

Shire of Goomalling



COUNCIL MEETING MINUTES

February 2022

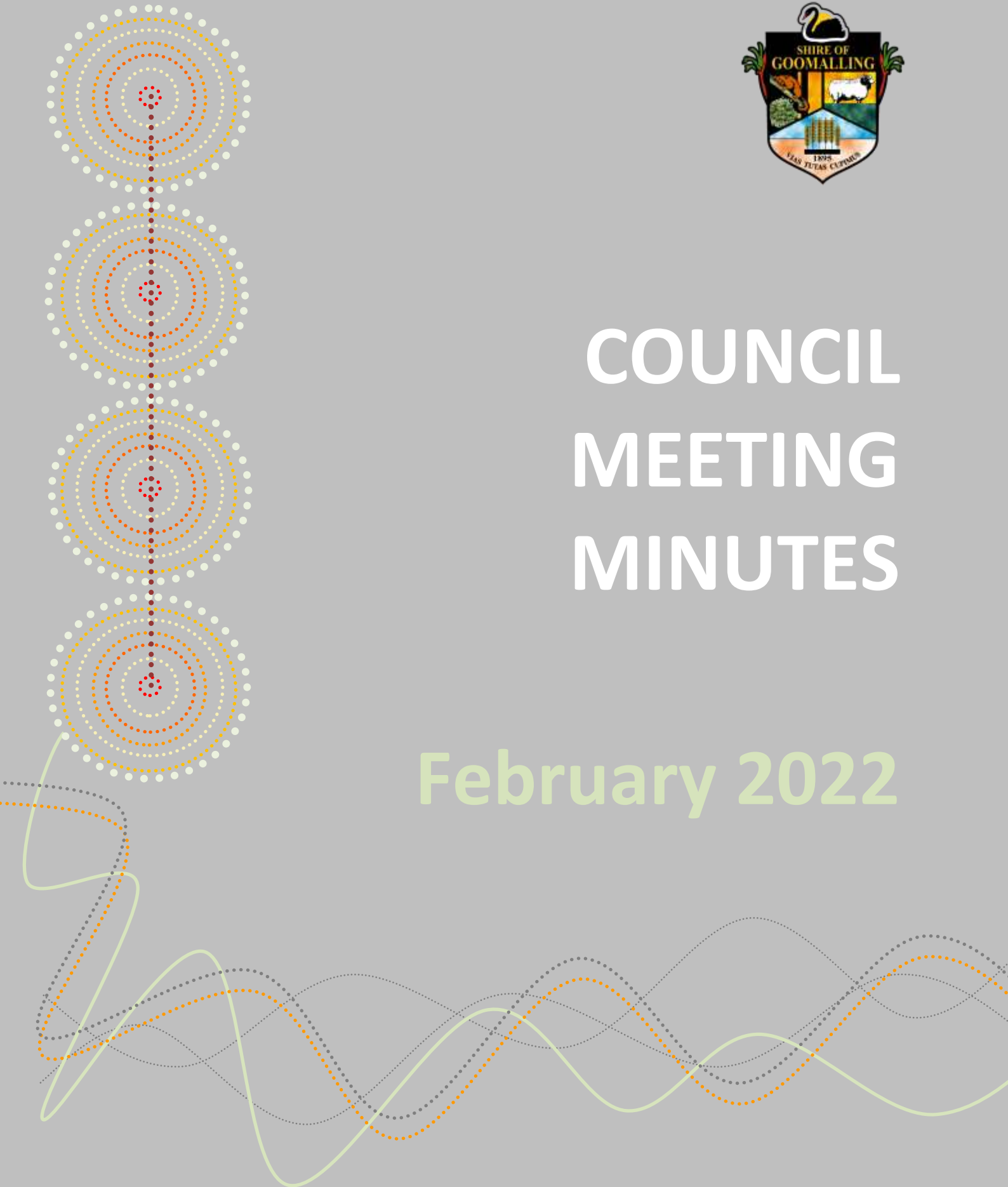




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NYOONGAR ACKNOWLEDGEMENT

We acknowledge this land that we meet on today is part of the traditional lands of the Nyoongar people and that we respect their spiritual relationship with their country. We also acknowledge the Nyoongar Ballardong people as the custodians of the greater Goomalling/Koomal area and that their cultural and heritage beliefs are still important to the living Nyoongar Ballardong people today.

NOTICE OF MEETING

Meeting No. 1 of 2022 of the Shire of Goomalling Council to be held in the Council Chambers, Administration Office, 32 Quinlan Street, Goomalling on Wednesday, 2 February 2022 beginning at 3.00pm.

1. DECLARATION OF OPENING & ANNOUNCEMENT OF VISITORS

The Shire President declared the meeting opened at 4.20 pm

2. RECORD OF ATTENDANCE/APOLOGIES & APPROVED LEAVE OF ABSENCE

2.1. Attendance

Council	President & Chairperson	Cr Barry Haywood
	Vice President	Cr Julie Chester
	Councillor	Cr Mark Ashton
	Councillor	Cr Christine Barratt
	Councillor	Cr Roland Van Gelderen
	Councillor	Cr Brendon Wilkes
Administration	Chief Executive Officer	Mr Peter Bentley
	Finance Manager	Miss Natalie Bird
	Works Manager	Mr David Long

2.2. Apologies

Apologies were received from Cr Casey Butt for non-attendance at today's meeting.

2.3. Approved Leave of Absence

Nil

3. DECLARATION OF:

- FINANCIAL INTEREST
- MEMBERS IMPARTIALITY INTEREST
- PROXIMITY INTEREST

4. PUBLIC QUESTION TIME

5. APPLICATION FROM MEMBERS FOR LEAVE OF ABSENCE

RESOLUTION 448

Moved Cr Van Gelderen, seconded Cr Barratt that Council grant a leave of absence for the next Council Meeting on the 16 March 2022 to Cr Haywood.

CARRIED 6/0
Simple Majority



6. CONFIRMATION AND RECEIVING OF MINUTES & BUSINESS ARISING

6.1 Ordinary Meeting of Council held Wednesday 15 December 2021

RESOLUTION 449

Moved Cr Van Gelderen, seconded Cr Chester that the minutes of Ordinary Meeting of Council held Wednesday 15 December 2021, be confirmed as true and correct recording of proceedings.

***CARRIED 6/0
Simple Majority***

7. ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

- Shire President attended Wheatbelt Secondary Freight Network in Perth.

8. PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS

Nil



9. OFFICERS' REPORTS

9.1 SCHEDULE OF ACCOUNTS PAID 1 DECEMBER TO 31 DECEMBER 2021

File Reference	Not applicable
Disclosure of Interest	Nil
Applicant	Not Applicable
Previous Item Numbers	No Direct
Date	28 January 2022
Author	Kylie Burling, Accounts Payable
Authorising Officer	Natalie Bird, Finance Manager
Attachments	
1. Schedule of Payments – December 2021	

Summary

FUND VOUCHERS AMOUNT

EFT 3773 to 3867	\$422,851.82
Direct Debits 8491 to 8495	\$54,168.06
Cheques 15308 to 15319	\$45,950.34
Payroll JNL 6589 & 6592	\$86,097.00
Super DD13729 & 13753	\$14,356.91
TOTAL	\$623,424.13

Voting Requirements

Simple Majority

OFFICER'S RECOMMENDATION

That the Council:

Approve vouchers from the Municipal Fund and Trust Fund as detailed:

EFT 3773 to 3867	\$422,851.82
Direct Debits 8491 to 8495	\$54,168.06
Cheques 15308 to 15319	\$45,950.34
Payroll JNL 6589 & 6592	\$86,097.00
Super DD13729 & 13753	\$14,356.91
TOTAL	\$623,424.13

RESOLUTION 450

Moved Cr Barratt, seconded Cr Van Gelderen that Council endorses the Officer's recommendation.

**CARRIED 6/0
Simple Majority**



9.2 FINANCIAL REPORT FOR DECEMBER 2021

File Reference	Not Applicable
Disclosure of Interest	Nil
Applicant	Shire of Goomalling
Previous Item Numbers	No Direct
Date	25 January 2022
Author	Natalie Bird, Finance Manager
Authorising Officer	Natalie Bird, Finance Manager
Attachments 1. Monthly Financial Report to 31 December 2021	

Summary

In accordance with the *Local Government (Financial Management) Regulations 1996*, to follow is the presentation of the Monthly Financial Reports to Council.

Background

Monthly Financial Reports are to be presented to Council and are to be received by Council resolution.

Statutory Environment

Local Government Act 1995 – Section 6.4 (as amended)

Local Government (Financial Management) Regulations 1996 – Clause 34 and 35

Policy Implications

No specific policy regarding this matter.

Financial Implications

Ongoing management of Council funds

Strategic Implications

Shire of Goomalling Community Strategic Plan 2019-2028

4.1.4	Provide reporting processes in a transparent, accountable and timely manner
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Voting Requirements

Simple Majority

OFFICER'S RECOMMENDATION

That the Council:

Receive the Monthly Financial Report to 31 December 2021

RESOLUTION 451

Moved Cr Barratt, seconded Cr Wilkes that Council endorses the Officer's recommendation.

CARRIED 6/0
Simple Majority

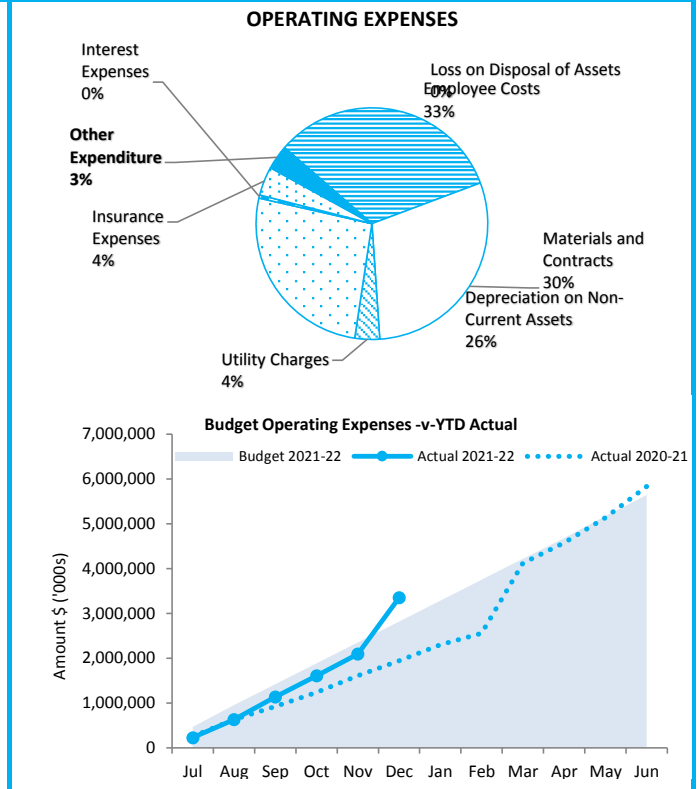
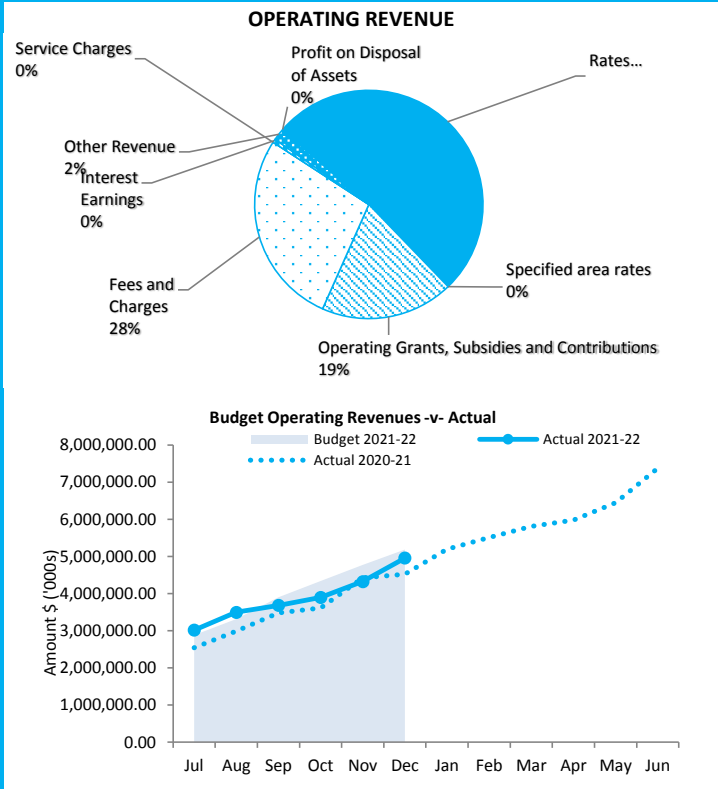
SHIRE OF GOOMALLING
MONTHLY FINANCIAL REPORT
(Containing the Statement of Financial Activity)
For the period ending 31 December 2021

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

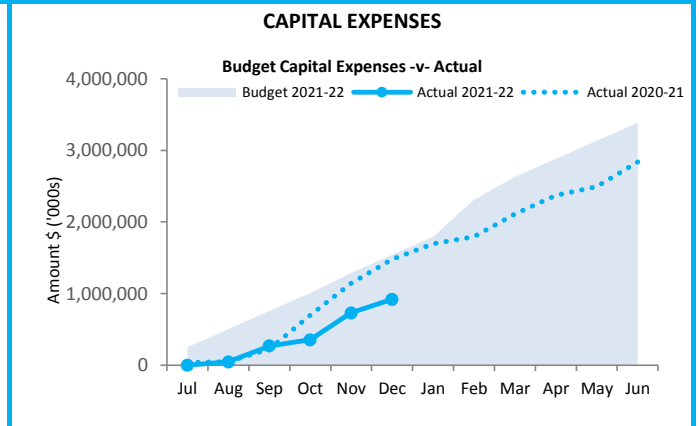
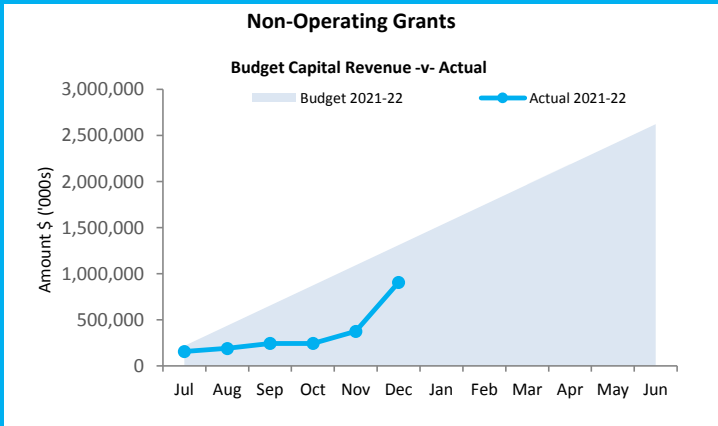
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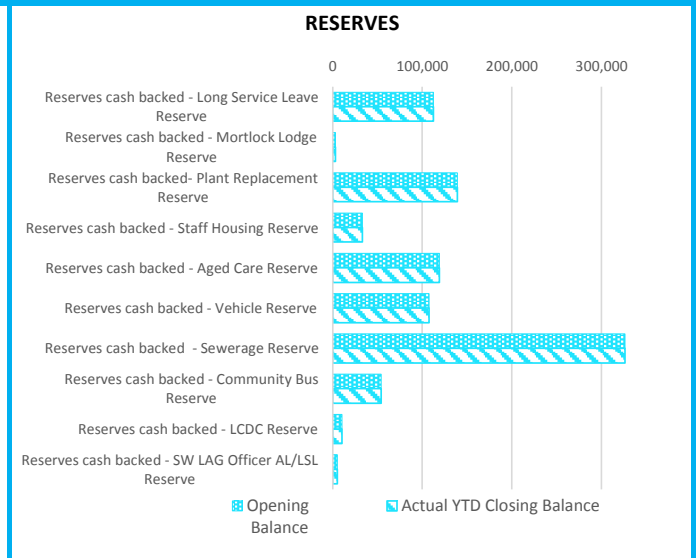
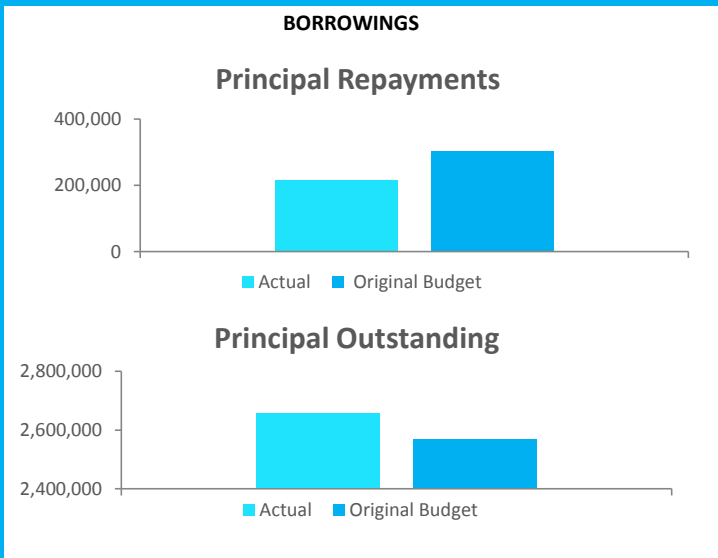
OPERATING ACTIVITIES



INVESTING ACTIVITIES



FINANCING ACTIVITIES



Funding surplus / (deficit) Components

Funding surplus / (deficit)				
	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
Opening	(\$0.27 M)	(\$0.33 M)	(\$0.33 M)	\$0.00 M
Closing	(\$0.05 M)	\$2.17 M	\$0.72 M	(\$1.45 M)

Refer to Statement of Financial Activity

Cash and cash equivalents		
	\$	% of total
Unrestricted Cash	\$0.73 M	44.0%
Restricted Cash	\$0.93 M	56.0%

Refer to Note 2 - Cash and Financial Assets

Payables		
	\$	% Outstanding
Trade Payables	\$0.04 M	
Over 30 Days		0.0%
Over 90 Days		0%

Refer to Note 5 - Payables

Receivables		
	\$	% Collected
Rates Receivable	\$0.43 M	82.7%
Trade Receivable	\$0.72 M	
Over 30 Days		8.7%
Over 90 Days		0.2%

Refer to Note 3 - Receivables

Key Operating Activities

Amount attributable to operating activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
\$1.14 M	\$2.65 M	\$1.41 M	(\$1.23 M)

Refer to Statement of Financial Activity

Rates Revenue		
	\$	% Variance
YTD Actual	\$2.30 M	
YTD Budget	\$2.06 M	11.7%

Refer to Note 6 - Rate Revenue

Operating Grants and Contributions		
	\$	% Variance
YTD Actual	\$0.69 M	
YTD Budget	\$0.44 M	57.7%

Refer to Note 13 - Operating Grants and Contributions

Fees and Charges		
	\$	% Variance
YTD Actual	\$1.01 M	
YTD Budget	\$0.78 M	29.6%

Refer to Statement of Financial Activity

Key Investing Activities

Amount attributable to investing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$0.63 M)	(\$0.11 M)	(\$0.15 M)	(\$0.04 M)

Refer to Statement of Financial Activity

Proceeds on sale		
	\$	%
YTD Actual	\$0.16 M	
Adopted Budget	\$0.12 M	36.6%

Refer to Note 7 - Disposal of Assets

Asset Acquisition		
	\$	% Spent
YTD Actual	\$0.92 M	
Adopted Budget	\$3.42 M	(73.1%)

Refer to Note 8 - Capital Acquisition

Non-Operating Grants		
	\$	% Received
YTD Actual	\$0.91 M	
Adopted Budget	\$2.62 M	(65.4%)

Refer to Note 8 - Capital Acquisition

Key Financing Activities

Amount attributable to financing activities			
Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)
(\$0.28 M)	(\$0.05 M)	(\$0.22 M)	(\$0.17 M)

Refer to Statement of Financial Activity

Borrowings	
Principal repayments	\$0.22 M
Interest expense	\$0.07 M
Principal due	\$2.66 M

Refer to Note 9 - Borrowings

Reserves	
Reserves balance	\$0.91 M
Interest earned	\$0.00 M

Refer to Note 11 - Cash Reserves

Lease Liability	
Principal repayments	\$0.00 M
Interest expense	\$0.00 M
Principal due	\$0.03 M

Refer to Note 10 - Lease Liabilities

This information is to be read in conjunction with the accompanying Financial Statements and notes.

KEY TERMS AND DESCRIPTIONS

FOR THE PERIOD ENDED 31 DECEMBER 2021

STATUTORY REPORTING PROGRAMS

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

PROGRAM NAME AND OBJECTIVES

ACTIVITIES

GOVERNANCE

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

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

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

LAW, ORDER, PUBLIC SAFETY

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

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

HEALTH

To provide an operational framework for environmental and community health.

Inspection of food premises and food control. Provision of Medical Surgery and Doctor. Also noise control and waste disposal compliance

EDUCATION AND WELFARE

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

Maintenance of child minding centre, playgroup centre, senior citizens centre. Provision and maintenance of youth services.

HOUSING

To provide and maintain housing for staff, aged and community housing projects operated by Joint Venture with the Department of Housing.

Staff housing, provision of general rental accommodation to the public when not required by staff.

COMMUNITY AMENITIES

To provide necessary services as required by the community.

Rubbish collection and recycling, operation of disposal sites, administration, maintenance & operation of the Shire Townsite Sewerage Scheme. Administration of the Shire of Goomalling Town Planning Scheme. Administration, maintenance & operation of the Goomalling public cemeteries, public toilets & the Goomalling Community Bus.

RECREATION AND CULTURE

To establish & effectively manage infrastructure and resources which will help the social wellbeing of the community.

Maintenance and operation of public halls, swimming pool, sporting pavilions, parks and gardens, recreation centre, sports playing surface areas and reserves including football oval, hockey oval, tennis courts, bowling greens. Contribution to the operation of the Goomalling Public Library, museums and cultural facilities.

TRANSPORT

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

Construction and maintenance of streets, roads, footpaths, drainage & signs. Maintenance and operation of street lights, works depot and aerodrome. Cleaning of streets and provision and maintenance of street trees. Purchase, maintenance and operation of plant.

ECONOMIC SERVICES

To help promote the Shire and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of the Shire of Goomalling Caravan Park facilities and Motel Units. Provision of rural services including building control, standpipes, noxious weeds and vermin control. Maintenance costs associated with the Goomalling Community Resource Centre.

OTHER PROPERTY AND SERVICES

To monitor and control Council's overheads operating accounts.

Private works, plant repairs and operations. Housing and Engineering operations costs.

**STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

STATUTORY REPORTING PROGRAMS

	Ref	Adopted Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)	Var.
	Note						
		\$	\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	(273,269)	(325,028)	(325,028)	0	0.00%	
Revenue from operating activities							
Governance		32,000	20,992	(2,286)	(23,278)	(110.89%)	▼
General purpose funding		2,549,407	2,326,889	2,353,465	26,576	1.14%	
Law, order and public safety		365,800	182,886	214,548	31,662	17.31%	▲
Health		664,000	311,992	285,359	(26,633)	(8.54%)	
Education and welfare		600	300	432	132	44.00%	
Housing		273,310	136,632	67,579	(69,053)	(50.54%)	▼
Community amenities		501,600	484,090	485,225	1,135	0.23%	
Recreation and culture		126,656	63,270	52,292	(10,978)	(17.35%)	▼
Transport		328,408	164,190	207,727	43,537	26.52%	▲
Economic services		284,900	152,886	163,758	10,872	7.11%	
Other property and services		63,500	31,740	59,951	28,211	88.88%	▲
		5,190,181	3,875,867	3,888,050	12,183		
Expenditure from operating activities							
Governance		(255,183)	(138,472)	(115,789)	22,683	16.38%	▲
General purpose funding		(96,309)	(48,144)	(50,612)	(2,468)	(5.13%)	
Law, order and public safety		(557,992)	(278,958)	(266,773)	12,185	4.37%	
Health		(709,524)	(354,720)	(362,128)	(7,408)	(2.09%)	
Education and welfare		(16,262)	(8,124)	(8,066)	58	0.71%	
Housing		(414,582)	(206,532)	(144,052)	62,480	30.25%	▲
Community amenities		(603,391)	(301,530)	(328,179)	(26,649)	(8.84%)	
Recreation and culture		(958,033)	(478,704)	(439,633)	39,071	8.16%	
Transport		(1,449,389)	(724,548)	(1,234,860)	(510,312)	(70.43%)	▼
Economic services		(525,127)	(262,278)	(271,186)	(8,908)	(3.40%)	
Other property and services		(57,256)	(15,768)	(129,177)	(113,409)	(719.24%)	▼
		(5,643,048)	(2,817,778)	(3,350,455)	(532,677)		
Non-cash amounts excluded from operating activities	1(a)	1,588,999	1,589,999	876,636	(713,363)	(44.87%)	▼
Amount attributable to operating activities		1,136,132	2,648,088	1,414,231	(1,233,857)		
Investing Activities							
Proceeds from non-operating grants, subsidies and contributions	14	2,623,045	1,311,510	906,487	(405,023)	(30.88%)	▼
Less Unspent Non-Operating Grants represented as Contract Liabilities	14	0	0	(318,533)			
Net Revenue from Non-Operating Grants	14	2,623,045	1,311,510	587,954			
Proceeds from disposal of assets	7	120,000	120,000	163,951	43,951	36.63%	▲
Proceeds from financial assets at amortised cost - self supporting loans	9	39,157	19,256	19,256	0	0.00%	
Payments for property, plant and equipment and infrastructure	8	(3,415,700)	(1,555,812)	(919,571)	636,241	40.89%	▲
Amount attributable to investing activities		(633,498)	(105,046)	(148,411)	(43,365)		
Financing Activities							
Proceeds from new debentures	9	0	0	0	0	0.00%	
Transfer from reserves	11	50,000	0	0	0	0.00%	
Payments for principal portion of lease liabilities	10	(21,412)	(2,088)	0	2,088	100.00%	
Repayment of debentures	9	(304,779)	(36,707)	(216,116)	(179,409)	(488.76%)	▼
Transfer to reserves	11	(7,500)	(7,500)	(0)	7,500	99.99%	
Amount attributable to financing activities		(283,692)	(46,295)	(216,116)	(169,821)		
Closing funding surplus / (deficit)	1(c)	(54,327)	2,171,719	724,677	(1,447,042)		

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold. Refer to Note 2 for an threshold. Refer to Note 16 for an explanation of the reasons for the variance.

The material variance adopted by Council for the 2021-22 year is \$10,000 or 10.00% whichever is the greater.

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

KEY TERMS AND DESCRIPTIONS

FOR THE PERIOD ENDED 31 DECEMBER 2021

REVENUE

RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refers to all amounts received as grants, subsidies and contributions that are not non-operating grants.

NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of identifiable non financial assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

FEES AND CHARGES

Revenues (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. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

SERVICE CHARGES

Service charges imposed under *Division 6 of Part 6 of the Local Government Act 1995*. *Regulation 54 of the Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services. Exclude rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes dividends, discounts, rebates etc.

PROFIT ON ASSET DISPOSAL

Excess of assets received over the net book value for assets on their disposal.

NATURE OR TYPE DESCRIPTIONS

EXPENSES

EMPLOYEE COSTS

All costs associate with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance

agreements, communication expenses, advertising expenses,

membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

UTILITIES (GAS, ELECTRICITY, WATER, ETC.)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

LOSS ON ASSET DISPOSAL

Shortfall between the value of assets received over the net book value for assets on their disposal.

DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets.

INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

OTHER EXPENDITURE

Statutory fees, taxes, allowance for impairment of assets, member's fees or State taxes. Donations and subsidies made to community groups.

STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2021

BY NATURE OR TYPE

	Ref	YTD	YTD	Var. \$	Var. %	Var.
	Note	Adopted Budget	Budget (a)	(b)-(a)	(b)-(a)/(a)	
		\$	\$	\$	%	
Opening funding surplus / (deficit)	1(c)	(273,269)	(273,269)	(325,028)	(51,759)	18.94%
Revenue from operating activities						
Rates	6	2,067,708	2,060,291	1,878,546	(181,745)	(8.82%)
Other rates	6	233,350	233,350	233,350	0	0.00%
Operating grants, subsidies and contributions	13	1,276,758	713,824	688,959	(24,865)	(3.48%)
Fees and charges		1,439,406	776,744	1,006,291	229,547	29.55% ▲
Interest earnings		41,957	21,214	17,797	(3,417)	(16.11%)
Other revenue		131,000	70,444	63,107	(7,337)	(10.42%)
		5,190,179	3,875,867	3,888,048	12,181	
Expenditure from operating activities						
Employee costs		(2,061,721)	(1,017,810)	(1,102,192)	(84,382)	(8.29%)
Materials and contracts		(1,262,922)	(630,582)	(992,872)	(362,290)	(57.45%) ▼
Utility charges		(256,101)	(127,740)	(116,001)	11,739	9.19%
Depreciation on non-current assets		(1,588,999)	(794,442)	(876,636)	(82,194)	(10.35%) ▼
Interest expenses		(149,526)	(74,754)	(14,944)	59,810	80.01% ▲
Insurance expenses		(172,679)	(86,160)	(134,718)	(48,558)	(56.36%) ▼
Other expenditure		(151,100)	(86,290)	(113,091)	(26,801)	(31.06%) ▼
		(5,643,048)	(2,817,778)	(3,350,453)	(532,675)	
Non-cash amounts excluded from operating activities	1(a)	1,588,999	1,589,999	876,636	(713,363)	(44.87%) ▼
Movement in liabilities associated with restricted cash			0	0	0	0.00%
Amount attributable to operating activities		1,136,130	2,648,088	1,414,231	(1,233,857)	
Investing activities						
Proceeds from non-operating grants, subsidies and contributions	14	2,623,045	1,311,510	906,487	(405,023)	(30.88%)
Less Unspent Non-Operating Grants represented as Contract Liabilities	14	0	0	(318,533)		▼
Net Revenue from Non-Operating Grants	14	2,623,045	1,311,510	587,954		
Proceeds from disposal of assets	7	120,000	120,000	163,951	43,951	36.63% ▲
Proceeds from financial assets at amortised cost - self supporting loans	9	39,157	19,256	19,256	0	0.00%
Payments for property, plant and equipment and infrastructure	8	(3,415,700)	(1,555,812)	(919,571)	636,241	40.89% ▲
Amount attributable to investing activities		(633,498)	(105,046)	(148,411)	(43,365)	
Financing Activities						
Transfer from reserves	11	50,000	0	0	0	0.00%
Payments for principal portion of lease liabilities		(21,412)	(2,088)	0	2,088	100.00%
Repayment of debentures	9	(304,779)	(36,707)	(216,116)	(179,409)	(488.76%) ▼
Transfer to reserves	11	(7,500)	(7,500)	(0)	7,500	99.99%
Amount attributable to financing activities		(283,691)	(46,295)	(216,116)	(169,821)	
Closing funding surplus / (deficit)	1(c)	(54,327)	2,223,478	724,677	(1,498,801)	

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Actual and YTD Actual data as per the adopted materiality threshold.

Refer to Note 16 for an explanation of the reasons for the variance.

This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

(a) Non-cash items excluded from operating activities

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with Financial Management Regulation 32.

	Notes	Adopted Budget	YTD Budget (a)	YTD Actual (b)
Non-cash items excluded from operating activities				
		\$	\$	\$
Adjustments to operating activities				
Less: Movement in liabilities associated with restricted cash		1,000	0	0
Add: Depreciation on assets		1,588,999	794,442	876,636
Total non-cash items excluded from operating activities		1,589,999	794,442	876,636

(b) Adjustments to net current assets in the Statement of Financial Activity

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation* 32 to agree to the surplus/(deficit) after imposition of general rates.

		Last Year Closing 30 June 2021	This Time Last Year 31 December 2020	Year to Date 31 December 2021
Adjustments to net current assets				
Less: Reserves - restricted cash	11	(910,504)	(929,953)	(910,504)
Less: - Financial assets at amortised cost - self supporting loans	4	(39,157)	(39,157)	(19,901)
Add: Borrowings	9	304,779	2,273,379	88,663
Add: Provisions funded by Reserve	12	112,346	109,813	112,346
Add: Lease liabilities	10	21,412	0	21,412
Total adjustments to net current assets		(511,124)	1,414,082	(707,984)

(c) Net current assets used in the Statement of Financial Activity

Current assets				
Cash and cash equivalents	2	1,358,851	1,307,145	1,655,886
Rates receivables	3	188,207	180,533	430,401
Receivables	3	144,377	58,048	717,905
Stock on Hand	4	30,898	54,625	11,266
Total Current Assets		1,722,333	1,600,351	2,815,458
Less: Current liabilities				
Payables	5	(384,158)	(274,210)	(128,299)
Borrowings	9	(304,779)	(2,273,379)	(88,663)
Contract liabilities	12	(261,845)	0	(580,378)
Lease liabilities	10	(21,412)		(21,412)
Provisions	12	(564,043)	(564,043)	(564,043)
Total Current Liabilities		(1,536,237)	(3,111,632)	(1,382,795)
		186,096	(1,511,281)	1,432,662
Less: Total adjustments to net current assets	1(b)	(511,124)	1,414,082	(707,984)
Closing funding surplus / (deficit)		(325,028)	(97,201)	724,677

CURRENT AND NON-CURRENT CLASSIFICATION

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

Description	Classification	Unrestricted	Restricted	Total Cash	Trust	Institution	Interest Rate	Maturity Date
		\$	\$	\$	\$			
Cash on hand								
Floats	Cash and cash equivalents	650		650	0			
Cash Deposits								
Municipal Bank Account	Cash and cash equivalents	731,857		731,857	0	Bendigo	0.00%	At Call
Trust Bank Account	Cash and cash equivalents	0	0	0	25,368	Bendigo	0.00%	
Medical Surgery Bank Account	Cash and cash equivalents		20,458	20,458				
Term Deposits								
Term Deposits - Reserve	Financial assets at amortised cost	0	607,066	607,066	0	Bendigo	0.35%	28/03/2022
Term Deposits - Reserve	Financial assets at amortised cost	0	300,000	300,000	0	Bendigo	0.35%	24/03/2022
Term Deposits - Skeleton Weed A/L & LSI	Financial assets at amortised cost	0	5,234	5,234	0	Bendigo	0.30%	21/01/2022
Total		732,507	932,757	1,665,264	25,368			
Comprising								
Cash and cash equivalents		732,507	20,458	752,964	25,368			
Financial assets at amortised cost		0	912,300	912,300	0			
		732,507	932,758	1,665,264	25,368			

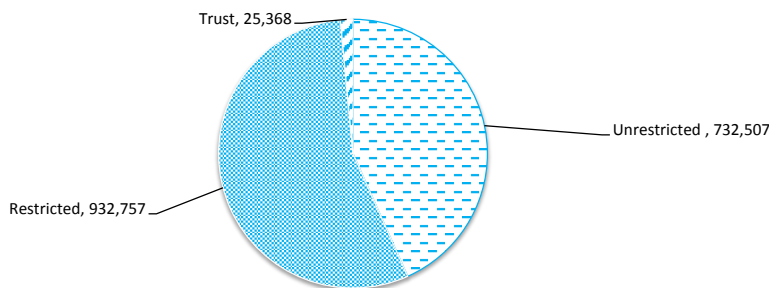
KEY INFORMATION

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments 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 net current assets.

The local government 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 amortised cost held with registered financial institutions are listed in this note other financial assets at amortised cost are provided in Note 4 - Other assets.



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**OPERATING ACTIVITIES
NOTE 3
RECEIVABLES**

Rates receivable	30 Jun 2021	31 Dec 2021
	\$	\$
Opening arrears previous years	188,207	188,207
Levied this year	2,118,671	2,301,058
Less - collections to date	(2,118,671)	(2,058,864)
Equals current outstanding	188,207	430,401
Net rates collectable	188,207	430,401
% Collected	91.8%	82.7%

Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - general	(6,739)	611,267	55,913	595	1,290	662,327
Percentage	(1.0%)	92.3%	8.4%	0.1%	0.2%	
Balance per trial balance						
Sundry receivable	0	662,327	0	0	0	662,327
GST receivable	0	35,677	0	0	0	35,677
Loans Club/Institutions - Current	0	19,901	0	0	0	19,901
Total receivables general outstanding						717,905

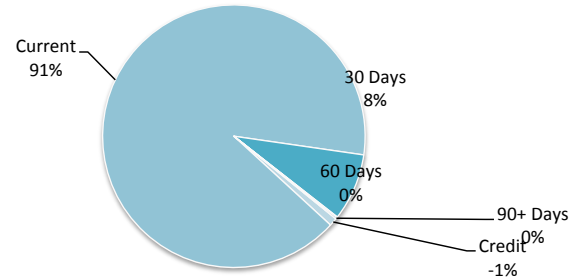
Amounts shown above include GST (where applicable)

KEY INFORMATION

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. 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. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off when identified. An allowance for impairment of receivables is raised when there is objective evidence that they will not be collectible.

- Credit
- Current
- 30 Days
- 60 Days
- 90+ Days

Accounts Receivable (non-rates)



Other current assets	Opening Balance 1 July 2021	Asset Increase	Asset Reduction	Closing Balance 31 December 2021
	\$	\$	\$	\$
Inventory				
Stock On Hand	30,898	(19,633)	0	11,265
Total other current assets	30,898	(19,633)	0	11,265

Amounts shown above include GST (where applicable)

KEY INFORMATION

Inventory

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.

Payables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Payables - general	0	53,851	0	0	0	53,851
Percentage	0%	100%	0%	0%	0%	
Balance per trial balance						
Sundry creditors	0	(37,224)	0	0	0	37,224
ATO liabilities		23,296				23,296
Other Payables		0				0
Payroll Creditors		0				0
Gst Payable		55,382				55,382
Accrued Loan Interest		0				0
Bonds & Deposits Held - Cl		12,397				12,397
Total payables general outstanding						128,299

Amounts shown above include GST (where applicable)

KEY INFORMATION

Trade and other payables represent liabilities for goods and services provided to the Shire 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.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2021

OPERATING ACTIVITIES
NOTE 6
RATE REVENUE

General rate revenue	Budget							YTD Actual			
	Rate in \$ (cents)	Number of Properties	Rateable Value	Rate Revenue	Interim Rate	Back Rate	Total Revenue	Rate Revenue	Interim Rates	Back Rates	Total Revenue
RATE TYPE				\$	\$	\$	\$	\$	\$	\$	\$
Gross rental value											
GRV Residential	0.11287	119	1,316,466	148,592	0	0	148,592	148,592	0	0	148,592
GRV Commercial	0.12692	17	321,640	40,821	0	0	40,821	40,821	0	0	40,821
GRV Industrial	0.12172	11	80,636	9,815	0	0	9,815	9,815	0	0	9,815
GRV Urban Farmland	0.10871	17	211,120	22,951	0	0	22,951	22,951	0	0	22,951
Unimproved value											
UV Rural Zone 2	0.0062	37	20,416,000	127,294	0	0	127,294	127,294	0	0	127,294
UV Special Rural	0.0122	9	960,500	11,762	0	0	11,762	11,762	0	0	11,762
UV General Zone 3	0.0066	215	215,416,000	1,430,578			1,430,578	1,430,578	0	0	1,430,578
Sub-Total		425	238,722,362	1,791,813	0	0	1,791,813	1,791,813	0	0	1,791,813
Minimum payment	Minimum \$										
Gross rental value											
GRV Residential	979	100	587,987	97,900	0	0	97,900	97,900	0	0	97,900
GRV Commercial	927	12	36,412	11,124	0	0	11,124	11,124	0	0	11,124
GRV Industrial	567	7	12,675	3,969	0	0	3,969	3,969	0	0	3,969
GRV Urban Farmland	737	7	23,951	5,159	0	0	5,159	5,159	0	0	5,159
Unimproved value											
UV Rural Zone 2	1,015	35	4,555,500	35,525	0	0	35,525	35,525	0	0	35,525
UV Special Rural	1,133	9	752,000	10,197	0	0	10,197	10,197	0	0	10,197
UV General Zone 3	1,231	91	7,904,157	112,021	0	0	112,021	112,021	0	0	112,021
Sub-total		261	13,872,682	275,895	0	0	275,895	275,895	0	0	275,895
Amount from general rates							2,067,708				2,067,708
Ex-gratia rates							36,199				36,199
Total general rates							2,103,907				2,103,907
Specified area rates	Rate in \$ (cents)										
Sewerage Residential	8.386		23,309	195,471	0	0	195,471	195,471	0	0	195,471
Sewerage Religious Church	4.00		420	1,680	0	0	1,680	1,680	0	0	1,680
Total specified area rates			23,729	197,151	0	0	197,151	197,151	0	0	197,151
Total							2,301,058				2,301,058

KEY INFORMATION

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Rates received in advance give rise to a financial liability. On 1 July 2020 the prepaid rates were recognised as a financial asset and a related amount was recognised as a financial liability and no income was recognised. When the taxable event occurs the financial liability is extinguished and income recognised for the prepaid rates that have not been refunded.

Capital acquisitions	Adopted Budget	Current Budget	YTD Budget	YTD Actual	YTD Actual Variance
	\$	\$	\$	\$	\$
Buildings	389,500	389,500	160,734	22,396	(138,338)
Plant and equipment	325,000	325,000	162,486	218,182	55,696
Infrastructure - roads	2,375,200	2,375,200	1,202,592	678,993	(523,599)
Infrastructure - sewerage	30,000	30,000	0	0	0
Infrastructure - footpaths	30,000	30,000	30,000	0	(30,000)
Infrastructure - other	266,000	266,000	0	0	0
Payments for Capital Acquisitions	3,415,700	3,415,700	1,555,812	919,571	(636,241)
Total Capital Acquisitions	3,415,700	3,415,700	1,555,812	919,571	(636,241)
Capital Acquisitions Funded By:					
	\$		\$	\$	\$
Capital grants and contributions	2,623,045	2,623,045	1,311,510	906,487	(405,023)
Cash backed reserves	910,504	910,504		0	
Reserves cash backed - Long Service Leave Reserve	1,000	1,000	0	0	0
Contribution - operations	(288,849)	(118,849)	99,302	(150,867)	(250,169)
Capital funding total	3,415,700	3,415,700	1,555,812	919,571	(636,241)

SIGNIFICANT ACCOUNTING POLICIES

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the local government includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. Assets carried at fair value are to be revalued with sufficient regularity to ensure the carrying amount does not differ materially from that determined using fair value at reporting date.

30/06/2022

31/12/2021

Account Description		Adopted Budget	Current Budget	YTD Budget	YTD Actual	Variance (Under)/Over
Land and Buildings						
48003	Roofing Project - admin LRCIP	68,000	68,000	0	0	0
98001	Capital housing Up grades	25,000	25,000	12,498	0	12,498
98002	Capital upgrade to Aged Persons Units (hoddy st)	0	0	0	22,396	(22,396)
118005	Town Hall Ceiling Upgrade - LRCIP	100,000	100,000	49,998	0	49,998
138001	Public Buildings - Capital upgrade projects	6,500	6,500	3,246	0	3,246
138003	Old Road Board Building - LRCIP	60,000	60,000	30,000	0	30,000
138004	Gum Toilets Upgrade - LRCIP	50,000	50,000	24,996	0	24,996
138005	Slater Homestead upgrade - LRCIP	80,000	80,000	39,996	0	39,996
Total		389,500	389,500	160,734	22,396	138,338
Plant & Equipment						
123906	Plant Replacement - Grader Go 020 (secondhand)	215,000	215,000	107,496	180,000	(72,504)
123907	Plant replacement - Small Tip Truck	30,000	30,000	15,000	0	15,000
123908	Plant replacement - Utility GO 039	20,000	20,000	9,996	17,273	(7,277)
123909	Plant replacement - Go 183	20,000	20,000	9,996	20,909	(10,913)
123910	Plant replacement - Torro ride on mower	15,000	15,000	7,500	0	7,500
123911	Small Plant - Mobile Traffic lights	25,000	25,000	12,498	0	12,498
Total		325,000	325,000	162,486	218,182	(55,696)
Infrastructure - Roads						
129904	EXPENSE - Regional Road Group Construction	545,990	545,990	272,994	82,690	190,304
129901	EXPENSE - R 2 R Construction	320,500	320,500	160,254	73,352	86,902
129910	Local Road and Community Infrastructure (Long Forrest/Gabby Quoi)	0	0	0	22,000	(22,000)
129911	Local Road and Community Infrastructure (Footpaths)	30,000	30,000	30,000	0	30,000
129912	Black Spot Funding	175,200	175,200	87,594	79,514	8,080
129913	Bridge Upgrade LRCIP	50,000	50,000	25,002	0	25,002
129908	EXPENSE - Wheatbelt Secondary Freight Network	1,253,510	1,253,510	626,748	421,438	205,310
Total		2,375,200	2,375,200	1,202,592	678,993	523,599
Infrastructure - Footpaths						
129911	Local Road and Community Infrastructure Program (footpaths)	30,000	30,000	30,000	0	30,000
Total		30,000	30,000	30,000	0	30,000
Infrastructure - Sewerage						
108003	Upgrade to sewerage water pipe line LRCIP	30,000	30,000	0	0	0
Total		30,000	30,000	0	0	0
Infrastructure - Other						
118006	Anstey Park - Upgrade -LRCIP	185,000	185,000	0	0	0
118007	Upgrade to Playground at Rec Ground LRCIP	81,000	81,000	0	0	0
Total		266,000	266,000	0	0	0
TOTALS		3,415,700	3,415,700	1,555,812	919,571	636,241

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2021

FINANCING ACTIVITIES
NOTE 9
BORROWINGS

Repayments - borrowings

Information on borrowings	Loan No.	1 July 2021	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
Particulars		\$	\$	\$	\$	\$	\$	\$	\$	\$
Housing										
Aged Housing Wollyam Street	114	159,268	0	0	8,798	17,827	150,470	141,441	4,440	8,748
Recreation and culture										
New Sports Pavilion	111	1,080,058	0	0	14,044	28,723	1,066,014	1,051,335	34,332	68,155
Retic Football/Hockey Ovals	113	30,208	0	0	7,258	14,701	22,950	15,507	790	1,388
Economic services										
Community Centre	104	22,481	0	0	22,481	22,481	0	0	833	1,135
Slater Homestead	105	6,738	0	0	6,738	6,738	0	0	250	340
Rural Community Centre	106	330,576	0	0	11,386	23,050	319,190	307,526	6,799	11,378
Salmon Gum & Grange Subdivision	108	100,896	0	0	100,723	100,896	-0	0	3,887	3,855
Bank Overdraft - subdivision - new loan	115	945,000	0	0	25,432	51,206	919,568	893,794	13,571	41,271
B/Fwd Balance		2,675,225	0	0	196,860	265,622	2,478,192	2,409,603	64,902	136,270
C/Fwd Balance		2,675,225	0	0	196,860	265,622	2,478,192	2,409,603	64,902	136,270
Self supporting loans										
Recreation and culture										
Self Supporting Loan MSC	110	198,311	0	0	19,256	39,157	179,055	159,154	6,301	12,256
Self Supporting Loan MSC	110	198,311	0	0	19,256	39,157	179,055	159,154	6,301	12,256
Total		2,873,536	0	0	216,116	304,779	2,657,247	2,568,757	71,203	148,526
Current borrowings		304,779					(88,663)			
Non-current borrowings		2,568,757					2,745,910			
		2,873,536					2,657,247			

All debenture repayments were financed by general purpose revenue.

Self supporting loans are financed by repayments from third parties.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**FINANCING ACTIVITIES
NOTE 9
BORROWINGS**

Repayments - borrowings

Information on borrowings			New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
Particulars	Loan No.	1 July 2021	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget
		\$	\$	\$	\$	\$	\$	\$	\$	\$

KEY INFORMATION

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**FINANCING ACTIVITIES
NOTE 10
LEASE LIABILITIES**

Movement in carrying amounts

Information on leases Particulars	Lease No.	1 July 2021	New Leases		Principal Repayments		Principal Outstanding		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
		\$	\$	\$	\$	\$	\$	\$	\$	
Other property and services										
Photocopier		0			0	0	0	0	0	
GO015 Ford Utility Old works manager	6250532	0	0	0	0	0	0	0	0	
GO040 Ford Escape (Blue)	6250509	5,944	0	0	0	5,835	5,944	109	151	
GOSHIRE Ford Escape (White)	6250620	5,777	0	0	0	5,674	5,777	103	147	
GO015 Ford Utility (WORKSMANAGER)	6463413	20,946	0	0	0	11,043	20,946	9,903	321	
Total		32,667	0	0	0	22,552	32,667	10,115	619	
Current lease liabilities		21,412					21,412			
Non-current lease liabilities		11,255					11,255			
		32,667					32,667			

All lease repayments were financed by general purpose revenue.

KEY INFORMATION

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date, a right of use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

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

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**OPERATING ACTIVITIES
NOTE 11
CASH RESERVES**

Cash backed reserve

Reserve name	Opening Balance	Budget Interest Earned	Actual Interest Earned	Budget Transfers In (+)	Actual Transfers In (+)	Budget Transfers Out (-)	Actual Transfers Out (-)	Budget Closing Balance	Actual YTD Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Reserves cash backed - Long Service Leave Reserve	112,346	1,000	0	0	0		0	113,346	112,346
Reserves cash backed - Mortlock Lodge Reserve	3,172	0	0	0	0		0	3,172	3,172
Reserves cash backed- Plant Replacement Reserve	139,211	1,000	0	0	0	(50,000)	0	90,211	139,211
Reserves cash backed - Staff Housing Reserve	33,151	300	0	0	0	0	0	33,451	33,151
Reserves cash backed - Aged Care Reserve	119,247	1,100	0	0	0		0	120,347	119,247
Reserves cash backed - Vehicle Reserve	107,626	1,000	0	0	0		0	108,626	107,626
Reserves cash backed - Sewerage Reserve	326,074	2,500	0	0	0	0	0	328,574	326,074
Reserves cash backed - Community Bus Reserve	54,033	450	0	0	0		0	54,483	54,033
Reserves cash backed - LCDC Reserve	10,410	150	0	0	0		0	10,560	10,410
Reserves cash backed - SW LAG Officer AL/LSL Reserve	5,234	0	0	0	0	0	0	5,234	5,234
	910,504	7,500	0	0	0	(50,000)	0	868,004	910,504

KEY INFORMATION

Other current liabilities	Note	Opening Balance 1 July 2021	Liability Increase	Liability Reduction	Closing Balance 31 December 2021
		\$	\$	\$	\$
Contract liabilities					
- operating	13	261,845	318,533	0	580,378
Total unspent grants, contributions and reimbursements		261,845	318,533	0	580,378
Provisions					
Annual leave		264,915	0	0	264,915
Long service leave		299,128	0	0	299,128
Total Provisions		564,043	0	0	564,043
Total other current assets		825,888	318,533	0	1,144,421

KEY INFORMATION

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.

Employee benefits

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 calculation of net current assets.

Other long-term 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.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. 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.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2021

NOTE 13

OPERATING GRANTS AND CONTRIBUTIONS

Provider	Operating grants, subsidies and contributions revenue			
	Adopted Budget Revenue	YTD Budget	Current Budget	YTD Revenue Actual
	\$	\$	\$	\$
Operating grants and subsidies				
General purpose funding				
GRANTS - General Purpose	210,000	105,000	210,000	131,137
GRANTS - Untied Road Grants	200,000	99,996	200,000	94,451
Law, order, public safety				
REVENUE - ESL Grant	45,000	22,500	45,000	16,231
Recreation & Culture				
REVENUE - Other Recreation & Sport - No GST	1,000	498	1,000	1,000
Community amenities				
REVENUE - Other Grant Funding	130,000	130,000	130,000	130,000
Transport				
REVENUE - Direct Grant	96,908	48,450	96,908	96,908
Economic services				
REVENUE - Other Economic Services	0	0	0	0
Other property and services				
Various Contributions	209,263	30,536	317,190	219,233
	892,171	436,980	1,000,098	688,959

Non operating grants, subsidies and contributions revenue

	Adopted Budget Revenue	Current Budget	YTD Budget	YTD Revenue Actual	YTD Expenditure Actual	YTD Unspent Contract Liability
	\$		\$	\$	\$	\$
Non-operating grants and subsidies						
General purpose funding						
Grants - Federal Government	752,000	752,000	375,996	0	180,000	0
Transport						
Revenue - Grants Regional Road Group	545,590	545,590	272,796	156,136	82,690	(73,446)
Revenue - Grant Wheatbelt Secondary Freig	997,612	997,612	498,804	666,525	421,438	(245,087)
Revenue - Grants R 2 R	234,244	234,244	117,120	0	73,352	0
Revenue - Grants Black Spot	73,599	73,599	36,798	49,280	79,514	0
Revenue - Grants Pathways	0	0	0	0	0	0
Economic services						
Revenue - Pioneer Pathways	0	0	0	0	0	0
	2,603,045	2,603,045	1,301,514	871,941	836,993	(318,533)

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**NOTE 16
EXPLANATION OF MATERIAL VARIANCES**

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date Actual materially.

The material variance adopted by Council for the 2021-22 year is \$10,000 or 10.00% whichever is the greater.

Reporting Program	Var. \$	Var. %	Timing/ Permanent	Explanation of Variance
	\$	%		
Revenue from operating activities				
Governance	(23,278)	(110.89%)	▼	Received Grants Commission payment early
General purpose funding - rates	(181,745)	(8.82%)		Within material variance
General purpose funding - other	26,576	1.14%		Within material variance
Law, order and public safety	31,662	17.31%	▲ Timing	Timing of receiving the funding from DFES for the ESL program Do not receive the contribution from the Shire of Dowerin until the end of the financial year.
Health	(26,633)	(8.54%)		Within material variance
Education and welfare	132	44.00%		Within material variance
Housing	(69,053)	(50.54%)	▼	Timing of the receipt of rental income for housing.
Community amenities	1,135	0.23%		Within material variance
Recreation and culture	(10,978)	(17.35%)	▼	Within material variance
Transport	43,537	26.52%	▲ Timing	Three vehicle sold by auction that were not budgetted for & bridge funding timing.
Economic services	10,872	7.11%		Within material variance
Other property and services	28,211	88.88%	▲	workers compensation payment not budgetted for.
Expenditure from operating activities				
Governance	22,683	16.38%	▲	Within material variance
General purpose funding	(2,468)	(5.13%)		Within material variance
Law, order and public safety	12,185	4.37%		Within material variance
Health	(7,408)	(2.09%)		Withi material variace
Education and welfare	58	0.71%		Within material variance
Housing	62,480	30.25%	▲ Timing	Extra maintenance carried out on the aged housing and young people when a tenant has moved out and this is not budgetted for.
Community amenities	(26,649)	(8.84%)	▲ Timing	Within material variance
Recreation and culture	39,071	8.16%	▲ Timing	Within material variance
Transport	(510,312)	(70.43%)	▼ Timing	More road maitenance has being carried out due to weather conditions on the roads
Economic services	(8,908)	(3.40%)	▲ Timing	Within material variance
Other property and services	(113,409)	(719.24%)	▼ Timing	The expense of workers compensation payment to employee not budgetted for.
Investing activities				
Proceeds from non-operating grants, subsidies and contributions	(405,023)	(30.88%)	▼	Within material variance
Proceeds from disposal of assets	43,951	36.63%	▲	Sale of Bowen street and aslo Sale of Grange Street block sold didn't know the timing o fthe sale
Proceeds from financial assets at amortised cost - self supporting loans	0	0.00%		Within material variance
Payments for financial assets at amortised cost - self supporting loans	0	0.00%		Withi material variace
Payments for property, plant and equipment and infrastructure	636,241	40.89%	▲	Dependent on the timing of the Capital works program
Financing activities				
Proceeds from new debentures	0	0.00%		Within material variance
Transfer from reserves	0	0.00%		Within material variance
Payments for principal portion of lease liabilities	2,088	100.00%		Yet to show the year liability
Repayment of debentures	(179,409)	(488.76%)	▼	Yet to show all loan repayments
Transfer to reserves	7,500	99.99%		Not completed until the end of the financial year



9.3 COMMENT REGARDING THE PROPOSED FIRE DANGER RATING SYSTEM

File Reference	10.05A
Disclosure of Interest	Nil
Applicant	DFES
Previous Item Numbers	No Direct
Date	25 January 2022
Author	Peter Bentley – Chief Executive Officer
Authorising Officer	Peter Bentley – Chief Executive Officer
Attachments	
1. Supporting Document	

Summary

Council to determine if it wishes to make comment regarding the proposed changes to the fire danger rating system.

Background

The Department of Fire and Emergency Services is working with all other Australian states and territories to implement an Australian Fire Danger Rating System (AFDRS). The AFDRS will enhance public safety and reduce the impacts of bushfires by improving the scientific accuracy behind fire danger predictions and improving how fire danger is communicated.

‘Fewer than four in ten Australians understand and use the current Fire Danger Ratings to plan days in summer, and only a third have acted due to a Fire Danger Rating in the past’.

In a time when people seem to be craving an increasing amount of information, it might feel counter-intuitive to be reducing the number of ratings. However, comprehensive social research has found that most Australians want a more simple, straightforward Fire Danger Rating system. One of the largest social research studies undertaken in Australia, investigated how communities in bushfire-risk areas interact with fire danger ratings, finding that across all states and territories, the public would have an improved response to fewer levels, simpler language, calls to action. The new simpler AFDRS will empower communities to make the most appropriate decisions for the safety, in the lead up to days of dangerous conditions.

