

# SHIRE OF JERRAMUNGUP

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## *Annual Report*



# 2020-2021

# CONTENTS

## **About this Report**

**Our Vision, Values and History**

**Presidents Report**

**Chief Executive Officer's Report**

**Elected Members**

## **Strategic Community Plan**

**Strategic Direction 1: Community**

**Strategic Direction 2: Economy**

**Strategic Direction 3: Environment Built**

**Strategic Direction 4: Environment Natural**

**Strategic Direction 5: Governance and Leadership**

## **Statutory Statements**

Customer Service Charter

Public Interest Disclosure

Disability Access and Inclusion Plan

Record Keeping Policy

Freedom of Information Act 1992

Annual Salaries

National Competition Policy

Sewerage Scheme

Complaints Against Councillors Report

Significance of Federal Government &

Financial Assistance Grants

## **Financial Statements**

## **Audit Report**



# ABOUT THIS REPORT

## Welcome!

Every year the Shire provides vital community services and our Annual Report is where we can highlight our achievements and the progress we've made towards realising the strategic goals identified in our 2021 – 2031 Community Plan.

The Annual Report is one of our key reporting devices providing information to the Community on the work completed in the past financial year. The Report details our operational performance and outlines the achievements and challenges we experience throughout the year.

## Where to find this report

Copies can be obtained in hard copy from the Shire Administration Office, Libraries or Online:

<https://www.jerramungup.wa.gov.au>

Email: [council@jerramungup.wa.gov.au](mailto:council@jerramungup.wa.gov.au)

Feedback on the report can be provided at the Shire Administration Office or emailed to the Shire at [council@jerramungup.wa.gov.au](mailto:council@jerramungup.wa.gov.au)



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# OUR VISION

**“Progressive, Prosperous  
and a Premium Place  
to Live and Visit.”**

# OUR VALUES

**Quality** We ensure quality in everything we do

**Trust** We are trustworthy and act with honesty and integrity at all times

**Respect** We treat each other, all members of our community and visitors with respect

**Unity** We are a united team

**Aspire** We aspire to continuously improve our skills and the services we deliver for our community

# OUR HISTORY

The Shire is located within the Great Southern region of Western Australia, 180 kilometres northeast of Albany and 440 kilometres southeast of the state capital, Perth. The Shire covers an area of 6,507 square kilometres and has a population of approximately 1,133. The area is recognised as a strong agricultural region for grain and livestock production, with high biodiversity values, strong tourism potential and various mining prospects. The Shire is recognised internationally for its biodiversity and human interaction with the landscape.

The town of Jerramungup was established in 1953 as a war service settlement area and gazetted in 1957. The Shire of Jerramungup was established as its own local authority on 1 July 1982 having been annexed from the Shire of Gnowangerup. proud of its heritage.

Although it is only a relatively young municipality, it is rich in history and proud of its heritage.

The town of Bremer Bay is developing rapidly with a growing aquaculture industry and is attracting increasing tourism activity. Bremer's unspoilt coastline invites fishing, beach combing, whale watching, surfing and swimming. Bremer Bay derives its name from the bay on which it is located. The bay is believed to have been named by John Septimus Roe, the Surveyor-General, who visited the area in 1831. The area was originally settled in the 1850s and Bremer Bay was originally named Wellstead in 1951 but locals petitioned to have the town renamed to what it was locally known as, this being Bremer Bay. The change of name was approved by the Minister for Lands and the new name gazetted in 1962.

The area is also synonymous with a unique and picturesque natural environment highlighted by the presence of the Fitzgerald River National Park and the Bremer Canyon. The Fitzgerald River National Park, located east of Jerramungup and Bremer Bay, and easily accessible from both towns, is one of the largest national parks in Australia. It contains 20 per cent of the State's described plant species. The park covers 329,039 hectares and is one of the most diverse botanical regions in the world, featuring more than 1,800 species of plants. The Fitzgerald River National Park (FRNP) forms the core of the Fitzgerald Biosphere, one of Western Australia's two internationally recognised Biosphere Reserves, designated under the UNESCO Man and the Biosphere Program.

The Shire of Jerramungup lies within the Wagyl Kaip region which is acknowledged as being the traditional lands of the Noongar People who since time immemorial have inhabited the lands and are acknowledged to have a continuing living cultural, spiritual, familial and social relationship with Noongar boodja (Noongar earth) and the Shire pays its respect to elders past and present.

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# SHIRE PRESIDENT REPORT

As the newly elected President of the Shire of Jerramungup and on behalf of my fellow Councillors, it is with pleasure that I present the Annual Report for the Shire of Jerramungup 2020/21 financial year.

I would like to start by paying tribute to our outgoing Shire President, Councillor Robert Lester who has been a strong advocate for the Shire while serving in the role over the past nine years.

Each year the Shire of Jerramungup staff and Council work hard to deliver the projects and services and this report reflects another very busy and productive year for Council. Despite the challenges and uncertainty we continued to face throughout the year with the COVID-19 pandemic I am proud of the way the Shire, businesses and community faced these challenges and adapted to ensure important projects and long-term goals were achieved.

A number of large scale projects were completed in 2020/21 with the highlight being the completion of the \$3.4 million Seniors Independent Living Units and Key Worker Accommodation housing project.

The redevelopment of the Jerramungup Community Swimming Pool also commenced and I am excited to see this long awaited project progress and look forward to seeing the completed result.

Another significant project was the Boxwood Hill Community Sporting Facilities upgrade which continued throughout 2020/21 with this project scheduled to be completed early in the new year.

The Drought Communities Funding received from the Australian Government also helped to deliver small and medium projects which generated local

employment and positively influenced community sustainability. Funds were allocated to Community dam upgrades following the drought conditions experienced in 2020 as well as assisting with upgrades of Shire infrastructure.

Planning for the Shire's future, Council undertook a major review of its Strategic Community Plan. This aspirational plan was created and developed through consultation with the people of Jerramungup Shire and sets out the visions and priorities of the community and Council. The resulting document is an inspiring framework that will guide Council's strategic planning over the next 10 years. Congratulations to the many community members who made a valuable contribution to the Community Vision, to the benefit of the Shire and its residents, now and into the future.

As always it has been my privilege to attend various engagements, functions and meetings of the community and volunteer services throughout the past year. As Council, we are proud to celebrate the successes of 2020/21 and I would like to acknowledge and thank my fellow Jerramungup Shire Councillors, Council staff and local community members and businesses for their contribution to making Jerramungup Shire a wonderful place to live, work and visit.



Cr Joanne Iffla  
**Shire President**



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# CHIEF EXECUTIVE OFFICER REPORT

Reflecting on the past 12 months, I feel great pride in the hard work and achievements of the organisation. With serving the community the highest goal, Council's Elected Members and dedicated employees continued delivering quality programs, projects and services for the people of the Jerramungup Shire.

A highlight of the 2020/2021 year was the completion of the \$3.486 million Independent Living Units in Bremer Bay and the Key Worker Accommodation in Jerramungup and Bremer Bay. This project stimulated the local economy by providing employment opportunities to local contractors and businesses and assisted with the critical shortage of quality and affordable housing across the Shire.

The Shire was also fortunate to receive funding from the Federal Government via the Local Roads and Community Infrastructure (LRCI) Program. The objective of the LRCI Program is to stimulate additional infrastructure construction activity in local communities across Australia to assist communities to manage the economic impacts of COVID-19.

We received \$437,340 in Phase 1 which was used to reseal various roads, maintain footpaths and purchase a variable message board. In Phase 2 we received an additional \$321,185 which was put towards safety fencing at our parks, replacement of basketball rings, installation of a dump point, a mural at the Kokoda Op Shop and various other projects. Phase 3 has also been announced recently with the Shire set to receive \$874,680 which has been allocated to the Fishery Beach boat ramp upgrade due to be started in 2022.

It is exciting to see works underway on the long awaited \$4.2 million Jerramungup Swimming Pool Project and refurbishments to the Boxwood Hill Combined Sports Club facility are also nearing completion. It is fantastic to see these large scale projects progressing and I look forward to the opening

of these facilities.

It was great to see community events able to be held again after many were forced to be cancelled or postponed in the previous year due to COVID-19. I was fortunate to attend the Dancing in the Dirt gala event which the Shire was able to financially support through the Drought Communities Funding. Credit must go to the Fitzgerald Biosphere Group who once again organised a fantastic event.

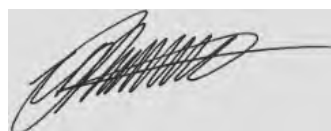
Australia Day celebrations were held at the Bremer Bay Skate Park and thanks to a grant from the National Australia Day Council this event was bigger than ever before and thoroughly enjoyed by the community and holiday makers.

Also after having to cancel our Anzac Day Service in 2019 it was wonderful that the Shire was once again able to host the dawn service and gun fire breakfast.

The Shire's infrastructure department has had another extraordinary year delivering \$2.178 million of road construction projects throughout the Shire. Our works team should be commended on their expertise and skills to once again deliver a complex transport network.

I would also like to thank the Administration staff, led by the Executive Management Team for their efforts over the past twelve months. Their support is critical to the ongoing success of our organisation.

Finally I would like to take the opportunity to acknowledge Council for their dedication and support over the past year and I look forward to another exciting year ahead.



Martin Cuthbert  
**Chief Executive Officer**



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# ELECTED MEMBERS



**Shire President**

Cr Joanne Iffla

Elected: 2008

Term Expires: 2025



**Deputy Shire President**

Cr Julie Leenhouders

Elected: 2013

Term Expires: 2025



**Member**

Cr Robert Lester

Elected: 2010

Term Expires: 2023



**Member**

Cr Rex Parsons

Elected: 2011

Term Expires: 2023



**Member**

Cr Bill Bailey

Elected: 2004

Retired October 2021



**Member**

Cr Andrew Price

Elected: 2017

Term Expires: 2023



**Member**

Cr Drew Dawson

Elected: 2019

Term Expires: 2023

**Cr Neil Foreman was elected in October 2021.**

## Council Meetings:

Council decisions are made by resolution of Council either at Ordinary Council Meetings or at Special Council Meetings. Ordinary Meetings of Council are held on the fourth Wednesday of the month in the Jerramungup Council Chambers or the Bremer Bay Emergency Services Shed. A schedule of Council meeting dates is available on our website and at the Shire Administration office.

