	(245,428)
		<b>(10,412,569)</b>	<b>(9,479,476)</b>	<b>(9,030,013)</b>
<b>Finance Costs</b>				
	2(b)			
Education and welfare		(16,200)	(16,435)	(16,920)
Housing		(7,052)	(7,156)	(8,397)
Recreation and culture		(12,161)	(12,210)	(13,616)
Transport		(12,496)	(13,382)	(8,593)
Other property and services		(17,951)	(19,293)	(20,564)
		<b>(65,860)</b>	<b>(68,476)</b>	<b>(68,090)</b>
		<b>(501,829)</b>	<b>(1,569,959)</b>	<b>(364,048)</b>
Non-operating grants, subsidies and contributions	2(a)	692,484	682,484	1,519,153
Profit on disposal of assets	10(a)	92,927	62,500	14,007
(Loss) on disposal of assets	10(a)	(1,147,848)	(12,000)	(182,954)
Fair value adjustments to financial assets at fair value through profit or loss		3,738	0	0
		<b>(358,699)</b>	<b>732,984</b>	<b>1,350,206</b>
<b>Net result for the period</b>		<b>(860,528)</b>	<b>(836,975)</b>	<b>986,158</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	11	(178,840)	0	0
<b>Total other comprehensive income for the period</b>		<b>(178,840)</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>(1,039,368)</b>	<b>(836,975)</b>	<b>986,158</b>

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

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

	NOTE	2021	2020
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	2,524,567	2,788,706
Trade and other receivables	6	587,673	456,672
Other financial assets	5(a)	34,126	52,444
Inventories	7	240,791	244,514
<b>TOTAL CURRENT ASSETS</b>		<b>3,387,157</b>	<b>3,542,336</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	90,278	79,636
Other financial assets	5(b)	657,316	686,468
Property, plant and equipment	8	27,231,977	28,433,105
Infrastructure	9	97,686,367	96,426,844
<b>TOTAL NON-CURRENT ASSETS</b>		<b>125,665,938</b>	<b>125,626,053</b>
<b>TOTAL ASSETS</b>		<b>129,053,095</b>	<b>129,168,389</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	569,592	477,282
Other liabilities	13	200,441	88,223
Borrowings	14(a)	196,293	190,417
Employee related provisions	15	718,084	787,109
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,684,410</b>	<b>1,543,031</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14(a)	1,382,384	1,578,677
Employee related provisions	15	71,708	64,646
Other provisions	16	971,926	0
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,426,018</b>	<b>1,643,323</b>
<b>TOTAL LIABILITIES</b>		<b>4,110,428</b>	<b>3,186,354</b>
<b>NET ASSETS</b>		<b>124,942,667</b>	<b>125,982,035</b>
<b>EQUITY</b>			
Retained surplus		83,662,580	84,397,679
Reserves - cash/financial asset backed	4	839,610	965,039
Revaluation surplus	11	40,440,477	40,619,317
<b>TOTAL EQUITY</b>		<b>124,942,667</b>	<b>125,982,035</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 2021**

		RESERVES CASH/FINANCIAL		
	NOTE	RETAINED SURPLUS	ASSET BACKED	REVALUATION SURPLUS
		\$	\$	\$
		\$	\$	\$
<b>Balance as at 1 July 2019</b>		<b>83,450,432</b>	<b>926,128</b>	<b>40,619,317</b>
<b>Restated balance at the beginning of the financial year</b>		<b>83,450,432</b>	<b>926,128</b>	<b>40,619,317</b>
Comprehensive income				
Net result for the period		986,158	0	0
Total comprehensive income		986,158	0	0
Transfers from reserves	4	58,694	(58,694)	0
Transfers to reserves	4	(97,605)	97,605	0
<b>Balance as at 30 June 2020</b>		<b>84,397,679</b>	<b>965,039</b>	<b>40,619,317</b>
Comprehensive income				
Net result for the period		(860,528)	0	0
Other comprehensive income	11	0	0	(178,840)
Total comprehensive income		(860,528)	0	(178,840)
Transfers from reserves	4	165,500	(165,500)	0
Transfers to reserves	4	(40,071)	40,071	0
<b>Balance as at 30 June 2021</b>		<b>83,662,580</b>	<b>839,610</b>	<b>40,440,477</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 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		4,821,716	4,720,586	4,738,694
Operating grants, subsidies and contributions		3,313,502	2,000,206	2,817,291
Fees and charges		1,277,619	1,174,701	1,258,415
Interest received		45,676	82,500	75,737
Goods and services tax received		4,143	0	0
Other revenue		500,000	0	0
		9,962,656	7,977,993	8,890,137
<b>Payments</b>				
Employee costs		(3,622,899)	(3,675,853)	(3,256,844)
Materials and contracts		(3,348,266)	(2,513,572)	(2,619,049)
Utility charges		(375,722)	(346,790)	(402,004)
Interest expenses		(65,860)	(68,476)	(68,090)
Insurance paid		(196,519)	(198,215)	(177,465)
Goods and services tax paid		0	0	(21,167)
Other expenditure		(498,783)	(504,546)	(546,118)
		(8,108,049)	(7,307,452)	(7,090,737)
<b>Net cash provided by (used in) operating activities</b>	17	1,854,607	670,541	1,799,400
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(924,473)	(1,112,490)	(1,099,601)
Payments for construction of infrastructure	9(a)	(1,962,232)	(2,150,855)	(2,649,683)
Non-operating grants, subsidies and contributions	2(a)	692,484	682,484	1,519,153
Proceeds from financial assets at amortised cost - self supporting loans		35,156	34,126	36,391
Proceeds from financial assets at amortised cost - term deposits		16,052	0	(16,053)
Proceeds from sale of property, plant & equipment	10(a)	214,682	206,000	117,905
<b>Net cash provided by (used in) investment activities</b>		(1,928,331)	(2,340,735)	(2,091,888)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(190,417)	(190,417)	(157,325)
Proceeds from new borrowings	14(b)	0	0	340,000
<b>Net cash provided by (used in) financing activities</b>		(190,417)	(190,417)	182,675
<b>Net increase (decrease) in cash held</b>		(264,141)	(1,860,611)	(109,813)
Cash at beginning of year		2,788,706	2,738,115	2,898,521
<b>Cash and cash equivalents at the end of the year</b>	17	2,524,565	877,504	2,788,706