Consultation

Nil other.

Statutory Environment

Local Government Act 1995
Bush Fires Act 1954

Policy Implications

Nil

Financial Implications

There are no direct financial impacts resulting from this item.

Strategic Implications



Shire of Goomalling Community Strategic Plan 2019-2028	
1.4.2	Provide, monitor and improve adequate bush fire protection provisions
1.4.3	Support provision of emergency services
1.4.4	Encourage, facilitate and support community participation in the volunteer fire, ambulance and emergency service services

Comment/Conclusion

In September 2020, DFES in consultation with WALGA, administered an online survey to all local governments, providing the opportunity to help identify the impacts that the new AFDRS may have on their specific local government. The survey also informed DFES on a range of matters relating to the proposed change, including community understanding and signage inventories. Responses were received by 66 local governments with the key themes relating to communication, signage and community education.

To better understand key impacts to local governments and to ensure there is support for the proposed new AFDRS framework before formally adopted, the WA AFDRS project team held five regionally based consultation sessions and two online sessions targeted towards local government-based fire managers responsible for decision making protocols relating to the provision of burn permits and issuing of Harvest Vehicle Movement Bans. Information was also sought on strategies for communicating fire danger risk.

The move from six to four ratings, new names and thresholds, will result in significant changes to how Fire Danger Ratings are referenced within the Bush Fires Act 1954 and Bush Fires Regulations 1954. Detailed analysis work, operational testing and stakeholder engagement has been key to understanding the science behind the new system as well as determining appropriate application of the new Fire Behaviour Index from a fire management and operational context.

The WA project management team have been working closely with the DFES Legal Policy and Compliance team as well as consulting with representatives across state and local government, agriculture and industry to identify and progress the required changes to the Act and Regulations prior to the release of the new AFDRS system. Given the limited time frame and current review of the Emergency Services Acts, the intent is to keep changes to the Act and Regulations minimal, reflecting alignment to the appropriate rating level under the new system.

The team have conducted detailed analysis to ensure that FDR / FBI thresholds applied as triggers for restricted activities under the new system are aligned to risk management principles and do not add unnecessary restrictions. Work is still underway to determine the appropriate threshold/s for declaring a Total Fire Ban (TFB) under the new system.

The team are also still finalising the most appropriate FBI value to be applied for triggering a Harvest Vehicle Movement Ban during a Total Fire Ban (Section 24C, Regulations). Based on analysis work and consultation feedback, it is intended that a similar value that corresponds to the appropriate FBI will be applied as the new trigger under the AFDRS.

The team are currently investigating enhancement of the Aurora Fire Behaviour Calculator to allow for calculation of an FBI using the applicable CSIRO Grassland Model based on observed conditions. The below table provides a general overview of where restrictions apply under the current 6 rating system and how these references will change to be appropriately aligned to the new 4 rating (AFDRS) system. Please note that these changes are indicative only as not yet finalised.



Voting Requirements
Simple Majority

OFFICERS' RECOMMENDATION

That the Council:

Provide any comment to the CEO for distribution to the AFDRS team regarding the proposed changes to the fire rating system.

RESOLUTION 452

Moved Cr Barratt, seconded Cr Van Gelderen that Council make no comment.

CARRIED 6/0
Simple Majority

Building a Modern and Consistent Australian Fire Danger Rating System (AFDRS)



The Department of Fire and Emergency Services is working with all other Australian states and territories to implement an Australian Fire Danger Rating System (AFDRS). The AFDRS will enhance public safety and reduce the impacts of bushfires by improving the scientific accuracy behind fire danger predictions and improving how fire danger is communicated.

What is changing?

In September 2022, a new Australian Fire Danger Rating System will be rolled out, and will:

- Incorporate new science based on 50 years of bushfire knowledge
- Accurately reflect more fuel types across Australia's landscape
- Better predict fire danger conditions
- Simplify and improve public information about fire danger and what actions to take
- Support strategic planning, operations, and long-term risk mitigation
- Allow for continuous improvement based on new and changing scientific knowledge, climate, and fuel.

Why are we changing the Fire Danger Ratings?

'Fewer than four in ten Australian's understand and use the current Fire Danger Ratings to plan days in summer, and only a third have acted due to a Fire Danger Rating in the past'.

In a time when people seem to be craving an increasing amount information, it might feel counter-intuitive to be reducing the number of ratings. However, comprehensive social research has found that most Australians want a more simple, straightforward Fire Danger Rating system.

One of the largest social research studies undertaken in Australia, investigated how communities in bushfire-risk areas interact with fire danger ratings, finding that across all states and territories, the public would have an improved response to fewer levels, simpler language, calls to action.

The new simpler AFDRS will empower communities to make the most appropriate decisions for the safety, in the lead up to days of dangerous conditions.

Building a truly national system.

While the underlying models used to derive Fire Danger Ratings are in use consistently across Australia, the resultant fire danger ratings and the related messaging provided to communities is not nationally consistent. This was highlighted in the Royal Commission into National Natural Disaster Arrangements (2020). Building a national approach will maximise the community's ability to understand and appropriately respond to conditions.

How did we get here?

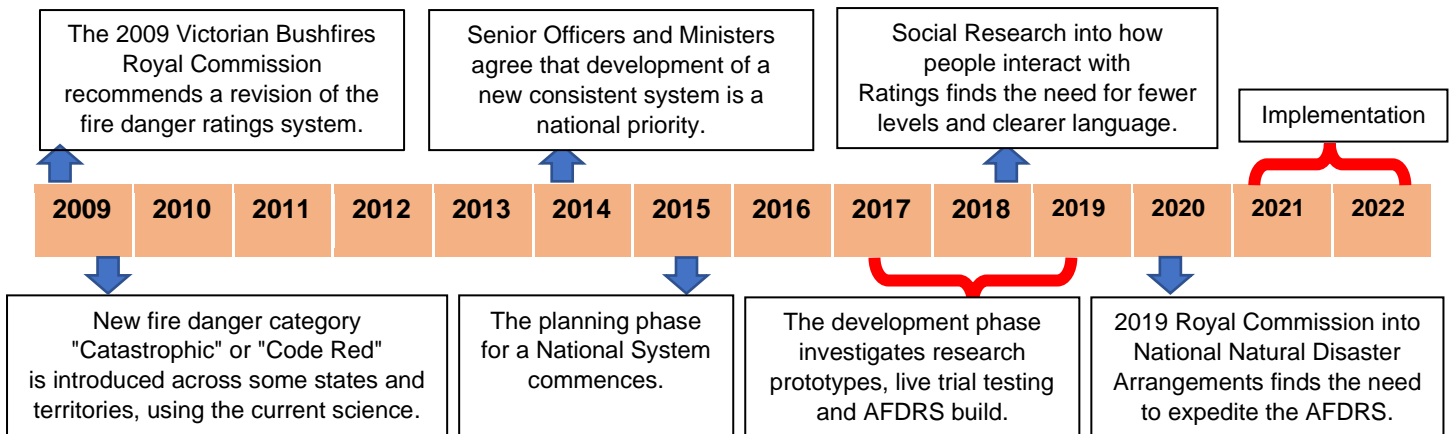


Figure 1 – AFDRS Implementation Timeline

Improved science

Fire Behaviour Models

The current FDR system has significant and widely acknowledged limitations, as it is based on science that is more than 60 years old. The current system only applies two fire behaviour models, the McArthur Forest (Forest Fire Danger Index-FFDI) and McArthur Grassland (Grassland Fire Danger Index – GFDI) Models despite these fuels only being applicable to one third of WA. It also does not account for other fuel values such as fuel load distribution, condition and continuity, which can have a significant influence on fire behaviour.

New research has greatly improved our ability to more accurately predict fire behaviour and to apply several different fire behaviour models, which are more representative of different vegetation types across WA. The AFDRS will consider 22 different fuel types and apply 8 of the most contemporary fire behaviour models across the country. The models, when linked with Bureau of Meteorology predictions, will provide a much more accurate indication of potential fire behaviour should a fire start.

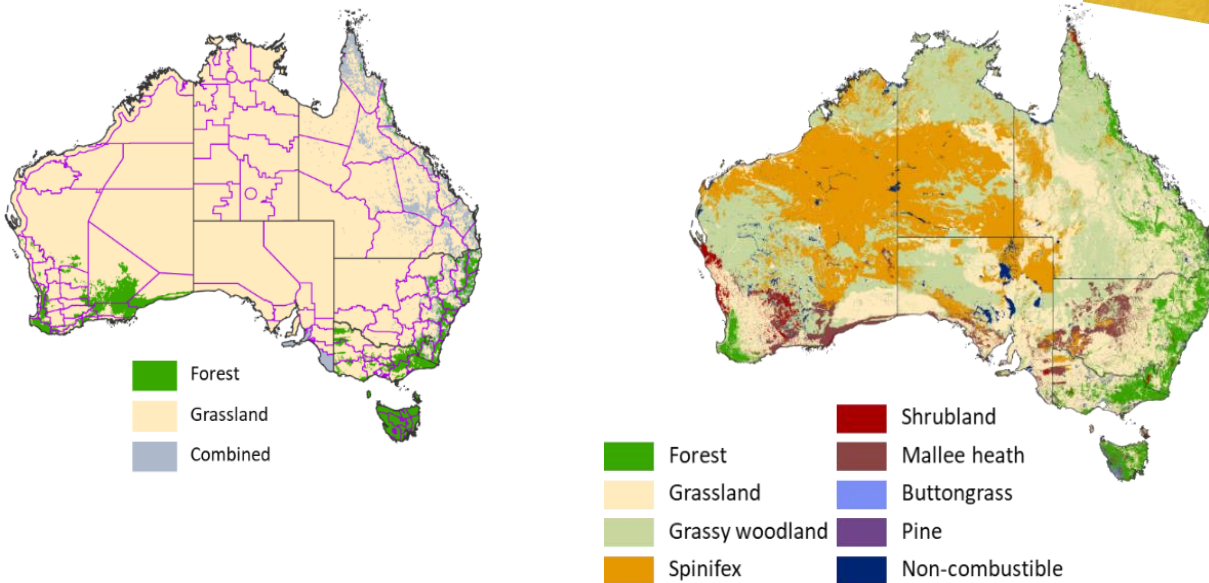


Figure 2 - Fire Behaviour Models – existing and future

Fire Behaviour Index (FBI)

As the AFDRS will incorporate 8 Fire Behaviour Models, the new system will see us moving away from the Fire Danger Index (FDI) to a Fire Behaviour Index (FBI). The FBI is a numerical index that provides a scale of potential fire behaviour weather conditions and the applicable fire behaviour model. It's important to note that as the FBI is based on 8 different fire behaviour models it does not correlate directly to the current FDI values.

The FBI will better inform:

- If a fire occurs, how will it look and behave?
- How difficult is a fire likely to be to suppress or contain?
- How suitable conditions are for prescribed burning?
- What are the likely impacts based on actual historical community losses?

Because the FBI has a high level of precision, it can be used by government agencies, industry, primary producers, and others that work with vegetation fires to support decision making in relation to issues such as prescribed burning, bushfire suppression strategies and when Total Fire Bans may be required. The below image broadly describes potential fire behaviour, impact and suppression capability across the 6 FBI categories.

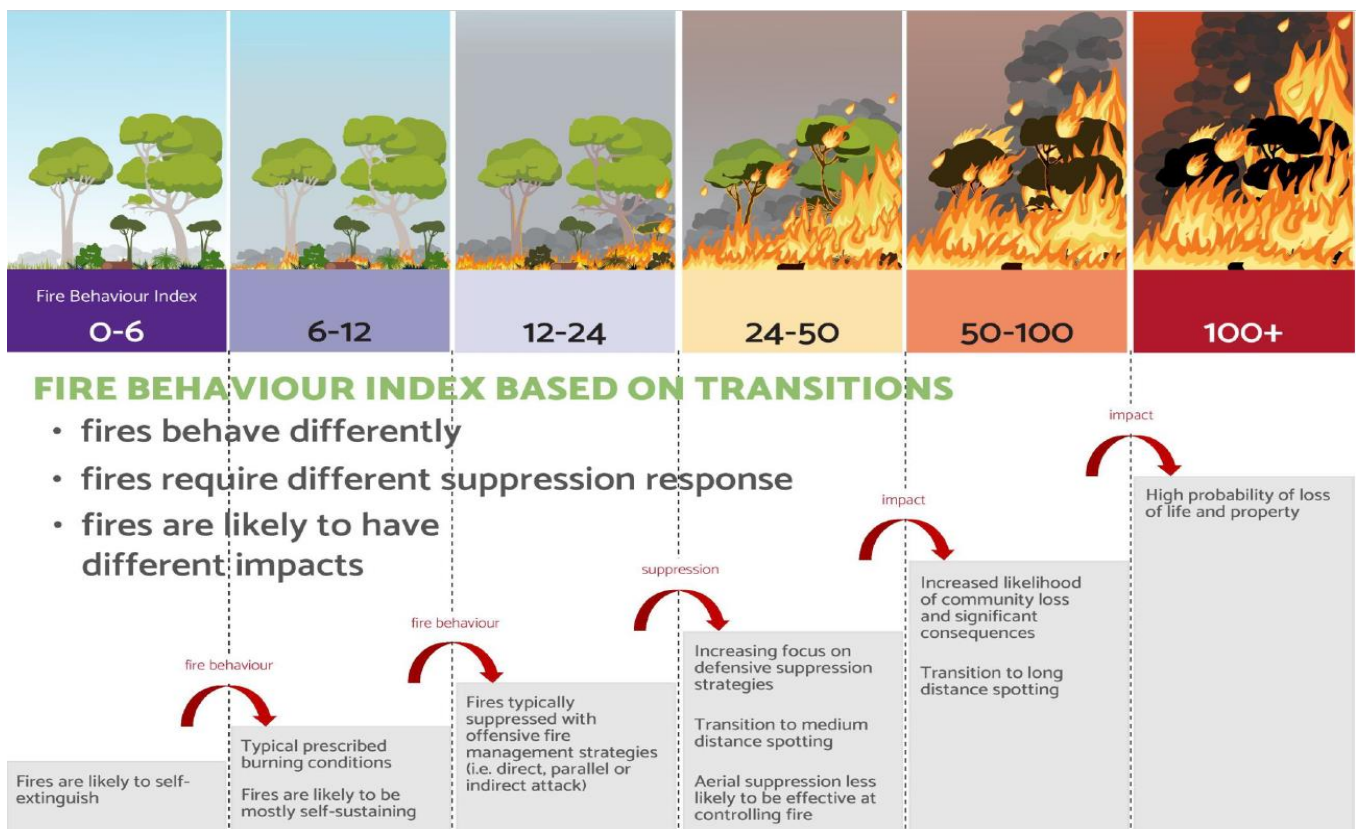


Figure 3 - Fire Behaviour Index categories based on transitions

Fire Danger Rating Framework

The Fire Behaviour Index thresholds and nationally consistent names for each level of the AFDRS were endorsed in December 2021. The new framework builds on information gathered during the social research study with key changes including:

- A simpler system with only 4 levels
- Gradual increase in wording with distinctly different words for each level
- A simplification of the current system – building education off familiarity
- Distinct actions at each level
- Allows the four levels to be targeted to the most important actions

Name	Fire Behaviour Index Range	Indicative description
MODERATE	12-23	Plan and prepare
HIGH	24-49	Be ready to act
EXTREME	50-99	Take action now Days like these are very dangerous for bushfires
CATASTROPHIC	100+	Days like these are the deadliest bushfires. Do not be in a bushfire risk area.

Table 1 – Agreed FDR Names, FBI Index thresholds and broad messaging.

The changes will take effect from **1 September 2022**. This will allow all jurisdictions sufficient time to ensure any legislation or policy changes are complete, prior to the national switch over.

Understanding the non-zero start

You may have noted that ‘Moderate’ commences as an FBI of 12, reflecting a stark change from our current Fire Danger Ratings Systems. Remembering that Fire Danger Ratings indicate how dangerous a fire would be if one started, not the likelihood of a fire starting, the science that underpins the AFDRS reflects a better understanding of how different fuel types burn under differing conditions.

Improving this science means we can ‘switch off’ the system on days where no proactive action is required by the community. This isn’t to say that fires can’t or won’t start, but that the community don’t need to actively anticipate a fire spreading in a fast or threatening way. The non-zero start brings fire danger into line with other hazards such as flood, wind and storm.

Consultation across WA

Committees and Working Groups

The IBOC (Interagency Bushfire Operating Committee) AFDRS WA Implementation Subcommittee has been established to provide support, guidance and oversight of the WA Implementation Project at a senior level across DFES, BoM, DBCA, WALGA and local governments.

Project working groups have been formed to identify the work required to deliver the project. These have been established under the following five workstreams:

- Community Messaging and Engagement
- Science, Systems and Data
- WA Legislation and Compliance
- Doctrine and Training
- Operational Response

Local Government Consultation

Online Survey

In September 2020, DFES in consultation with WALGA, administered an online survey to all local governments, providing the opportunity to help identify the impacts that the new AFDRS may have on their specific local government. The survey also informed DFES on a range of matters relating to the proposed change, including community understanding and signage inventories. Responses were received by 66 local governments with the key themes relating to communication, signage and community education.

Consultation sessions

To better understand key impacts to local governments and to ensure there is support for the proposed new AFDRS framework before formally adopted, the WA AFDRS project team held five regionally based consultation sessions and two online sessions targeted towards local government-based fire managers responsible for decision making protocols relating to the provision of burn permits and issuing of Harvest Vehicle Movement Bans. Information was also sought on strategies for communicating fire danger risk.

State Government and other agencies

In August 2018, DFES hosted an initial information session for several DFES staff and representatives from DBCA and WALGA to introduce the AFDRS, update them on the status of the project and workshop potential impact on the jurisdiction.

In September 2019, a state-level Stakeholder Consultation Workshop was presented by the National AFDRS Program team to gather and understand WA’s requirements and identify potential implications within the jurisdiction. This provided valuable feedback to the National Program Board and input into the national requirements and solution design.

A further stakeholder workshop was held on 26 August 2021 at the Bushfire Centre of Excellence. There were 22 attendees, representing 15 local and state government, industry, utilities and infrastructure organisations were invited to participate.

How will the changes impact WA?

The WA Project team have worked closely with its committees and working groups as well as conducting consultation with a range of stakeholders to identify significant change impact areas and assistance required to support successful implementation of the new system. The following outlines some of the key change impact areas identified.

New Systems and Products

A suite of new online systems and products will be developed to support the implementation of the AFDRS.

- **Fuel State Editor** – a software portal that will allow fire and land management agencies to enter and authorise fuel data on vegetation types, fire history and grass condition for fire behaviour calculations.
- **Fire Danger Viewer** - a visualisation tool which will offer fire managers the ability to display forecast and current FDRs as well as weather, fuel and fire history data in a customised view.

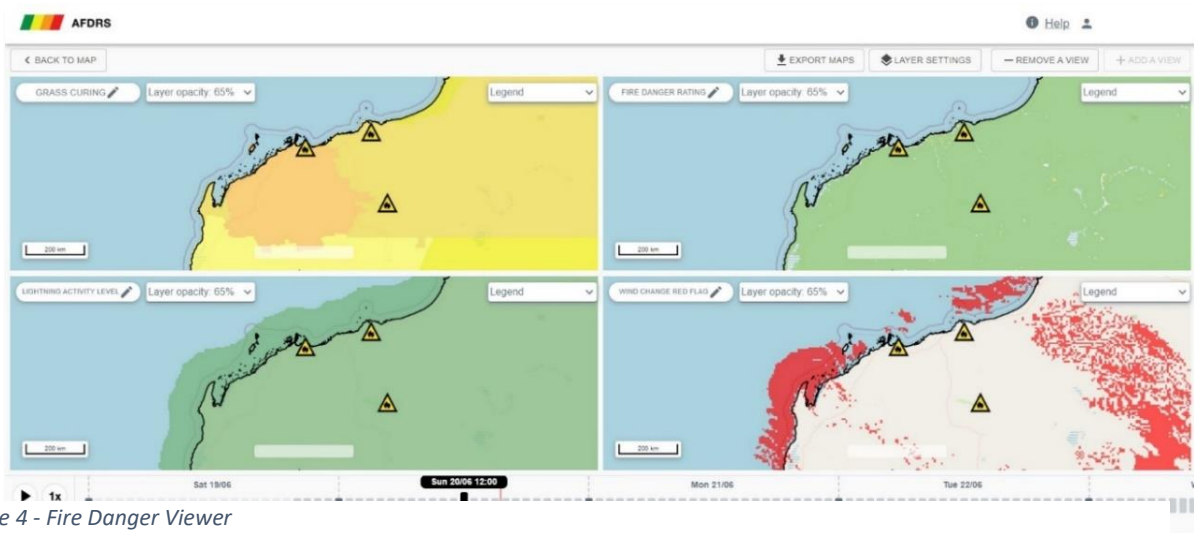


Figure 4 - Fire Danger Viewer

Community products

There will be a number of Bureau of Meteorology (BOM) products that provide information to the community on Fire Danger Ratings, Fire Behaviour Indexes and other relevant information. The Emergency WA website will also be updated to reflect the new Fire Danger Ratings.

Operational Testing

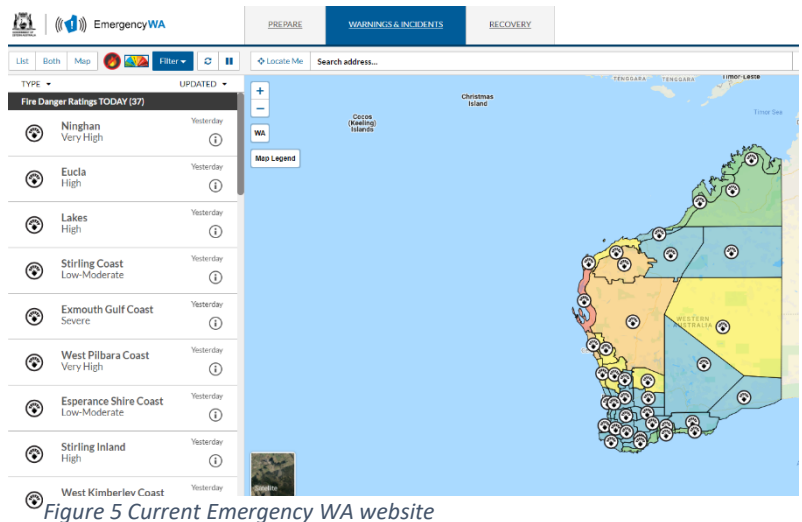
The Operational Testing phase of the implementation project is key to ensure that the products that have been developed nationally are functional, fit-for-purpose and support decision making within a WA fire response context.

Operational Testing is being run in two phases to accommodate the northern and southern fire seasons. Training has been delivered to stakeholders across each region to support testing of the systems during the northern and southern fire seasons. Further system training will be provided to fire and land management staff prior to release of the new system.

Changes to WA Legislation

The move from six to four ratings, new names and thresholds, will result in significant changes to how Fire Danger Ratings are referenced within the *Bush Fires Act 1954* and *Bush Fires Regulations 1954*. Detailed analysis work, operational testing and stakeholder engagement has been key to understanding the science behind the new system as well as determining appropriate application of the new Fire Behaviour Index from a fire management and operational context. The WA project management team have been working closely with the DFES Legal Policy and Compliance team as well as consulting with representatives across state and local government, agriculture and industry to identify and progress the required changes to the Act and Regulations prior to the release of the new AFDRS system. Given the limited time frame and current review of the Emergency Services Acts, the intent is to keep changes to the Act and Regulations minimal, reflecting alignment to the appropriate rating level under the new system.

The team have conducted detailed analysis to ensure that FDR / FBI thresholds applied as triggers for restricted activities under the new system are aligned to risk management principles and do not add unnecessary restrictions. Work is still underway to determine the appropriate threshold/s for declaring a Total Fire Ban (TFB) under the new system. The team are also still finalising the most appropriate FBI value to be applied for triggering a Harvest Vehicle Movement Ban during a Total Fire Ban (Section 24C, Regulations). Based on analysis work and consultation feedback, it is intended that a similar value that corresponds to the appropriate FBI will be applied as the new trigger under the AFDRS. The team are currently investigating enhancement of the Aurora Fire Behaviour Calculator to allow for calculation of an FBI using the applicable CSIRO Grassland Model based on observed conditions. The below table provides a general overview of where restrictions apply under the current 6 rating system and how these references will change to be appropriately aligned to the new 4 rating (AFDRS) system. Please note that these changes are indicative only as not yet finalised.



Fire Danger Rating References to Bush Fires Act 1954 and Bush Fires Regulations 1954 – Current and aligned to AFDRS

Current Fire Danger Ratings (Fire Danger Index)	LOW-MOD (0-11)	HIGH (12-31)	VERY HIGH (32-49)	SEVERE (50-74)	EXTREME (75-99)	CATASTROPHIC (100+)
New Fire Danger Ratings (AFDRS) (Fire Behaviour Index)	No rating (0-11)	MODERATE (12-23)	HIGH (24-49)	EXTREME (50-99)		CATASTROPHIC (100+)
Bush Fires Act 1954, section 24D			Burning of garden refuse is prohibited.			
Bush Fires Act 1954, section 25(a)			Lighting of a fire for the purpose of camping or cooking is prohibited unless the local government has provided written approval.			
Bush Fires Act 1954, section 18A(17) Bush Fires Regulations 1954, r.15B(7)			A permit holder shall not set fire to the bush unless authorised by a fire weather officer.			
Bush Fires Regulations 1954, r. 21B					A BFCO may issue a direction that, notwithstanding any permit to burn clover, clover shall not be burnt in the district.	
Bush Fires Regulations 1954, r. 24C			During a TFB a BFCO must impose a ban (HVMB) on off-road activity for business, industry and agriculture if the Fire Danger Index exceeds 35. The FDI must be worked out using the CSIRO McArthur method. (Corresponding FBI value to be determined. Investigating development of online tool to calculate FBI from observed conditions using applicable CSIRO Grassland Model)..			
Bush Fires Regulations 1954, r. 24F						Hot work excepted from total fire ban under BF Regulations prohibited unless part of urgent works on essential services.
Bush Fires Regulations 1954, r. 24I	Volume of firefighting water required to carry out hot work during a total fire ban under an exception in the BF Regulations according to forecast FDR.					
Bush Fires Regulations 1954, r. 24ZA						Road work excepted from total fire ban under BF Regulations prohibited unless part of urgent works on essential services.
Bush Fires Regulations 1954, r. 24ZE	Volume of firefighting water required to carry out road work during a total fire ban under an exception in the BF Regulations according to forecast FDR.					
Bush Fires Regulations 1954, r. 24ZI						Off-road activity excepted from total fire ban under BF Regulations prohibited unless part of urgent works on essential services.
Bush Fires Regulations 1954, r. 24ZN						Catering activity excepted from total fire ban under BF Regulations prohibited.
Bush Fires Regulations 1954, r. 33(13)			A person who has received a permit to burn proclaimed plants must not burn a proclaimed plant			
Bush Fires Regulations 1954, r. 39CA			Operation of bee smoker devices in the open air prohibited.			

Table 2 – Fire Danger Rating references to Bush Fires Act 1954 and Bush Fires Regulations – current and aligned to AFDRS

Roadside Signage

Fire Danger Rating roadside signs are widely used across WA to communicate daily fire danger ratings. In 2020, a survey was conducted of all local governments in WA and found

60% thought the signs were either 'effective', 'very effective' or 'extremely effective' at increasing community awareness about actions that should be taken in relation to different FDRs.

In regional areas, there was significantly less support for FDR signs due to lack of visibility, messaging blindness and maintenance issues. However, benefits were mostly seen for tourists and/or people passing through regional towns who may not be familiar with the area.

Some local governments have installed digital signs that are automatically updated with data from the BoM, removing the need for rangers, volunteers, or local government staff to update them. Of the local governments that responded to the survey in 2020, 17% indicated having one or more digital signs.

The development of the new AFDRS signs is currently underway by the national team. The WA project team is exploring funding options to support the allocation of new signs to local governments.

Community Education and Awareness

The WA project team have secured funding to support the roll-out of the AFDRS in WA by providing targeted community education and awareness products that have been adapted to the WA context and ongoing public information about community fire danger risk. It will support communities throughout the state, including fire managers, local government personnel, volunteers and the general community. This will include:

- Updating the public information sources (Emergency WA and the suite of emergency messaging templates across social media and other direct channels) to communicate the daily fire danger rating to the community
- Update existing community awareness and education products
- Adapt and localise national communication products to the WA context
- Develop digital education products for local governments, volunteers and the community

Funding is also being sought to support the delivery of a communication campaign to embed community awareness of the new system and required actions.

For more information

As a key stakeholder, we will send you regular updates to keep you informed with the latest AFDRS news.

Please contact the WA project team via email at afdrs@dfes.wa.gov.au or contact Rachael Parkes, AFDRS Project Manager on 9395 9580 for any specific enquiries. Visit the [AFAC website](#) for national project news.