All Council meetings are open to the public, except for matters raised by Council under “confidential items”. Community members are encouraged to attend and participate in the meetings.

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# ELECTED MEMBER ATTENDANCE

Elected Members	Ordinary Council Meeting (11)	Special Council Meeting (1)	Electors Meeting (1)	CEO Performance Review Committee (3)	Audit Committee (3)	Bremer Bay Community Development Committee (3)
Cr Joanne Iffla	10	1	1	3	2	3
Cr Julie Leenhouders	10	1	1	3	3	0
Cr Robert Lester	11	1	1	3	3	3
Cr Rex Parsons	10	1	1	3	3	0
Cr Andrew Price	10	1	1	3	3	0
Cr Bill Bailey	10	0	0	2	3	0
Cr Drew Dawson	11	1	1	3	3	0



# ELECTED MEMBER INFORMATION

## Elected Member Age Range

Age Range	Number
Between 18 years and 24 years	0
Between 25 years and 34 years	0
Between 35 years and 44 years	0
Between 45 years and 54 years	2
Between 55 years and 64 years	3
Over 65 years	2

## Elected Member Gender and Background Information

Elected Members	Gender	Linguistic Background	Country of Birth	Aboriginal or Torres Strait Islander
Cr Joanne Iffla	Female	English	Australia	No
Cr Julie Leenhouders	Female	English	Australia	No
Cr Robert Lester	Male	English	Australia	No
Cr Rex Parsons	Male	English	Australia	No
Cr Andrew Price	Male	English	Australia	No
Cr Bill Bailey	Male	English	Australia	No
Cr Drew Dawson	Male	English	Australia	No

# ELECTED MEMBER TRAINING REGISTER

Elected Members	Date	Training Course
Cr Joanne Iffla	13/05/2021	Infrastructure Asset Management
Cr Julie Leenhouders	13/05/2021	Infrastructure Asset Management
Cr Robert Lester	13/05/2021	Infrastructure Asset Management
Cr Rex Parsons	Nil	Nil
Cr Andrew Price	Nil	Nil
Cr Bill Bailey	Nil	Nil
Cr Drew Dawson	13/05/2021	Infrastructure Asset Management



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# STRATEGIC COMMUNITY PLAN

## 2021-2031

### STRATEGIC DIRECTION 1: COMMUNITY

- How do we adapt to changes in the way people live?
- How do we ensure fair and equal access to services across the community?
- How do we ensure that people feel valued and part of our community?
- How do we protect, manage and preserve our heritage?

### STRATEGIC DIRECTION 2: ECONOMY

- How do we grow our economy sustainably in the jobs of the future?
- How do we improve local technology and communication platforms?
- How do we reduce the number of people leaving the region for work or study opportunities?
- How do we capitalise on our location, assets and people to encourage business investment?
- How do we attract more people to our region and get them to stay longer?

### STRATEGIC DIRECTION 3: ENVIRONMENT BUILT

- How do we increase investment in infrastructure from all levels of Government?  
How do we improve our transport network?

### STRATEGIC DIRECTION 4: ENVIRONMENT NATURAL

- How do we sustainably manage the maintenance and renewal of Shire assets?
- How do we reduce energy consumption and increase the use of renewable sources?
- How do we balance providing access to our pristine natural environment while protecting it?

- How do we reduce waste going to landfill and increase reuse and recycling?

### STRATEGIC DIRECTION 5: GOVERNANCE AND LEADERSHIP

- How do we balance the differing views and priorities within our community?
  - How do we ensure best value for money in everything we do?
  - How do we continually improve customer service?
  - How do we ensure that leaders and decision makers have the information they need?
  - How do we connect with people to explain decisions and the reasons for them?
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# STRATEGIC DIRECTION 1: COMMUNITY

*Deliver programs and services that bring people together and support community health and wellbeing.*

a) Following the huge success of the first Dancing in the Dirt gala event in 2019 Fitzgerald Biosphere Group, together with assistance from the Shire and various other funding contributors, once again held the 'Dancing in the Dirt' event on 27 March 2021. Over 200 people attended the black tie event held in Needilup which was again organised by a dedicated committee of volunteers. The ball was a opportunity to bring together people from our Shire and surrounding communities to reconnect socially, laugh, enjoy local produce and boost community moral after a number of challenging farming seasons complete with wind storms, water shortages, frost events and low rainfall.

b) Thanks to a grant from the National Australia Day Council the Shire's annual Australia Day event was bigger than ever before. Around 350 people joined celebrations held at the Bremer Bay Skate Park enjoying a delicious BBQ breakfast, while a bouncy castle and live music by acoustic artist Sean Scott kept the crowd entertained.

The grant also allowed adults to enjoy a free coffee from Orca's coffee van while children enjoyed free ice-creams, juice boxes and other Australian Day giveaways.

c) A business case and design has been completed for the replacement of the Medical Centre in Bremer Bay which has reached the end of its useful life. Council continues to lobby the State Government for it's replacement and along with the GSDC presented the case to the Health Minister.



Above: Australia Day 2021 in Bremer Bay

Below: Dancing in the Dirt



***Maintain facilities that connect people and promote an active and healthy lifestyle.***

a) Works on the \$4.2 million Jerramungup Swimming Pool Project commenced in May 2021. M/Construction were awarded the tender for construction of the new 25m main pool, toddler's pool, pump shed with accessories, male/female/accessible toilets, change rooms and first aid room at the Jerramungup pool precinct.

This project aims to provide residents of Jerramungup and surrounding areas with safe learn to swim facilities to assist with reducing the likelihood of drowning or near drowning incidents. This project also encourages a healthy and active community and aligns to supporting economic growth through retaining skilled employees and attracting people and families to live, work and contribute in the region.

The project was made possible by the Shire receiving \$2.1 million in funding through the Building Better Regions Fund Round 4, \$1.4million from the Department of Education and \$700,000 from Drought Communities Funding.

b) Work commenced on the refurbishments to the Boxwood Hill Combined Sports Club facility in December 2019 and continued throughout 2020/21. The Boxwood Hill Combined Sports Club is an integral part of the Boxwood Hills Community with the Club providing social, recreational, physical and education activities to the community.

The refurbishments incorporate the installation of a new septic system, construction of new male and female toilets and change rooms, umpires room, medical room, storerooms, kids play area, increased social space and external verandahs.

This project was made possible through funding from the Building Better Regions Funding, Community Sport and Recreation Funding, contributions from the Boxwood Hill Combined Sports Club and Shire of Jerramungup contribution of \$270,000.

The official opening of the new facilities was held Saturday 4 September 2021.



Above: Works in progress at the Jerramungup Swimming Pool Redevelopment

Below: Architect impression of the refurbished Boxwood Hill Combined Sports Club



***Encourage and support volunteers and community groups to grow an active volunteer base.***

a) 2020 Citizen of the Year award was awarded to Nikki Carthew for her many years volunteering in the Jerramungup Community on various community groups and sporting committees.

b) 2020 Community Group/Event award went to the Lions Club of Jerramungup for their dedication to supporting people living in Jerramungup and surrounding communities and various worthwhile charities.

c) 2020 Junior Sports Person award was presented to Levi Dawson for his outstanding success in tennis, athletics and basketball and for showing great sportsmanship and assisting team mates and opponents wherever possible.

d) The Shire has been involved with sponsoring the Jerramungup Leeuwin Ocean Adventure Project since 2015 and Council has committed to supporting the program until 2022. This scholarship, which is co-funded with the Jerramungup Lions Club and High School, is awarded annually to a selected student from years 9–10 who displays active engagement with their school studies. A number of positive outcomes have resulted from this scholarship including building resilience, leadership and social skills in participants, building on the values and aspirations of our youth as a whole and providing a unique opportunity to geographically disadvantaged students in our Shire.



**Australia Day 2021 Award Recipients**

# STRATEGIC DIRECTION 2:

## ECONOMY

*Work with the business community to attract investment, create jobs and support small business growth.*

a) The Great Southern Housing Initiative (GSHI) was formed by nine local governments across the upper Great Southern region to address the shortage of quality and affordable housing.

In August 2019 the Shire awarded the tenders for the Independent Living Units in Bremer Bay to Wauters Construction and the Key Worker Accommodation in Jerramungup and Bremer Bay to Pindan Homes with works on both projects commencing soon after.

The Independent Living Units were completed in July 2020 and soon after occupied by residents. The houses in Jerramungup and Bremer Bay were completed in late 2020 and assist with the critical shortage of quality, affordable and dedicated housing across the Shire.

*Use the natural beauty and the heritage of the region to promote the Shire as a great place to visit.*

The capacity of the Fisheries Beach Marina is a major constraint for the future of Bremer Bay's aquatic industry expansion. At present fishing boats and whale tour charter boats are fully utilising the available moorings. Further expansion demand is expected as offshore abalone farming develops and there is a strong likelihood that further entities will be established to capitalise on the Bremer Canyon and its opportunities.

The Department of Transport have completed a Business Case for the proposed development with the

Shire of Jerramungup being closely involved as a key stakeholder.

The Shire embarked on a Respect Bremer Bay marketing campaign in December 2020 to help raise awareness of the impacts associated with the increased population over the holiday season. The key messages of the campaign were:

- Keep Bremer Bay beautiful for future generations
- Leave your camp site as you found it
- Take your rubbish with you, or put it in the additional bins supplied
- Don't pollute our home (wildlife)
- Respect the built environment, please don't vandalise our town
- Please do not graffiti our public facilities
- Please don't steal the street signs
- Our beautiful community is yours for a short time, treat it like your home
- Don't cut it fine, arrange accommodation in advance and ensure you have a legal campsite

We are pleased to report that damage and vandalism was at a all time low over the 2020/21 holiday period.