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	25 (b)	1,711,253	1,815,811	1,763,871
		1,711,253	1,815,811	1,763,871
<b>Revenue from operating activities (excluding rates)</b>				
Governance		119,037	81,900	102,552
General purpose funding		2,316,361	1,412,464	1,823,957
Law, order, public safety		126,317	75,621	180,964
Health		29,364	34,612	32,564
Education and welfare		256,369	216,658	224,288
Housing		76,002	77,836	67,851
Community amenities		920,839	868,847	887,642
Recreation and culture		188,455	30,065	93,438
Transport		244,973	233,646	182,975
Economic services		248,404	196,965	310,602
Other property and services		872,278	142,293	173,633
		5,398,399	3,370,907	4,080,466
<b>Expenditure from operating activities</b>				
Governance		(890,489)	(857,374)	(937,381)
General purpose funding		(299,829)	(279,797)	(268,589)
Law, order, public safety		(395,978)	(364,629)	(434,169)
Health		(202,937)	(225,918)	(200,788)
Education and welfare		(255,006)	(265,537)	(266,349)
Housing		(187,770)	(77,979)	(101,727)
Community amenities		(1,842,209)	(1,621,783)	(1,584,757)
Recreation and culture		(2,479,017)	(1,754,968)	(1,556,507)
Transport		(3,385,749)	(3,756,978)	(3,119,542)
Economic services		(397,196)	(315,696)	(545,256)
Other property and services		(1,290,097)	(39,293)	(265,992)
		(11,626,277)	(9,559,952)	(9,281,057)
Non-cash amounts excluded from operating activities	25(a)	4,371,320	2,190,000	2,412,450
<b>Amount attributable to operating activities</b>		(145,305)	(2,183,234)	(1,024,270)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	692,484	682,484	1,519,153
Proceeds from disposal of assets	10(a)	214,682	206,000	117,905
Proceeds from financial assets at amortised cost - self supporting loans		35,156	34,126	36,391
Purchase of property, plant and equipment	8(a)	(924,473)	(1,112,490)	(1,099,601)
Purchase and construction of infrastructure	9(a)	(2,934,158)	(2,150,855)	(2,649,683)
		(2,916,309)	(2,340,735)	(2,075,835)
<b>Amount attributable to investing activities</b>		(2,916,309)	(2,340,735)	(2,075,835)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	14(b)	(190,417)	(190,417)	(157,325)
Proceeds from borrowings	14(c)	0	0	340,000
Transfers to reserves (restricted assets)	4	(40,071)	(55,200)	(97,605)
Transfers from reserves (restricted assets)	4	165,500	100,000	58,694
<b>Amount attributable to financing activities</b>		(64,988)	(145,617)	143,764
<b>Surplus/(deficit) before imposition of general rates</b>		(3,126,602)	(4,669,586)	(2,956,341)
<b>Total amount raised from general rates</b>	24(a)	4,674,866	4,669,586	4,667,596
<b>Surplus/(deficit) after imposition of general rates</b>	25(b)	<b>1,548,264</b>	<b>0</b>	<b>1,711,253</b>

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

**SHIRE OF NORTHAMPTON**  
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**FOR THE YEAR ENDED 30 JUNE 2021**

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

**1. BASIS OF PREPARATION**

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

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

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

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

**THE LOCAL GOVERNMENT REPORTING ENTITY**

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 27 to these financial statements.

**INITIAL APPLICATION OF ACCOUNTING STANDARDS**

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

These were:

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

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

**NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS**

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

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

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

**CRITICAL ACCOUNTING ESTIMATES**

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

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

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

- Employee expenses
- Land held for resale
- Other financial assets
- Property, Plant and Equipment
- Infrastructure
- Borrowing liabilities
- Provisions

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

**2. REVENUE AND EXPENSES**

**(a) Grant revenue**

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Operating grants, subsidies and contributions</b>			
Governance	80,968	57,700	78,301
General purpose funding	2,270,684	1,329,964	1,748,221
Law, order, public safety	112,510	61,621	166,763
Health	15,722	23,000	20,912
Education and welfare	218,575	150,223	168,925
Housing	7,210	8,000	8,165
Community amenities	26,007	41,600	51,901
Recreation and culture	176,253	17,400	81,179
Transport	186,582	180,405	178,072
Economic services	13,459	8,000	34,239
Other property and services	334,948	122,293	154,086
	3,442,918	2,000,206	2,690,764
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	0	0	10,000
Recreation and culture	10,000	0	165,895
Transport	682,484	682,484	1,343,258
	692,484	682,484	1,519,153
<b>Total grants, subsidies and contributions</b>	<b>4,135,402</b>	<b>2,682,690</b>	<b>4,209,917</b>
<b>Fees and charges</b>			
Governance	23,957	11,700	12,407
Law, order, public safety	13,806	14,000	14,200
Health	13,642	11,612	11,652
Education and welfare	37,794	66,435	55,363
Housing	68,792	69,836	59,686
Community amenities	894,833	827,247	835,741
Recreation and culture	12,203	12,665	12,259
Transport	2,990	3,241	2,741
Economic services	160,182	137,965	234,819
Other property and services	33,593	20,000	19,547
	1,261,792	1,174,701	1,258,415

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Grants, subsidies and contributions**

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

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

**Fees and Charges**

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

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

**Contracts with customers and transfers for recognisable non-financial assets**

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	3,442,918	2,000,206	2,690,764
Fees and charges	1,261,792	1,174,701	1,258,415
Non-operating grants, subsidies and contributions	692,484	682,484	1,519,153
	<u>5,397,194</u>	<u>3,857,391</u>	<u>5,468,332</u>

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

Revenue from contracts with customers included as a contract liability at the start of the period	88,223	0	0
Revenue from contracts with customers recognised during the year	4,616,487	3,174,907	3,949,179
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	692,484	682,484	1,519,153
	<u>5,397,194</u>	<u>3,857,391</u>	<u>5,468,332</u>

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

Trade and other receivables from contracts with customers	327,363		84,131
Contract liabilities from contracts with customers	(200,441)	0	(88,223)