9.4 PUBLIC COMMENT WAPC POSITION STATEMENTS

File Reference	
Disclosure of Interest	Nil
Applicant	WA Planning Commission
Previous Item Numbers	No Direct
Date	25 January 2022
Author	Peter Bentley – Chief Executive Officer
Authorising Officer	Peter Bentley – Chief Executive Officer
Attachments	
1. Position Papers	

Summary

Council to consider whether it wishes to make comment regarding the Draft Position Statement: Planning for Tourism and Guidelines and the draft State-wide registration scheme.

Background

The draft Position Statement: Planning for Tourism and associated Guidelines are now open for public comment.

Together, they outline the policy position of the Western Australian Planning Commission (WAPC) and guide the appropriate management of tourism land use and development in our State.

The draft Position Statement and Guidelines also give clear and consistent direction to local governments on the definition and treatment of short-term rental accommodation in Western Australia.

Council should provide comment through Survey 2 if interested in whether some forms of short-term rentals should be exempt from requiring development approval, and/or how short-term rentals are defined in the planning system.

The WAPC is particularly interested in feedback on the proposed development exemptions and changes under the short-term rental accommodation section (sections 5.2.2 and 5.3.2).

The WAPC will consider all submissions on the Position Statement before releasing a final Position Statement and Guidelines that individual local governments can use to help guide policy-making and local planning scheme provisions in their areas and the Government progressing introducing State-wide development exemptions for low-scale short-term rental accommodation into regulation.

While the WAPC welcomes all comments on the content of the Position Statement, it is particularly interested in feedback on the proposed development exemptions and changes under the short-term rental accommodation section (sections 5.2.2 and 5.3.2).

Please do not provide comments on the proposed State-wide registration scheme for short-term rental accommodation through this section. Comment on the registration scheme is not within the scope of the draft Position Statement and cannot be considered by the Western Australian



Planning Commission. Comments on the registration scheme should be made using a separate survey available on the WAPC Web Site.

Consultation for both closes **at 5pm Monday 7 March 2022.**

If you have any questions on the Position Statement and Guidelines please email tourism@dplh.wa.gov.au. Further information on planning tourism initiatives can be found on the Department of Planning, Lands and Heritage's [website](#).

State-wide registration scheme

The Department of Local Government, Sport and Cultural Industries is investigating the implementation of a new state-wide registration system for short-term rental accommodation.

If Councillors have any further questions about the registration scheme, please email info@dlgsc.wa.gov.au.

Consultation

Nil other.

Statutory Environment

Local Government Act 1995

Planning & Development Act 2005

Policy Implications

There is no current Council policy regarding this matter

Financial Implications

There are no direct financial impacts resulting from this item.

Strategic Implications

Shire of Goomalling Community Strategic Plan 2019-2028

This matter is not directly dealt with within the Community Strategic Plan

Comment/Conclusion

Nil further apart from Council to provide any comment to the CEO for input into the survey document.

Voting Requirements

Simple Majority

OFFICER RECOMMENDATION

That the Council:

Determine whether it wishes to make comment regarding these two policy positions.

RESOLUTION 453

Moved Cr Barratt, seconded Cr Van Gelderen that Council make no comment.

***CARRIED 6/0
Simple Majority***

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Department of Planning,
Lands and Heritage



Draft Position Statement: Planning for Tourism

December 2021

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formats on application to the
Communications Branch.

1. Policy intent

The intent of this Position Statement is to guide the appropriate location and management of tourism land uses through the planning framework and:

- facilitate acceptable development of new and evolving tourism opportunities
- provide a high-level of amenity in tourism areas
- deliver quality land use planning outcomes.

2. Planning for tourism in Western Australia

Western Australia's many natural and man-made features and attractions provide substantial opportunities for tourism, which is a significant contributor to the State and local economies, particularly in regional areas.

Tourism encompasses an array of development types, sizes and locations, and includes accommodation, attractions, facilities, infrastructure and other ancillary services.

Appropriate planning and management of tourist areas and uses is necessary for their promotion and retention, to prevent encroachment from incompatible land uses, to protect the amenity, environmental and landscape values of tourist areas, and to address potential land use conflict. Planning for tourism must be capable of adapting to changes in the sector and the consideration of value-add opportunities.

Local governments are encouraged to consult with Tourism WA and other relevant State Government agencies, tourism associations, local operators and the local community when undertaking planning for tourism as described within this Position Statement.

3. Application of this Position Statement

This Position Statement applies to all tourism proposals within all regions of Western Australia and should be applied in conjunction with the draft Planning for Tourism Guidelines (the Guidelines), available [online](#).

In this Position Statement the term 'tourist accommodation' refers to all tourist accommodation land uses provided within the *Planning and Development (Local Planning Schemes) Regulations 2015* (LPS Regulations) and this Position Statement (at Table 1). Where a land use definition within this Position Statement differs to that within the LPS Regulations, it is intended to update the LPS Regulations such that the land use definition is consistent with this Position Statement.

Note for consultation:

This Position Statement will supersede and replace *Planning Bulletin 49 Caravan Parks 2014*, *Planning Bulletin 83 Planning for Tourism 2013* and *Planning Bulletin 99 Holiday Home Guidelines 2009*.

Land use definitions for short-term rental accommodation are either new or have been modified (refer to section 6 of this Position Statement). Notably, it is proposed to delete the 'bed and breakfast' land use definition from the model definitions of the LPS Regulations and combine it into a new land use definition for 'hosted accommodation'. Refer to Table 1 of this Position Statement for more information.

3.1 Exclusions

This Position Statement is not intended to capture the following forms of short-term and temporary accommodation, which are often subject to either alternative guidance and legislation or approaches by local government (further information available in section 4 of the Guidelines):

- house swapping and house sitting
- lodgers and boarders
- personal use of a holiday home or the sharing of a holiday home with the owner's family and friends
- student exchange accommodation
- workforce accommodation
- residential parks, park home parks, lifestyle villages.

4. Policy objectives

The policy objectives for planning for tourism are to:

- Provide a strategic approach to the sustainable development and management of tourism land uses by ensuring decision-making is guided by a local planning strategy which reflects the demand for local and regional tourism.
- Identify opportunities and protect locations, tourism precincts and sites (existing and potential) where demand for future tourism land use and development have been identified. The character, landscape, visual amenity, economic, social, cultural and environmental values of natural and/or built features that may have future tourism potential should be protected; any negative impacts minimised; and, where possible, values enhanced.
- Plan appropriate infrastructure and services necessary to support tourism development and ensure new and expanded tourism development has secure access to services/infrastructure.

- Recognise that the commercial sustainability of tourism may require flexibility in product mix, site design and risk mitigation approaches. Promote the co-location of complementary and compatible tourism land uses to create identifiable tourism precincts that benefit tourism amenity.
- Ensure land use impacts between tourism activities and other land uses (including residential areas) are appropriately managed.

5. Policy measures

Local government are best placed to plan for tourism within their communities, with local knowledge of tourism activity, opportunities, constraints, including potential impacts and what requirements, if any, should be placed on tourism proposals.

5.1 General measures

In general, strategic and statutory planning decisions should:

- Encourage a range of tourist accommodation choices and experiences as required.

- Encourage sustainable eco-tourism that recognises and complements Western Australia's unique and sensitive natural environment, heritage and Aboriginal culture.
- Give effect to this Position Statement and Guidelines, and the *State Government Strategy for Tourism in Western Australia 2020* (as amended).
- Be consistent in the use of tourism land use and accommodation definitions contained in this Position Statement, the LPS Regulations and *State Planning Policy 7.3: Residential Design Codes*.
- Promote the location of tourist accommodation in areas with the highest tourism amenity (for example beach access, views, facilities, availability of services) and adequate separation from, or management of, any interface with residential land uses.
- Ensure areas used exclusively for tourism sites and precincts are zoned as Tourism or Special Use.
- Ensure that new and proposed caravan parks are zoned Special Use - Caravan Park to provide long-term security as a caravan park use.

- Maintain and support existing tourism and special use sites. Rezoning should only be supported if it is demonstrated that a tourism site is unfeasible in the long-term because of a lack of tourism demand, sustainable tourism function and a long-term decline of all tourism activities and accommodation types in the region.
- The inclusion of any land uses other than tourism land uses on tourism zoned land should be considered on a case-by-case basis. Consideration should include whether there is appropriate infrastructure and a planning framework that supports uses other than tourism on tourism zoned sites. The inclusion of permanent residential uses requires close consideration to ensure tourism remains the primary use of a site and a quality tourism outcome is achieved in conjunction with any residential component.
- Where permitted, tourism uses on agricultural or rural land should be secondary to agricultural and/or rural uses to protect the primacy of the land for rural uses (for example farm stay, restaurant

at vineyard, farm gate sales) as provided by *State Planning Policy 2.5: Rural Planning*.

- Proposals in areas subject to natural hazards (bushfire, coastal, cyclone and flood prone areas) are to meet the requirements set out in the relevant State planning policies (2.6: *State Coastal Planning*, draft 2.9 *Planning for Water*, 3.4: *Natural Hazards and Disasters* or 3.7: *Planning in Bushfire Prone Areas*). The *Position Statement: Tourism land uses in bushfire prone areas* should also be given consideration in decision-making.
- Where coordination is required (for example across multiple sites, stages or for infrastructure provision), proposals within tourism precincts or sites should be informed by the preparation of a structure plan and/or local development plan as appropriate. These plans should be required prior to subdivision or development approval.

5.2 Local planning strategy considerations

The local planning strategy provides the long-term planning directions and actions to manage the change and

development of a local government area. The local planning strategy also provides the line-of-sight between state-wide strategic planning and policy to the local framework and decision-making.

Local government are encouraged to incorporate a tourism component to ensure strategic tourism needs are addressed. The extent to which tourism is examined within the local planning strategy should be proportionate to the significance of tourism to the community and local economy.

The tourism component of the local planning strategy should:

- Reflect on the existing planning framework (including the local planning scheme and relevant local planning policies) and whether it is fit-for-purpose and achieving the tourism outcomes being sought.
- Discuss current and emerging tourism trends and issues, including the provision of information on existing tourism, aspirations for long-term tourism and existing problems related to tourism.
- Where tourism is significant to the locality or region, it should include substantial detail on tourism such

as an accommodation supply and demand analysis, the rationale for determining future land allocation (site size and location), suitable planning controls and anticipated tourism infrastructure needs.

- Identify suitable tourism sites and precincts in accordance with locational criteria developed by the local government and ensure these are located appropriately to townsites and in proximity to the features and attractions they are intended to serve. Locations identified for tourism should be consistent with other existing policies.
- Outline suitable planning controls to guide and manage tourism uses that will need to be incorporated in the local planning scheme.
- Be consistent with this Position Statement.

5.2.1 Caravan parks

Caravan parks are a fundamental component of the tourism accommodation mix and can experience competing demands from short-term and long-term guests. In addition, the demand for land in tourist locations has

contributed to numerous caravan park closures throughout Western Australia.

Strategic planning for caravan parks should:

- Ensure development and long-term retention of caravan parks as a form of short-stay (affordable) accommodation primarily for leisure tourists.
- Recognise that the commercial sustainability of caravan parks requires some flexibility in product mix, site design and risk mitigation approaches.
- Ensure any new caravan parks are located appropriately for their context and intended market and function.

5.2.2 Short-term rental accommodation

Short-term rental accommodation is the collective name given to holiday homes, units or apartments (usually built for residential purposes) offered for short-term letting, often through an online booking platform or management agent. Short-term rentals are either hosted (where a permanent resident (host) is present) or unhosted (where guests have

exclusive use of an entire house, unit or apartment). Commonly, they can be:

- A family holiday home, periodically offered as a short-term rental.
- A property purchased for the sole intent of operating a short-term rental operation.
- Residents looking to let spare bedrooms on a short-term basis.

The success of online booking platforms offering short-term rental accommodation has seen a rapid increase in short-term rentals, with high concentrations occurring in popular tourist locations. In some cases, the rapid growth in the short-term rental market has placed management and compliance stress on local governments and can have a variety of negative flow on effects.

Local government should consider whether specific attention needs to be given to short-term rental accommodation in the local planning strategy. In areas where short-term rentals are in low demand and do not cause significant community concern, addressing the topic within the local planning strategy may be unnecessary.

Note for consultation:

Concurrent with the release of this draft Position Statement, the State Government is working towards implementation of a registration scheme for hosted and unhosted short-term rental accommodation, which was a key recommendation of the 2019 Economics and Industry Standing Committee's inquiry "Levelling the playing field: Managing the impact of the rapid increase of Short-Term Rentals in Western Australia". Further information on the registration scheme is available from <https://www.dlgsc.wa.gov.au/>.

5.2.2.1 Supply, demand and pressures associated with short-term rental accommodation

To help understand current and emerging trends and issues, local governments are encouraged to undertake a short-term rental accommodation supply and demand analysis. A supply and demand analysis should include consideration of the short-term rental market,

the relationship with permanent housing provisions and the traditional accommodation provision.

Considerations may include:

- Identification of the existing short-term rental accommodation supply.
- Assessment of current and future short-term rental demands informed by Tourism WA and Australian Bureau of Statistics data, local government data and other planning documents.
- Identification of short-term rental accommodation opportunities.

Evidence from other jurisdictions (and increasingly from tourism locations in the South West) indicates that a rapid growth in or high supply of short-term rentals may affect the availability of long-term rentals and housing choice for longer-term residents of a community.

Local governments with areas subject to a high supply of short-term rental accommodation and relatively stable housing growth are encouraged to monitor the situation in their communities and adjust policy settings as appropriate.

5.2.2.2 Location of short-term rental accommodation

Consideration should be given to the appropriate location of short-term rental accommodation; where it should be prioritised, permitted or avoided to further strategic planning objectives, enhance the tourism experience and avoid adverse impacts on surrounding land uses.

It is recognised that there is variation amongst local government in approaches taken, from broad acceptance of short-term rental accommodation in all residential areas, through to consideration in selective locations and/or prohibiting in others.

In seeking to guide the location of short-term rental accommodation, the following considerations may be relevant to the local government:

- Provision of and access to tourist amenity proximity to social, cultural, and leisure attractions, and accessibility to transport routes and public transport services.
- Adequate standard of services and infrastructure necessary, for example reticulated or drinking water supply and service, capacity of on-site solutions.

- Locations to minimise adverse interface issues, particularly amenity impacts on surrounding residential and other land uses (for example rural).
- Risk of natural hazards and the extent of measures which may need to be in place to address the level of risk.
- Any other relevant planning consideration and/or policy instruments within the planning framework.

5.3 Statutory planning considerations

The local planning scheme and supporting local planning instruments (such as local planning policies) give effect to local strategic planning through statutory land use and development control.

Local planning schemes and amendments should:

- Include a range of tourism and mixed-use zonings allowing for tourism development and the permissibility of land uses in each zone, to provide for a diverse tourism industry consistent with the local planning strategy.

- Utilise land use definitions as set out in this Position Statement and LPS Regulations.

To complement local planning scheme provisions and guide the exercise of discretion, local government may utilise local planning policy to inform land use and development decisions.

The Guidelines provide further guidance on statutory planning considerations and approaches.

5.3.1 Caravan parks

To support the policy objectives a local planning scheme should:

- Zone caravan parks as Special Use - Caravan Parks to provide long term security of use of the site as a caravan park.
- Identify caravan parks as a permitted (P) use in the Special Use - Caravan Parks and Tourism zones.
- Encourage the development and redevelopment of caravan parks in a manner that responds appropriately to the environment, economy and context.

The rezoning of Tourism or Special Use - Caravan Park zoned sites to residential, commercial or alike zones is generally considered inconsistent with the objectives of this Position Statement. However, if a rezoning is proposed it should be justified and assessed in context of this Position Statement, the Guidelines, and the relevant local planning strategy. Where it can be demonstrated that a caravan park site is no longer required, and this is supported by the Western Australian Planning Commission (WAPC) in consultation with relevant stakeholders, including long-stay tenants, the WAPC may recommend that the Minister for Planning approve the rezoning subject to all other relevant planning considerations.

5.3.2 Short-term rental accommodation

Short-term rental accommodation is divided into two categories: hosted and unhosted. Local planning schemes can control the desired location of short-term rental accommodation through a combination of zoning and land use permissibility. Development control measures can be set through local planning schemes and local planning policies to manage size, location and potential amenity impacts.

Note for consultation:

The WAPC is considering recommending to Government to exempt the following forms of low-scale short-term rental accommodation from the need to obtain development approval:

Hosted accommodation

Hosted accommodation in a single house (or ancillary dwelling), grouped or multiple dwelling, which does not exceed a maximum of four adult persons (or one family) and a maximum of two guest bedrooms. This form of short-term rental accommodation is considered low-scale because the host resides on site, can manage any issues with guests and the tourism/commercial use of the property is incidental to the permanent residential use.

The cap of a maximum of four adult persons (or one family) and a maximum of two guest bedrooms is the same cap currently provided within the model definition of 'bed and breakfast'. The 'bed and breakfast' land use definition is proposed to be deleted from Schedule 1 (Model Provisions) of the LPS Regulations.

Unhosted accommodation

Unhosted accommodation in a single house, grouped or multiple dwelling where it is let for no more than 60 days per calendar year.

Note: This exemption is for a change of use. Unhosted accommodation in a single house, grouped or multiple dwelling operating for more than 60 days per calendar year would be subject to the requirements of the relevant local government's local planning framework.

Subject to the results of consultation, amendments to the LPS Regulations may be undertaken to make hosted and unhosted accommodation, which meet the conditions outlined above, forms of development for which development approval is not required.

It is proposed that these forms of short-term rental accommodation would still be required to register with the state-wide registration scheme.

5.3.2.1 Hosted accommodation

For new schemes, scheme amendments and scheme reviews, local government should incorporate the land use definition for 'hosted accommodation' (refer to Table 1).

To regulate forms of hosted accommodation through the local planning scheme or local planning policy, the following considerations may be relevant:

- Locational factors which may assist in determining appropriate locations for hosted accommodation within residential areas (refer to the Guidelines for further information).
- Suitability of the premises with regards to building design and form.
- Minimum car parking requirements.
- Servicing requirements, such as access to drinking water and wastewater systems.
- Room and guest caps.
- Preparation and approval of a management plan.
- Time or frequency of use limits.

Other building or health licensing requirements may also apply outside of the planning system, such as provisions relating to swimming pools, the serving of food, the provision of fire safety equipment and evacuation measures.

5.3.2.2 Unhosted short-term rental accommodation

Local government has the flexibility to regulate unhosted short-term rental accommodation through its local planning framework to respond to local conditions (subject to regulatory processes). This Position Statement sets out considerations and approaches to achieve this.

It is acknowledged there are various approaches to the regulation of unhosted short-term rental accommodation currently undertaken across Western Australia. The regulatory and policy response of the local government should be proportional to the significance of the issues arising from unhosted short-term rental accommodation in their municipality. In determining the appropriate way to regulate unhosted short-term rental accommodation the following statutory planning mechanisms can be considered:

- Utilising the zoning table, land use permissibility and other scheme mechanisms to control the locations whereby unhosted short-term rental accommodation proposals may be designated either permitted, discretionary, discretionary with advertising, or prohibited.
- Capping guest numbers permitted within a holiday home, holiday unit or holiday apartment through local planning policy and/or condition of a planning approval, to respond to constraints such as availability of vehicle parking, capacity of infrastructure (such as onsite effluent disposal) or to maintain appropriate levels of amenity in line with expectations (such as concerns regarding party houses).
- Utilising a local planning policy to guide discretionary decision-making, which may include but not be limited to, any of the following matters:
 - locational factors which may assist in determining appropriate locations for unhosted forms of short-term rental accommodation within residential areas (refer to the Guidelines for further information)
 - limits to the number of guests and/or rooms
 - limits to nights the property can be made available for rental in any one year
 - provision of car parking
 - minimum services such as potable water and reticulated sewerage
 - preparation and approval of a Management Plan
 - waste management
 - whether pets of guests (such as dogs) are permitted
 - managing for potential noise nuisance.
- If appropriate, initial development approval can be granted for a limited period (for example 12 months) and renewed on a longer basis (for example three to five years, or permanently) to ensure there is appropriate management of potential impacts on the amenity of neighbouring properties.

5.3.3 Other planning processes including structure plans, subdivisions and development applications

WAPC

Where appropriate, the WAPC will consider the application of this Position Statement in the assessment of structure plans, subdivision, strata, community titles and development applications on sites zoned for tourism purposes or where tourism uses can be considered.

In assessing proposals on land zoned for tourism purposes the WAPC will, among other things (including adopted plans and policies) consider whether the proposal will:

- Facilitate the development of a quality, sustainable tourism facility.
- Incorporate those facilities associated with tourist accommodation developments such as recreation, entertainment and integrated management.
- Provide for current and future tourism demand.
- Have the capacity to accommodate the necessary services, management and

support facilities without compromising the character, development flexibility or tourism amenity of the site.

- Provide for the retention or enhancement of the strategic value of the site for tourism purposes, including the relationship between individual lots and areas of high tourism amenity and the potential to accommodate current and future tourism demand.
- Result in the subdivision of a large tourism lot (for example, to separate the residential component from the tourism). This may result in tourism lots remaining undeveloped and future pressure to approve further residential components to finance development.

In the case of subdivision of an existing caravan park, subdivision is generally not supported. Excising a portion of a caravan park site may be supported if the excised portion is proposed to be developed for a compatible tourism use. Strata or community titling of caravan parks is not permitted as provided by the *Strata Titles Act 1985* and *Community Titles Act 2018*.

Local government

Local government are encouraged to have regard to this Position Statement along with other relevant considerations in the assessment of development applications for tourism land uses and sites zoned for tourism purposes.

6. Definitions

The definitions for forms of tourist accommodation not included in Table 1 of this Position Statement are as per provided in Schedule 1 (Model Provisions) of the LPS Regulations.

Table 1: New and amended definitions

Proposed land use term	Proposed meaning	Dwelling type under the R-Codes
Hosted accommodation (Note: new definition)	<i>means a dwelling or ancillary dwelling, or a portion thereof, used for the purpose of short-term accommodation, with a permanent resident who is present overnight for the duration of the stay either in the dwelling or ancillary dwelling.</i>	Single house, ancillary dwelling, grouped dwelling or multiple dwelling. Note: The WAPC considers the use of an ancillary dwelling for short-term accommodation (where the host resides in the main dwelling and the guest stays in the ancillary dwelling – or vice versa) is a hosted form of short-term rental accommodation.
Holiday house (Note: amended definition)	<i>means a single dwelling used to provide short-term accommodation</i>	Single house
Holiday unit (Note: new definition)	<i>means a grouped dwelling used to provide short-term accommodation</i>	Grouped dwelling
Holiday apartment (Note: new definition)	<i>means a multiple dwelling used to provide short-term accommodation</i>	Multiple dwelling

Land use term	Proposed meaning
Tourist development (Note: amended definition)	<i>means a building, or a group of buildings forming a complex, other than a caravan park, used to provide – (a) short-term accommodation for guests; and (b) onsite facilities for the use of guests; and (c) facilities for the management of the development</i>
Serviced apartment (Note: amended definition)	<i>means a group of units or apartments providing – (a) self-contained short-term accommodation for guests; and (b) any associated reception or recreational facilities</i>
Note: It is intended to delete the land use term 'bed and breakfast' from Schedule 1 (Model Provisions) of the LPS Regulations.	
Note: It is intended to delete the land use term 'holiday accommodation' from Schedule 1 (Model Provisions) of the LPS Regulations.	

General term	Proposed meaning
Short-term accommodation (Note: amended definition)	<i>means temporary accommodation provided on a commercial basis, either continuously or from time-to-time with no guest accommodated for periods totalling more than 3 months in any 12-month period.</i>



Department of **Planning,
Lands and Heritage**



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Draft Planning for Tourism Guidelines

December 2021

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The Department of Planning, Lands and Heritage acknowledges the traditional owners and custodians of this land. We pay our respect to Elders past and present, their descendants who are with us today, and those who will follow in their footsteps.

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PURPOSE OF THESE GUIDELINES

These Guidelines should be read in conjunction with the draft Position Statement: Planning for Tourism (the Position Statement). They provide guidance on its implementation and aim to:

- provide context for planning and decision making on tourism development and land use
- encourage strategic planning that considers local tourism and its wider context
- assist local government in planning for tourism in its local planning strategy and local planning scheme
- encourage a consistent approach to tourism in local planning frameworks
- encourage flexible and adaptive design of tourism and mixed-use development suited to each local government area.

These Guidelines supersede and repeal *Tourism Planning Guidelines* (May 2014) and *Holiday Home Guidelines – short stay use of residential dwellings* (September 2009).

BACKGROUND – PLANNING FOR TOURISM IN WESTERN AUSTRALIA

Tourism is a significant contributor to the national and state economy, particularly in regional areas. Western Australia has a diverse natural and cultural landscape which offers an array of unique experiences. The provision of sustainable facilities and businesses that serve tourists and strengthen and diversify the Western Australian economy are crucial to economic development. The *State Planning Strategy 2050* has additional information about tourism in Western Australia.

The planning system has an important role in facilitating investment in tourism in appropriate locations. Under or over supply of tourism facilities may be detrimental to local communities as well as the attractions and features which draw tourists.

Where tourism is considered significant within a locality or region, detailed tourism planning is advised. Planning should be undertaken in consultation with Tourism WA, State Government agencies, tourism associations, local operators and their local community, and take into consideration issues raised in the *State Planning Strategy 2050*, regional strategies, the Position Statement and these Guidelines.

1. LOCAL PLANNING STRATEGY CONSIDERATIONS

A local planning strategy provides the long-term planning directions and actions to manage the change and development of a local government area and informs the local planning scheme.

The strategy should be based on sound planning principles and provide the:

- rationale for future land allocation;
- planning controls; and
- infrastructure needs.

Where tourism is significant to a locality or region, a detailed tourism component should form part of the local planning strategy.

1.1 TOURISM COMPONENT OF THE LOCAL PLANNING STRATEGY

Further to section 5.2 of the Position Statement, local governments are encouraged to address tourism in the local planning strategy in a manner reflective of the importance of tourism in the municipality. Information that should be provided includes:

- Aims, visions and objectives for tourism development and land uses in the local government area.
- Description of current and potential roles for tourism in the local government area.



- Estimates of current and projected tourism demand for the local government area.
- Consideration, where appropriate, of existing and potential tourist zones, tourism precincts, tourism sites, tourism land requirements and opportunities for introducing new or specific tourism land uses.
- Guidance for assessing tourism proposals, including character and design measures, to achieve aspirational tourism development at particular locations.
- Identification of existing and potential tourism zones, tourism precincts and tourism sites through spatial/strategic mapping.
- Actions and timeframes to achieve the desired level of tourism.

The local planning strategy should be informed by available tourism statistics and may include:

- tourist visitation numbers
- an inventory of existing tourism uses and developments
- an inventory of the attractions and natural assets that draw tourists to an area
- local tourism activities
- actual and potential economic benefits of tourism to the local community
- any impacts and proposed treatment of issues (such as noise and waste) associated with tourism.

The *Local Planning Manual* (as amended) provides guidance on the preparation of local planning strategies and should be read in conjunction with these Guidelines.

1.2 SCOPE AND CONTENT

The tourism component of a local planning strategy should identify:

- tourism sites and assessment based on the capacity for quality, sustainable tourism, addressing current and future demands;
- a scope and process for additional detailed planning that may be required, to inform future local planning scheme amendments;
- criteria and principles to guide development of tourism precincts and sites;
- appropriate planning mechanisms to be introduced into the local planning framework, including the local planning policies, special control areas, specific tourism zones, detailed planning requirements (for example requiring preparation of a structure plan, or local development plan prior to subdivision or development), or incentives (for example a plot ratio bonus to encourage development or an increased scale of tourism within mixed use development); and
- key gaps and opportunities for tourism in a locality may be known or need to be identified in order to identify tourism precincts and sites.

1.2.1 Tourism objectives

Tourism objectives should be consistent with the strategic vision to guide appropriate tourism development throughout the locality. In defining tourism objectives, the following may be addressed:

- The nature and importance of tourism to the local economy in strategic plans/policies.
- Support for tourism through local planning scheme zones and provisions.
- Facilitate a variety of holiday accommodation types including short-term rentals and existing caravan parks and camping grounds in preferred locations.
- Protection of tourism precincts and sites for future tourism development to meet estimated demand, and from incompatible and/or conflicting land uses.
- Innovative tourist accommodation and facilities that respond to market needs.
- Tourism growth and development that reinforces unique and local tourism identity and features.

A tourism objective should be clear, consistent with goals/vision of the local government strategic plan and tourism characteristics of each locality.

1.2.2 State and regional planning context

A local planning strategy responds to the *State Planning Strategy 2050*, the *State Government Strategy for Tourism in Western Australia 2020* (as amended), and relevant regional and local factors. It should describe the role and importance of tourism in the area through analysis of existing State Government policy, assessment of local tourist attractions and features, contribution made to the local economy and any potential for expansion.