Completed Independent Living Units in Bremer Bay

***Advocate for improved road and communication connectivity to support rural and agricultural businesses and environmental tourism.***

a) The Shire continues to lobby the State Government for much needed improvements to South Coast Highway. The Shire's main concerns with the road are as follows:

- Narrow road width with edge lines only present on small sections of the highway.
- The road has a number of rough sections from Jerramungup to Manypeaks.
- There are significant drop-offs in the drains and embankments.
- Significant volumes of Grain Trucks, Woodchip Trucks, Caravans, Campervans and Passenger Vehicles.
- Trucks drive on the white centreline most of the time due to the road width.
- Two passing trucks will often result in trailers going off the edge of the road further damaging and reducing the edge of the road.
- No passing lanes exist and there are few safe stretches of straight road to safely overtake.
- South Coast Highway is a primary ambulance route servicing patients from Ravensthorpe, Jerramungup and Bremer Bay. The local Ambulance Brigade has expressed concerns about the condition and their ability to safely carry out patient treatment en-route to Albany .

b) The Shire also continues to work with Department Biodiversity Conservation to lobby the State and Federal Government to seal the road to Point Ann. This will provide significant economic opportunities in Bremer Bay as it will allow tours to be undertaken into the area throughout the year. At present all businesses which have attempted to leverage this opportunity have been set back by the implications of road closures after rain and the uncertainty as to whether reliable access to the area can be achieved. There has also been heavy criticism from travellers who have had their vehicles damaged or experienced such rough conditions that it has ruined their experience of the park.

To date the section of Swamp Road to Doubtful Islands Road has been sealed along with 5km of internal park roads from the park boundary towards Point Anne. The Shire has also sealed Devils Creek Road which leads to the Fitzgerald River National Park boundary. The day facilities and campsites at Point Anne have had a major upgrade and are a major attraction for local, state and international visitors even more so since the successful UNESCO renomination. Point Anne is one of the best land based whale watching locations in the State.

What is left to do is upgrade a 27km section of gravel road which is in poor, narrow and corrugated condition which requires closure whenever there is rain due to Dieback risk management. Sealing this road will have sound environmental outcomes and provide safer access into and out of the park.

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# STRATEGIC DIRECTION 3:

## ENVIRONMENT BUILT

*Deliver sustainable long-term planning for the built environment that meets the needs of the community.*

In 2020, the Shire of Jerramungup secured funding from the Federal Government through the Drought Communities Programme. In order to acquit the funding, it was a requirement for the Shire to develop an Adverse Event Plan to mitigate risks associated with adverse events

The Adverse Event Plan covers emergency events that can occur quickly, without warning but have a defined 'start' and 'end' (fire, flood, frost, hail, severe storm) and other adverse events such as drought and significant sudden trade restrictions resulting from an adverse event which are less obvious and defined. The principles for dealing with these events are similar; however the insidious nature of drought and sudden significant trade restrictions require a slightly different approach.

The Shire has experienced numerous previous adverse events including drought, bushfires and other adverse events. The development of this plan has been informed through the National Strategy for Disaster Resilience as well as other similar plans and strategies. It seeks to leverage this previous work in order to better plan for future adverse events in the Shire of Jerramungup.

The Adverse Event Plan will guide the Shire's approach to preparing for and implementing recovery activities in response to the current drought and future adverse events affecting the Shire's economy. The Plan establishes a context for defining severity of adverse events from a meteorological (rainfall) perspective, a production perspective and the socio-economic impacts.

*Design, construct and maintain infrastructure in a manner that maximise its life, capacity and function.*

a) Road reserves are an integral component of the Shire road network, providing space for the road surface, road shoulder and drainage network. In addition to providing a transport service, rural road reserves are an environmental asset, they are often covered with native vegetation providing an attractive, natural space and a habitat for animals.

Finding a balance of developing and maintaining road infrastructure while maintaining the natural environment has been problematic at times and has led to the Shire investing heavily in training and environmental assessments over the past 2 years.

The 2020/21 construction program saw upgrade works undertaken on the following roads;

- Second coat seals and pavement repairs on Devils Creek, Needilup North, Borden-Boxwood, Gairdner South, Swamp Road and roads located within Point Henry
  - Footpath maintenance on John Street, Roderick Street, Mary Road and Garnett Street
  - Box out, widen shoulders and sealing of Bremer Bay Road
  - \$1.08 million on gravel resheet works on rural roads
  - The Shire also purchased a new Mack Prime Mover and Variable Message Display Board to assist with traffic messaging
  - \$756k spent on maintaining Councils road network
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b) In November 2020 the Lions Park Ablution Block received a much needed upgrade to the internal facilities and exterior façade. These works were generously funded by the Kokoda Op Shop and Lions Club of Jerramungup and included new toilets and basins, fresh paint and tiling, a new roof and exterior render to complete the facelift.

c) Through the Australian Government Drought Communities Programme the Shire allocated \$58,500 each to the Needilup and Gairdner Progress Associations. Both organisations needed to complete urgent upgrades to their facilities in order to improve usability and compliance with safety and health standards and would have been unable to do these works without receiving these funds.

***Advocate for strategic projects that will benefit residents, workers and visitors to the Shire.***

a) The City of Albany, Shire of Denmark, Shire of Plantagenet and Shire of Jerramungup formed an alliance focused on economic development and future prosperity. The four local governments continue to work together to collaborate on initiatives to improve the economic prosperity and wellbeing of their communities.

The South Coast Alliance is focused on three pillars to deliver economic advantage to the sub-region:

- Advocacy
- Economic Development and Tourism
- Efficiency and Consistency

The 'guiding principles' for the Alliance include:

- *Always ask, 'can we do this better together?'*
- *Exercise 'co-opetition' - co-operate to compete with the rest of the world, not each other or our neighbours in the wider region or State*
- *Respect our differences and refrain from involvement in each other's governance*
- *Only act where there is a clear, net benefit, and no harm or undue risk*
- *Be open and transparent to our communities.*

Membership of the Alliance provides greater political weight to the Shire's effort's at advocacy for various regional matters such as improvements to South Coast Highway, sealing of the road to Point Anne and better health services. There may be greater economic gains as well through joining future waste management solutions, joint tourism promotion and coordinated responses to future economic opportunities.

Lastly, working with larger local governments may provide support for staff, additional resources and opportunities for collaboration between administrations leading to efficiencies.



Refurbished ablution block at the Lion's Park Jerramungup

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# STRATEGIC DIRECTION 4:

## ENVIRONMENT NATURAL

***Work with relevant stakeholders to promote and manage sustainable tourism within the Fitzgerald Biosphere.***

a) The Shire provided its support for the Fitzgerald Biosphere Group funding applications for trails and bird hide projects.

***Support and promote the conservation values and the unique attractions in the Shire.***

Council endorsed the Great Southern Regional Trails Master Plan which identifies a program of trail infrastructure development across the Great Southern region over a ten-year period (2020-2029). The Master Plan focuses on a range of trail experiences suited to different user groups, including user needs for trail-related products and services, across the Great Southern.

The GSRTMP focuses on active leisure trails which involve an outdoor recreation element. This includes terrestrial trails (walking/hiking, trail running, cycling, mountain biking, and adventure bike riding) as well as aquatic trails (paddling a canoe, kayak, or stand-up paddleboard, and snorkelling/diving). It includes a drive trail which link together a series of 'active nodes', as well as heritage and cultural trails.

The Great Southern Regional Trails Master Plan was developed in partnership with all 11 local governments in the Great Southern region and has the support of the Department of Biodiversity, Conservation and Attractions (DBCA) and the Great Southern Development Commission (GDSC).

The purpose of the Great Southern GSRTMP is to provide a clear outlined program of trail infrastructure development across the Great Southern region over a ten-year period to position the Great Southern as a World Class Trails Destination. The plan has been developed to guide decisions about the management of, and investment in, trails and provides a vision of the trail network for the Great Southern.

***Deliver a sustainable and progressive approach to natural resource and waste management.***

- The Shire is a member of the South Coast Waste Alliance who meet to explore options of waste management into the future.
  - \$50,000 Gairdner Community Dam upgrade. Works involved removing the dividing wall between two existing catchments, clean out and enlarge catchment area.
  - \$73,000 Boxwood Hill Community Dam Upgrade. Work included redirecting water from a private dam into community dam by installing plumbing and pumps that channel water across the road into the community dam.
  - \$32,000 upgrade to the Bremer Bay Standpipe for better management including the installation of swipe card system to access water from stand pipe.
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# STRATEGIC DIRECTION 5:

## GOVERNANCE AND LEADERSHIP

*Work cohesively with groups from across the community to improve engagement and to promote community participation.*

In 2020/21 the Shire of Jerramungup undertook a major review of its Strategic Community Plan. This plan is the highest level planning document that the Shire of Jerramungup possesses and sets out the visions and priorities of the community and Council for the local government area. It forms the basis for the Shire's Integrated Planning and Reporting Framework and guides development of all other strategies and plans produced by the Shire.

The reviewed Plan will continue to be used to:

- Guide Council decision-making and priority setting;
- Engage local residents and ratepayers, local businesses, community groups, and education providers that contribute to the future of our community;
- Inform decision-making with respect to other partners and agencies, including the State Government, other local governments, WALGA, and the private sector;
- Provide a clear avenue to pursue funding and grant opportunities by demonstrating how projects align with the aspirations of our Council, and within the strategic direction outlined in this Plan;
- Inform future partners of Council's key priorities, and the ways in which it seeks to grow and develop; and
- Provide a framework for monitoring progress against the community's vision and aspirations.