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

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

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

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

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

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

**Revenue from statutory requirements**

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

General rates  
 Specified area rates

**Other revenue**

Reimbursements and recoveries

**Interest earnings**

Interest on reserve funds  
 Rates instalment and penalty interest (refer Note 24(c))  
 Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
	4,674,866	4,669,586	4,669,537
	51,348	51,000	41,543
	<u>4,726,214</u>	<u>4,720,586</u>	<u>4,711,080</u>
	500,000	0	0
	<u>500,000</u>	<u>0</u>	<u>0</u>
	5,070	20,200	12,605
	32,433	52,500	39,650
	8,173	9,800	23,482
	<u>45,676</u>	<u>82,500</u>	<u>75,737</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

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

**Interest earnings (continued)**

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

**SHIRE OF NORTHAMPTON**  
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**2. REVENUE AND EXPENSES (Continued)**

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report

**Interest expenses (finance costs)**

Borrowings

**Other expenditure**

Other expenditure

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
	40,000	40,000	40,000
	40,000	40,000	40,000
14(b)	65,860	68,476	68,090
	65,860	68,476	68,090
	498,783	504,546	546,118
	498,783	504,546	546,118

**SHIRE OF NORTHAMPTON**  
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**2. REVENUE AND EXPENSES**

**REVENUE RECOGNITION POLICY**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general rates	General rates	Over time	Payment dates adopted by council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Rates - specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the funding body	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations
Grants, subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment of the licence, registration or approval
Fees and charges - pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Fees and charges - waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - waste management tipping fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment at site or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Fees and charges -property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges - child care	Childcare fees and membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, photocopying, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Fees and charges - sale of stock (Hats, Caps etc)	Merchandise stock	Single point in time	In full in advance, on 30 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by council through local law	When taxable event occurs	Not applicable	When fine notice is issued
Other revenue - commissions	Commissions on licencing	Over time	Payment in arrears	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Other revenue - reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

**SHIRE OF NORTHAMPTON**  
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**FOR THE YEAR ENDED 30 JUNE 2021**

**3. CASH AND CASH EQUIVALENTS**

<b>NOTE</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	1,684,957	1,823,667
Term deposits	839,610	965,039
<b>Total cash and cash equivalents</b>	<b>2,524,567</b>	<b>2,788,706</b>
<b>Restrictions</b>		
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:		
- Cash and cash equivalents	1,076,042	1,067,770
- Financial assets at amortised cost	0	16,053
	<b>1,076,042</b>	<b>1,083,823</b>
The restricted assets are a result of the following specific purposes to which the assets may be used:		
Reserves - cash/financial asset backed	4	839,610
Bonds and Deposits	12	35,991
Contract liabilities from contracts with customers	13	200,441
<b>Total restricted assets</b>	<b>1,076,042</b>	<b>1,083,823</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

**Restricted assets**

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

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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4. RESERVES - CASH/FINANCIAL ASSET BACKED	2021 Actual	2021 Actual	2021 Actual	2021 Actual	2021 Budget	2021 Budget	2021 Budget	2021 Budget	2020 Actual	2020 Actual	2020 Actual	2020 Actual
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	253,511	6,253	(29,000)	230,764	253,511	10,000	0	263,511	246,008	7,503	0	253,511
(b) Roadworks Reserve	28,639	501	0	29,140	28,639	2,000	0	30,639	27,641	998	0	28,639
(c) Kalbarri Airport Reserve	85,422	20,051	0	105,473	85,422	20,200	0	105,622	65,315	20,107	0	85,422
(d) Building/Housing Reserve	120,863	10,501	0	131,364	120,863	12,000	0	132,863	109,865	10,998	0	120,863
(e) Tourism Infrastructure Reserve	100,000	0	(100,000)	0	100,000	0	(100,000)	0	100,000	0	0	100,000
(f) Computer Office Equipment Reserve	33,446	252	0	33,698	33,446	1,000	0	34,446	32,944	502	0	33,446
(g) Land Development Reserve	306,658	2,513	0	309,171	306,658	10,000	0	316,658	249,161	57,497	0	306,658
(h) Port Gregory Water Supply Reserve	36,500	0	(36,500)	0	36,500	0	0	36,500	36,500	0	0	36,500
(i) Specified Area Rate Reserve	0	0	0	0	0	0	0	0	58,694	0	(58,694)	0
	965,039	40,071	(165,500)	839,610	965,039	55,200	(100,000)	920,239	926,128	97,605	(58,694)	965,039

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets 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	Ongoing	To be used to fund annual and long service leave requirements
(b) Roadworks Reserve	Ongoing	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	Ongoing	To be used for the construction of new housing and upgrades to buildings under Council control
(e) Tourism Infrastructure Reserve	2020/2021	To be used to for the development of tourism infrastructure
(f) Computer Office Equipment Reserve	Ongoing	To be used to for the purchase and upgrade of office equipment and computers
(g) Land Development Reserve	Ongoing	To be used for the development of Council land for sale on the open market.
(h) Port Gregory Water Supply Reserve	Ongoing	To be used for the replacement of the Port Gregory pipeline.
(i) Specified Area Rate Reserve	2019/2020	To be used for Kalbarri tourism advertising.

## 5. OTHER FINANCIAL ASSETS

### (a) Current assets

Financial assets at amortised cost

#### Other financial assets at amortised cost

Term deposits - Retention Bonds

Self supporting loans

### (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

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

Units in Local Government House Trust

	2021	2020
	\$	\$
	34,126	52,444
	34,126	52,444
	0	16,053
	34,126	36,391
	34,126	52,444
	583,509	616,400
	73,807	70,068
	657,316	686,468
	583,509	616,400
	583,509	616,400
	73,807	70,068
	73,807	70,068

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 14(b) as self supporting loans.

### SIGNIFICANT ACCOUNTING POLICIES

#### Other financial assets at amortised cost

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

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

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

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

- 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 26.

## 6. TRADE AND OTHER RECEIVABLES

### Current

Rates receivable
Trade and other receivables
GST receivable
Other receivables - Rubbish
Emergency Services Levy

### Non-current

Pensioner's rates and ESL deferred
------------------------------------

2021	2020
\$	\$
179,502	270,165
327,363	84,131
17,024	21,167
21,389	37,216
42,395	43,993
<b>587,673</b>	<b>456,672</b>
90,278	79,636
<b>90,278</b>	<b>79,636</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other receivables

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

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

#### Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 26.

### SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Classification and subsequent measurement

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

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

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

## 7. INVENTORIES

### Current

Fuel and materials  
 Land Held for Resale

The following movements in inventories occurred during the year:

### Balance at beginning of year

Inventories expensed during the year

Additions to inventory

### Balance at end of year

	2021	2020
	\$	\$
	5,791	9,514
	235,000	235,000
	240,791	244,514
	244,514	246,005
	(217,465)	(279,778)
	213,742	278,287
	240,791	244,514

## 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.

## 8. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Balances

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

	Land	Buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	4,183,177	21,159,116	25,342,293	70,949	3,093,763	28,507,005
Additions	0	698,106	698,106	18,705	382,790	1,099,601
(Disposals)	(55,000)	(150,830)	(205,830)	(3,143)	(77,879)	(286,852)
Depreciation (expense)	0	(408,963)	(408,963)	(15,446)	(462,240)	(886,649)
<b>Balance at 30 June 2020</b>	4,128,177	21,297,429	25,425,606	71,065	2,936,434	28,433,105
<b>Comprises:</b>						
Gross balance amount at 30 June 2020	4,128,177	22,498,140	26,626,317	127,221	4,531,652	31,285,190
Accumulated depreciation at 30 June 2020	0	(1,200,711)	(1,200,711)	(56,156)	(1,595,218)	(2,852,085)
<b>Balance at 30 June 2020</b>	4,128,177	21,297,429	25,425,606	71,065	2,936,434	28,433,105
Additions	0	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	0	(833)	(833)	0	0	(833)
Depreciation (expense)	0	(410,652)	(410,652)	(18,033)	(503,895)	(932,580)
<b>Balance at 30 June 2021</b>	4,128,177	20,260,208	24,388,385	128,336	2,715,258	27,231,979
<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

## 8. PROPERTY, PLANT AND EQUIPMENT (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>Land and buildings</b>					
Land	2/3	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2017	Price per hectare/ market borrowing rate
Buildings	2/3	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2017	Replacement cost, residual value, short life/long life split, pattern of consumption and consumption score.

### (ii) Cost

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

**SHIRE OF NORTHAMPTON**  
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**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.

	Other 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 2019</b>	79,719,033	2,831,189	5,634,930	5,055,301	1,888,531	0	0	95,128,984
Additions	1,901,317	332,450	0	372,595	0	43,321		2,649,683
Depreciation (expense)	(1,048,964)	(55,336)	(71,328)	(133,910)	(42,285)	0	0	(1,351,823)
<b>Balance at 30 June 2020</b>	80,571,386	3,108,303	5,563,602	5,293,986	1,846,246	43,321	0	96,426,844
<b>Comprises:</b>								
Gross balance at 30 June 2020	82,624,145	3,210,046	5,706,258	5,557,916	1,930,816	43,321	0	99,072,502
Accumulated depreciation at 30 June 2020	(2,052,759)	(101,743)	(142,656)	(263,930)	(84,570)	0	0	(2,645,658)
<b>Balance at 30 June 2020</b>	80,571,386	3,108,303	5,563,602	5,293,986	1,846,246	43,321	0	96,426,844
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)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	(178,007)	0	0		(178,007)
Depreciation (expense)	(1,087,049)	(62,015)	(71,328)	(153,976)	(42,652)	(2,191)		(1,419,211)
<b>Balance at 30 June 2021</b>	80,588,550	3,422,909	5,492,274	5,345,313	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

SHIRE OF NORTHAMPTON  
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9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Other infrastructure - Roads	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
Other infrastructure - Footpaths and Ca	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
Other infrastructure - Drainage	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
Other infrastructure - Parks & Ovals	3	Recurring and non-recurring fair value measurements based on physical inspection of assets capturing asset age, type and condition.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - Airport	3	Recurring and non-recurring fair value measurements based on physical inspection of assets capturing asset age, type and condition.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

## 10. FIXED ASSETS

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

#### Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

#### Revaluation

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

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY Revaluation (Continued)

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

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

#### Land under roads from 1 July 2019

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

#### Vested improvements from 1 July 2019

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

Refer to Note 10 that details the significant accounting policies applying to leases (including right-of-use assets).

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

**10. FIXED ASSETS**

**(a) Disposals and Asset write-off**

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	0	0	0	0	55,000	49,186	0	(5,814)
Buildings	1,066,025	0	0	(1,066,025)	0	0	0	0	150,830	0	0	(150,830)
Furniture and equipment	0	0	0	0	0	0	0	0	3,143	0	0	(3,143)
Plant and equipment	126,161	214,682	92,927	(4,406)	155,500	206,000	62,500	(12,000)	77,879	68,719	14,007	(23,167)
Other infrastructure - Parks & C	77,417	0	0	(77,417)	0	0	0	0	0	0	0	0
	1,269,603	214,682	92,927	(1,147,848)	155,500	206,000	62,500	(12,000)	286,852	117,905	14,007	(182,954)

The following assets were disposed and written-off during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$
<b>Governance</b>				
P274 - Isuzu MUX - DCEO	6,798	20,909	14,111	0
<b>Housing</b>				
Buildings - Seventh Ave House	106,064	0	0	(106,064)
<b>Community amenities</b>				
Buildings - Kings Park Ablutions	47,512	0	0	(47,512)
Buildings - A/Block Horrocks	122,589	0	0	(122,589)
Buildings - Sallys Tree Ablutions	31,242	0	0	(31,242)
Buildings - Chinamans Ablutions	34,320	0	0	(34,320)
<b>Recreation and culture</b>				
Buildings - Ajana Hall	97,415	0	0	(97,415)
Buildings - Gym/Hall Kal'b Camp	117,684	0	0	(117,684)
Buildings - Dining Hall Kal'b Car	280,676	0	0	(280,676)
Buildings - Ram Shed N'pton O	163,222	0	0	(163,222)
Buildings - Exhibition Hall N'pton	65,301	0	0	(65,301)
Fishing Platform Kalbarri	46,701	0	0	(46,701)
Playground Horrocks Foreshore	30,716	0	0	(30,716)
<b>Transport</b>				
P228 - Northampton Tip Truck	30,884	71,000	40,116	0
P207 - Pig Trailer Northampton	9,000	18,000	9,000	0
P277 - Toyota Prado	25,533	31,818	6,285	0
<b>Economic services</b>				
P301 - L'cruiser Ute Lucky Bay	50,088	45,682	0	(4,406)
P264 - MUX Build/Surveyor	3,858	27,273	23,415	0
	1,269,603	214,682	92,927	(1,147,848)
	1,269,603	214,682	92,927	(1,147,848)