1.2.3 Local tourism profile

The local tourism profile should inform any proposed planning and recommendations for tourism in a local planning strategy. The profile may include an analysis of the characteristics of existing and potential tourism and identify the value of tourism to the local community. Existing, proposed and potential tourism development should be reviewed to establish tourist development needs.

This may include:

- Identification of new types of tourism.
- Justification for increasing the number of tourists accommodated overnight.
- The need for new or additional tourism facilities.

Visitor information statistics are helpful in determining the level of tourism that is occurring in a local government area. The following visitor information (where available) is recommended to be included in the background section of the local planning strategy:

- average length of stay (% overnight visitors);
- purpose of visit (holiday, business, specific attraction/event);
- accommodation selected (type, age, standard occupancy rates, peak periods/seasonality);
- mode of transport (to/from and within local area); and
- demographics (age, gender, international/interstate/intrastate).

Tourism WA and the Australian Bureau of Statistics are resources available to local governments for compiling visitor information.

Note for consultation:

Concurrent with the release of these Guidelines, the State Government is working towards implementation of a registration scheme for hosted and unhosted short-term rental accommodation. It is anticipated the registration scheme will be able to provide data on short-term rental accommodation. Further information on the registration scheme is available from <https://www.dlgsc.wa.gov.au/>

1.2.4 Local planning scheme review

As part of preparing a local planning strategy, a review of the existing local planning scheme should occur and consider whether:

- the local planning scheme adequately protects tourism/tourist uses at risk from other land use planning or zoning pressures;
- the existing planning framework influences location, design and type of tourism development;
- existing planning provisions and policies support and encourage the development of tourism facilities;
- growth and/or development of tourist accommodation, attractions, and/or facilities are influenced by the presence or absence of tourism policy and/or zones; and
- the local planning scheme includes tourism zones, and, if so, are non-tourism uses permissible or discretionary within the zone and if this has affected the development of tourism zoned land.

1.3 SITING AND DESIGN OF TOURIST DEVELOPMENT

1.3.1 Siting

Local governments have the opportunity to consider where tourism uses are best located and the amount of land required to service tourism through community consultation and the preparation or review of its local planning strategy, local planning scheme and local planning policies. The primary objective of a local planning strategy for tourism is the identification of tourism precincts and sites.

The tourism component of a local planning strategy may identify the locations which may be subject to future scheme amendments to cater for future tourism.

Tourism precincts and sites should be planned in locations which enhance the tourist experience and avoid or minimise interface/land use conflict with surrounding uses. Selection and justification of potential tourism locations should consider the following:

- the demand for a proposed tourism use, informed by the local tourism profile;
- access for pedestrians, vehicles and/or public transport;
- provision and access to tourist amenity (e.g. landscape, views, proximity to attractions);
- compatibility of tourism development with surrounding land uses;
- land constraints (e.g. steep slopes, coastal setbacks, water courses);
- vulnerability to natural hazards (e.g. bushfire, cyclone, flood, erosion);



- scale of tourism development and location suitability;
- infrastructure availability to service the proposed tourism uses; and
- for eco-tourism proposals, the use of education and conservation measures, construction materials, waste management, and energy efficiency.

1.4 TOURISM PRECINCTS

A tourism precinct is a defined area that has potential for the co-location of tourist accommodation, attractions, activities and/or amenities. Tourism precincts should be vibrant, attractive and inviting, offering a variety of uses within an accessible area. A tourism precinct could be an entire town centre or a street block, however it should be walkable. They can support detailed planning for specific tourist accommodation sites, complementary and supporting land uses, and the integration of tourism infrastructure.

The location and scale of a tourism precinct should be informed by the following factors:

- proximity to tourist attractions and facilities;
- be compatible with existing land uses and infrastructure;
- existing and potential tourist accommodation opportunities;
- desired or existing character and amenity;
- visitation statistics for the locality;
- access including transport opportunities; and
- capacity to accommodate a mix of uses that complement tourism development.

The local planning strategy should identify further detailed planning through the local planning scheme necessary to facilitate an identified tourism precinct.

1.5 TOURISM SITES

A tourism site may include an existing tourist development or non-tourism zoned land that has physical characteristics suited to tourism. Considerations for the selection and identification of tourism sites are provided in Table 1 of these Guidelines.

Future land use and development of tourism infrastructure can be introduced in a local planning strategy by identifying suitable tourism sites and detailing their significance to tourism. This will assist in determining the level of detailed planning to facilitate desired tourism development.

1.6 TOURISM FACILITIES

1.6.1 Tourist attractions, activities and amenities

The local planning strategy should include the following details on key tourist attractions, activities and amenities; including their size and the scale of the local tourism industry:

- details of the existing tourism market (for example is it event, cultural, sport, family, adventure, environmental, eco-tourism, health or agri-tourism based?);
- potential new or extended tourist markets to be explored;
- list the types of attractions and experiences (this may include national parks, coastal environments, winery region, cultural and sporting events);

Table 1: Tourism sites - site selection

Criteria	Considerations
Accessibility	Adequate existing or proposed transport links
Uniqueness	A prominent and/or unique landmark of significance
Setting	The site's views, or outlook that encourages recreational tourism activities and/or tourism character
Tourism activities and amenities	The site has or is within easy access of attractions and amenities that promote tours, fishing, historic sites, walk trails, environmental interpretation, cafes, restaurants, shops etc. or is capable of development for activities
Supply of land	The site represents a limited amount of land suitable for a significant tourism use



- type, capacity and number of tourism businesses and activities by tourism category (for example art galleries, breweries, theme parks);
- emerging tourism development opportunities (for example events and/or activities such as festivals, concerts, sporting events, underutilised areas of natural beauty, and adventure activities); and
- tourist amenity of public areas including town centres, streetscapes and public open space.

1.6.2 Tourism infrastructure and services

A local planning strategy should consider infrastructure and services including:

- Identification of service capacity and infrastructure projects with potential to impact tourism growth or quality of visitor experience including access (for example roads, rail, airports), water, wastewater, telecommunications and power (along with potential impacts to other land uses).
- Consideration of tourist movement between accommodation and activities/attractions.
- Access to and from tourist destinations.
- Identification of infrastructure improvements related to tourism in the local government area (for example improve/expand road networks, increased capacity at a local airport to increase tourism access).

1.7 HERITAGE

1.7.1 Historic (built) heritage

Tourism can play a key role in conserving historic heritage when initiated and managed appropriately. The development of heritage buildings and places for commercial tourism may offer a commercially viable option for securing their future. Heritage tourism can contribute to the rejuvenation of regional and urban areas and spread economic benefits across a wide geographical area, such as through themed trails and driving routes.

1.7.2 Aboriginal heritage

Western Australia's rich and diverse Aboriginal heritage gives the State a unique point of difference over other holiday destinations. Aboriginal heritage includes both site and non-site specific values, experiences and activities in urban and regional areas. Tourism, if managed appropriately, can help preserve Aboriginal heritage by encouraging cultural site protection, environmental conservation, and the transfer of inter-generational cultural knowledge.

Tourism also represents a significant opportunity for Aboriginal people to secure sustainable economic, social and job outcomes. An example is the Camping with Custodians touring experience for travellers, which provides income, employment and training opportunities for Aboriginal communities across the Pilbara and Kimberley.

1.8 INTERIM MEASURES IN THE ABSENCE OF A LOCAL PLANNING STRATEGY

Where a local government does not have an endorsed local planning strategy, the assessment of a scheme amendment or development application which proposes a non-tourism use on an existing tourism site should consider the Position Statement, these Guidelines, the *Local Planning Manual* (as amended) and any relevant State and local policies.

For tourism sites within an existing or potential tourism precinct, assessment should consider issues and objectives relevant to the tourism precinct including the importance of tourism for the locality.

1.9 TOURISM RESOURCES

To inform economic development, environmental protection, resource management, housing provision and infrastructure (physical and social), liaison should be undertaken with relevant State agencies and the tourism industry. Tourism WA offers various resources to assist planning for tourism and should be consulted if preparing a local planning strategy for an area where tourism is important. Appropriate consultation should ensure the local planning strategy is relevant and reflective of the local community, industry expectations and wider Western Australian context.



2. GENERAL STATUTORY PLANNING CONSIDERATIONS

2.1 ZONING FOR TOURISM

A variety of tourism development can be accommodated within tourism, mixed use and special use zones. Uses permissible in each local planning scheme zone should reflect and be consistent with the intended tourism outcome. The *Planning and Development (Local Planning Scheme) Regulations 2015* (LPS Regulations) provide provisions for zones and land uses for the use of local government.

The objectives of the Tourism zone in the LPS Regulations are:

- To promote and provide for tourism opportunities.
- To provide for a variety of holiday accommodation styles and associated uses, including retail and service facilities where those facilities are provided in support of the tourist accommodation and are of an appropriate scale where they will not impact detrimentally on the surrounding or wider area.
- To allow limited residential uses where appropriate.
- To encourage the location of tourism facilities so that they may benefit from existing road services, physical service infrastructure, other tourist attractions, natural features and urban facilities.

In local government areas where tourism is economically significant, the local planning strategy may identify potential tourism zones for the local planning scheme where they do not already exist. Where a tourism site has different or additional objectives to the standard tourism and mixed-use zone objectives, the site may be considered as a special use zone to enable specific objectives unique to the site or tourism use to be included in the objectives for that zone/site only (for example caravan park).

2.1.1 Land use considerations

The local planning scheme needs to determine appropriate use classes and permissibility of tourist development in each zone. Considerations may include:

- a) Tourist development should be given priority in tourism zones. Local planning schemes that allow residential development in tourism zones need to provide guiding objectives or principles to ensure development is consistent with the tourism purpose of the zone.
- b) In areas of strong or developing tourism industry, a focus on tourism land use and development is necessary in the local planning scheme.

2.2 DESIGN OF TOURIST DEVELOPMENT

The design principles supporting tourism development siting and design include:

- context and character
- landscape quality
- sustainability

- functionality and build quality
- community
- amenity
- legibility
- built form and scale
- safety
- aesthetics.

Key State policies that support design and assessment include:

- *Visual Landscape Planning in Western Australia – a manual for evaluation, assessment, siting and design (Visual Landscape Manual)*
- *State Planning Policy 7 Design of the built environment (SPP7 and SPP7.3).*

Both documents are to be considered, where relevant, for tourism proposals and their assessment.

2.3 TOURISM SITES

Identification of tourism sites in the local planning scheme can facilitate long-term protection of land for tourism purposes.

Specific planning controls are encouraged for each tourism site and precinct to set parameters for future planning, such as a structure plan or objectives for development or redevelopment.



The design principles of tourist development listed in these Guidelines (section 2.2) should be considered during site selection and planning. In prioritising tourism sites and to inform detailed planning, the following specific site values may be considered in Table 2 of these Guidelines.

2.4 TOURIST DEVELOPMENT IN NON-TOURISM ZONES

A local planning scheme Tourism zone is provided for in the LPS Regulations. Prior to the introduction of this zone, tourist accommodation and development may have been approved on land not zoned for tourism, including in residential, mixed use, rural and town centre zones. Where appropriate, the local planning strategy should

identify opportunities to rezone these sites to tourism in the local planning scheme review. Tourism uses can be encouraged in mixed use and town centre zones as this may assist in providing a mix and scale of development attractive to both tourists and residents.

2.5 NON-TOURIST DEVELOPMENT IN TOURISM ZONES

Careful consideration is required for any proposal to develop tourism zoned land for non-tourist development, or to re-zone tourism land to an alternate zone, given this may collectively lead to lost opportunities for quality tourism development in the most appropriate locations.

There is a need to consider applications and sites on an individual basis, taking into account particular locational issues, in addition to their potential strategic tourism value. Local government may consider developing assessment criteria to determine the significance of any proposed loss of tourism.

Some local governments have adopted a variety of approaches when dealing with non-tourist development and subdivision on tourism zoned land. Considerations include:

- Residential development should be secondary to the tourism use. See Appendix 1 for further information.
- Establishment of length of stay occupancy restrictions for residential uses.
- Proposals are to remain incidental to, and support, the proposed tourism use on the site.
- Demonstration that non-tourist development will not compromise or adversely impact the tourism zone objectives or surrounding uses.
- Development to incorporate facilities normally associated with tourist accommodation development such as recreation, entertainment facilities and integrated management facilities.

Table 2: Tourism sites – criteria to inform detailed planning

Criteria	Considerations
Suitability in a land use context	Is the tourism site located where potential tourism activity is likely to be limited by proximity to uses that might detract from the tourism character?
Capability	Is the site capable of being developed or expanded for tourism and associated servicing that will not impact its natural attributes or cause environmental damage (for example sewerage capacity, water supply and waste collection?). Preparing for climate change adaptation is important to the sustainability of many key tourism sites.
Size	Is the site of suitable size to sustain a proposed tourism development in terms of design, operation and function, without limiting future potential for expansion? Will development of the site contribute to the delivery of diversified and balanced tourism?
Function	Is the site suited to a particular type of tourist accommodation, certain tourism market needs or the desired range of tourist accommodation for the locality (e.g. beachfront caravan parks, school holiday camps, and Crown tourism leases?).



3. TOURISM USES

3.1 RURAL TOURISM

There has been a long-term trend of increasing demand for tourist accommodation in rural areas, with significant variation in the preferred type and form throughout the State. For example, in pastoral regions there is higher demand for 'station stays' as well as 'adventure tourism', whilst in the South West the demand is for holiday houses in rural settings.

Tourism uses should be incidental to a primary agricultural use. *State Planning Policy 2.5: Rural Planning* provides guidance on land use planning in rural areas.

3.1.1 Strategic considerations

Rural tourism may be encouraged in areas with attractions, preferably with sealed road access. Opportunities may include small-scale caravan and camping grounds that are unlikely to compete with existing formal caravan parks as they offer a different experience, have minimal facilities, and are located in a rural setting.

Planning for rural tourism should be further informed by *draft State Planning Policy 2.9: Planning for Water*, *State Planning Policy 4.1 State Industrial Buffer Policy*, *Government Sewage Policy 2019*, *Department of Health Guidelines for separation of agricultural and residential land uses*, and *State Planning Policy 3.7 Planning in Bushfire Prone Areas*. The *Position Statement: Tourism in Bushfire Prone Areas* also provides relevant information.

3.1.2 Statutory considerations

Where appropriate, small-scale tourist accommodation should generally be either a discretionary (D) or a discretionary with advertising (A) use in the zoning table of a local planning scheme to minimise potential land use conflicts and maintain the primacy of rural land uses.

3.2 ECO-TOURISM

Western Australia's environment and landscape character creates a unique and attractive holiday destination and ecotourism is one of the State's key tourism markets. Eco-tourism attractions are popular with locals and visitors alike, and include the coastline and waterways, mountain ranges and ancient landforms, unique karri, tingle and jarrah forests and native wildlife, as well as a range of nature-based activities such as hiking, rock climbing, swimming, kite surfing, bushwalking, four-wheel driving and caving.

3.2.1 Strategic considerations

Many of the attractions that encourage tourism are located in regional and remote parts of the State. Some of these areas are prone to natural hazards, such as bushfires, flooding or waterlogging, coastal erosion or cyclones. *State Planning Policy 3.4: Natural Hazards and Disasters* (SPP3.4), *State Planning Policy 3.7: Planning in Bushfire Prone Areas* (SPP3.7) and *State Planning Policy 2.6: State Coastal Planning* (SPP2.6) provide detailed information on planning for vulnerable uses, such as tourist accommodation. The *Position Statement: Tourism in Bushfire Prone Areas* also provides pertinent information.

3.2.2 Statutory considerations

Where relevant, eco-tourism proposals should consider the following:

- bushfire management in accordance with SPP3.7 and State bushfire guidance;
- consistency with relevant zone objectives;
- impact on natural landscape, environment and conservation values;
- appropriate servicing and infrastructure to accommodate the proposed use in an environmentally responsible manner;
- design guidelines and visual impact;
- coastal setbacks in accordance with relevant State planning policy;
- impact on social and cultural values of the area or site; and
- consistency with any relevant National, State and local policy and guidance.



4. TOURIST ACCOMMODATION

There are many different types of tourist accommodation available in Western Australia, and a variety of controls exist to manage their use. As referenced in section 3 of the Position Statement, the term tourist accommodation means short-term accommodation and includes traditional accommodation (for example chalet, serviced apartment, hotel) and short-term rentals (holiday house, holiday unit, holiday apartment, hosted accommodation).

4.1 EXCLUSIONS

Further to section 3.1 of the Position Statement, it is not intended to capture other forms of short-term and temporary accommodation which are:

- not associated with the issues resulting from short-term rental accommodation offered on a commercial basis; and/or
- subject to alternative guidance, legislation and approaches by local government.

The Position Statement and these Guidelines do not apply to the following forms of short-term and temporary accommodation:

1. *House swapping and housesitting*

House swapping is a mutual arrangement made between owners of separate properties to 'swap' homes for a temporary period and is often for holiday accommodation purposes. House swapping is commonly organised through specialised websites.

Housesitting is a mutual arrangement whereby a person stays and cares for a property whilst the owner is away. Housesitting can be a commercial or non-commercial form of accommodation and is commonly arranged through specialised websites.

2. *Lodgers and boarders*

A lodging house is defined under the *Health Act 1911* as any building or structure, permanent or otherwise, and any part thereof, in which provision is made for lodging or boarding more than six persons, exclusive of the reward, not including the family or the keeper of the house. Common boarding arrangements include backpacker hostels, crisis accommodation, and student accommodation services.

The *Health Act 1911* requires boarding or lodging houses to be registered with a local government who may establish additional local laws for premises.

3. *Personal use of a holiday home or the sharing of a holiday home with the owner's family and friends*

Informal and infrequent sharing between family and friends, and the personal use of private holiday homes is considered a non-commercial arrangement.

4. *Student exchange accommodation*

This is temporary accommodation whereby students stay with a host family in their home whilst studying. These arrangements are commonly organised through student hosting organisations or educational establishments.

5. *Workforce accommodation*

Refers to premises, such as modular or relocatable buildings, used for the accommodation of workers engaged in construction, resource, agricultural or other industries on a temporary basis, and for any

associated catering, sporting and recreation facilities for the occupants and authorised visitors. Workforce accommodation is regulated by local government, except where the *Mining Act 1978* and State Agreement Acts prevail (refer to the *Position Statement: Workforce accommodation* for more information).

Residential parks, park home parks and lifestyle villages are also excluded from the Position Statement and these Guidelines as they are forms of long-stay accommodation defined as 'park home park', and are dealt with by other policy and legislation.

4.2 GENERAL STRATEGIC CONSIDERATIONS FOR TOURIST ACCOMMODATION

The impact of tourist accommodation varies throughout the State depending on the importance and prevalence of tourism activity in the locality. The local circumstances should therefore guide management and control of the use. Areas that are known tourism 'hot spots' such as coastal locations may need special attention to ensure the location continues to grow in a controlled manner as a tourist destination.

4.2.1 Land supply

If land supply pressures for tourist accommodation are evident or predicted in a local government area, the tourism component of the local planning strategy should be informed by an accommodation demand/supply study and analysis that forecast estimates of future tourism growth, including likely demand for tourist accommodation.



The detail of the accommodation demand/supply analysis should reflect the extent and importance of local tourism and land use/land supply pressures in the locality. Tourism accommodation sites are to be protected to ensure they cannot be developed exclusively as residential development. Refer to section 2.5 of these Guidelines for analysis considerations.

4.2.2 Site assessment

A local planning strategy should include identification of suitable land and an assessment of its availability for future tourist accommodation. It should note private, Crown, and local government land currently used for tourist accommodation, the type of accommodation, lease/management arrangements, and future development opportunities.

The following questions should inform the consideration of sites suitable for tourist accommodation:

- Is the site identified in a report/study as having potential for tourism?
- Does the site contain existing tourist accommodation development?
- Is the site located in an area of high tourist amenity and of adequate size to develop tourism facilities?

For short-term rental accommodation, the local planning strategy may identify localities/suburbs where this form of tourist accommodation may be suitable.

4.3 TRADITIONAL ACCOMMODATION

Traditional Accommodation refers to the following land uses:

- cabin
- chalet
- caravan park
- hotel
- motel
- serviced apartment
- tourist development.

4.3.1 Caravan parks

These Guidelines support sections 5.2.1 and 5.3.1 of the Position Statement to provide direction on matters to be taken into consideration when planning for caravan parks, including the development of new, or redevelopment of existing parks.

Caravan parks provide a range of accommodation and facilities that contribute to the diversity of Western Australia's tourist accommodation, particularly in regional areas. Caravan parks provide a comparatively affordable form of short-term accommodation serving caravanning and camping recreation and leisure needs.

Camping grounds, transit and informal camping sites are more likely to be in remote regional areas. Typically, these areas consist of cleared land with no or few facilities (for example toilets or bins). Transit sites may form part of a roadhouse or service station.

Separate to these Guidelines, the requirements of the *Caravan Parks and Camping Grounds Act 1995* and associated regulations, as administered by the Department of Local Government, Sport and Cultural Industries must be met.

Long term residential occupancy of a caravan park (for example residential parks, park home parks, lifestyle villages, transient workforce accommodation parks, and transit parks) is not addressed in these Guidelines.

4.3.1.1 Strategic considerations

4.3.1.1.1 Existing situation

The local planning strategy should identify existing and potential transit and informal camping sites and provide local governments with a sound rationale for determining the future land allocation, planning controls and infrastructure needs for caravan parks. The retention and development of caravan parks as affordable tourist accommodation is encouraged and subject to the following strategic considerations:

- the commercial sustainability of caravan parks and flexibility in product mix;
- facilitation of growth in the caravan park industry;
- the suitable separation of short and long-stay uses within a caravan park;
- development and redevelopment of caravan parks that responds to the site context, environment and economy; and
- caravan park locations and function based on market analysis.



Caravan parks experience competing demands and face many challenges including short-stay and long-stay demands, redevelopment pressures, regulatory requirements, ageing infrastructure and changing market demands. These demands and challenges have contributed to closures throughout the State.

4.3.1.1.2 Considerations for the location and siting of caravan parks

The purpose and design of the caravan park should be justified in relation to its location and context. The purpose for a caravan park may include a stop-over/transit caravan park, and/or a destination caravan park for tourists. Details of land tenure and lease agreements should inform any high-level planning.

The local planning strategy should identify potential future caravan park sites in tourism areas where high occupancy rates occur throughout the year. Once identified, future caravan park sites are encouraged to be retained in public ownership and zoned Caravan Park as freehold land is at risk of rezoning for other purposes.

Where practical, caravan parks comprising a long-stay component should be located where there is access to urban facilities and amenities.

There is a presumption against caravan parks comprised of long-stay residents being in areas of high tourism value because it is preferable that these sites/locations are secured for tourism purposes.

4.3.1.1.3 Topography, drainage, soils and vegetation

Caravan parks should not be located on flood prone or water-logged land, nor steep slopes unless suitable mitigation measures are demonstrated. Cleared sites are preferred and any clearing of vegetation for a caravan park development should be minimal and retain mature trees and vegetation.

Caravan parks are not supported in Priority 1 and Priority 2 water resource protection areas, however may be considered in Priority 3 areas provided deep sewerage is available.

Acid sulphate soils and other soil types may not be suitable for development as they are susceptible to slipping and slumping.

4.3.1.1.4 Coastal or fire hazard constraints

Proposed new coastal caravan parks or the redevelopment of an existing caravan park adjacent to the coast must consider coastal processes, landform stability, coastal hazards, climate change and biophysical criteria as part of the application. They may require a coastal hazard risk management and adaptation plan and a foreshore management plan. A bushfire hazard assessment and/or bushfire management plan may be required to inform caravan parks at risk from bushfire hazards. Refer to SPP2.6 and SPP3.7.

4.3.1.1.5 Visual impact

A proposed caravan park should consider impacts on the landscape character and visual amenity from scenic points to minimise visual impacts on high value public views (refer to the *Visual Landscape Planning in Western Australia – a manual for evaluation, assessment, siting and design*).

4.3.1.2 Statutory considerations

In addition to section 5.3.1 of the Position Statement, local planning schemes should address the following in relation to caravan parks and camping:

- facilitate the long-term retention, of caravan parks and camping grounds as a form of affordable short-term accommodation primarily for leisure tourists;
- caravan parks should not be located on land at risk from natural hazards, for example steep slopes or coastal land, due to the temporary and vulnerable nature of accommodation typically found in caravan parks (for example tents, caravans, campervans);
- caravan parks should be flexibly designed to provide a range of accommodation options to facilitate long-term viability, however short-term accommodation options should be the predominant use;
- minimise potential for conflict between short-term and long-stay users of caravan parks through appropriate separation including separate facilities and access;
- park home parks should be identified as not permitted (X) in the Tourism or Special Use – Caravan Park zones;
- caravan parks should identify overflow areas for peak periods where additional space is likely to be required;
- suitable access and egress should be provided to ensure safety of pedestrians, vehicles and cyclists;
- caravan parks should be connected to appropriate services, such as electricity and wastewater supplies;
- the local planning strategy should identify existing and potential transit and informal camping sites; and



- green title subdivision of caravan parks is generally not supported to ensure retention of the caravan park use and avoid management issues associated with private park sites.

Appendix 2 provides further design considerations for local government when assessing proposals for new, or redevelopment of existing caravan parks.

4.3.1.2.1 Accommodation products and permanent structures

Caravan parks may provide a range of accommodation products to meet visitor demand such as powered and unpowered camp sites, minimal service recreational vehicle (RV) sites, on-site vans, cabins, chalets and eco/safari tents. Caravan parks may also provide permanent structures including, but not limited to caretaker's dwelling/manager's residence, shop/office, café, games/recreation room, ablution facilities, camp kitchen and camp laundry. It should also be noted that not all of these accommodation types may be permitted under the *Caravan Parks and Camping Grounds Act 1995* administered by the Department of Local Government, Sport and Cultural Industries.

For the purposes of these Guidelines, constrained areas refer to a specific portion of land that may have restrictions in use due to environmental factors (for example flood plains, coastal land, bushfire prone areas).

4.3.1.2.2 Redevelopment and reinvestment in caravan parks

If a caravan park is proposed to be redeveloped to cater for other forms of tourist accommodation, the range of existing facilities on offer should be retained. Converting entire caravan parks into other forms of tourist accommodation is discouraged. The local planning strategy may suggest a local development plan be prepared when caravan parks are proposed for significant changes. Refer to Appendix 2 Design assessment for proposed or redeveloped caravan parks.

4.3.2 Hotels

Hotel developments are one of the more expensive tourist accommodation ventures and take a significant length of time to obtain a return on investment. Therefore, if a local government seeks to encourage development of a hotel in a tourism precinct or a particular tourism site, incentives to attract developers or measures to promote viability of a hotel or reduce costs may assist in drawing interest. Planning incentives may include plot ratio bonuses, facilitation of mixed-use outcomes and floor space and height inducements. Hotel developments also require other statutory approvals in addition to a development approval (for example liquor licence).

4.4 SHORT-TERM RENTAL ACCOMMODATION

Short-term rentals are the common name given to holiday homes, units or apartments (usually built for residential purposes in areas zoned for residential use) offered for short-term letting, usually through an online booking platform. The prevalence of residential properties being let as short-term rentals in residential areas has increased rapidly in Western Australia since the emergence of online e-commerce booking platforms.

Depending on the type and scale of the short-term rental accommodation proposed, a variety of controls may be applicable to manage the use. These Guidelines propose tailoring of local planning schemes and local planning policies to address the specific issues encountered by individual local governments around tourist accommodation.

Local government is best placed to know the needs of its community and what requirements may need to be placed on short-term rental accommodation providers. Local government is responsible for establishing local regulatory frameworks to manage short-term rental accommodation and for carrying out ongoing management and enforcement.

In addition to local government framework considerations addressed in section 5.2.2 of the Position Statement, the following statutory considerations will assist local governments to address short-term rental accommodation in their locality.



4.4.1 Statutory considerations

4.4.1.1 Zoning

Table 3: Short-term rental zoning considerations

Criteria	Considerations
Determine where short-term accommodation is best located within the local government area	Siting considerations may include: <ul style="list-style-type: none"> • areas of high tourism amenity (e.g. beach access, views, facilities and availability of services) • natural hazards (for example bushfire, cyclone and floods).
Determine appropriate use classes and permissibility in each zone	The following zoning options are suggested approaches for local government consideration: <ul style="list-style-type: none"> • hosted accommodation – P use (exempt development 365 days of the year) in the Residential zone and any other zones deemed appropriate by a local government • all other forms of short-term rental accommodation – D use in local planning scheme and requires planning approval <ul style="list-style-type: none"> – This could apply to all forms of short-term rental accommodation, different types of short-term rental accommodation or be differentiated based on scale such as number of individuals to be accommodated. – For accommodation offering sleeping arrangements for 6 or less, could be D use, for 7 or more could be an A use to allow for advertising. • specific types of short-term rental accommodation – X use in local planning scheme.