The following process was followed in undertaking the major review of the Strategic Community Plan:

- Consideration of research – key drivers and challenges facing the Shire, including trends, demographics and population forecasts.
- Broad community consultation – consisting of an online and paper survey advertised via the local newspapers, on the Shire's website and social media.
- Community Coffee and Chat – Community sessions were held in both Jerramungup and Bremer Bay where the public were invited to meet with Shire staff and facilitator to provide feedback.
- Community BBQ's – Community BBQ's were organised in Jerramungup and Bremer Bay at local playgrounds to discuss local issues with each attendee encouraged to complete a survey.
- Council priorities and direction – individual Councillors were given the opportunity to provide general priorities and direction, with further opportunity to provide feedback on draft changes in March 2021.
- Council endorsement of Draft Strategic Community Plan – at the Ordinary Council Meeting held 24 March 2021, Council endorsed the Draft Strategic Community Plan to be advertised for public comment and feedback.

Public comment on Draft Strategic Community Plan – the Draft Strategic Community Plan was made available for public comment for four weeks, from 8 April 2021 to 7 May 2021. There were no submissions received during the public comment period.

Following adoption by Council, the Strategic Community Plan was printed and is available online and at the Shire's Main Administration Building and Libraries.

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***Provide informed and transparent decision making that meets out legal obligation and the needs of our diverse community.***

The Shire is committed to updating, developing and implementing framework which guides Council in identifying community needs and aspirations over the long term. The following plans and policies have been updated in 2020/2021 to enable forward planning to better support our community in times of need and foster better community preparedness.

- Major review of the Shire Strategic Community Plan 2021-2031
- Review and adoption of Corporate Business Plan 2021-2025
- Appointment of Acting Chief Executive Officer Policy
- Code of Conduct for Employees
- Adopted Model Standards for Chief Executive Officer Recruitment, Performance and Termination
- Code of Conduct for Council Members, Committee Members and Candidates
- Transaction Card Policy
- Record Keeping Policy
- Accounting for Non-Current Assets Policy

***Implement systems and processes that meet our legal and audit obligations.***

a) The Shire of Jerramungup's Information Statement was reviewed and adopted in August 2020 as per the requirements of the *Freedom of Information Act 1992*, with a copy forwarded to the Commissioner. The Shire is required to submit a statistical return annually, reporting any access applications and allowing the Office of the Information Commissioner to be appraised of where the Shire stands in relation to its obligations under sections 94 through to 97 of the *Freedom of Information Act 1992*.

b) The Shire of Jerramungup updated it's Customer Service Charter in September 2020 which provides an agreed level of service and framework for which all community interactions will conform to. The adopted Customer Service Charter is available online and at the Shire Offices, Libraries and was communicated to all staff. The Customer Service Charter will be assigned to employees via the HR induction process to capture the acknowledgement and acceptance of the Charter as an annual compliance requirement.



# STATUTORY STATEMENTS

## Record Keeping Policy

The Shire of Jerramungup and all of its employees are committed to efficient and compliant record keeping practices. Internal review and training strategies have been developed and implemented to ensure that all are aware of their compliance responsibilities and that the Information Management System is operating in accordance with the Shire's 2019 Record Keeping Plan.

As part of staff induction, the role and responsibilities of every employee, in relation to compliance with the record-keeping plan, are addressed. Ongoing training sessions are conducted where appropriate and additional training is provided to ensure the operation of our Information Management System is effective and compliant.

The Shire's Record Keeping Plan is also currently being reviewed by Executive Staff as per the *State Records Act 2000* requirements and a report of the review will be submitted to the State Records Commission once adopted by Council later in 2021.

## Annual Salaries

The number of employees of the Local Government entitled to an annual salary of \$130,000 or more is 1.

There was no remuneration and allowances paid by the Local Government under Schedule 5.1 clause 9 during the financial year.

There was no amount ordered under section 5.110 (6)(b)(iv) to be paid by a person against whom a complaint was made under section 5.107(1), 5.109(1) or 5.114(1) to the Local Government during the financial year.

The remuneration paid or provided to the Chief Executive Officer during the financial year;

The Shire of Jerramungup is classified as a Band 4 Shire with a Total Reward Package for the Chief Executive Officer to be between \$128,226 - \$201,113.

The Shire of Jerramungup, Chief Executive Officer was paid a Total Reward Package of \$198,134 in the 2020/2021 financial year.

*The Total Reward Package is comprised of Base Salary, Association Membership Fees, Personal Benefit value of Motor Vehicle, Fringe Benefits Tax, Clothing Allowance, Superannuation and Utilities.*

## Employee Remuneration Over \$100,000

Set out below, in bands of \$10,000 is the number of Shire employees entitled to an annual salary of \$100,000 or more.

Salary Range	Number
\$100,001—\$110,000	0
\$110,001—\$120,000	3
\$120,001—\$130,000	0
\$130,001—\$140,000	0
\$160,001—\$170,000	1

## Significance of Federal Government Financial Assistance Grants

The Shire received \$1,395,058 in Financial Assistance Grants in 2020/2021 which contributes to annual maintenance of the communities infrastructure and general operations of the local government.

## **Register of Financial Interests for Elected Members and Senior Staff**

In accordance with the requirements of the *Local Government Act 1995*, this register is held in the Administration office and is available for viewing by the public.

## **Disability Access and Inclusion Plan**

The Shire of Jerramungup Disability Access and Inclusion Plan was reviewed in 2019. The purpose of the DAIP is to set out strategies that a local government will undertake to ensure that people with disability can access its services, and that the services provided will facilitate increased independence, opportunities and inclusion for people with disability in the community.

The Disability Access and Inclusion Plan 2018-2023 will continue to guide the Shire's efforts to make the Shire of Jerramungup community a more friendly and inclusive place for people with disabilities and has resulted in a number of improvements being made throughout the Shire. As our community infrastructure develops we will continue to design for disabled access.

## **Public Interest Disclosure**

In accordance with the requirements of the *Public Interest Disclosure Act 2003*, the Shire of Jerramungup has established procedures to facilitate the making of disclosures under the Act. These procedures set out the processes in place in respect to protected disclosures generally, to protect people from reprisal for making protected disclosures, and to provide guidance on investigations. No disclosures relating to improper conduct were made to the Shire during the

2020/2021 financial year, therefore no disclosures were referred to the ombudsman.

## ***Freedom of Information Act 1992***

The Shire of Jerramungup is subject to the provisions of the *Freedom of Information Act 1992*, which gives individuals and organisations a general right of access to information held by the Shire. The Act also provides the right of appeal in relation to decisions made by the Shire to refuse access to information applied for under the Act. The Shire received no requests for information during 2020/2021.

## **Sewerage Scheme and Customer Service Charter**

This charter sets out the broad philosophy of the Shire in supplying sewerage services to the Jerramungup town site in accordance with the License issued to the Shire by the Economic Regulation Authority under the *Water Services Licensing Act 1995*. Copies of the charter are available at the Shire of Jerramungup administration office.

The charter informs the customers of the Shire of their rights in accordance with the provisions of the license, including service interruptions, levels of service and complaints procedures. The Shire will provide its sewerage services in a manner that is fair, courteous and, timely with a focus on consultation with our customers, respecting their rights, and meeting their reasonable expectations.

## Report on Complaints made against Councillors

Section 5.121 of the *Local Government Act 1995* (Register of Certain Complaints of Minor Breaches) requires the Complaints Officer for each local government to maintain a Register of Complaints which records all complaints that result in action under Section 5.110(6) (b) or (c) of the Act (Conduct of Certain Officials).

Section 5.53 (2) (hb) of the *Local Government Act 1995* requires disclosure in the Annual Report of details of entries made under Section 5.121 during the financial year in the Register of Complaints, including:

1. The number of complaints recorded in the register of complaints;
2. How the recorded complaint was dealt with; and
3. Any other details that the Regulations may require.

In accordance with these requirements, it is advised that no complaints or minor breaches under the *Local Government Act 1995* were received during 2020-2021.

## Competition Reform

National Competition Policy (NCP) is designed to enhance the efficiency and effectiveness of public sector agencies and lead to more efficient use of all economic resources. There are a number of specific requirements placed on Local Government in the areas of competitive neutrality, legislation review and structural reform.

Each Local Government is required to report its progress in achieving NCP reforms in its annual report.

## Competitive Neutrality

The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage, or disadvantage, simply as a result of their public sector ownership. Measures should be introduced to effectively neutralise any net competitive advantage flowing from government ownership.

Competitive neutrality should apply to all business activities, which generate a user-pays income of over \$200,000, unless it can be shown it is not in the public interest.

A public benefit test is used to determine if competitive neutrality is in the public interest.

This involves assessing the benefits of implementing competitive neutrality against the costs. If the benefits exceed the costs, competitive neutrality should be implemented.

Annual Reports must show that a public benefit test has been conducted for all significant business activities. They should also provide information on how a decision was reached to implement or not implement competitive neutrality in each case.

If competitive neutrality has been found to be in the public interest, the Annual Report must show the schedule for implementing it over the coming year.

As the Shire of Jerramungup does not have any 'Significant Business Activities' with an annual user-pays income exceeding \$200,000 pa this negates further action or reporting obligation.

## LEGISLATION REVIEW

All Local Governments are required to assess which of their local laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome.

There are specific reporting requirements which must be included in the Annual Report, including:

*A statement of which local laws have been reviewed, the conclusions of those reviews, and an implementation schedule for any resultant recommendations;*

Council did not undertake a review of any Local Laws during the 2020-2021 year.

## STRUCTURAL REFORM

Before Local Governments privatise a monopoly business activity or introduce competition into a sector dominated by a monopoly or near monopoly, the regulatory and commercial activities must be separated and a review undertaken.

Where applicable, all Local Governments in Australia must report their adherence to structural reform principles. At present, this requirement has a very limited impact on Local Government in Western Australia, and most will not need to provide this information.