**SHIRE OF NORTHAMPTON**  
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**FOR THE YEAR ENDED 30 JUNE 2021**

**10. FIXED ASSETS**

**(b) Depreciation**

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings	410,652	409,300	408,963
Furniture and equipment	18,033	15,500	15,447
Plant and equipment	503,895	462,700	462,240
Other infrastructure - Roads	1,087,049	1,049,900	1,048,964
Other infrastructure - Footpaths and Carparks	62,015	55,400	55,336
Other infrastructure - Drainage	71,328	71,400	71,328
Other infrastructure - Parks & Ovals	153,976	134,000	133,910
Other infrastructure - Airport	42,652	42,300	42,285
Other infrastructure - Water & Sewer Reticulation	2,191	0	0
	2,351,791	2,240,500	2,238,473

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation**

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

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

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

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

**Depreciation rates**

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture & Equipment	4 to 10 years
Plant & Equipment	5 to 15 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
Formed Roads Pavement	40 - 50 Years
Footpaths	40 - 50 Years
Drainage	50 - 75 Years
Parks and Ovals	40 - 50 Years
Airport	40 - 50 Years
Water Supply Piping and Drainage	50 - 75 Years
Right of use (buildings)	N/A
Right of use (plant and equipment)	N/A
Intangible assets - computer software licence	N/A

**Depreciation on revaluation**

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

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

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**Amortisation**

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

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

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

11. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and Buildings	11,032,201	(833)	(833)	11,031,368	11,032,201	11,032,201
Revaluation surplus - Other infrastructure - Roads	21,121,451	0	0	21,121,451	21,121,451	21,121,451
Revaluation surplus - Other infrastructure - Footpaths and Carparks	774,377	0	0	774,377	774,377	774,377
Revaluation surplus - Other infrastructure - Drainage	5,673,060	0	0	5,673,060	5,673,060	5,673,060
Revaluation surplus - Other infrastructure - Parks & Ovals	812,189	(178,007)	(178,007)	634,182	812,189	812,189
Revaluation surplus - Other infrastructure - Airport	1,206,039	0	0	1,206,039	1,206,039	1,206,039
	40,619,317	(178,840)	(178,840)	40,440,477	40,619,317	40,619,317

## 12. TRADE AND OTHER PAYABLES

### Current

Sundry creditors	
Prepaid rates	
Accrued salaries and wages	
Bonds and deposits held	
Accrued Expenditure	
Accrued Interest on Long term Borrowings	

2021	2020
\$	\$
287,588	265,317
74,633	59,152
71,501	78,130
35,991	30,561
91,223	34,193
8,656	9,929
569,592	477,282

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other payables

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

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

#### Prepaid rates

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

### 13. OTHER LIABILITIES

#### Current

Contract liabilities

2021	2020
\$	\$
200,441	88,223
200,441	88,223

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

Less than 1 year

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
200,441	200,441
200,441	200,441

#### 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.

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

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

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

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

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

##### Service concession liabilities

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

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**14. INFORMATION ON BORROWINGS**

(a) Borrowings

	2021	2020
	\$	\$
Current	196,293	190,417
Non-current	1,382,384	1,578,677
	1,578,677	1,769,094

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020	
				Principal	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Principal	Actual	Actual	Actual	Actual	Actual
				1 July 2020	Principal	Interest	Principal	1 July 2020	Principal	Interest	Principal	1 July 2019	New	Principal	Interest	Principal	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	Loans	\$	\$	\$	
<b>Housing</b>																	
Staff Housing	154	WATC	3.27%	189,159	(35,418)	(7,052)	153,741	189,159	(35,418)	(7,156)	153,741	223,447	0	(34,288)	(8,397)	189,159	
<b>Recreation and culture</b>																	
RSL Hall Extensions	156	WATC	2.06%	454,484	(46,459)	(12,160)	408,025	454,484	(46,459)	(12,210)	408,025	500,000	0	(45,516)	(13,431)	454,484	
<b>Transport</b>																	
Plant Purchases	153	WATC	5.02%	133,684	(42,800)	(5,008)	90,884	133,684	(42,800)	(5,789)	90,884	174,814		(41,130)	(7,464)	133,684	
Plant Purchases	157	WATC		340,000	(31,614)	(7,488)	308,386	340,000	(31,614)	(7,593)	308,386		340,000		(1,130)	340,000	
				1,117,327	(156,291)	(31,708)	961,036	1,117,327	(156,291)	(32,748)	961,036	898,261	340,000	(120,934)	(30,422)	1,117,327	
<b>Self Supporting Loans</b>																	
<b>Education and welfare</b>																	
Pioneer Lodge	155	WATC	3.95%	358,025	(15,122)	(16,201)	342,903	358,026	(15,122)	(16,435)	342,904	372,568	0	(14,543)	(16,920)	358,025	
<b>Recreation and culture</b>																	
Kalbarri Bowling Club	151	WATC	5.92%	0	0	0	0	0	0	0	0	3,838	0	(3,838)	(184)	0	
<b>Other property and services</b>																	
CEO House Loan	152	NAB	5.24%	293,742	(19,004)	(17,951)	274,738	293,743	(19,004)	(19,293)	274,739	311,752	0	(18,010)	(20,564)	293,742	
				651,767	(34,126)	(34,152)	617,641	651,769	(34,126)	(35,728)	617,643	688,158	0	(36,391)	(37,668)	651,767	
				1,769,094	(190,417)	(65,860)	1,578,677	1,769,096	(190,417)	(68,476)	1,578,679	1,586,419	340,000	(157,325)	(68,090)	1,769,094	

\* WA Treasury Corporation

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

**SHIRE OF NORTHAMPTON**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**14. INFORMATION ON BORROWINGS (Continued)**

	2021	2020
	\$	\$
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
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	(1,766)	(798)
<b>Total amount of credit unused</b>	<b>8,234</b>	<b>9,202</b>
<b>Loan facilities</b>		
Loan facilities - current	196,293	190,417
Loan facilities - non-current	1,382,384	1,578,677
<b>Total facilities in use at balance date</b>	<b>1,578,677</b>	<b>1,769,094</b>
<b>Unused loan facilities at balance date</b>	<b>NIL</b>	<b>NIL</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Borrowing costs**

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

**Risk**

Information regarding exposure to risk can be found at Note 26.