4.4.1.2 Local planning policies

Local planning policies can be prepared to inform land use and development control. Please refer to section 5.3.2 of the Position Statement for specific guidance on preparing local planning policies to outline local government's approach to short-term rental accommodation.

4.4.2 Management plans

As referenced in section 5.3.2 of the Position Statement, where appropriate, local government may require the applicant to prepare a management plan to address

potential amenity impacts arising from short-term rental accommodation and necessary emergency protocols. A management plan may include, but not be limited to the following:

- Mitigation plan –
 To control anti-social behaviour, noise and any other potential conflicts a mitigation plan may be appropriate. Anti-social behaviour should be dealt with by local governments/police in the same manner as a property being used as a residential dwelling.

- Complaints management procedure –
 The manager of short-term accommodation should be contactable in the event that a complaint is made. The guest should have 24-hour access to the manager via phone, email or an online app. Some local governments may wish to receive from the operator a record of complaints made against short-term rentals and this should be reflected/included in the complaints management procedure.
- Guest check-in and check-out procedures
 Clear check-in and check-out procedures should be outlined in the management plan.
- Health and safety protocols
 Other legislation and standards govern the need to provide and maintain appropriate health and safety requirements in short-term rental accommodation. Local government may wish to advise short-term rental operators of these requirements in the management plan.
- Management and provision of car parking
 On-site parking provision should be considered to accommodate additional vehicles within the property boundary and should align with existing local government parking policies.
- Waste management
 Must specify the requirements of general waste and recycling, bin collection days and location of bins for collection.



4.4.3 Other local government considerations

Local governments may consider it appropriate to provide guidance to short-term rental accommodation operators on the variety of non-planning requirements necessary for the operation of short-term rental accommodation. This section outlines some non-planning requirements which may be relevant.

Note: The Department of Mines, Industry Regulation and Safety and the Real Estate Institute of Western Australia provide information for owners, real estate agents, property managers and purchasers, to address public health and safety, taxation, insurance and amenity requirements, as well as due-diligence processes for short-term rental operations. Further information can be found at www.dmirs.wa.gov.au.

4.4.3.1 National Construction Code requirements

Short-term rental accommodation is provided for in a range of classifications used in the National Construction Code, available at ncc.abcb.gov.au.

4.4.3.2 Insurance and liability

As many residential public liability insurance policies exclude the use of premises for short-term rentals, it is recommended that landowners/managers check this matter with their insurance providers.

4.4.3.3 Health and safety standards

Other health and safety requirements may be applicable to the operation, such as standards for the serving of food and maintenance of aquatic facilities such as pools and spas.

5. LOCAL LAWS

Note for consultation:

Concurrent with the release of the draft Position Statement and Guidelines, the State Government is working towards implementation of a registration scheme for hosted and unhosted short-term rental accommodation, which was a key recommendation of the 2019 Economics and Industry Standing Committee's inquiry "Levelling the playing field: Managing the impact of the rapid increase of Short-Term Rentals in Western Australia".

Some local governments currently have local laws requiring short-term rental accommodation operators register with the local government for an annual licence. How these existing local government registration systems will interact with or be superseded by the State registration scheme is currently under consideration. Further information on the registration scheme is available from <https://www.dlgsc.wa.gov.au/>

Under the *Local Government Act 1995*, a local government may create a local law when considered necessary. As such, local governments may consider introducing a local law where individuals running short-term rental accommodation must meet certain requirements in order to register with the State's mandatory registration scheme. The local government could outline conditions of operation such as parking requirements, emergency evacuation plans, and number of guests. Requirements could apply to all forms of short-term rental accommodation, different types of accommodation or be differentiated based on scale such as the number of individuals to be accommodated.

6. STRATA AND COMMUNITY SCHEME DEVELOPMENT

Under the *Strata Titles Act 1985* and *Community Titles Act 2018* strata and community schemes are comprised of by-laws; the scheme plan (depicting lots); and upon registration, the strata company or community corporation.

The *Strata Titles Act 1985* requires subdivision approval by the WAPC under the *Planning and Development Act 2005* and *Strata Titles Act 1985* prior to the registration of a strata plan to create a strata scheme. Section 6 of the *Strata Titles Act 1985* allows a strata/survey-strata plan to legally restrict uses on strata land.

For strata schemes, the subdivider/developer can supplement the deemed by-laws and add restrictions regarding short-term letting. For community schemes, the community corporation can also apply by-laws to allow or restrict uses within the community scheme as a whole or for schemes within certain tiers. Planning approval for short-term rental accommodation within a strata or community scheme does not override the need for body corporate approval.

The *Community Titles Act 2018* requires WAPC approval of the community development statement, which governs the subdivision and development of land subject to a community scheme, and subdivision. Sections 25 and 43 of the *Community Titles Act 2018* allows a community titles scheme plan to legally restrict uses on community titled land or development.

Note: The applicable strata or community titles scheme plan for grouped and multiple dwellings should be checked for consistency prior to an approval being issued.



6.1 SHORT-TERM RENTAL ACCOMMODATION IN RESIDENTIAL STRATA AND COMMUNITY TITLES SCHEME DEVELOPMENT

The use of a residential strata or community titles scheme property (for example apartment, unit, villa, flat, townhouse) for tourist accommodation has additional obligations to a single house on a freehold lot.

Strata and community titles scheme complexes could be more susceptible to the potential negative impacts of short-term rental accommodation due to:

- the proximity of neighbours
- the reliance on shared facilities
- the high proportion of whole-premise short-term accommodation (i.e. un-hosted).

Where development approval is required and is supported by the strata company or community corporation, one or more units or an entire development may be approved by the strata company or community corporation for short-term rental accommodation, subject to conditional requirements or restrictions. Strata companies and community corporations are suitably positioned to address neighbour concerns rather than individual strata or community titles owners. The strata company or community corporation may also vote to:

- prohibit the use of strata/community titles units for tourist accommodation;
- allow the use of particular properties for short-term rental accommodation;

- apply restrictions and management plans; or
- allow the use of all strata/community titles units for short-term rental accommodation.

Under current strata laws, strata companies can adopt model by-laws which enable them to:

- manage some of the impacts that may arise from uses such as short-term rental accommodation, including management of common property; and
- require that an owner/occupier must notify the strata company of a change of use of that lot including if it is to be used for short-term rental accommodation.

Strata companies and community corporations can also formulate their own by-laws to:

- help manage the behaviour of owners/occupiers and invitees, noise, vehicle parking, the appearance of a lot and waste disposal;
- vary the insurance payable by owner/occupiers who short-term let; and
- restrict the use of tenancies for the purpose of short-stay rental accommodation.

The *Strata Titles Act 1985* and *Community Titles Act 2018* do not include model by-laws to prohibit or restrict short-term rental accommodation. However, a strata company or community corporation may vote to set their own by-laws to prohibit or restrict the use.

The requirements of the *Strata Titles Act 1985* and *Community Titles Act 2018* must be observed in all circumstances. If strata or community scheme by-laws do not permit the use and the strata company has not approved the use, the use remains illegal under the *Strata*

Titles Act 1985 and *Community Titles Act 2018*. A planning approval does not override the need for an approval of the strata company or community corporation. Where it is proposed to use a strata or community titles property for short-term rental accommodation (or other form of tourist accommodation) the onus is on the owner to confirm the permissibility of the use under the relevant by-laws.

Landgate has prepared guidance to assist strata companies in managing short-term rentals in strata schemes. The Guide to Strata Titles can be found at www.landgate.wa.gov.au.



APPENDIX 1: MIXED USE RESIDENTIAL DEVELOPMENT

Factors to consider in determining the proportion of mixed use and/or residential development in areas of primary tourism.

- What are the tourism values of the site?
- What site, precinct and location factors support residential or mixed use of the tourism site?
- Is the site sufficiently large enough to cater for a residential component in addition to the intended sustainable tourism use?
- Is the proposed residential development appropriate and sustainable in the broader planning context?
- Isolated and new residential settlements should not be supported.
- What tourist accommodation facilities exist or are proposed in the area? Has the capacity for new tourism development and the projected demand and range of tourist accommodation been identified for the tourism site, precinct, locality and region?
- Residential development should complement tourism development.
- Tourism uses should be located in areas of greatest tourism amenity within a site (for example beachfront), not proposed residential uses.
- Residential dwellings should be designed and integrated into the tourism use and its management.
- Has a structure plan been prepared (or should it be) to integrate residential and tourism uses ensuring the proposed tourism use is enhanced and avoids potential land use conflict (for example noise from tourist accommodation impacting permanent residential amenity)?
- Do proposed residential lot sizes reflect and enhance the desired tourism use?
- Should length of stay residential occupancy restrictions be implemented?
- Are non-tourism land uses and development, and proposed tourism uses compatible in terms of proposed lot sizes, building heights, scale and character of development?
- Are there potential impacts to surrounding areas from combining tourism and residential uses?
- Relevant State and local government policies and guidelines should be considered in assessment.
- The design of the overall proposal should ensure ease of access in and around the site for tourists.
- Tourism uses should incorporate recreation, entertainment and integrated management traditionally provided in tourist accommodation (for example swimming pool, lookout area, cycle paths, barbecue area).
- Separate staging of tourism and mixed use/residential development is discouraged.
- Strata or community titling of tourist accommodation (including serviced apartments) should include an appropriate management statement to ensure tourist accommodation is restricted to short-term use, prohibit use as permanent accommodation and, preferably include on-site management.
- Proposing the inclusion of permanent residential accommodation into an existing tourism development should only be supported where it is demonstrated as facilitating a quality tourism outcome or benefit (for example major refurbishment of tourism use, increased capacity of tourist accommodation, renovation or development of new public space, new pool and restaurant facilities).



APPENDIX 2: DESIGN ASSESSMENT FOR PROPOSED OR REDEVELOPED CARAVAN PARKS

Caravan parks should separate short-term from long-term accommodation to reduce risk of noise and anti-social behaviour. Separate facilities and access for long and short-term accommodation is encouraged.

Small portions of long-term accommodation may be considered in caravan parks provided that short-term accommodation (tourist accommodation) is located in areas where the highest tourism amenity occurs (for example the beachfront, proximity to shared ablution blocks).

Where relevant, overflow caravan parking locations should be included in caravan park proposals. Local governments endorse the provision of overflow facilities as part of licences required under the *Caravan Parks and Camping Grounds Act 1995*.

Design should consider:

- (a) **Access** – Suitable access and egress must be demonstrated in proposals to ensure traffic, cyclist and pedestrian safety within the caravan park. Secondary or alternative access routes should be included in proposals to cater for emergency evacuation (for example fire or flood). Internal roads should be designed to minimise potential conflict between pedestrians and vehicles and allow manoeuvring space for recreational vehicles and vehicles towing caravans.
- (b) **Amenity** – Vegetation and landscape plans that integrate the proposed caravan park into the surrounding landscape should be included and assessed as part of any application. Design minimising opportunity for crime, the use of complementary structure styles, colours, materials, suitable fencing, and separate recreational areas (for example playgrounds and pools) and quiet activity areas should be considered in proposals and their assessment.
- (c) **Services** – Utility services such as electricity, landline telephone or mobile phone network accessibility, demonstrable water supply and the proposed system for wastewater treatment should form part of any proposal. Written confirmation by service providers of the availability and capacity of services, particularly in peak season, is to be submitted with applications for proposed caravan parks.

If reticulated sewerage is not available, on-site wastewater disposal must be proposed and provided to the satisfaction of the Department of Health.

Caravan parks used for short-term accommodation must have facilities that accept waste from caravans. Known as chemical toilet dump points, they should be located away from accommodation in areas with no tourism amenity. If seeking an exemption from providing a dump point in the proposed caravan park, access to an alternative off-site dump point must be identified as part of the application. Waste from mobile toilet and sanitation fixtures is not permitted in dump points as it will interfere with the efficient operation of conventional onsite water disposal systems. Further information is available from the Department of Health.

If a caravan park is proposed to cater for both long and short-term accommodation consideration should be given to the provision of additional services and infrastructure. Long-term caravan park sites must be fitted with individual meters for electricity and water tap or connection.



9.5 BOARD AND COMMITTEE VACANCIES

File Reference	
Disclosure of Interest	Nil
Applicant	WALGA
Previous Item Numbers	No Direct
Date	25 January 2022
Author	Peter Bentley – Chief Executive Officer
Authorising Officer	Peter Bentley – Chief Executive Officer
Attachments	Nil

Summary

Council to determine if it wishes to nominate a member to any of the vacant positions on boards or committees.

Background

WALGA is currently seeking nominations from eligible persons for Ministerial consideration on the below Boards and Committees:

- Biosecurity Council of WA (Elected Members) 1 Member

Nominations will close on 14 February 2022. The CEO can provide a link to nomination forms on the WALGA website.

Consultation

Nil other.

Statutory Environment

Local Government Act 1995

Policy Implications

Nil

Financial Implications

There are no direct financial impacts resulting from this item.

Strategic Implications

Shire of Goomalling Community Strategic Plan 2019-2028	
	Not directly dealt with within the Community Strategic Plan

Comment/Conclusion

Nil further

Voting Requirements

Simple Majority



OFFICER'S RECOMMENDATION

That the Council:

Provide the CEO with any nominations for this role.

RESOLUTION 454

Moved Cr Wilkes, seconded Cr Barratt that Council have no nominations for the roles.

***CARRIED 6/0
Simple Majority***



9.6 PERMISSION TO COLLECT SEED

File Reference	
Disclosure of Interest	Nil
Applicant	Boola Boornap Tree Nursery
Previous Item Numbers	No Direct
Date	27 January 2022
Author	Peter Bentley – Chief Executive Officer
Authorising Officer	Peter Bentley – Chief Executive Officer
Attachments	Nil

Summary

Council to determine whether it wishes to allow seed collection by this group within Council controlled reserves

Background

Mr Mike Muller, Manager Landcare Projects with the Boola Boornap Tree Nursery as part of Noongar Land Enterprise Group (NLE), located at Burlong in the Shire of Northam, is seeking permission to collect native seed from within reserves vested to the Shire of Goomalling. He is seeking permission for relevant staff of NLE involved in their nursery and land rehabilitation programs.

Mr Muller states that all staff employed by NLE have undergone significant training in all aspects of seed collection and are licensed under the Wildlife Conservation Act (1950). Any person collecting seed on behalf of NLE is required to abide by the conditions of this license. Seed collected from within your reserves will be used for seedling production used in strategic revegetation projects throughout the region and will directly benefit the community and environment as a whole. Some seed may also be used for the purposes of research into best practice revegetation and development of biodiversity programs for the region.

Consultation

Nil other.

Statutory Environment

Local Government Act 1995

Policy Implications

There is no current Council policy regarding this matter

Financial Implications

There are no direct financial impacts resulting from this item.

Strategic Implications

Shire of Goomalling Community Strategic Plan 2019-2028	
	This matter is not directly dealt with within the Community Strategic Plan



Comment/Conclusion

Nil further.

Voting Requirements

Simple Majority

OFFICER'S RECOMMENDATION

That the Council:

Advise Boola Boornap Tree Nursery as part of Noongar Land Enterprise Group (NLE) that permission is granted to collect seed from road reserves within the Shire of Goomalling subject to the following conditions:

- All persons collecting native seed are licensed according to the Wildlife and Conservation Act (1950) and will abide by the conditions of the licence.
- This approval is for the period 1 February 2022 to 31 January 2023
- This approval applies to collection by Boola Boornap Tree Nursery staff only.
- Appropriate hygiene measures will be followed at all times to prevent the spread of plant disease and weeds.
- All care is to be taken to avoid the disturbance of fauna habitat.
- All care is to be taken to avoid any disturbance that may lead to soil degradation.

RESOLUTION 455

Moved Cr Van Gelderen, seconded Cr Chester that Council endorses the Officer's recommendation.

***CARRIED 6/0
Simple Majority***



9.7 AUDITED ANNUAL FINANCIAL STATEMENTS

File Reference	3.18
Disclosure of Interest	Nil
Applicant	Shire Of Goomalling
Previous Item Numbers	No Direct
Date	27 January 2022
Author	Natalie Bird – Deputy Chief Executive Officer
Authorising Officer	Peter Bentley – Chief Executive Officer
Attachments	
1. Copy of Audited Annual Financial Statements 2. Copy of the Audit Management Letter - Confidential - Not available online 3. Copy of Exit Conclusion Meeting Document 4. Copy of Auditor General – Basis of Qualified Opinion	

Summary

Council is to accept the 2020/2021 Annual Report and Financial Statements and set the date for the Annual General Meeting of Electors.

Background

The Local Government Act 1995 requires a Local Government to prepare an Annual Report each financial year to hold an Annual General Meeting of Electors. The Annual General Meeting of Electors is to be held on a day selected by the Local Government, but not more than 56 days after the report is accepted by the Local Government.

The annual audit was undertaken during the August to December 2021 by Butler Settineri on the Auditor General’s behalf.

Consultation

- Butler Settineri
- The WA Auditor General

Statutory Environment

Local Government Act 1995 (as amended).

5.54. Acceptance of annual reports.

- (1) Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.

***Absolute majority required.**

- (2) If the auditor’s report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor’s report become available.

[Section 5.54 amended: No. 49 of 2004 s 49.]



5.55. Notice of annual reports

The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.

- Local Government (Financial Management) Regulations.
- Local Government (Administration) Regulations.

Policy Implications

There is no current Council policy regarding this matter

Financial Implications

There are no direct financial impacts resulting from this item.

Strategic Implications

Shire of Goomalling Community Strategic Plan 2019-2028	
4.1.4	Provide reporting processes in a transparent, accountable and timely manner.

Comment/Conclusion

The Auditor General has issued a qualified audit on the following basis;

“We identified that the Shire’s roads, drainage and footpaths infrastructure, reported at values of \$37,561,502, \$2,235,092 and \$756,040 respectively in Note 9 of the annual financial report, were last valued in June 2015. We also identified that the Shire’s Sewerage and other infrastructure, reported at values of \$1,527,637 and \$1,314,447 respectively I Note 9 of the annual financial report, were last valued in June 2016. Because the assets have not been revalued with sufficient regularity or in accordance with Regulation. 18A(4)(b) of the Local Government (Financial Management) Regulations 1996, we are unable to determine whether the infrastructure assets of \$43,394,718 are stated at fair value in the Statement of Financial Position at 30 June 2021.

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

- In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
 - The current year ratio as reported in Note 33 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries’ standard for 2021, 2020 and 2019 financial years.
 - The debt service cover ratio as reported in Note 33 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries’ standard for 2021, 2020 and 2019 financial years.
 - The operating surplus ratio is reported in Note 33 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries’ standard for 2021, 2020 and 2019 financial years.
- The following material matters indicating non-compliance with Part 6 of the Local Government Act 1995, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any written law were identified during the course of my audit:
 - The Shire has not reported the Asset Renewal Funding Ratio for 2021,2020 and 2019 in the annual financial report as required by section 50(1)(c) of the Local Government (Financial Management) Regulations 1996, as management has not updated the asset management plan and long-term financial plan since 2016.



- (b) All the payments we tested were approved by officers who had no delegated authority to do so. Only the Chief Executive Officer has delegated authority to approve bank payments. In addition, approximately 15% purchase orders we tested had dollar values significantly above the delegated limits of the officers who approved them. This increase the risk of inappropriate and unauthorised payments being made.
- (c) The Medical Surgery of the Shire maintains separate accounting records, and also has a separate account with the ATO. These records/accounts however are not reconciled to the Shire's accounting records to ensure completeness of the Surgery's transactions in the Shire's financial report not complete capturing the Surgery's financial transaction and being misstated.
- (d) More employees than necessary had full access to supplier master files. Also, there was no evidence of independent review of the amendments made to master files. This increased the risk of unauthorised changes to master files, although our audit sampling did not identify any.
- (e) For approximately 30% of purchase transactions we sampled, there was inadequate or no evidence that a sufficient number of quotations were obtained to test 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 the risk of fraud and favouritism 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 included in the financial report was supported by verifiable information and reasonable assumptions.

Voting Requirements

Absolute Majority

OFFICERS' RECOMMENDATION

That the Council:

1. Pursuant of Sections 5.54 and 5.55 of the Local Government 1995, accepts the Annual Report and Financial Statements for the 2020/2021 financial year.
2. Convenes the Annual General Meeting of Electors at 7.00pm on 28 February 2022 at the Sports and Community Centre 47 Quinlan Street, Goomalling.

RESOLUTION 456

Moved Cr Chester, seconded Cr Wilkes that Council endorses the Officer's recommendation and convenes the Annual General Meeting of Electors on 28 February 2022 at 7 pm at the Sports and Community Centre 47 Quinlan Street, Goomalling.

***CARRIED 6/0
Absolute Majority***

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

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COMMUNITY VISION

To be a vibrant, prosperous and sustainable community living and working in a respectful, inclusive, fair and equitable community.

Principal place of business:
32 Quinlan Street
Goomalling WA 6460

**SHIRE OF GOOMALLING
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 Goomalling 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 Goomalling 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

22nd day of

December 2021



Chief Executive Officer

Peter Bentley

Name of Chief Executive Officer



BUTLER SETTINERI

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	26(a)	2,196,340	2,191,742	2,112,927
Operating grants, subsidies and contributions	2(a)	1,316,460	890,722	1,227,318
Fees and charges	2(a)	1,302,696	1,419,770	1,304,697
Interest earnings	2(a)	40,630	29,700	54,644
Other revenue	2(a)	182,035	95,100	177,476
		<u>5,038,161</u>	<u>4,627,034</u>	<u>4,877,062</u>
Expenses				
Employee costs		(2,321,196)	(2,188,284)	(2,395,543)
Materials and contracts		(1,132,548)	(1,119,446)	(1,051,074)
Utility charges		(254,909)	(253,805)	(259,049)
Depreciation on non-current assets	10(b)	(1,644,517)	(1,515,599)	(1,587,563)
Interest expenses	2(b)	(178,878)	(395,405)	(195,172)
Insurance expenses		(151,054)	(163,480)	(194,552)
Other expenditure	2(b)	(150,624)	(116,504)	(174,987)
		<u>(5,833,726)</u>	<u>(5,752,523)</u>	<u>(5,857,940)</u>
		(795,565)	(1,125,489)	(980,878)
Non-operating grants, subsidies and contributions	2(a)	2,334,420	2,441,769	2,102,864
(Loss) on asset disposals	10(a)	0	0	(92,522)
Fair value adjustments to Local Government House investment through profit & loss		1,939	0	864
		<u>2,336,359</u>	<u>2,441,769</u>	<u>2,011,206</u>
		<u>1,540,794</u>	<u>1,316,280</u>	<u>1,030,328</u>
Net result for the period				
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	30,050	0	(509,526)
		<u>30,050</u>	<u>0</u>	<u>(509,526)</u>
Total other comprehensive income/(loss) for the period				
		<u>1,570,844</u>	<u>1,316,280</u>	<u>520,802</u>
Total comprehensive income for the period				

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



BUTLER SETTINERI

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance		57,234	19,500	74,269
General purpose funding		2,848,112	2,416,807	2,792,381
Law, order, public safety		114,121	115,950	142,265
Health		622,282	662,000	655,143
Education and welfare		236	600	1,503
Housing		238,103	276,500	237,392
Community amenities		473,427	495,294	461,240
Recreation and culture		104,856	56,400	81,542
Transport		120,100	112,500	118,940
Economic services		366,661	408,563	249,547
Other property and services		93,029	62,920	62,840
		5,038,161	4,627,034	4,877,062
Expenses				
Governance		(172,245)	(214,386)	(294,958)
General purpose funding		(104,036)	(97,582)	(83,597)
Law, order, public safety		(289,674)	(301,532)	(339,915)
Health		(714,745)	(706,306)	(769,179)
Education and welfare		(15,872)	(17,516)	(33,087)
Housing		(318,731)	(380,296)	(330,341)
Community amenities		(633,893)	(680,171)	(638,649)
Recreation and culture		(878,460)	(842,765)	(945,458)
Transport		(1,785,949)	(1,403,610)	(1,665,725)
Economic services		(683,293)	(657,775)	(520,899)
Other property and services		(57,951)	(55,179)	(40,960)
		(5,654,849)	(5,357,118)	(5,662,768)
Finance Costs				
General purpose funding		0	(1,000)	0
Housing		(12,109)	(6,450)	(9,517)
Recreation and culture		(111,492)	(62,825)	(114,257)
Economic services		(55,276)	(325,130)	(71,398)
	2(b)	(178,877)	(395,405)	(195,172)
		(795,565)	(1,125,489)	(980,878)
Non-operating grants, subsidies and contributions	2(a)	2,334,420	2,441,769	2,102,864
(Loss) on disposal of assets	10(a)	0	0	(92,522)
Fair value adjustments to LHFR through profit & loss		1,939	0	864
		2,336,359	2,441,769	2,011,206
Net result for the period		1,540,794	1,316,280	1,030,328
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	30,050	0	(509,526)
Total other comprehensive income/(loss) for the period		30,050	0	(509,526)
Total comprehensive income for the period		1,570,844	1,316,280	520,802

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



BUTLER SETTINERI

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

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	448,347	119,216
Trade and other receivables	6	268,754	337,502
Other financial assets	5(a)	949,661	942,966
Inventories	7	30,899	34,106
TOTAL CURRENT ASSETS		1,697,661	1,433,790
NON-CURRENT ASSETS			
Trade and other receivables	6	84,895	84,547
Other financial assets	5(b)	214,342	251,498
Inventories	7	530,000	530,000
Property, plant and equipment	8	24,109,229	24,554,545
Infrastructure	9	43,394,718	41,704,989
Right-of-use assets	11(a)	32,011	23,036
TOTAL NON-CURRENT ASSETS		68,365,195	67,148,615
TOTAL ASSETS		70,062,856	68,582,405
CURRENT LIABILITIES			
Trade and other payables	13	359,485	308,349
Contract liabilities	14	261,845	79,868
Lease liabilities	15(a)	21,412	2,088
Borrowings	16(a)	304,779	338,202
Employee related provisions	17	564,043	500,748
TOTAL CURRENT LIABILITIES		1,511,564	1,229,255
NON-CURRENT LIABILITIES			
Lease liabilities	15(a)	11,255	23,230
Borrowings	16(a)	2,568,546	2,908,413
Employee related provisions	17	48,325	69,187
TOTAL NON-CURRENT LIABILITIES		2,628,126	3,000,830
TOTAL LIABILITIES		4,139,690	4,230,085
NET ASSETS		65,923,166	64,352,322
EQUITY			
Retained surplus		27,678,227	26,141,762
Reserves - cash/financial asset backed	4	910,504	906,175
Revaluation surplus	12	37,334,435	37,304,385
TOTAL EQUITY		65,923,166	64,352,322

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



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

NOTE	RETAINED SURPLUS	RESERVES CASH/FINANCIAL		REVALUATION SURPLUS	TOTAL EQUITY
		ASSET BACKED			
	\$	\$		\$	\$
Balance as at 1 July 2019	25,087,654	929,955		37,813,911	63,831,520
Comprehensive income					
Net result for the period	1,030,328	0		0	1,030,328
Other comprehensive income	12	0	0	(509,526)	(509,526)
Total comprehensive income	1,030,328	0		(509,526)	520,802
Transfers from reserves	4	39,191	(39,191)	0	0
Transfers to reserves	4	(15,411)	15,411	0	0
					0
Balance as at 30 June 2020	26,141,762	906,175		37,304,385	64,352,322
Comprehensive income					
Net result for the period	1,540,794	0		0	1,540,794
Other comprehensive income	12	0	0	30,050	30,050
Total comprehensive income	1,540,794	0		30,050	1,570,844
Transfers from reserves	4	14,992	(14,992)	0	0
Transfers to reserves	4	(19,321)	19,321	0	0
					0
Balance as at 30 June 2021	27,678,227	910,504		37,334,435	65,923,166

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



BUTLER SETTINERI

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,966,416	2,191,742	1,998,300
Operating grants, subsidies and contributions		1,357,997	986,383	1,188,375
Fees and charges		1,492,287	1,419,770	1,304,697
Interest received		40,630	29,700	54,645
Goods and services tax received		435,863	300,000	390,701
Other revenue		182,035	95,100	177,475
		5,475,228	5,022,695	5,114,193
Payments				
Employee costs		(2,278,763)	(2,188,284)	(2,226,381)
Materials and contracts		(1,009,441)	(1,119,446)	(1,090,639)
Utility charges		(254,909)	(253,805)	(259,049)
Interest expenses		(178,878)	(395,405)	(195,172)
Insurance paid		(151,054)	(163,480)	(194,552)
Goods and services tax paid		(437,432)	(395,661)	(400,514)
Other expenditure		(150,624)	(116,504)	(174,987)
		(4,461,101)	(4,632,585)	(4,541,294)
Net cash provided by operating activities	18	1,014,127	390,110	572,899
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(47,980)	(64,500)	(163,553)
Payments for construction of infrastructure	9(a)	(2,789,852)	(3,011,336)	(2,529,368)
Non-operating grants, subsidies and contributions		2,516,397	2,521,637	1,980,693
Proceeds from financial assets at amortised cost - term deposits		(4,326)	0	23,780
Proceeds from financial assets at amortised cost - self supporting loans		36,729	36,791	34,580
Proceeds from sale of property, plant & equipment	10(a)	0	0	244,258
Net cash used in investment activities		(289,032)	(517,408)	(409,610)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(1,318,290)	(3,048,956)	(369,594)
Payments for principal portion of lease liabilities	15(b)	(22,674)	(2,088)	(23,556)
Proceeds from new borrowings	16(b)	945,000	3,450,000	0
Net cash provided by/ (used in) financing activities		(395,964)	398,956	(393,150)
Net increase / (decrease) in cash held		329,131	271,658	(229,861)
Cash at beginning of year		119,216	1,025,391	349,077
Cash and cash equivalents at the end of the year	18	448,347	1,297,049	119,216

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - (deficit)				
		(286,328)	(160,439)	(252,665)
		(286,328)	(160,439)	(252,665)
Revenue from operating activities (excluding rates)				
Governance		59,173	19,500	75,133
General purpose funding		876,506	449,002	890,792
Law, order, public safety		114,121	115,950	142,265
Health		622,282	662,000	655,143
Education and welfare		236	600	1,503
Housing		238,103	276,500	237,392
Community amenities		473,427	495,294	461,240
Recreation and culture		104,856	56,400	81,542
Transport		120,100	112,500	118,940
Economic services		366,661	408,563	249,547
Other property and services		93,029	62,920	62,840
		3,068,494	2,659,229	2,976,337
Expenditure from operating activities				
Governance		(172,245)	(214,386)	(294,958)
General purpose funding		(104,036)	(98,582)	(83,597)
Law, order, public safety		(289,674)	(301,532)	(339,915)
Health		(714,745)	(706,306)	(769,179)
Education and welfare		(15,872)	(17,516)	(33,087)
Housing		(330,840)	(386,746)	(339,858)
Community amenities		(633,893)	(680,171)	(638,649)
Recreation and culture		(989,952)	(905,590)	(1,059,715)
Transport		(1,785,949)	(1,403,610)	(1,758,247)
Economic services		(738,569)	(982,905)	(592,297)
Other property and services		(57,951)	(55,179)	(40,960)
		(5,833,726)	(5,752,523)	(5,950,462)
Non-cash amounts excluded from operating activities	27(a)	1,621,900	1,517,099	1,719,461
Amount attributable to operating activities		(1,429,660)	(1,736,634)	(1,507,329)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	2,334,420	2,441,769	2,102,864
Proceeds from disposal of assets	10(a)	0	0	244,258
Proceeds from financial assets at amortised cost - self supporting loans		36,730	36,791	34,580
Purchase of property, plant and equipment	8(a)	(47,980)	(64,500)	(163,553)
Purchase and construction of infrastructure	9(a)	(2,789,852)	(3,011,336)	(2,529,368)
		(466,682)	(597,276)	(311,219)
Amount attributable to investing activities		(466,681)	(597,276)	(311,219)
FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(1,318,290)	(3,048,956)	(369,594)
Proceeds from borrowings	16(c)	945,000	3,450,000	0
Payments for principal portion of lease liabilities	15(b)	(22,674)	(2,088)	(23,556)
Transfers to reserves (restricted assets)	4	(19,321)	(32,851)	(15,411)
Transfers from reserves (restricted assets)	4	14,992	0	39,191
Amount attributable to financing activities		(400,293)	366,105	(369,370)
(Deficit) before imposition of general rates		(2,296,634)	(1,967,805)	(2,187,918)
Total amount raised from general rates	26(a)	1,971,606	1,967,805	1,901,589
(Deficit) after imposition of general rates	27(b)	(325,028)	0	(286,328)

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



SHIRE OF GOOMALLING
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FOR THE YEAR ENDED 30 JUNE 2021

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SHIRE OF GOOMALLING
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.