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# AUDIT REPORTS AND FINANCIAL STATEMENTS

The following pages contain the Shire of Jerramungup annual audit report and financial report. The Statements have been prepared in accordance with the Local Government Act 1995 and *Local Government Financial Management Regulations 1996* for the 2020/2021 financial year.

These statements provide an insight into the financial position of the Shire of Jerramungup and are audited by Lincolns Accountants and Business Advisors. Clarification and further information on the annual financial statements can be obtained by contacting the Deputy Chief Executive Officer at [dceo@jerramungup.wa.gov.au](mailto:dceo@jerramungup.wa.gov.au).



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

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Index of Notes to the Financial Report	9
Independent Auditor's Report	57

**COMMUNITY VISION**

Progressive, Prosperous and a Premium Place to Live and Visit

Principal place of business:  
8 Vasey Street  
Jerramungup WA 6337

**SHIRE OF JERRAMUNGUP  
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 Jerramungup 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 Jerramungup 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        Fourteenth        day of        December        2021

  
\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Martin Cuthbert  
Name of Chief Executive Officer



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Rates	26(a)	3,415,372	3,405,452	3,405,757
Operating grants, subsidies and contributions	2(a)	1,860,067	1,200,821	1,642,093
Fees and charges	2(a)	842,450	719,420	866,769
Interest earnings	2(a)	33,413	55,375	68,505
Other revenue	2(a)	347,836	116,466	1,777,802
		<u>6,499,138</u>	<u>5,497,534</u>	<u>7,760,926</u>
<b>Expenses</b>				
Employee costs		(2,000,498)	(2,058,976)	(1,842,049)
Materials and contracts		(1,662,550)	(1,916,141)	(1,365,845)
Utility charges		(185,075)	(198,404)	(181,654)
Depreciation on non-current assets	10(b)	(2,154,629)	(2,088,419)	(1,978,237)
Interest expenses	2(b)	(28,439)	(29,978)	(29,913)
Insurance expenses		(246,272)	(280,561)	(238,542)
Other expenditure	2(b)	(357,995)	(141,688)	(1,779,128)
		<u>(6,635,458)</u>	<u>(6,714,167)</u>	<u>(7,415,368)</u>
		(136,320)	(1,216,633)	345,558
Non-operating grants, subsidies and contributions	2(a)	2,555,588	6,151,375	2,787,899
Profit on asset disposals	10(a)	18,515	7,600	104,703
(Loss) on asset disposals	10(a)	(20,436)	(37,554)	(65,063)
Fair value adjustments to financial assets at fair value through profit or loss		1,939	0	865
		<u>2,555,606</u>	<u>6,121,421</u>	<u>2,828,404</u>
<b>Net result for the period</b>		<b>2,419,286</b>	<b>4,904,788</b>	<b>3,173,962</b>
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>2,419,286</b>	<b>4,904,788</b>	<b>3,173,962</b>

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Revenue</b>				
Governance	2(a)	21,000	0	15,358
General purpose funding		4,855,468	4,090,444	4,869,262
Law, order, public safety		246,589	318,112	195,966
Health		17,034	17,548	24,584
Education and welfare		366	0	6,029
Housing		93,731	88,885	74,737
Community amenities		590,352	602,803	553,219
Recreation and culture		60,439	49,849	80,893
Transport		178,309	172,474	241,352
Economic services		60,455	73,139	61,038
Other property and services		375,395	84,280	1,638,488
		6,499,138	5,497,534	7,760,926
<b>Expenses</b>				
Governance	2(b)	(308,102)	(305,948)	(297,153)
General purpose funding		(232,074)	(247,859)	(224,528)
Law, order, public safety		(613,547)	(881,905)	(474,810)
Health		(294,722)	(266,725)	(279,168)
Education and welfare		(81,575)	(86,241)	(78,951)
Housing		(92,265)	(60,292)	(15,707)
Community amenities		(1,227,164)	(1,360,915)	(1,186,608)
Recreation and culture		(967,487)	(890,963)	(977,174)
Transport		(2,300,369)	(2,356,407)	(1,888,388)
Economic services		(275,031)	(198,892)	(259,274)
Other property and services		(214,683)	(28,042)	(1,703,694)
		(6,607,019)	(6,684,189)	(7,385,455)
<b>Finance Costs</b>				
Housing	2(b)	(13,799)	(8,060)	(11,279)
Community amenities		0	(6,403)	0
Transport		(13,411)	(14,702)	(16,651)
Other property and services		(1,229)	(813)	(1,983)
		(28,439)	(29,978)	(29,913)
		(136,320)	(1,216,633)	345,558
Non-operating grants, subsidies and contributions	2(a)	2,555,588	6,151,375	2,787,899
Profit on disposal of assets	10(a)	18,515	7,600	104,703
(Loss) on disposal of assets	10(a)	(20,436)	(37,554)	(65,063)
Fair value adjustments to financial assets at fair value through profit or loss		1,939	0	865
		2,555,606	6,121,421	2,828,404
<b>Net result for the period</b>		<b>2,419,286</b>	<b>4,904,788</b>	<b>3,173,962</b>
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>2,419,286</b>	<b>4,904,788</b>	<b>3,173,962</b>

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

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

	NOTE	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	5,065,723	4,672,540
Trade and other receivables	6	1,100,434	1,068,477
Inventories	7	14,666	30,458
<b>TOTAL CURRENT ASSETS</b>		<b>6,180,823</b>	<b>5,771,475</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	5	55,355	53,416
Property, plant and equipment	8	25,478,603	24,828,104
Infrastructure	9	219,018,585	217,095,723
Right-of-use assets	11(a)	30,578	45,244
<b>TOTAL NON-CURRENT ASSETS</b>		<b>244,583,121</b>	<b>242,022,487</b>
<b>TOTAL ASSETS</b>		<b>250,763,944</b>	<b>247,793,962</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	503,580	236,438
Other liabilities	14	2,059,332	1,617,297
Lease liabilities	15(a)	14,789	14,485
Borrowings	16(a)	177,355	196,748
Employee related provisions	17	402,392	354,777
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,157,448</b>	<b>2,419,745</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	15(a)	16,372	31,162
Borrowings	16(a)	737,067	914,422
Employee related provisions	17	24,413	41,320
Other provisions	18	22,045	0
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>799,897</b>	<b>986,904</b>
<b>TOTAL LIABILITIES</b>		<b>3,957,345</b>	<b>3,406,649</b>
<b>NET ASSETS</b>		<b>246,806,599</b>	<b>244,387,313</b>
<b>EQUITY</b>			
Retained surplus		59,729,775	56,751,066
Reserves - cash backed	4	1,659,836	2,219,259
Revaluation surplus	12	185,416,988	185,416,988
<b>TOTAL EQUITY</b>		<b>246,806,599</b>	<b>244,387,313</b>

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



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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance Restated as at 1 July 2019</b>		<b>54,307,394</b>	<b>1,488,969</b>	<b>185,416,988</b>	<b>241,213,351</b>
Comprehensive income					
Net result for the period		3,173,962	0	0	3,173,962
Total comprehensive income		3,173,962	0	0	3,173,962
Transfers from reserves	4	363,280	(363,280)	0	0
Transfers to reserves	4	(1,093,570)	1,093,570	0	0
<b>Balance as at 30 June 2020</b>		<b>56,751,066</b>	<b>2,219,259</b>	<b>185,416,988</b>	<b>244,387,313</b>
<b>Balance at 1 July 2020</b>		<b>56,751,066</b>	<b>2,219,259</b>	<b>185,416,988</b>	<b>244,387,313</b>
Comprehensive income					
Net result for the period		2,419,286	0	0	2,419,286
Total comprehensive income		2,419,286	0	0	2,419,286
Transfers from reserves	4	788,629	(788,629)	0	0
Transfers to reserves	4	(229,206)	229,206	0	0
<b>Balance as at 30 June 2021</b>		<b>59,729,775</b>	<b>1,659,836</b>	<b>185,416,988</b>	<b>246,806,599</b>

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

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		3,403,544	3,405,452	3,412,072
Operating grants, subsidies and contributions		2,254,669	291,730	917,772
Fees and charges		840,988	719,420	866,769
Interest received		33,413	55,375	68,505
Goods and services tax received		617,472	191,019	71,176
Other revenue		347,836	116,466	179,395
		7,497,922	4,779,462	5,515,689
<b>Payments</b>				
Employee costs		(2,000,648)	(2,058,976)	(1,901,405)
Materials and contracts		(1,313,014)	(1,916,141)	(3,103,802)
Utility charges		(185,075)	(198,404)	(181,654)
Interest expenses		(28,439)	(29,978)	(29,913)
Insurance paid		(246,272)	(280,561)	(238,542)
Goods and services tax paid		(602,405)	(191,019)	(24,526)
Other expenditure		(357,995)	(141,688)	(180,721)
		(4,733,848)	(4,816,767)	(5,660,563)
<b>Net cash provided by (used in) operating activities</b>	19	2,764,074	(37,305)	(144,874)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(1,843,080)	(1,635,451)	(3,589,242)
Payments for construction of infrastructure	9(a)	(3,081,710)	(7,381,147)	(1,992,482)
Non-operating grants, subsidies and contributions	2(a)	2,555,588	6,680,447	2,787,899
Proceeds from sale of property, plant & equipment	10(a)	209,545	222,000	781,819
<b>Net cash provided by (used in) investment activities</b>		(2,159,657)	(2,114,151)	(2,012,006)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	16(b)	(196,748)	(196,749)	(178,127)
Payments for principal portion of lease liabilities	15(b)	(14,486)	(14,485)	(13,018)
Proceeds from new borrowings	16(b)	0	0	500,000
<b>Net cash provided by (used in) financing activities</b>		(211,234)	(211,234)	308,855
<b>Net increase (decrease) in cash held</b>		393,183	(2,362,690)	(1,848,025)
Cash at beginning of year		4,672,540	4,825,401	6,520,565
<b>Cash and cash equivalents at the end of the year</b>	19	5,065,723	2,462,711	4,672,540