## 15. EMPLOYEE RELATED PROVISIONS

### (a) Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
<b>Opening balance at 1 July 2020</b>			
Current provisions	296,049	491,060	787,109
Non-current provisions	0	64,646	64,646
	296,049	555,706	851,755
<b>Amounts used</b>			
<b>Balance at 30 June 2021</b>	(37,496)	(24,467)	(61,963)
	258,553	531,239	789,792
<b>Comprises</b>			
Current	258,553	459,531	718,084
Non-current	0	71,708	71,708
	258,553	531,239	789,792

	2021	2020
	\$	\$
Less than 12 months after the reporting date	718,085	787,109
More than 12 months from reporting date	61,340	54,279
Expected reimbursements from other WA local governments	10,367	10,367
	789,792	851,755

#### Amounts are expected to be settled on the following basis:

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

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

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

### SIGNIFICANT ACCOUNTING POLICIES

#### Employee benefits

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

#### Short-term employee benefits

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

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

#### Other long-term employee benefits

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

#### Other long-term employee benefits (Continued)

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

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

#### Provisions

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

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

## 16. OTHER PROVISIONS

	Provision for remediation costs	Total
	\$	\$
<b>Opening balance at 1 July 2020</b>		
Additional provision	971,926	971,926
<b>Balance at 30 June 2021</b>	971,926	971,926
<b>Comprises</b>		
Non-current	971,926	971,926
	971,926	971,926

### Provision for remedian costs are split as follows:

Northampton landfill ste	278,014
Kalbarri landfill site	448,822
Port Gregory landfill Site	126,572
Binnu landfill Site	118,518
	971,926

### Provision for remedian costs:

Under the licence for the operation of the Shires landfill facilities, the Shire has a legal obligation to restore the sites.

A provision for remediation is recognised when:

- there is a present obligation as a result of waste activities undertaken;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and.
- the amount of the provision can be measured reliably.

The estimated future obligation includes the costs of restoring the affected areas and continued monitoring of the sites.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the obligation at the reporting date.

Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

## 17. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	2,524,567	877,504	2,788,706
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	(860,528)	(836,975)	986,158
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(3,738)	0	0
Depreciation on non-current assets	2,351,791	2,240,500	2,238,473
(Profit)/loss on sale of asset	1,054,921	(50,500)	168,947
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(141,643)	0	21,528
(Increase)/decrease in inventories	3,723	0	(1,491)
Increase/(decrease) in payables	92,310	0	(266,090)
Increase/(decrease) in employee provisions	(61,963)	0	68,247
Increase/(decrease) in accrued income	0	0	14,558
Increase/(decrease) in other liabilities	112,218	0	88,223
Non-operating grants, subsidies and contributions	(692,484)	(682,484)	(1,519,153)
Net cash from operating activities	1,854,607	670,541	1,799,400

## 18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	910,768	822,991
General purpose funding	312,176	412,972
Law, order, public safety	831,305	859,581
Health	593,177	614,558
Education and welfare	570,805	534,684
Housing	1,839,650	1,975,879
Community amenities	3,745,992	2,708,708
Recreation and culture	21,837,258	22,359,575
Transport	92,567,797	92,794,874
Economic services	1,232,660	1,392,888
Other property and services	745,956	528,506
Unallocated	3,865,551	4,163,173
	<u>129,053,095</u>	<u>129,168,389</u>

## 19. CONTINGENT LIABILITIES

The Shire of Northampton did not have any contingent liabilities for 2020/2021.

## 20. CAPITAL AND LEASING COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

	2021	2020
	\$	\$
	0	0
	0	221,540
	0	221,540

Payable:

- not later than one year

### (b) Operating Lease Commitments

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

Payable:

- not later than one year
- later than one year but not later than five years
- later than five years

	2021	2020
	\$	\$
	0	221,540
	0	0
	0	0
	0	221,540

## SIGNIFICANT ACCOUNTING POLICIES

### Leases

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

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

### Leases (Continued)

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

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

## 21. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Elected member [Cr Simkin]</b>			
President's annual allowance	14,000	14,000	14,000
Meeting attendance fees	5,800	5,500	5,750
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	1,386	1,000	4,516
	21,686	21,000	24,766
<b>Elected member [Cr Krakouer]</b>			
Deputy President's annual allowance	3,500	3,500	3,500
Meeting attendance fees	2,800	3,550	3,800
Other expenses			1,035
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	2,322	1,000	5,650
	9,122	8,550	14,485
<b>Elected member [Cr Hay]</b>			
Meeting attendance fees	2,250	2,900	2,850
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	629	5,000	3,495
	3,379	8,400	6,845
<b>Elected member [Cr Pike]</b>			
Meeting attendance fees	2,750	2,900	3,000
Other expenses			585
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses		500	3,704
	3,250	3,900	7,789
<b>Elected member [Cr Suckling]</b>			
Meeting attendance fees	2,950	2,900	3,300
Other expenses			475
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	511	500	363
	3,961	3,900	4,638
<b>Elected member [Cr Sudlow]</b>			
Meeting attendance fees	2,500	2,900	1,750
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	960	500	366
	3,960	3,900	2,616
<b>Elected member [Cr Stock-Standen]</b>			
Meeting attendance fees	2,000	2,900	2,350
Other expenses			950
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	198	500	414
	2,698	3,900	4,214
<b>Elected member [Cr Smith]</b>			
Meeting attendance fees	2,200	2,900	3,500
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	0	500	812
	2,700	3,900	4,812

## 21. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
<b>Elected member [Cr Stewart]</b>			
Meeting attendance fees	2,350	2,900	3,100
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	0	500	823
	2,850	3,900	4,423
<b>Elected member [Cr Carson]</b>			
Meeting attendance fees	0	0	1,000
Travel and accommodation expenses	0	0	509
	0	0	1,509
	53,606	61,350	76,098
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	14,000	14,000	14,000
Deputy President's allowance	3,500	3,500	3,500
Meeting attendance fees	25,600	29,350	30,400
Other expenses	0	0	3,045
Annual allowance for ICT expenses	4,500	4,500	4,500
Travel and accommodation expenses	6,006	10,000	20,653
	53,606	61,350	76,098

## 22. RELATED PARTY TRANSACTIONS

### Key Management Personnel (KMP) Compensation Disclosure

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

	2021 Actual	2020 Actual
	\$	\$
Short-term employee benefits	603,974	603,959
Post-employment benefits	74,078	73,241
Other long-term benefits	0	13,364
Termination benefits	29,945	0
	<u>707,997</u>	<u>690,564</u>

#### *Short-term employee benefits*

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

#### *Post-employment benefits*

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

#### *Other long-term benefits*

These amounts represent long service benefits accruing during the year.