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:

- Other financial assets
- Property, plant and equipment
- Infrastructure
- Provisions

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

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms 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 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 with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Payment in line with inspection	None	Set by State legislation	Applied fully on timing of inspection	No refunds	Revenue recognised after inspection event occurs
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate 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
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 for other goods and services	Cemetery services, library fees, rental income, 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
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	On- charge of expenses & Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement	When claim is agreed	Not applicable	When claim is agreed

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

2. REVENUE AND EXPENSES (Continued)

(a) Grant revenue

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance	2,473	3,000	3,660
General purpose funding	809,419	386,959	825,413
Law, order, public safety	45,735	45,000	67,606
Health	10,304	25,000	25,000
Community amenities	123,036	138,000	144,000
Recreation and culture	70,194	31,900	38,599
Transport	94,066	97,500	93,040
Economic services	161,233	163,363	30,000
	<u>1,316,460</u>	<u>890,722</u>	<u>1,227,318</u>
Non-operating grants, subsidies and contributions			
General purpose funding	275,378	271,061	0
Recreation and culture	0	0	103,896
Transport	2,039,784	2,170,708	1,994,963
Economic services	19,258	0	4,005
	<u>2,334,420</u>	<u>2,441,769</u>	<u>2,102,864</u>
Total grants, subsidies and contributions	<u>3,650,880</u>	<u>3,332,491</u>	<u>3,330,182</u>
Fees and charges			
Governance	78	0	930
General purpose funding	4,520	4,400	2,933
Law, order, public safety	67,580	66,750	69,846
Health	611,978	633,000	630,143
Housing	233,775	269,100	228,020
Community amenities	155,534	167,500	127,316
Recreation and culture	20,278	16,700	18,682
Economic services	187,059	229,900	202,589
Other property and services	21,894	32,420	24,237
	<u>1,302,696</u>	<u>1,419,770</u>	<u>1,304,697</u>

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	1,103,875	681,459	681,415
Fees and charges	1,289,262	1,406,770	1,105,899
Non-operating grants, subsidies and contributions	2,334,420	2,441,769	2,102,864
	<u>4,727,557</u>	<u>4,529,998</u>	<u>3,890,178</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	0	0	202,040
Revenue from contracts with customers recognised during the year	2,393,136	2,088,229	0
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	2,334,420	2,441,769	1,900,824
	<u>4,727,556</u>	<u>4,529,998</u>	<u>2,102,864</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:

Contract liabilities from contracts with customers	261,845	0	79,868
Trade and Other Receivables	50,374	0	91,911

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	1,971,606	1,967,805	1,901,589
Specified area rates	189,591	188,794	188,850
Statutory permits and licences	9,737	12,000	6,774
Fines	3,697	1,000	3,174
	2,174,631	2,169,599	2,100,387
Other revenue			
Reimbursements and recoveries	182,035	95,100	105,581
Sale of inventory	0	0	71,895
	182,035	95,100	177,476
Interest earnings			
Financial assets at amortised cost - self supporting loans	14,384	7,000	16,534
Interest on reserve funds	4,330	7,500	15,411
Rates instalment and penalty interest	21,916	8,900	22,699
Other interest earnings	0	6,300	0
	40,630	29,700	54,644

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 interest earning where it is earned from financial assets that are held for cash management purposes.

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration				
- Audit of the Annual Financial Report		20,000	30,000	20,045
- Other services - Commonwealth Certifications		1,800	0	0
		21,800	30,000	20,045
Interest expenses (finance costs)				
Borrowings		178,878	395,363	194,347
Lease liabilities	15(b)	634	42	825
		179,512	395,405	195,172
Other expenditure				
Sundry expenses		150,624	116,504	174,987
		150,624	116,504	174,987

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

3. CASH AND CASH EQUIVALENTS

	NOTE	2021 \$	2020 \$
Cash at bank and on hand		448,347	119,216
Total cash and cash equivalents		448,347	119,216

Restrictions

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		329,218	119,216
- Financial assets at amortised cost - term deposits	5	910,504	906,175
		1,239,722	1,025,391

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

Reserves - cash/financial asset backed	4	910,504	906,175
Contract liabilities from contracts with customers	14	261,845	79,868
Local Medical Practice - funds used only for the Medical Practice		67,373	39,348
Total restricted assets		1,239,722	1,025,391

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

Restricted assets

Restricted asset balances are not available for general use by the Shire 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 GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. RESERVES - CASH/FINANCIAL
ASSET BACKED

	2021 Actual		2021 Actual		2021 Budget		2021 Budget		2020 Actual		2020 Actual	
	Opening Balance	Transfer to	Actual	Transfer (from)	Opening Balance	Transfer (from)	Closing Balance	Transfer to	Opening Balance	Transfer to	Closing Balance	Transfer (from)
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	111,813	533	0	0	111,813	1,500	0	113,313	109,813	2,000	0	0
(b) Mortlock Lodge Reserve	(11,820)	14,992	0	0	3,172	0	0	3,172	3,172	2,508	(17,500)	(11,820)
(c) Aged Care Reserve	118,681	566	0	0	118,681	1,500	0	120,181	116,681	2,000	0	118,681
(d) LCDC Reserve	10,361	49	0	0	10,361	150	0	10,511	10,211	150	0	10,361
(e) SW LAG Officer AL/LSL	5,200	34	0	0	5,200	50	0	5,250	9,238	153	(4,191)	5,200
(f) Sewerage Reserve	324,513	1,561	0	0	324,513	4,500	0	329,013	319,713	4,800	0	324,513
(g) Staff Housing Reserve	32,994	157	0	0	32,994	500	0	33,494	49,494	1,000	(17,500)	32,994
(h) Community Bus Reserve	53,776	257	0	0	53,776	450	0	54,226	52,976	800	0	53,776
(i) Vehicle Reserve	107,115	511	0	0	107,115	1,300	0	108,415	105,115	2,000	0	107,115
(j) Plant Replacement Reserve	153,542	661	(14,992)	(14,992)	138,550	22,901	0	161,451	153,542	0	0	153,542
	906,175	19,321	(14,992)	(14,992)	906,175	32,851	0	939,026	929,955	15,411	(39,191)	906,175

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:

Anticipated date of use	Name of Reserve	Purpose of the reserve
Ongoing	(a) Leave Reserve	To be used to fund long service leave requirements.
Ongoing	(b) Mortlock Lodge Reserve	To be used for maintenance and improvements to the Mortlock Lodge Retirement Units.
Ongoing	(c) Aged Care Reserve	To be used to provide for the needs of the aged.
Ongoing	(d) LCDC Reserve	To be used to fund Landcare Activities
Ongoing	(e) SW LAG Officer AL/LSL	To be used to fund the SW LAG Officer annual and long service leave requirements.
Ongoing	(f) Sewerage Reserve	To be used to maintain and upgrade the sewerage scheme in the Goomalling township.
Ongoing	(g) Staff Housing Reserve	To be used for the maintenance, upgrading and construction of new housing for Council employees or public rental housing.
Ongoing	(h) Community Bus Reserve	To be used to purchase a new Community Bus when the time arises.
Ongoing	(i) Vehicle Reserve	To be used to purchase motor vehicles and utilise if at a future date Council ceases to lease vehicles.
Ongoing	(j) Plant Replacement Reserve	To be used for the future replacement of plant.

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

5. OTHER FINANCIAL ASSETS

(a) Current assets

Other financial assets at amortised cost

Other financial assets at amortised cost

Financial assets at amortised cost - term deposits (Note 3)

Financial assets at amortised cost - self supporting loan

(b) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at amortised cost - self supporting loans

Financial assets at amortised cost

Financial assets at amortised cost - self supporting loan

Financial assets at fair values through profit and loss

Units in Local Government House Trust

	2021	2020
	\$	\$
	949,661	942,966
	949,661	942,966
	910,504	906,175
	39,157	36,791
	949,661	942,966
	55,355	53,416
	158,987	198,082
	214,342	251,498
	158,987	198,082
	158,987	198,082
	55,355	53,416
	55,355	53,416

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 28.

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

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
 Trade and other receivables
 GST receivable

Non-current

Pensioner's rates and ESL deferred

	2021	2020
	\$	\$
	188,207	216,986
	50,374	91,911
	30,173	28,605
	268,754	337,502
	84,895	84,547
	84,895	84,547

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 28.

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.

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

7. INVENTORIES

Current

Fuel and materials

Non-current

Land held for resale - cost

Cost of acquisition

Less Impairment

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
	\$	\$
	30,899	34,106
	<u>30,899</u>	<u>34,106</u>
	929,261	929,261
	(399,261)	(399,261)
	<u>530,000</u>	<u>530,000</u>
	564,106	563,371
	(115,107)	(113,517)
	111,900	114,252
	<u>560,899</u>	<u>564,106</u>

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

SHIRE OF GOOMALLING
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021
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 - Freehold Land	Buildings - non- specialised	Total Land and Buildings	Furniture and Equipment	Plant and Equipment	Swimming Pool Buildings & Equipment	Total Property, Plant and Equipment
	\$	\$	\$	\$	\$	\$	\$
Carrying amount at 1 July 2019	3,260,000	20,006,926	23,266,926	159,010	1,016,767	1,319,916	25,762,619
Additions	0	45,718	45,718	11,615	106,220	0	163,553
(Disposals)	(65,000)	(239,403)	(304,403)	0	(32,377)	0	(336,780)
Revaluation Increments/(decrements)	0	0	0	27,885	0	0	27,885
Impairment (losses) / reversals	0	(537,411)	(537,411)	0	0	0	(537,411)
Depreciation (expense)	0	(310,432)	(310,432)	(43,745)	(146,115)	(25,029)	(525,321)
Carrying amount at 30 June 2020	3,195,000	18,965,398	22,160,398	154,765	944,495	1,294,887	24,554,545
Comprises:							
Gross balance at 30 June 2020	3,195,000	19,867,095	23,062,095	462,361	1,493,502	1,393,056	26,411,014
Accumulated depreciation at 30 June 2020	0	(901,697)	(901,697)	(307,596)	(549,007)	(98,169)	(1,856,469)
Carrying amount at 30 June 2020	3,195,000	18,965,398	22,160,398	154,765	944,495	1,294,887	24,554,545
Additions	0	9,859	9,859	11,673	26,449	0	47,980
Impairment (losses) / reversals	0	30,050	30,050	0	0	0	30,050
Depreciation (expense)	0	(299,431)	(299,431)	(42,548)	(156,338)	(25,029)	(523,346)
Carrying amount at 30 June 2021	3,195,000	18,705,876	21,900,876	123,890	814,606	1,269,857	24,109,229
Comprises:							
Gross balance amount at 30 June 2021	3,195,000	19,915,460	23,110,460	474,034	1,507,451	1,393,055	26,485,000
Accumulated depreciation at 30 June 2021	0	(1,209,584)	(1,209,584)	(350,144)	(692,845)	(123,198)	(2,375,771)
Carrying amount at 30 June 2021	3,195,000	18,705,876	21,900,875	123,890	814,606	1,269,857	24,109,229

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings						
	Land - Freehold Land	2	Market approach using recent or estimated observable market data for similar items (Net revaluation method)	Independent Valuation and Management Valuation	June 2017	Price per hectare/market borrowing rate
	Buildings - non-specialised	3	Market approach using recent or estimated observable market data for similar items (Net revaluation method)	Independent Valuation and Management Valuation	June 2017	Improvements to buildings using construction costs and current condition (Level-2), residual values and remaining useful life assessments (Level-3) inputs
	Swimming Pool Buildings & Equipment	3	Market approach using recent or estimated observable market data for similar items (Net revaluation method)	Independent Valuation and Management Valuation	June 2017	Improvements to buildings using construction costs and current condition (Level-2), residual values and remaining useful life assessments (Level-3) inputs

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

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

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 is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

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

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.

	Infrastructure - Roads	Infrastructure - Storm Water Drainage	Infrastructure - Footpaths	Infrastructure - sewerage	Infrastructure - Other	Total Infrastructure
Carrying amount at 1 July 2019	\$ 34,377,062	\$ 2,316,699	\$ 752,766	\$ 1,594,676	\$ 1,175,227	\$ 40,216,430
Additions	2,357,329	0	0	0	172,040	2,529,369
Depreciation (expense)	(896,199)	(40,803)	(25,688)	(33,519)	(44,601)	(1,040,810)
Carrying amount at 30 June 2020	35,838,192	2,275,896	727,078	1,561,157	1,302,666	41,704,989
Comprises:						
Gross balance at 30 June 2020	39,833,600	2,720,258	839,506	1,694,350	1,420,690	46,508,404
Accumulated depreciation at 30 June 2020	(3,995,408)	(444,362)	(112,428)	(133,193)	(118,024)	(4,803,415)
Carrying amount at 30 June 2020	35,838,192	2,275,896	727,078	1,561,157	1,302,666	41,704,989
Additions	2,668,538	0	56,376	0	64,938	2,789,852
Depreciation (expense)	(945,228)	(40,804)	(27,414)	(33,520)	(53,157)	(1,100,123)
Carrying amount at 30 June 2021	37,561,502	2,235,092	756,040	1,527,637	1,314,447	43,394,718
Comprises:						
Gross balance at 30 June 2021	42,502,138	2,720,257	895,882	1,694,350	1,485,628	49,298,255
Accumulated depreciation at 30 June 2021	(4,940,636)	(485,165)	(139,842)	(166,713)	(171,181)	(5,903,537)
Carrying amount at 30 June 2021	37,561,502	2,235,092	756,040	1,527,637	1,314,447	43,394,718

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - Roads	3	Cost approach using current replacement cost (Gross revaluation method)	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Storm Water Drainage	3	Cost approach using current replacement cost (Gross revaluation method)	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Footpaths	3	Cost approach using current replacement cost (Gross revaluation method)	Management Valuation	June 2015	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure Airport	3				
	Infrastructure - sewerage	3	Cost approach using current replacement cost (Gross revaluation method)	Independent and Management Valuation	June 2016	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Other	3	Cost approach using current replacement cost (Gross revaluation method)	Independent and Management Valuation	June 2016	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

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

10. FIXED ASSETS

(a) Disposals of Assets

	2021			2021			2021			2021			2020			2020			
	Actual Net Book Value	Actual Sale Proceeds	2021 Actual Profit Loss	Budget Net Book Value	Budget Sale Proceeds	2021 Budget Profit Loss	Budget Net Book Value	Budget Sale Proceeds	2021 Budget Profit Loss	Actual Net Book Value	Actual Sale Proceeds	2020 Actual Profit Loss	Actual Net Book Value	Actual Sale Proceeds	2020 Actual Profit Loss	Actual Net Book Value	Actual Sale Proceeds	2020 Actual Profit Loss	
Land	0	0	0	0	0	0	0	0	0	0	0	0	65,000	65,000	0	65,000	65,000	0	
Buildings - specialised	0	0	0	0	0	0	0	0	0	0	0	0	239,403	146,881	0	239,403	146,881	0	
Plant and Equipment	0	0	0	0	0	0	0	0	0	0	0	0	32,377	32,377	0	32,377	32,377	0	
	0	0	0	0	0	0	0	0	0	0	0	0	336,780	244,258	0	336,780	244,258	0	

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

10. FIXED ASSETS (CONTINUED)

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

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 and vested improvements to be shown at fair value.

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, 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 11 that details the significant accounting policies applying to leases (including right-of-use assets).

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

10. FIXED ASSETS (CONTINUED)

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	299,431	299,999	310,432
Furniture and Equipment	42,548	45,600	43,745
Plant and Equipment	156,338	152,300	146,115
Swimming Pool Buildings & Equipment	25,029	22,500	25,029
Infrastructure - Roads	945,228	850,000	896,199
Infrastructure - Footpaths	27,414	25,000	25,688
Infrastructure - Storm Water Drainage	40,804	42,000	40,803
Infrastructure - Other	53,157	46,200	44,601
Infrastructure - sewerage	33,520	32,000	33,519
Right of Use Assets plant and equipment	21,048	0	21,432
	1,644,517	1,515,599	1,587,563

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 and equipment	4 to 10 years
Plant and equipment	5 to 14 years
Sealed roads and streets formation	not depreciated
pavement seal	50 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Right of use (plant and equipment)	Based on the remaining lease

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.

SHIRE OF GOOMALLING
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FOR THE YEAR ENDED 30 JUNE 2021

11. LEASES

(a) Right-of-Use Assets

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

Balance at 1 July 2019
Depreciation (expense)
Balance at 30 June 2020
Additions
Depreciation (expense)
Balance at 30 June 2021

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

Depreciation expense on lease liabilities	
Interest expense on lease liabilities	
Short-term lease payments recognised as expense	
Total amount recognised in the statement of comprehensive income	

Total cash outflow from leases

	Right of Use Assets plant and equipment \$	Right-of-use assets Total
	44,468	44,468
	(21,432)	(21,432)
	23,036	23,036
	30,023	30,023
	(21,048)	(21,048)
	32,011	32,011
	2021 Actual \$	2020 Actual \$
	21,048	21,432
	634	825
	22,674	2,317
	44,356	24,574
	23,308	2,859

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - valuation

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

Refer to Note 10 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

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

11. LEASES (CONTINUED)

(b) Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year
 1 to 2 years

	2021 Actual \$	2021 Budget \$	2020 Actual \$
	21,412	2,131	2,088
	11,255	0	0
	32,667	2,131	2,088

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

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

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

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

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

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

12. REVALUATION SURPLUS

	2021		2020		2020		2020		2020		2020	
	Opening Balance	Revaluation Increment	Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Movement on Revaluation	Closing Balance	Revaluation Increment	Revaluation (Decrement)	Closing Balance
Land - freehold	2,501,855	0	0	2,501,855	2,501,855	0	0	0	2,501,855	0	0	2,501,855
Buildings - non-specialised Furniture and Equipment	10,100,569	*30,050	30,050	10,130,619	10,637,980	0	(537,411)	(537,411)	10,100,569	0	0	10,100,569
Swimming Pool and Equipment	154,015	0	0	154,015	126,130	27,885	0	27,885	154,015	0	0	154,015
Infrastructure - Roads	932,516	0	0	932,516	932,516	0	0	0	932,516	0	0	932,516
Infrastructure - Sewerage	21,612,025	0	0	21,612,025	21,612,025	0	0	0	21,612,025	0	0	21,612,025
Infrastructure - Other Infrastructure	1,434,014	0	0	1,434,014	1,434,014	0	0	0	1,434,014	0	0	1,434,014
	569,391	0	0	569,391	569,391	0	0	0	569,391	0	0	569,391
	37,304,385	30,050	30,050	37,334,435	37,813,911	27,885	(537,411)	(509,526)	37,304,385	27,885	(537,411)	37,304,385

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

*Impairment reversal due to an incorrect impairment recognised as at 30 June 2020.

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

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued salaries and wages
 ATO liabilities
 Bonds and deposits held
 Accrued Interest on Loans

	2021	2020
	\$	\$
	189,452	86,950
	61,123	129,887
	17,847	10,508
	23,280	25,243
	11,777	11,267
	56,006	44,494
	359,485	308,349

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

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

Prepaid rates

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

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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14. CONTRACT LIABILITY

Current

Contract liabilities

	2021	2020
	\$	\$
	261,845	79,868

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

Less than 1 year

Contract liabilities		
	\$	
	261,845	79,868

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

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

15. LEASE LIABILITIES

	2021	2020
(a) Lease Liabilities	\$	\$
Current	21,412	2,088
Non-current	11,255	23,230
	32,667	25,318

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	30 June 20: 30 June 2021			30 June 2021: 30 June 2021			30 June 2021: 30 June 2021			30 June 2021: 30 June 2021			30 June 2021: 30 June 2021		
					Actual Lease Principal	Actual New Leases	Actual Lease Repayments	Budget Lease Principal	Budget Lease Repayments	Budget Lease Principal	Budget Lease Repayments	Budget Lease Principal	Budget Lease Repayments	Actual Lease Principal	Actual Lease Repayments	Actual Lease Principal	Actual Lease Repayments	Actual Lease Principal	Actual Lease Repayments
Other property and services																			
Photocopier	55490	Bendigo	8.40%	Sep 2020	2,088	0	2,088	0	2,088	2,088	0	2,088	0	2,088	4,405	2,317	2,088	283	
GO 015	6250532	Toyota Flee	1.40%	Jun 2020	0	0	0	0	0	0	0	0	0	0	9,898	9,898	0	75	
GO 040 Ford Escape Blue	6250509	Toyota Flee	1.40%	Jun 2022	11,778	0	5,835	5,943	0	0	0	0	0	0	17,528	5,749	11,778	237	
GOSHIRE Ford Escape White	6250620	Toyota Flee	1.40%	Jun 2022	11,451	0	5,674	5,777	0	0	0	0	0	0	17,042	5,592	11,451	230	
GO 015 Ford Utility (Works Super	6463413	Toyota Flee	1.40%	June 2024	25,317	30,023	9,077	20,946	294	0	0	0	0	0	48,873	0	0	0	
					25,317	30,023	22,674	32,666	634	2,088	0	2,088	42	0	48,873	23,566	25,317	825	

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

16. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2021	2021	2021	2021		
					Actual	Budget	Actual	Budget		
Consolidation of existing loans (x12)	WATC*		20	2.90%	0	3,450,000	0	3,450,000	0	0
Bank Overdraft (Subdivision)	Bendigo		15	2.88%	945,000	0	0	0	0	945,000
					945,000	3,450,000	0	3,450,000	0	945,000

* WA Treasury Corporation

(d) Undrawn Borrowing Facilities

	2021	2020
	\$	\$
Credit Standby Arrangements		
Bank overdraft limit	400,000	400,000
Bank overdraft at balance date	0	0
Credit card limit	15,000	15,000
Credit card balance at balance date	(1,828)	(2,367)
Total amount of credit unused	413,172	412,633
Loan facilities		
Loan facilities - current	304,779	338,202
Loan facilities - non-current	2,568,546	2,908,413
Lease liabilities - current	21,412	2,088
Lease liabilities - non-current	11,255	23,230
Total facilities in use at balance date	2,905,992	3,271,933
Unused loan facilities at balance date	0	0

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 28.

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

17. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2020			
Current provisions	242,757	257,991	500,748
Non-current provisions	0	69,187	69,187
	242,757	327,178	569,935
Additional provision	166,861	38,250	205,111
Amounts used	(144,703)	(17,975)	(162,678)
Balance at 30 June 2021	264,915	347,453	612,368
Comprises			
Current	264,915	299,128	564,043
Non-current	0	48,325	48,325
	264,915	347,453	612,368

Amounts are expected to be settled on the following basis:

	2021 \$	2020 \$
Less than 12 months after the reporting date	398,597	182,945
More than 12 months from reporting date	191,050	364,269
Expected reimbursements from other WA local governments	22,721	22,721
	612,368	569,935

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.

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

18. 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	448,347	1,297,049	119,216
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	1,540,794	1,316,280	1,030,328
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(1,939)	0	(864)
Depreciation on non-current assets	1,644,517	1,515,599	1,587,563
(Profit)/loss on sale of asset	0	0	92,522
Changes in assets and liabilities:			
(Increase)/decrease in receivables	68,399	0	(111,073)
(Increase)/decrease in inventories	3,207	0	(735)
Increase/(decrease) in payables	51,136	0	(80,269)
Increase/(decrease) in employee provisions	42,433	0	158,291
Non-operating grants, subsidies and contributions	(2,334,420)	(2,441,769)	(2,102,864)
Net cash from operating activities	1,014,127	390,110	572,899

SHIRE OF GOOMALLING
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19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
General purpose funding	1,534,776	449,354
Law, order, public safety	642,448	704,952
Health	22,383	484,075
Education and welfare	477,100	7,500
Housing	5,382,389	4,533,590
Community amenities	2,385,225	2,525,836
Recreation and culture	10,487,902	10,276,715
Transport	41,389,099	39,771,037
Economic services	6,227,069	5,135,901
Other property and services	1,514,466	4,693,445
Unallocated	0	0
	<u>70,062,856</u>	<u>68,582,405</u>

20. CONTINGENT LIABILITIES

Contingent contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

In compliance with the Contaminated Sites Act 2003 Section 11, the Shire's Waterhouse Way Refuse Site is a possible source of contamination. Until the Shire conducts an investigation to determine the presence and scope of the contamination assess the risk and agree with the Department of Water and Environmental Regulation on the need and criteria of remediation of the risk based approach the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation guidelines.

21. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

The Shire has no capital commitments at the end of the current reporting period.