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

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

**OPERATING ACTIVITIES**

**Net current assets at start of financial year - surplus/(deficit)**

**Revenue from operating activities (excluding rates)**

Governance  
General purpose funding  
Law, order, public safety  
Health  
Education and welfare  
Housing  
Community amenities  
Recreation and culture  
Transport  
Economic services  
Other property and services

**Expenditure from operating activities**

Governance  
General purpose funding  
Law, order, public safety  
Health  
Education and welfare  
Housing  
Community amenities  
Recreation and culture  
Transport  
Economic services  
Other property and services

Non-cash amounts excluded from operating activities

**Amount attributable to operating activities**

**INVESTING ACTIVITIES**

Non-operating grants, subsidies and contributions  
Proceeds from disposal of assets  
Purchase of property, plant and equipment  
Purchase and construction of infrastructure

**Amount attributable to investing activities**

**FINANCING ACTIVITIES**

Repayment of borrowings  
Proceeds from borrowings  
Payments for principal portion of lease liabilities  
Transfers to reserves (restricted assets)  
Transfers from reserves (restricted assets)

**Amount attributable to financing activities**

**Surplus/(deficit) before imposition of general rates**

**Total amount raised from general rates**

**Surplus/(deficit) after imposition of general rates**

NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
27 (b)	1,409,657	1,485,686	1,509,542
	1,409,657	1,485,686	1,509,542
	21,000	0	15,358
	1,492,196	684,992	1,515,586
	246,589	318,112	195,966
	17,034	17,548	24,584
	366	0	6,029
	93,731	88,885	74,737
	590,352	602,803	553,219
	60,439	49,849	80,893
	178,309	172,474	242,217
	60,455	73,139	756,038
	393,910	91,880	1,743,191
	3,154,381	2,099,682	5,207,818
	(308,102)	(305,948)	(297,153)
	(232,074)	(247,859)	(224,528)
	(613,547)	(881,905)	(474,810)
	(294,722)	(266,725)	(279,168)
	(81,575)	(86,241)	(78,951)
	(106,064)	(68,352)	(26,986)
	(1,227,164)	(1,367,318)	(1,193,144)
	(967,487)	(890,963)	(977,174)
	(2,330,654)	(2,404,914)	(1,952,306)
	(275,031)	(198,892)	(259,274)
	(219,474)	(32,604)	(2,411,937)
	(6,655,894)	(6,751,721)	(8,175,431)
27(a)	2,171,798	2,118,769	1,947,493
	79,942	(1,047,584)	489,422
2(a)	2,555,588	6,151,375	2,787,899
10(a)	209,545	222,000	781,819
8(a)	(1,843,080)	(1,635,451)	(3,589,242)
9(a)	(3,081,710)	(7,381,147)	(1,992,482)
	(2,159,657)	(2,643,223)	(2,012,006)
	(2,159,657)	(2,643,223)	(2,012,006)
16(b)	(196,748)	(196,749)	(178,127)
	0	0	500,000
15(b)	(14,486)	(14,485)	(13,018)
4	(229,206)	(233,819)	(1,093,570)
4	788,629	735,000	363,280
	348,189	289,947	(421,435)
	(1,731,526)	(3,400,860)	(1,944,019)
26(a)	3,363,272	3,405,452	3,353,676
27(b)	1,631,746	4,592	1,409,657

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

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

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	11
Note 3	Cash and Cash Equivalents	16
Note 4	Reserves - Cash backed	17
Note 5	Other Financial Assets	18
Note 6	Trade and Other Receivables	19
Note 7	Inventories	20
Note 8	Property, Plant and Equipment	21
Note 9	Infrastructure	23
Note 10	Fixed Assets	25
Note 11	Leases	28
Note 12	Revaluation Surplus	30
Note 13	Trade and Other Payables	31
Note 14	Other Liabilities	32
Note 15	Lease Liabilities	33
Note 16	Information on Borrowings	34
Note 17	Employee Provisions	36
Note 18	Other Provisions	37
Note 19	Notes to the Statement of Cash Flows	38
Note 20	Total Assets Classified by Function and Activity	39
Note 21	Contingent Liabilities	40
Note 22	Commitments	41
Note 23	Elected Members Remuneration	42
Note 24	Related Party Transactions	43
Note 25	Investment in Associates and Joint Arrangements	45
Note 26	Rating Information	46
Note 27	Rate Setting Statement Information	49
Note 28	Financial Risk Management	50
Note 29	Trust Funds	53
Note 30	Other Significant Accounting Policies	54
Note 31	Activities/Programs	55
Note 32	Financial Ratios	56

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

**1. BASIS OF PREPARATION**

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

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

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

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

**THE LOCAL GOVERNMENT REPORTING ENTITY**

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 to these financial statements.

**INITIAL APPLICATION OF ACCOUNTING STANDARDS**

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

These were:

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

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

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

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

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

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

**CRITICAL ACCOUNTING ESTIMATES**

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

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

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

- Employee expenses
- Land held for resale
- Other financial assets
- Property, Plant and Equipment
- Infrastructure
- Intangible assets
- Right-of-use assets
- Lease liabilities
- Borrowing liabilities
- Provisions

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

**2. REVENUE AND EXPENSES**

**(a) Grant revenue**

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

	<b>2021 Actual</b>	<b>2021 Budget</b>	<b>2020 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Operating grants, subsidies and contributions</b>			
Governance	21,000	0	0
General purpose funding	1,395,058	615,017	1,357,043
Law, order, public safety	218,521	293,292	124,411
Community amenities	34,157	73,776	3,418
Recreation and culture	39,762	62,182	4,800
Transport	151,274	151,274	152,421
Economic services	295	0	0
Other property and services	0	5,280	0
	<b>1,860,067</b>	<b>1,200,821</b>	<b>1,642,093</b>
<b>Non-operating grants, subsidies and contributions</b>			
Law, order, public safety	0	0	159,218
Housing	420,161	339,552	1,581,439
Community amenities	23,217	0	5,645
Recreation and culture	740,777	4,277,000	0
Transport	1,197,863	1,287,863	1,041,597
Economic services	173,570	246,960	0
	<b>2,555,588</b>	<b>6,151,375</b>	<b>2,787,899</b>
<b>Total grants, subsidies and contributions</b>	<b>4,415,655</b>	<b>7,352,196</b>	<b>4,429,992</b>
<b>Fees and charges</b>			
General purpose funding	0	6,600	6,870
Law, order, public safety	27,364	24,820	25,369
Health	17,034	7,363	18,441
Education and welfare	204	0	0
Housing	83,118	72,385	115,291
Community amenities	553,267	506,527	514,332
Recreation and culture	17,996	11,386	52,586
Transport	21,653	21,200	63,978
Economic services	60,159	66,139	55,636
Other property and services	61,655	3,000	14,266
	<b>842,450</b>	<b>719,420</b>	<b>866,769</b>

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 JERRAMUNGUP**  
**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	283,144	1,200,821	59,793
Fees and charges	794,744	702,270	532,703
Other revenue	236,055	0	37,452
Non-operating grants, subsidies and contributions	2,555,588	6,151,375	2,787,899
	3,869,531	8,054,466	3,417,847

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	229,635	909,091	0
Other Revenue from contracts with customers recognised during the year	0	0	629,948
Other Revenue from performance obligations satisfied during the year	0	0	2,787,899
Revenue from contracts with customers recognised during the year	1,084,308	994,000	0
Revenue from transfers intended for acquiring or constructing recognisable non financial assets held as a liability at the start	909,091	0	0
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	1,646,497	6,151,375	0
	3,869,531	8,054,466	3,417,847

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

Trade and other receivables from contracts with customers	910,806	0	911,507
Contract liabilities from contracts with customers	(527,757)	0	(708,206)
Grant liabilities from transfers for recognisable non financial assets	(1,531,575)	0	(909,091)

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

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

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

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

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

**SHIRE OF JERRAMUNGUP**  
**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	3,363,272	3,353,352	3,353,676
Statutory permits and licences	43,506	15,650	114,327
Fines	4,200	1,500	1,859
Developer contributions	0	0	38,500
Open space contributions	0	0	14,780
	<b>3,410,978</b>	<b>3,370,502</b>	<b>3,523,142</b>

**Other revenue**

Reimbursements and recoveries	112,170	116,466	153,697
Waste grant (Other Shire grant funds)	207,044	0	1,598,407
Other	28,622	0	25,698
	<b>347,836</b>	<b>116,466</b>	<b>1,777,802</b>

**Interest earnings**

Interest on reserve funds	3,514	13,375	18,098
Rates instalment and penalty interest (refer Note 26(c))	21,457	22,000	27,737
Other interest earnings	8,442	20,000	22,670
	<b>33,413</b>	<b>55,375</b>	<b>68,505</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

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

**Interest earnings (continued)**

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

**SHIRE OF JERRAMUNGUP**  
**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 \$
<b>Auditors remuneration</b>					
- Audit of the Annual Financial Report (OAG)			30,000	32,000	30,000
- Other services - Audit grant funds			2,100	5,000	2,200
- Other services Financial Management Review			10,000	0	0
			42,100	37,000	32,200
<b>Interest expenses (finance costs)</b>					
Borrowings		16(b)	27,626	29,165	28,909
Lease liabilities		15(b)	813	813	1,004
			28,439	29,978	29,913
<b>Other expenditure</b>					
Impairment loss on trade and other receivables from contracts with customers			(1,462)	0	0
Waste grant (Payments to other Shires)			207,044	0	1,598,407
Sundry expenses			152,413	141,688	180,721
			357,995	141,688	1,779,128

**SHIRE OF JERRAMUNGUP**  
**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
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the 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 contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
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
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
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
Memberships	Pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, water sampling, reinstatements and private works. Liquor permits, camping fees, standpipe water. Rent.	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Gravel, mulch and scrap metal.	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Reimbursements	Insurance claims and utility reimbursements	Single point in time	Payment in arrears for claimable event. Reimbursement when utilities are paid.	None	Set by mutual agreement with the customer	When claim is agreed or utility charges are paid.	Not applicable	When claim is agreed When reimbursement is received.