#### *Termination benefits*

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

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**22. RELATED PARTY TRANSACTIONS (Continued)**

**Transactions with related parties**

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

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

The following transactions occurred with related parties:

	2021 Actual	2020 Actual
	\$	\$
Purchase of goods and services	37,538	69,694
<b>Amounts outstanding from related parties:</b>		
Loans to key management personnel	274,738	293,742
<b>Amounts payable to related parties:</b>		
Trade and other payables	0	6,147

**Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

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

*ii. Other Related Parties*

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

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

*iii. Entities subject to significant influence by the Shire*

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

## 23. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS

### (a) Balance of investment in associate

The joint venture with the Department of Housing for the provision of aged care units in Kalbarri ceased during 2019/2020 and the assets values comprising 11 two bedroom units which the Shire had an equity of 11.3% which was written off in 2019/2020. A Deed of Termination and Release was enacted on 28th October 2019 to cease the joint venture arrangement and transfer ownership of the aged care units to Community Housing Ltd.

Current assets

Non current assets

Total assets

Net assets

Net increase/(decrease) in share of associate entity's net assets

- Share of associates total comprehensive income arising during the period

**Balance at 1 July**

- Write-off of share in joint venture during the period

- Less share of depreciation of assets during the period

**Balance at 30 June**

	2021	2020
	\$	\$
	0	151,730
	0	151,730
	0	151,730
	0	(151,730)
	0	0
	0	151,730
	0	(150,830)
	0	(900)
	0	0

### SIGNIFICANT ACCOUNTING POLICIES

#### Interests in joint arrangements

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

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

#### Interests in joint arrangements (Continued)

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

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**24. RATING INFORMATION**

(a) Rates

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>2020/21 Actual Rateable Value \$</b>	<b>2020/21 Actual Rate Revenue \$</b>	<b>2020/21 Actual Interim Rates \$</b>	<b>2020/21 Actual Back Rates \$</b>	<b>2020/21 Actual Total Revenue \$</b>	<b>2020/21 Budget Rate Revenue \$</b>	<b>2020/21 Budget Interim Rate \$</b>	<b>2020/21 Budget Back Rate \$</b>	<b>2020/21 Budget Total Revenue \$</b>	<b>2019/20 Actual Total Revenue \$</b>
<b>Differential general rate / general rate</b>												
<b>Gross rental valuations</b>												
General GRV	7.9956	3,271	26,326,297	1,718,950	0	71	1,719,021	1,717,044			1,717,044	1,701,415
<b>Unimproved valuations</b>												
General UV	1.1983	481	20,158,909	2,347,585	0	34	2,347,619	2,351,382			2,351,382	2,355,757
<b>Sub-Total</b>		3,752	46,485,206	4,066,535	0	105	4,066,640	4,068,426	0	0	4,068,426	4,057,172
<b>Minimum payment</b>												
<b>Gross rental valuations</b>												
General GRV	565	1,017	1,718,951	574,605	8,746		583,351	561,045			561,045	576,663
<b>Unimproved valuations</b>												
General UV	565	47	2,347,584	26,555	(1,223)		25,332	40,115			40,115	35,702
<b>Sub-Total</b>		1,064	4,066,535	601,160	7,523	0	608,683	601,160	0	0	601,160	612,365
		4,816	50,551,741	4,667,695	7,523	105	4,675,323	4,669,586	0	0	4,669,586	4,669,537
Discounts/concessions (Note 24(c))							(457)				0	(1,941)
<b>Total amount raised from general rate</b>							4,674,866				4,669,586	4,667,596
Specified Area Rate (Note 24(b))							51,348				51,000	41,543
<b>Totals</b>							4,726,214				4,720,586	4,709,139

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates**

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

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer.

Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

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24. RATING INFORMATION (Continued)

(b) Specified Area Rate

Specified Area Rate	Basis of Valuation	Rate in \$	2020/21 Rateable Value	2020/21 Rate Revenue	2020/21 Interim Rate Revenue	2020/21 Back Rate Revenue	2020/21 Total Specified Area Rate Revenue	2020/21 Budget Rate Revenue	2020/21 Budget Back Rate Revenue	2020/21 Budget Interim Rate Revenue	2020/21 Total Budget Revenue	2019/20 Total Actual Revenue
Port Gregory Water Supply	GRV	3.690	856,248	21,000	2	0	21,002	21,000	0	0	21,000	11,217
Kalbarri Tourism Rate	GRV	0.172	15,149,688	30,221	125	0	30,346	30,000	0	0	30,000	30,326
			16,005,936	51,221	127	0	51,348	51,000	0	0	51,000	41,543

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	2020/21 Actual Rate Applied to Costs	2020/21 Actual Rate Set Aside to Reserve	2020/21 Actual Reserve Applied to Costs	2020/21 Budget Rate Applied to Costs	2020/21 Budget Rate Set Aside to Reserve	2020/21 Budget Reserve Applied to Costs
Port Gregory Water Supply	Revenue to cover operational costs of non potable water supply.	Port Gregory Properties	21,000	0	0	21,000	0	0
Kalbarri Tourism Rate	Revenue to cover advertising costs.	Kalbarri Properties	30,000	0	0	30,000	0	0
			51,000	0	0	51,000	0	0

SHIRE OF NORTHAMPTON  
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 24. RATING INFORMATION (Continued)

(c) Specified Area Rate

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$
Write-Offs	Rates			457	0	1,941
				457	0	1,941
Total discounts/concessions (Note 24(a))				457	0	1,941

## 24. RATING INFORMATION (Continued)

### (c) 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	02-10-20	0.00	0.00%	8.00%
<b>Option Two</b>				
First instalment	02-10-20	5.00	5.00%	8.00%
Second instalment	04-12-20	5.00	5.00%	8.00%
<b>Option Three</b>				
First instalment	02-10-20	5.00	5.00%	8.00%
Second instalment	04-12-20	5.00	5.00%	8.00%
Third instalment	05-02-21	5.00	5.00%	8.00%
Fourth instalment	06-04-21	5.00	5.00%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	13,988	32,500	20,030
Interest on instalment plan	18,445	20,000	19,620
	32,433	52,500	39,650