SHIRE OF GOOMALLING
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Councillor Barry Haywood, President			
President's annual allowance	2,500	2,500	2,500
Meeting attendance fees	4,300	4,500	4,000
Travel and accommodation expenses	906	1,500	289
	<u>7,706</u>	<u>8,500</u>	<u>6,789</u>
Councillor Roly Van Gelderen, Deputy President			
Deputy President's annual allowance	625	625	625
Meeting attendance fees	1,500	3,000	1,200
Travel and accommodation expenses	399	500	
	<u>2,524</u>	<u>4,125</u>	<u>1,825</u>
Councillor Christine Barratt			
Meeting attendance fees	1,600	1,500	1,100
	<u>1,600</u>	<u>1,500</u>	<u>1,100</u>
Councillor Julie Chester			
Meeting attendance fees	2,050	1,500	1,500
Travel and accommodation expenses	825	1,000	459
	<u>2,875</u>	<u>2,500</u>	<u>1,959</u>
Councillor Rodney Sheen			
Meeting attendance fees	1,350	1,500	1,100
Travel and accommodation expenses	554	500	255
	<u>1,904</u>	<u>2,000</u>	<u>1,355</u>
Councillor Casey Butt			
Meeting attendance fees	1,450	1,500	800
	<u>1,450</u>	<u>1,500</u>	<u>800</u>
Councillor Brendon Wilkes			
Meeting attendance fees	1,450	1,500	700
	<u>1,450</u>	<u>1,500</u>	<u>700</u>
Councillor Joe Bowen			
Meeting attendance fees	0	0	400
Travel and accommodation expenses	0	0	191
	<u>0</u>	<u>0</u>	<u>591</u>
Councillor Kevin Ryan			
Meeting attendance fees	0	0	450
	<u>0</u>	<u>0</u>	<u>450</u>
	<u>19,509</u>	<u>21,625</u>	<u>15,569</u>
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	2,500	2,500	2,500
Deputy President's allowance	625	625	625
Meeting attendance fees	13,700	15,000	11,250
Travel and accommodation expenses	2,684	3,500	1,194
	<u>19,509</u>	<u>21,625</u>	<u>15,569</u>

SHIRE OF GOOMALLING
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23. 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:

	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
	\$	\$
Short-term employee benefits	369,357	359,412
Post-employment benefits	44,526	46,853
Other long-term benefits	11,300	15,073
	<u>425,183</u>	<u>421,338</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.

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

23. 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
	\$	\$
Sale of goods and services	20,180	39,834
Purchase of goods and services	345,374	285,141

Related Parties

The Shire President and Finance manager are board members at the Goomalling & Districts Community Financial Services Limited, being the local community bank company (Bendigo Bank). The Shire banks with Bendigo Bank.

Three Councillors have direct or indirect through close family members interest in the board of Mortlock Sports Council. The Shire has made a self supporting loan to Mortlock Sports Council as follows:

	2021 Actual	2020 Actual
	\$	\$
Amounts payable to related parties:		
Trade and other payables	12,628	0
Loans from associated entities	198,144	234,957

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. Entities subject to significant influence by the Shire

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

SHIRE OF GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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24. MAJOR LAND TRANSACTIONS

The Shire of Goomalling has undertaken a rural residential subdivision in Salmon Gum Way and Grange Street, Goomalling. The Shire will conduct either auction or tender process for the sale of lots on Salmon Gum Way. In relation to lots in Grange Street, the sale will be by tender process at market valuations. The proceeds from the sale of the two residential subdivisions will be applied towards the repayment of loans raised to finance the development and thereafter any surplus funds remaining will be held in the Municipal Fund Account. A business plan was prepared for the two rural residential subdivisions in accordance with section 3.59 of the Local Government Act 1995.

(b) Current year transactions		2021 Actual	2021 Budget	2020 Actual
		\$	\$	\$
Other expenditure				
- Interest on Borrowings Loan 112	16	(34,155)	0	(44,639)
- Interest on Borrowings Loan 108	16	(18,698)	0	(32,763)
		(52,853)	0	(77,402)

(c) Expected future cash flows	2021/22	2022/23	2023/24	2024/25	Total
	\$	\$	\$	\$	\$
Cash outflows					
- Interest on Borrowings	(30,651)	(25,351)	(23,838)	(22,266)	(102,106)
	(30,651)	(25,351)	(23,838)	(22,266)	(102,106)
Cash inflows					
- Sale proceeds		55,000	55,000	55,000	165,000
	0	55,000	55,000	55,000	165,000
Net cash flows	(30,651)	29,649	31,162	32,734	62,894

(d) Assets and liabilities

Land held for resale included within Note 7	2021	2020
	\$	\$
Current Inventory		
Land held for resale - cost	530,000	530,000
	530,000	530,000

25. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire did not participate in any major trading undertakings during the current financial year ended 30 June 2021.

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

26. RATING INFORMATION

(a) Rates

RATE TYPE
Differential general rate / general rate

RATE TYPE	Number of Properties	2020/21		2020/21		2020/21		2020/21		2020/21		2020/21		2020/21		
		Rate in \$	Actual Rateable Value	Actual Rate	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Budget Rate	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	2019/20 Actual Total Revenue
Gross rental valuations																
GRV Residential	119	0.10959	1,316,466	144,265	0	0	144,265	0	0	0	144,265	0	0	0	140,497	
GRV Commercial	17	0.12322	321,640	39,632	0	0	39,632	0	0	0	39,632	0	0	0	39,632	
GRV Industrial	11	0.11817	80,636	9,529	0	0	9,529	0	0	0	9,529	0	0	0	9,529	
GRV Urban Farm	17	0.10555	211,120	22,283	0	0	22,283	0	0	0	22,283	0	0	0	22,283	
Unimproved valuations																
UV Rural Zone 2	39	0.00636	19,520,000	124,206	0	0	124,206	0	0	0	124,206	0	0	0	117,181	
UV Special Rural	10	0.01263	1,002,500	12,657	0	0	12,657	0	0	0	12,657	0	0	0	17,738	
UV General Zone 3 Farming	214	0.00692	195,846,000	1,354,863	3,801	0	1,354,863	3,801	0	0	1,354,863	3,801	0	0	1,295,894	
Sub-Total	427		218,298,362	1,707,435	3,801	0	1,711,236	3,801	0	0	1,707,435	3,801	0	0	1,842,754	

Minimum payment

RATE TYPE	Number of Properties	2020/21 Actual Rateable Value	2020/21 Actual Rate	2020/21 Actual Interim Rates	2020/21 Actual Back Rates	2020/21 Actual Total Revenue	2020/21 Budget Rate	2020/21 Budget Interim Rate	2020/21 Budget Back Rate	2020/21 Budget Total Revenue	2019/20 Actual Total Revenue
Gross rental valuations											
GRV Residential	101	588,962	95,950	0	0	95,950	95,950	0	0	95,950	97,850
GRV Commercial	12	36,412	10,800	0	0	10,800	10,800	0	0	10,800	10,800
GRV Industrial	7	12,675	3,850	0	0	3,850	3,850	0	0	3,850	3,850
GRV Urban Farm	7	23,741	5,005	0	0	5,005	5,005	0	0	5,005	5,005
Unimproved valuations											
UV Rural Zone 2	32	4,082,000	32,000	0	0	32,000	32,000	0	0	32,000	36,550
UV Special Rural	8	609,500	8,800	0	0	8,800	8,800	0	0	8,800	4,400
UV General Zone 3 Farming	87	7,863,192	103,965	0	0	103,965	103,965	0	0	103,965	86,040
UV Mining Tenements	0	0	0	0	0	0	0	0	0	0	14,340
Sub-Total	254	13,216,482	260,370	0	0	260,370	260,370	0	0	260,370	258,835

Total amount raised from general rate

Specified Area Rate (Note 26(b))	2020/21 Actual Total Revenue	2020/21 Budget Total Revenue	2019/20 Actual Total Revenue
Ex-gratia rates	1,971,606	1,967,805	1,901,589
Totals	189,591	188,794	188,850
	35,143	35,143	22,488
	2,196,340	2,191,742	2,112,927

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

SHIRE OF GOOMALLING
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26. RATING INFORMATION (Continued)

(b) Specified Area Rate

Specified Area Rate	Basis of Valuation	Rate in \$	2020/21 Rateable Value	2020/21 Rate	2020/21 Revenue	Interim Rate	Back Rate	Specified Area Rate	Budget		Total Budget Revenue	Total Actual Revenue	
									Revenue	Rate			
Sewerage - Residential		8.033	23,309	188,031	\$	0	0	188,031	187,234	0	0	187,234	188,031
Sewerage - Religious Church		4.000	390	1,560	\$	0	0	1,560	1,560	0	0	1,560	1,560
			23,699	189,591	\$	0	0	189,591	188,794	0	0	188,794	189,591

Specified Area Rate	Purpose of the rate	2020/21 Actual Rate Applied to Costs		2020/21 Budget Rate Applied to Costs		2020/21 Actual Reserve Applied to Costs		2020/21 Budget Reserve Applied to Costs	
		Rate	Applied to Costs	Rate	Applied to Costs	Rate	Applied to Costs	Rate	Applied to Costs
Sewerage - Residential	To provide sewerage services for town properties	188,031	0	187,234	0	0	0	0	0
Sewerage - Religious Church	To provide sewerage services for town properties	1,560	0	1,560	0	0	0	0	0
		189,591	0	188,794	0	0	0	0	0

(c) Service Charges

The Shire did not raise service charges for the year ended 30 June 2021.

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

Rates Discounts

Rate or Fee Discount Granted	Discount %		2021 Actual		2021 Budget		2020 Actual		Circumstances in which Discount is Granted
	Discount	%	Actual	Discount	Budget	Actual	Discount		
Early Payment Incentive	0.00%	0	700	0	1,000	1,000	900	900	Ratepayers making their rates payments in full within 35 days of the date of issue of the notice are eligible to enter the early payment draw for the following: (a) - A \$600 voucher to be spent at any business in the Shire of Goomalling (b) - A \$300 voucher to be spent any business in the Shire of Goomalling (c) - A 100 voucher to be spent at any business in the Shire of Goomalling
Total discounts/concessions (Note 26(a))			700	0	1,000	1,000	900	900	

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

26. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option one				
Payment in Full	1/09/2020	0	0.0%	8.0%
Option two				
Instalment 1	1/09/2020	0	0.0%	0.0%
Instalment 2	1/11/2020	10	5.5%	8.0%
Instalment 3	1/01/2021	10	5.5%	8.0%
Instalment 4	1/03/2021	10	5.5%	8.0%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Instalment plan admin charge revenue	3,020	5,900	5,195
Instalment plan interest earned	4,559	3,000	2,085
Unpaid rates and service charge interest earned	16,596	7,000	16,942
	24,175	15,900	24,222

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

28. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.00%	448,347	0	0	448,347
Financial assets at amortised cost - term deposits	0.45%	910,504	910,504	0	0
2020					
Cash and cash equivalents	0.00%	119,216	0	0	119,216
Financial assets at amortised cost	0.80%	906,175	906,175	0	0

Sensitivity

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

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

	2021	2020
	\$	\$
	0	0

* 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 16(b).

28. 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
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	106,658	52,518	22,550	91,375	273,101
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	52,940	43,216	26,504	178,873	301,533

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
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	23,716	1,926	7,943	16,789	50,374
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	49,812	27,843	1,951	12,305	91,911

28. 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 16(d).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2021</u>					
Payables	359,485	0	0	359,485	359,485
Borrowings	471,861	1,367,533	1,201,013	3,040,407	2,873,325
Lease liabilities	21,412	11,255	0	32,667	32,667
	852,758	1,378,788	1,201,013	3,432,559	3,265,477
<u>2020</u>					
Payables	308,349	0	0	308,349	308,349
Borrowings	506,181	1,510,354	1,973,165	3,989,700	3,246,615
Lease liabilities	2,088	23,230	0	25,318	25,318
	816,618	1,533,584	1,973,165	4,323,367	3,580,282

29. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There have been no material events after the reporting period which would affect the financial report of the Shire for the year ended 30th June 2021 or which would require a separate disclosure.

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

30. TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Pioneers Pathway	60,058	6,806	(41,500)	25,364
	60,058	6,806	(41,500)	25,364

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

31. 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 GOOMALLING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

32. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE 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 to the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.</p>
<p>GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p>LAW, ORDER, PUBLIC SAFETY 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>HEALTH To provide an operational framework for environmental and community health.</p>	<p>Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.</p>
<p>EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.</p>
<p>HOUSING To provide housing to staff.</p>	<p>Staff housing, provision of general rental accomodation when buildings not required by staff.</p>
<p>COMMUNITY AMENITIES 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>RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which help the social well being of the community.</p>	<p>Maintenance of public halls, civic centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.</p>
<p>TRANSPORT To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, streets, footpaths, depots, cycleways and parking facilities.</p>
<p>ECONOMIC SERVICES To help promote the Shire and its economic wellbeing.</p>	<p>Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building control.</p>
<p>OTHER PROPERTY AND SERVICES To monitor and control Council's overhead operating accounts.</p>	<p>Private works operation, plant repair and operation costs, housing and engineering operation costs.</p>

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

33. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	0.33	0.37	0.59
Asset consumption ratio	0.89	0.91	0.92
Asset renewal funding ratio	**	**	**
Asset sustainability ratio	1.68	1.47	0.06
Debt service cover ratio	0.68	1.24	0.63
Operating surplus ratio	(0.21)	(0.30)	(0.39)
Own source revenue coverage ratio	0.64	0.60	0.59

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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

** The Shire is unable to disclose the Asset renewal funding ratio at the end of the reporting period as it did not have the required data available to calculate this ratio.



**ANNUAL AUDIT
COMPLETION REPORT**

SHIRE OF GOOMALLING

21 December 2021

Real People.
Better **Business**

Introduction

From our Engagement Partner

Shire of Goomalling for the year ended
30 June 2021.

We would like to take this opportunity to thank the management team for their assistance during the audit process. If you have any queries on the report, please feel free to contact me.



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EXECUTIVE SUMMARY

- ✔ Butler Settineri (Audit) Pty Ltd was appointed as the contract auditor by the Office of the Auditor General for the year ended 30 June 2021.
- ✔ Butler Settineri (Audit) Pty Ltd has completed the external statutory audit for the year ended 30 June 2021 as contract auditor on behalf of the Office of the Auditor General.
- ✔ We intend to recommend to the Auditor General to issue a qualified audit opinion in relation to the financial statements.
- ✔ Our findings are included in this report.



INDEPENDENCE

We are independent of the Shire in accordance with the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants.

Threats to independence include the following:

- ① SELF INTEREST THREATS
- ① SELF REVIEW THREATS
- ① ADVOCACY THREATS
- ① FAMILIARITY THREATS
- ① INTIMIDATION THREATS

What we do to remain independent:

- All team members sign an independence declaration at the commencement of the audit;
- We monitor our individual independence throughout the audit;
- All team members sign off an independence declaration at the completion of the audit.

COMPLIANCE WITH LAWS & REGULATIONS & FRAUD

Laws and Regulations applicable to the Shire include the following:

- ✔ Local Government Act 1995;
- ✔ Local Government (Financial Management) Regulations 1996;
- ✔ Local Government (Audit) Regulations 1996;
- ✔ Australian Tax Office (GST / FBT / PAYG) Compliance;
- ✔ Compliance with conditions of program funding arrangements.

During the audit process there have been:

- ✔ Non-compliance issues have been reported in the audit report where applicable and are detailed on page 9 of this document.
- ✔ No findings or indications of suspected fraud.

As far as the external audit relates to the matters noted above.

Key Audit
Matters and
Audit
Outcomes



During the planning phase of the audit, we identified the following issues and key areas of audit risk.

Details of Risk / Issue	Audit Approach
Audit findings reported in the previous audit	We followed up on last year's audit issues during the audit. Where issues were not resolved it has been re-reported.
<p>Valuation of Infrastructure Assets</p> <p>OAG issued a qualified audit opinion last year as the Shire failed to revalue infrastructure assets in a timely manner.</p> <p>As mentioned at the exit meeting on 15 April 2021, if the Infrastructure assets are not revalued in the financial year 2020-21 in accordance with Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996, we would be unable to determine whether the significant balance of infrastructure assets is reported at fair value.</p>	<p>Like prior year, Infrastructure assets were not revalued and no assessment was made by management to provide evidence that the value of infrastructure assets at year end equates to the fair value.</p> <p>We will recommend a modified audit opinion in this regard for the year ended 30 June 2021.</p>
<p>Changes to accounting standards:</p> <p>AASB 1059 – Service Concession Arrangement: Grantors</p>	We reviewed management's assessment of the impact of the new accounting standard on the financial statements and agree that the adoption of the accounting standard has no impact on the financial report.
<p>Changes to <i>Local Government (Financial Management) Regulations</i>:</p> <p>Regulation 44 - Fees etc. to council members, information about in annual financial report</p> <p>In relation to fees, expenses or allowances paid to council members, the mayor or the president the annual financial report is to include, for each person —</p> <p>(a) the nature of the fee, expense or allowance; and</p> <p>(b) the total amount or value of each class of fee, expense or allowance.</p>	We reviewed the financial report and confirmed that management has complied with the regulation as per <i>note 22 Elected Members Remuneration</i> of the financial report.
<p><i>Long Service Leave Act 1958</i></p> <p>Long service leave is a paid leave entitlement for</p>	We performed audit procedures on the long service leave provision recognised by management and found that the Shire has complied with the Long Service Leave Act requirements.

<p>employees who have worked continuously in a business for a specified period of time. Full time, part time and casual employees are entitled to long service leave.</p>	
<p>We have identified the following areas that we consider require additional focus during our 2020-21 local government audits:</p> <ul style="list-style-type: none"> • Related party disclosures • Revenue recognition • Unauthorised expenditure • Unrecorded liabilities and expenses • Valuation of land held for sale 	<p>We reviewed the related audit evidence as part of our audit testing and confirmed that appropriate recognition and measurement and disclosures have been made in the financial report in relation to the risks identified.</p>
<p>The following annual financial report items are derived from accounting estimates and hence will receive specific audit attention:</p> <ul style="list-style-type: none"> • Provision for annual and long service leave • Impairment of assets • Provision for rehabilitation of waste disposal sites 	<p>We reviewed the methodology and underlying data that management used when determining critical accounting estimates. We confirmed the reasonableness of the assumptions and corroborating representations.</p>
<p>Important changes in management or the control environment.</p>	<p>None during the financial year.</p>

AUDIT MISSTATEMENTS

The following uncorrected misstatements were identified:

Financial Statement Element	As reported \$	Correct balance \$	Uncorrected Misstatement \$
ATO Liability	(23,280)	(32,556)	(9,276)
Employee Costs	2,321,196	2,330,472	9,276
ATO liability for the medical surgery not included in the financial records			

AUDIT FINDINGS

▀ *Per the Management Letter Attachment:*

Current year issues:

1. Approval of payments inconsistent with delegations
2. Purchase order approval inconsistent with delegations
3. Purchase without approved purchase order
4. Lack of acknowledgement of goods/services received
5. Medical Surgery
6. Signatories on bank accounts
7. Fixed asset register

Findings identified in prior year:

10. Excessive leave balances
11. Quotations – minimum number not obtained
12. Insufficient information on purchase orders
13. Changes to supplier master file
14. Valuation of infrastructure assets
15. Asset Renewal Funding Ratio

EFFECT ON THE AUDIT REPORT

BASIS FOR QUALIFIED OPINION

We identified that the Shire's roads, drainage and footpaths infrastructure, reported at values of \$37,561,502, \$2,235,092 and \$756,040 respectively in Note 9 of the annual financial report, were last valued in June 2015. We also identified that the Shire's Sewage and other infrastructure, reported at values of \$1,527,637 and \$1,314,447 respectively in Note 9 of the annual financial report, were last valued in June 2016. Because the assets have not been revalued with sufficient regularity or in accordance with Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996, we are unable to determine whether the infrastructure assets of \$43,394,718 are stated at fair value in the Statement of Financial Position at 30 June 2021.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS IN THE AUDITOR'S REPORT

Matters indicating significant adverse trends in the financial position

1. The current year ratio as reported in Note 33 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for 2021, 2020 and 2019 financial years.
2. The debt service cover ratio as reported in Note 33 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for 2021, 2020 and 2019 financial years.
3. The operating surplus ratio as reported in Note 33 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for 2021, 2020 and 2019 financial years.

Matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the *Local Government (Financial Management) Regulations 1996* or applicable financial controls of any other written law

1. The Shire has not reported the Asset Renewal Funding Ratio for 2021, 2020 and 2019 in the annual financial report as required by section 50(1)(c) of the Local Government (Financial Management) Regulations 1996, as management has not updated the asset management plan and long-term financial plan since 2016.
2. Signatories on bank accounts did not have the required delegated authority.
3. Purchase order approval inconsistent with the delegated authority.
4. Quotations – minimum numbers not obtained
5. Changes to supplier master files

Key Changes for next year

Changes in regulations

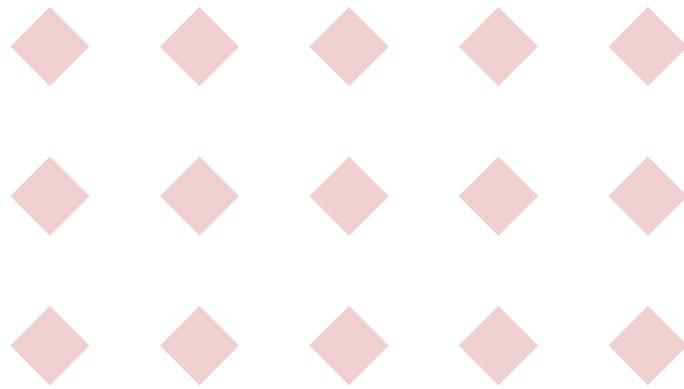
- None anticipated.

Accounting Issues for 2022

- None anticipated that would have a significant impact on the financial statements for the year ending 30 June 2022 except the matter of infrastructure revaluation.
- At this stage we understand that the Shire intends to revalue at least 2 classes of infrastructure assets in the financial year 2022, except roads – which will be revalued in the following financial year i.e. 2023 with the rest of the infrastructure assets not revalued in 2022.
- Therefore, we will accordingly recommend our audit opinion to the Auditor General for the year ending 30 June 2022.

THANK YOU

We would like to take this opportunity to once again thank the management team for their assistance during the audit process, in particular we would like to thank Peter Bentley, Natalie Bird and finance team for their support.





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Auditor General

INDEPENDENT AUDITOR'S REPORT 2021

Shire of Goomalling

To the Councillors of the Shire of Goomalling

Report on the audit of the annual financial report

Qualified Opinion

I have audited the financial report of the Shire of Goomalling (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, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial report of the Shire of Goomalling:

- 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 Qualified Opinion

The Shire's infrastructure assets were last valued in June 2015 for roads, drainage and footpaths and June 2016 for sewerage and other infrastructure. Because these infrastructure assets have not been revalued with sufficient regularity or in accordance with *Regulation 17A(4)(b)* of the Local Government (Financial Management) Regulations 1996, I am unable to determine whether infrastructure assets reported in Note 9 of the annual financial report at \$43,394,718 and \$38,841,166 as at 30 June 2021 and 30 June 2020 respectively are stated at fair value in the Statement of Financial Position. Additionally, I am unable to determine whether there may be any consequential impact on the related balances, amounts and disclosures of Depreciation on non-current assets, Revaluation Surplus in the Statement of Financial Position and Statement of Changes in Equity and Note 12, Other Comprehensive Income in the Statement of Comprehensive Income and Note 19 Total Assets Classified by Function and Activity, or whether any adjustments to these amounts are necessary. I also issued a qualified opinion for the year ended 30 June 2020 in relation to this matter.

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.

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 matters indicate a significant adverse trend in the financial position of the Shire:
 - a) The Current Ratio as reported in Note 33 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' standard for the past three financial years.
 - b) The Debt Service Cover Ratio as reported in Note 33 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' standard for the past three financial years.
 - c) The Operating Surplus Ratio as reported in Note 33 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' standard for the past three financial years.

- (ii) The following material matters indicating 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) The Shire has not reported the Asset Renewal Funding Ratio for 2021, 2020 and 2019 in the annual financial report as required by section 50(1)(c) of the Local Government (Financial Management) Regulations 1996, as management has not updated the asset management plan and long-term financial plan since 2016.
 - b) All the payments we tested were approved by officers who had no delegated authority to do so. Only the Chief Executive Officer has delegated authority to approve bank payments. In addition, approximately 15% purchase orders we tested had dollar values significantly above the delegated limits of the officers who approved them. This increases the risk of inappropriate and unauthorised payments being made.
 - c) The Medical Surgery of the Shire maintains separate accounting records, and also has a separate account with the ATO. These records / account however are not reconciled to the Shire's accounting records to ensure completeness of the Surgery's transactions in the Shire's financial report. Lack of timely reconciliation increases the risk of the Shire's financial report not completely capturing the Surgery's financial transactions and being misstated.
 - d) More employees than necessary had full access to supplier master files. Also, there was no evidence of independent review of the amendments made to master files. This increased the risk of unauthorised changes to master files, although our audit sampling did not identify any.
 - e) For approximately 30% of purchase transactions we 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 the risk of fraud or favouritism 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 included in the financial report was 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 Goomalling 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 Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
22 December 2021



9.8 AUDIT COSTS

File Reference	3.18
Disclosure of Interest	Nil
Applicant	Shire Of Goomalling
Previous Item Numbers	No Direct
Date	27 January 2022
Author	Peter Bentley – Chief Executive Officer
Authorising Officer	Peter Bentley – Chief Executive Officer
Attachments	Nil

Summary

Council is to accept \$5,000 in extra costs associated with the 2021 Audit.

Background

Email from AG’s office:

As discussed on the day of our exit meeting, in prior years although we had significant overruns we did not request additional fees because of the implementation of new accounting standards, Regulation changes etc. In the current year however, we do seek to recover **\$5k**, which is still not the full recovery of our additional cost. The reasons for the additional cost are as follows:

1. Not all information was provided in the specified timeframe and follow ups were required for interim and final.
2. Evaluation and reporting of 13 findings in the management letter
3. Audit findings resulting in adjustments to the financial statements:
 - a. Asset register not updated audit recalculated depreciation and found impairment error
 - b. LRCI funding GST incorrectly claimed by client
 - c. Incorrect adjustment passed to record the change to b above

Please let me know if you require any further information.

CEO Email Response:

While I can see some of these matters may lead to some extra time, even at \$150/hour this would be nearly 35 hours work for experienced audit team members – I find that a bit of a stretch.

Most of the work associated with these matters would have been undertaken by us and not the Audit team.



Having said that I will put the extra costs to the Council – they are unbudgeted costs. In addition, there was a more rigorous approach this year and it is likely from my perspective, that this is where extra costs may have also accumulated. I am not complaining, just not convinced that this is where the whole \$5,000 in overruns accumulated in total, and of the 13 items on the Management Letter, 6 were almost a cut and paste from last years.

Perhaps a small note that with such a small team we sometimes need to prioritise between what audit teams request and our normal jobs. In my experience with some 25 years in the industry, the overhead to the organisation for most small local governments from audits under AG audits has increased significantly, more than tripled in my role, and so we do have to prioritise and sometimes this will result in a delay. But this doesn't necessarily equate to extra time spent on the audit, it may extend the overall timeframe but not necessarily the time spent. We also found again that on occasions we would make changes to the financials that were changed back at a later date once reviewed by the AG's office.

Consultation

The WA Auditor General's Office

Statutory Environment

Local Government Act 1995 (as amended).

Policy Implications

There is no current Council policy regarding this matter

Financial Implications

Accepting the extra costs will be unbudgeted.

Strategic Implications

Shire of Goomalling Community Strategic Plan 2019-2028	
4.1.4	Provide reporting processes in a transparent, accountable and timely manner.

Comment/Conclusion

Council budgeted \$30,000 for audit costs being \$27,500 for the audit (as quoted by the AG's Office) and \$2,500 for R2R and LRCIP audits. This request pushes the audit cost to \$32,500 with a further \$2,500 for the other two matters.

The 2021 audit escalation is from \$20,045 to \$32,500, an increase of \$12,500 in total. This represents a 62% increase on the previous year's cost. The AG's office suggests that this is still not full cost recovery.

While there was some extra work that we noticed on the ground, it is a considerable cost increase from \$20,045 in 2020 to \$32,500 in 2021. It is unlikely that there was a 62% increase in costs and time over a 12 month period.

Voting Requirements

Simple Majority



OFFICER'S RECOMMENDATION

That the Council:

Agrees to the extra costs requested by the Auditor General's Office for the 2021 Financial Report Audit.

RESOLUTION 457

Moved Cr Van Gelderen, seconded Cr Ashton that Council endorses the Officer's recommendation.

***CARRIED 6/0
Simple Majority***



10. ELECTED MEMBERS MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

11. NEW BUSINESS OF AN URGENT NATURE AGREED TO BY RESOLUTION OF COUNCIL

Nil

12. MATTERS BEHIND CLOSED DOORS

Nil

13. INFORMATION BULLETIN

RESOLUTION 458

Moved Cr Barratt, seconded Cr Chester that the Information Bulletin be received.

***CARRIED 6/0
Simple Majority***

14. MEETING CLOSURE

The Shire President thanked everyone for their attendance and declared the meeting closed at 5.20 pm