**SHIRE OF JERRAMUNGUP**  
**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	5,065,723	4,672,540
<b>Total cash and cash equivalents</b>	<b>5,065,723</b>	<b>4,672,540</b>

**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	3,743,416	3,866,024
	<b>3,743,416</b>	<b>3,866,024</b>

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

Bonds	13	24,248	29,468
Reserves - cash backed	4	1,659,836	2,219,259
Contract liabilities from contracts with customers	14	527,757	708,206
Grants for transfers for recognisable non financial assets	14	1,531,575	909,091
<b>Total restricted assets</b>		<b>3,743,416</b>	<b>3,866,024</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

**Restricted assets**

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

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

**4. RESERVES - CASH BACKED**

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
(a) Leave reserve	\$ 65,954	\$ 10,109	\$ 0	\$ 76,063	\$ 65,954	\$ 10,396	\$ (10,000)	\$ 66,350	\$ 65,222	\$ 732	\$ 0	\$ 65,954
(b) Plant reserve	58,334	92	0	58,426	58,334	350	(10,000)	48,684	7,955	50,379	0	58,334
(c) Community recreation reserve	213,430	82,266	(270,000)	25,696	213,430	83,281	(200,000)	96,711	129,502	83,928	0	213,430
(d) Bremer Bay Youth Camp reserve	54,028	85	0	54,113	54,027	324	0	54,351	53,428	600	0	54,028
(e) Building reserve	656,840	1,036	(420,000)	237,876	656,840	3,941	(420,000)	240,781	184,083	782,757	(310,000)	656,840
(f) Bremer Bay retirement units reserve	99,928	110	(80,000)	20,038	99,928	599	(80,000)	20,527	98,819	1,109	0	99,928
(g) JMP retirement units reserve	97,349	154	0	97,503	97,348	584	0	97,932	96,268	1,081	0	97,349
(h) Jerramungup Entertainment Centre reserve	8,809	10,020	0	18,829	8,809	10,053	0	18,862	8,711	98	0	8,809
(i) Effluent reserve	733,617	73,270	0	806,887	733,617	71,176	(10,000)	794,793	655,162	78,455	0	733,617
(j) Point Henry fire levy reserve	24,745	21,722	(18,629)	27,838	24,745	21,818	0	46,563	3,041	21,704	0	24,745
(k) Bremer Bay boat ramp reserve	118,168	186	0	118,354	118,168	709	(5,000)	113,877	116,856	1,312	0	118,168
(l) Capital works reserve	9,505	10,021	0	19,526	9,505	10,057	0	19,562	9,399	106	0	9,505
(m) Swimming pool reserve	8,536	13	0	8,549	8,537	51	0	8,588	8,317	219	0	8,536
(n) Roe park reserve	62,850	10,105	0	72,955	62,851	10,377	0	73,228	52,206	10,644	0	62,850
(o) Developers contributions reserve	7,166	11	0	7,177	7,166	43	0	7,209	0	60,446	(53,280)	7,166
(p) Skate park reserve	0	10,006	0	10,006	0	10,060	0	10,060	0	0	0	0
	2,219,259	229,206	(788,629)	1,659,836	2,219,259	233,819	(735,000)	1,718,078	1,488,969	1,093,570	(363,280)	2,219,259

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

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

**Anticipated**

Name of Reserve	date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	To be used to fund annual and long service leave requirements
(b) Plant reserve	Ongoing	To be used for the purchase of major plant
(c) Community recreation reserve	Ongoing	To be used to assist local sporting groups to upgrade their facilities
(d) Bremer Bay Youth Camp reserve	Ongoing	For the ongoing management and future upgrade of the reserve land on Lot 70 Bremer Bay Road
(e) Building reserve	Ongoing	To fund capital construction of new council buildings and to fund capital renewal of buildings
(f) Bremer Bay retirement units reserve	Ongoing	To be used for the provisions required at the units
(g) JMP retirement units reserve	Ongoing	To be used for the provisions required at the units
(h) Jerramungup Entertainment Centre reserve	Ongoing	To be used for the capital building requirements
(i) Effluent reserve	Ongoing	To be used to maintain the efficient running of the facility
(j) Point Henry fire levy reserve	Ongoing	To be used for the provision, maintenance and construction of strategic fire prevention activities within the Point Henry Peninsula
(k) Bremer Bay boat ramp reserve	Ongoing	To be used to upgrade and maintain the boat ramp facility at Fisheries Beach in Bremer Bay
(l) Capital works reserve	Ongoing	To be used to supplement future capital works programs
(m) Swimming pool reserve	Ongoing	To preserve any surplus funds from the Jerramungup Swimming Pool's operations for future financial requirements for the Jerramungup Swimming Pool and associated facilities
(n) Roe park reserve	Ongoing	To provide funding for the replacement of assets within Roe Park, Jerramungup
(o) Developers contributions reserve	Ongoing	To be used to hold developer contributions until expenditure is complete
(p) Skate park reserve	Ongoing	To be used to maintain and upgrade the skate park

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

**5. OTHER FINANCIAL ASSETS**

**Non-current assets**

Financial assets at fair value through profit and loss

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

Units in Local Government House Trust

2021	2020
\$	\$
55,355	53,416
55,355	53,416
55,355	53,416
55,355	53,416

**SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**Impairment and risk**

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

**SHIRE OF JERRAMUNGUP**  
**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	
Allowance for impairment of receivables from contracts with customers	
Accrued income/payments in advance	

2021	2020
\$	\$
92,969	85,749
910,806	911,507
56,109	71,176
(1,462)	0
42,012	45
1,100,434	1,068,477

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

**7. INVENTORIES**

**Current**

Fuel and materials

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
	\$	\$
	14,666	30,458
	14,666	30,458
	30,458	28,055
	(211,822)	(207,157)
	196,030	209,560
	14,666	30,458

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

## 8. PROPERTY, PLANT AND EQUIPMENT

### (a) Movements in Balances

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

	Land \$	Buildings - non- specialised \$	Buildings - specialised \$	Total buildings \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Total property, plant and equipment \$
<b>Balance at 1 July 2019</b>	798,873	7,171,910	11,924,986	19,096,896	19,895,769	13,200	2,902,001	22,810,970
Additions	0	2,609,016	172,255	2,781,271	2,781,271	0	807,971	3,589,242
(Disposals)	(61,660)	(307,788)	0	(307,788)	(369,448)	0	(372,731)	(742,179)
Depreciation (expense)	0	(197,496)	(331,563)	(529,059)	(529,059)	(919)	(299,951)	(829,929)
<b>Balance at 30 June 2020</b>	737,213	9,275,642	11,765,678	21,041,320	21,778,533	12,281	3,037,290	24,828,104
<b>Comprises:</b>								
Gross balance amount at 30 June 2020	737,213	9,816,179	12,728,419	22,544,598	23,281,811	13,200	3,317,972	26,612,983
Accumulated depreciation at 30 June 2020	0	(540,537)	(962,741)	(1,503,278)	(1,503,278)	(919)	(280,682)	(1,784,879)
<b>Balance at 30 June 2020</b>	737,213	9,275,642	11,765,678	21,041,320	21,778,533	12,281	3,037,290	24,828,104
Additions	0	799,306	429,679	1,228,985	1,228,985	30,995	583,100	1,843,080
(Disposals)	0	0	0	0	0	0	(211,466)	(211,466)
Depreciation (expense)	0	(253,226)	(361,828)	(615,054)	(615,054)	(3,755)	(362,306)	(981,115)
<b>Balance at 30 June 2021</b>	737,213	9,821,722	11,833,529	21,655,251	22,392,464	39,521	3,046,618	25,478,603
<b>Comprises:</b>								
Gross balance amount at 30 June 2021	737,213	10,615,485	13,158,098	23,773,583	24,510,796	44,195	3,624,628	28,179,619
Accumulated depreciation at 30 June 2021	0	(793,763)	(1,324,569)	(2,118,332)	(2,118,332)	(4,674)	(578,010)	(2,701,016)
<b>Balance at 30 June 2021</b>	737,213	9,821,722	11,833,529	21,655,251	22,392,464	39,521	3,046,618	25,478,603

## 8. PROPERTY, PLANT AND EQUIPMENT (Continued)

### (b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land - freehold	2	Market approach using recent observable market data for similar properties	Independent valuation	June 2017	Using market value
Land - vested in and under the control of Council	3	Market approach using recent observable market data for similar properties	Independent valuation	June 2017	Using market value
Buildings - non-specialised	3	Market approach using recent observable market data for similar properties	Independent valuation	June 2017	Using market value
Buildings - specialised	3	Market approach using recent observable market data for similar properties	Independent valuation	June 2017	Using market value
<b>(ii) Cost</b>					
<b>Furniture and equipment</b>	2	Cost	Cost	June 2019	Cost
<b>Plant and equipment</b>	2	Cost	Cost	June 2019	Cost

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

SHIRE OF JERRAMUNGUP  
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.