SHIRE OF NORTHAMPTON  
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25. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget	2019/20		
	2020/21 (30 June 2021 Carried Forward)	(30 June 2021 Carried Forward)	(30 June 2020 Carried Forward)		
Note	\$	\$	\$		
<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(a)	(92,927)	(62,500)	(14,007)
	Less: Fair value adjustments to financial assets at fair value through profit and loss		(3,738)	0	0
	Movement in pensioner deferred rates (non-current)		(10,642)	0	(11,266)
	Movement in employee benefit provisions (non-current)		7,062	0	16,296
	Movement in other provisions (non-current)		971,926		
	Add: Loss on disposal of assets	10(a)	1,147,848	12,000	182,954
	Add: Depreciation on non-current assets	10(b)	2,351,791	2,240,500	2,238,473
	<b>Non cash amounts excluded from operating activities</b>		4,371,320	2,190,000	2,412,450
<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: Reserves - cash/financial asset backed	4	(839,610)	(920,239)	(965,039)
	Less: Financial assets at amortised cost - self supporting loans	5(a)	(34,126)	0	(36,391)
	Less: Current assets not expected to be received at end of year				
	- Land held for resale	7	(235,000)	(235,000)	(235,000)
	Add: Current liabilities not expected to be cleared at end of year				
	- Current portion of borrowings	14(a)	196,293	0	190,417
	- Employee benefit provisions		757,960	757,964	757,961
	<b>Total adjustments to net current assets</b>		(154,483)	(397,275)	(288,052)
<b>Net current assets used in the Rate Setting Statement</b>					
	Total current assets		3,387,157	1,568,790	3,542,336
	Less: Total current liabilities		(1,684,410)	(1,171,515)	(1,543,031)
	Less: Total adjustments to net current assets		(154,483)	(397,275)	(288,052)
	<b>Net current assets used in the Rate Setting Statement</b>		1,548,264	0	1,711,253

## 26. FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Measurement	Management
<b>Market risk - interest rate</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	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 and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
<b>2021</b>					
Cash and cash equivalents	0.03%	2,524,567	839,610	1,683,507	1,450
<b>2020</b>					
Cash and cash equivalents	0.09%	2,788,706	965,039	1,823,667	0
Financial assets at amortised cost	1.02%	16,053	16,053		

#### Sensitivity

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

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	16,385	18,237

\* 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 14(b).

## 26. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk

#### **Trade and Other Receivables**

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

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2021</b>					
Rates receivable & pensioner rates					
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	0	0	0	0
<b>30 June 2020</b>					
Rates receivable & pensioner rates					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	156,366	84,569	43,728	65,138	349,801
Loss allowance	0	0	0	0	0

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<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	0	0	0	0
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	80,491	32,115	1,076	7,664	121,347
Loss allowance	0	0	0	0	0

## 26. 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 14(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b><u>2021</u></b>					
Payables	569,591	0	0	569,591	569,592
Borrowings	0	264,333	1,621,144	1,885,477	1,578,677
Contract liabilities				0	200,441
	<u>569,591</u>	<u>264,333</u>	<u>1,621,144</u>	<u>2,455,068</u>	<u>2,348,710</u>
<b><u>2020</u></b>					
Payables	477,282	0	0	477,282	477,282
Borrowings	0	355,495	1,776,666	2,132,161	1,769,094
	<u>477,282</u>	<u>355,495</u>	<u>1,776,666</u>	<u>2,609,443</u>	<u>2,246,376</u>

## 27. BONDS AND DEPOSITS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Building Levies (BCITF & BRB)	183	45,520	(37,783)	7,920
Community Bus Bond	4,600	3,400	(2,400)	5,600
Unclaimed Monies - Rates	4,045	1,135	0	5,180
RSL Hall Key Bond	230	430	(230)	430
Special Series Plates	0	4,340	(2,800)	1,540
Northampton Child Care Association	16,547	1,250	(5,000)	12,797
Horrocks Memorial Wall	0	500	(296)	204
One Life	1,439	0	(500)	939
Rubbish Tip Key Bond	1,800	0	(400)	1,400
Horrocks - Skatepark	1,050	0	0	1,050
RSL - Kalbarri Memorial	17,326	0	(1,196)	16,130
DOT - Department of Transport	0	234,981	(234,981)	0
Cyclone Seroja Donations	0	23,319	(100)	23,219
	47,220	314,875	(285,686)	76,408

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**28. OTHER SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

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

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

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

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

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

**h) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**i) Impairment of assets**

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

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

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

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

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

**29. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</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</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 Northampton Child Care Association.</p>
<p><b>HOUSING</b></p> <p>To provide and maintain shire housing.</p>	<p>Provision and maintenance of shire 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 administration of 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 and buildings, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, other cultural facilities.</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 maintenance and operation of camping facilities. Provision of Building Services and Port Gregory Water Supply.</p>
<p><b>OTHER PROPERTY AND SERVICES</b></p> <p>To monitor and control Shire's overheads operating accounts.</p>	<p>Private works operation, plant repair and operation costs and engineering operation costs.</p>

### 30. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.59	1.93	1.58
Asset consumption ratio	0.94	0.94	0.93
Asset renewal funding ratio	1.00	1.00	1.00
Asset sustainability ratio	0.95	1.31	0.79
Debt service cover ratio	3.37	7.87	11.37
Operating surplus ratio	(0.24)	(0.09)	(0.02)
Own source revenue coverage ratio	0.57	0.65	0.67

The above ratios are calculated as follows:

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



# Auditor General

## INDEPENDENT AUDITOR'S REPORT 2021 Shire of Northampton

To the Councillors of the Shire of Northampton

### Report on the audit of the annual financial report

#### Opinion

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

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the Shire of Northampton:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

#### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities section below. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

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

## **Auditor's responsibility for the audit of the financial report**

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

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

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

## Report on other legal and regulatory requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
  - a. The Operating Surplus ratio as reported in Note 30 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for the past 3 financial years.
- (ii) The following material matter indicates non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
  - a. For approximately 10% of purchase transactions sampled, there was inadequate or no evidence that a sufficient number of quotations were obtained to test the market and no documentation to explain why other quotes were not sought. This practice increases the likelihood of not receiving value for money in procurement and could also result in favoritism of suppliers.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

### Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

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

### Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Northampton for the year ended 30 June 2021 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Grant Robison  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
17 December 2021