	Roads	Footpaths	Parks & Ovals	Drainage	Sewerage	Aerodromes	Other Infrastructure	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2019</b>	170,799,093	2,029,145	5,464,791	34,318,254	1,503,603	764,637	1,358,605	216,238,128
Additions	1,888,137	63,308	6,398	0	0	0	34,639	1,992,482
Depreciation (expense)	(554,706)	(37,102)	(128,627)	(339,728)	(26,314)	(22,910)	(25,500)	(1,134,887)
<b>Balance at 30 June 2020</b>	172,132,524	2,055,351	5,342,562	33,978,526	1,477,289	741,727	1,367,744	217,095,723
<b>Comprises:</b>								
Gross balance at 30 June 2020	173,364,533	2,129,552	5,588,211	34,657,982	1,529,918	787,546	1,418,391	219,476,133
Accumulated depreciation at 30 June 2020	(1,232,009)	(74,201)	(245,649)	(679,456)	(52,629)	(45,819)	(50,647)	(2,380,410)
<b>Balance at 30 June 2020</b>	172,132,524	2,055,351	5,342,562	33,978,526	1,477,289	741,727	1,367,744	217,095,723
Additions	2,178,280	0	19,816	0	0	0	883,614	3,081,710
Depreciation (expense)	(570,014)	(37,100)	(128,971)	(339,827)	(26,315)	(22,909)	(33,712)	(1,158,848)
<b>Balance at 30 June 2021</b>	173,740,790	2,018,251	5,233,407	33,638,699	1,450,974	718,818	2,217,646	219,018,585
<b>Comprises:</b>								
Gross balance at 30 June 2021	175,542,813	2,129,552	5,608,027	34,657,982	1,529,918	787,546	2,302,005	222,557,843
Accumulated depreciation at 30 June 2021	(1,802,023)	(111,301)	(374,620)	(1,019,283)	(78,944)	(68,728)	(84,359)	(3,539,258)
<b>Balance at 30 June 2021</b>	173,740,790	2,018,251	5,233,407	33,638,699	1,450,974	718,818	2,217,646	219,018,585

SHIRE OF JERRAMUNGUP  
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
Roads		3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments. Used RAMM software to calculate.
Footpaths		3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments. Used RAMM software to calculate.
Parks & Ovals		3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments.
Drainage		3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments. Used RAMM software to calculate.
Sewerage		3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments.
Aerodromes		3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments.
Other Infrastructure		3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments.

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 varies, they have the potential to result in a significantly higher or lower fair value measurement. During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

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

**10. FIXED ASSETS**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

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

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

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

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

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

**Revaluation**

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

**AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY**

**Revaluation (Continued)**

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

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

**Land under roads from 1 July 2019**

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

**Vested improvements from 1 July 2019**

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

Refer to Note 11 that details the significant accounting policies applying to leases (including right-of-use assets).

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

**10. FIXED ASSETS**

**(a) Disposals of Assets**

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	0	0	0	0	61,660	73,537	11,877	0
Buildings - non-specialised	0	0	0	0	0	0	0	0	307,788	396,463	92,826	(4,151)
Plant and equipment	211,466	209,545	18,515	(20,436)	251,954	222,000	7,600	(37,554)	372,731	311,819	0	(60,912)
	211,466	209,545	18,515	(20,436)	251,954	222,000	7,600	(37,554)	742,179	781,819	104,703	(65,063)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
<b>Plant and Equipment</b>				
<b>Other property and services</b>				
A816 Western Star Prime Mover	93,863	79,091	0	(14,772)
A910 Ford Ranger Works	41,647	39,545	0	(2,102)
A898 DCEO Vehicle	25,121	43,636	18,515	0
A913 CEO Prado	50,835	47,273	0	(3,562)
	211,466	209,545	18,515	(20,436)
	211,466	209,545	18,515	(20,436)

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

**10. FIXED ASSETS**

**(b) Depreciation**

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	253,226	197,496	197,496
Buildings - specialised	361,828	323,899	331,563
Furniture and equipment	3,755	21,865	919
Plant and equipment	362,306	298,685	299,951
Roads	570,014	650,126	554,706
Footpaths	37,100	37,100	37,102
Parks & Ovals	128,971	128,627	128,627
Drainage	339,827	339,732	339,728
Sewerage	26,315	26,315	26,314
Aerodromes	22,909	22,909	22,910
Other Infrastructure	33,712	27,200	25,500
Right-of-use assets - plant and equipment	14,666	14,465	13,421
	2,154,629	2,088,419	1,978,237

**Revision of useful lives of plant and equipment**

Management reviewed useful lives and will use adjusted depreciation rates in 2021/22. Useful lives are based on adopted policy and the Long Term Financial Plan and are adjusted to reflect the current condition of plant.

**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	15 to 75 years
Furniture and Equipment	3 to 20 years
Plant and Equipment	2 to 25 years
Infrastructure Roads	
Clearing and Formation	not depreciated
Pavement	70-120 years
Bitumen seal	20 years
Asphalt seal	15-20 years
Other infrastructure - Footpaths	30 to 80 years
Other infrastructure - Drainage	20 to 80 years
Other infrastructure - Parks & Ovals	5 to 50 years
Other infrastructure - Sewerage	60 to 70 years
Other infrastructure - Aerodromes	20 to 40 years
Other infrastructure - Other	5 to 70 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:

- 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
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

## 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.

	Right-of-use assets - plant and equipment	Right-of-use assets Total
	\$	
Balance at 1 July 2019	0	0
Additions	58,665	58,665
Depreciation (expense)	(13,421)	(13,421)
Balance at 30 June 2020	45,244	45,244
Depreciation (expense)	(14,666)	(14,666)
Balance at 30 June 2021	30,578	30,578

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

	2021 Actual	2020 Actual
	\$	\$
Depreciation expense on lease liabilities	(14,666)	(13,421)
Interest expense on lease liabilities	(813)	(1,004)
Short-term lease payments recognised as expense	(27,322)	(10,547)
<b>Total amount recognised in the statement of comprehensive income</b>	<b>(42,801)</b>	<b>(24,972)</b>
Total cash outflow from leases	(15,299)	14,022

### 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 JERRAMUNGUP**  
**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.

	2021 Actual \$	2020 Actual \$
Less than 1 year	112,883	115,642
1 to 2 years	95,927	112,883
2 to 3 years	53,295	95,927
3 to 4 years	46,384	53,295
4 to 5 years	27,775	46,384
> 5 years	0	27,775
	<b>336,264</b>	<b>451,906</b>

Lease income relates to 11 properties and where lease income increases by CPI we have used 2% as an estimated CPI increase.

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

12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Change in Accounting Policy	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land freehold land	1,316,381	0	0	0	0	1,316,381	1,316,381	0	0	0	1,316,381
Buildings - non-specialised	3,590,525	0	0	0	0	3,590,525	3,590,525	0	0	0	3,590,525
Buildings - specialised	11,435,529	0	0	0	0	11,435,529	11,435,529	0	0	0	11,435,529
Furniture and equipment	13,273	0	0	0	0	13,273	13,273	0	0	0	13,273
Plant and equipment	294,332	0	0	0	0	294,332	294,332	0	0	0	294,332
Infrastructure - roads	128,201,851	0	0	0	0	128,201,851	128,201,851	0	0	0	128,201,851
Footpaths	857,666	0	0	0	0	857,666	857,666	0	0	0	857,666
Parks & Ovals	1,717,609	0	0	0	0	1,717,609	1,717,609	0	0	0	1,717,609
Drainage	35,445,152	0	0	0	0	35,445,152	35,445,152	0	0	0	35,445,152
Sewerage	1,376,855	0	0	0	0	1,376,855	1,376,855	0	0	0	1,376,855
Aerodromes	628,790	0	0	0	0	628,790	628,790	0	0	0	628,790
Other Infrastructure	539,025	0	0	0	0	539,025	539,025	0	0	0	539,025
	185,416,988	0	0	0	0	185,416,988	185,416,988	0	0	0	185,416,988

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

### 13. TRADE AND OTHER PAYABLES

#### Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
ATO liabilities GST and PAYG
Bonds and deposits held
Retentions
Payroll creditors
Accrued expenses

2021	2020
\$	\$
310,529	47,001
19,356	23,964
35,112	20,285
34,249	55,330
24,248	29,468
37,317	0
473	0
42,296	60,390
503,580	236,438

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

**14. OTHER LIABILITIES**

**Current**

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

2021	2020
\$	\$
527,757	708,206
1,531,575	909,091
2,059,332	1,617,297

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

Less than 1 year

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
527,757	1,531,575
527,757	1,531,575

**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.

**Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity**  
 Grant liabilities represent the the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

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

**Service concession liabilities**

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

## SHIRE OF JERRAMUNGUP

## 15. LEASE LIABILITIES

(a) Lease Liabilities	2021	2020
Current	14,789	14,485
Non-current	16,372	31,162
	<u>31,161</u>	<u>45,647</u>

**(b) Movements in Carrying Amounts**

[illegible]

## SHIRE OF JERRAMUNGUP

## 16. INFORMATION ON BORROWINGS

	2021	2020
(a) Borrowings	\$	\$
Current	177,355	196,748
Non-current	737,067	914,422
	914,422	1,111,170

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	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 Principal 1 July 2020	Budget Principal 1 July 2020	Actual Interest repayments	Budget Principal 1 July 2020	Budget Interest repayments	Actual Principal 1 July 2020	Budget Principal 1 July 2020	Actual Interest repayments	Budget Principal 1 July 2020	Budget Interest repayments	Actual Principal 1 July 2020	Budget Principal 1 July 2020	Actual Interest repayments	Budget Principal 1 July 2020	Budget Interest repayments	Actual Principal 1 July 2020	Budget Principal 1 July 2020	Actual Interest repayments	Budget Principal 1 July 2020	Budget Interest repayments	Actual Principal 1 July 2020	Budget Principal 1 July 2020	Actual Interest repayments	Budget Principal 1 July 2020
Housing																											
Key personnel housing	259	WATC*	6.42%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Staff housing and seniors independent living	264	WATC*	1.65%	500,000	(46,384)	(7,762)	453,616	(8,060)	(46,385)	(8,060)	453,615	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	
Community amenities																											
Housing Bremer Bay	261	WATC*	4.30%	158,056	(37,030)	(6,037)	121,026	(6,403)	(37,030)	(6,403)	121,027	193,543	0	121,027	0	121,027	0	121,027	0	121,027	0	121,027	0	121,027	0	121,027	
Transport																											
Bremer Bay Townsite	260	WATC*	4.10%	171,820	(54,965)	(5,770)	116,855	(6,487)	(54,965)	(6,487)	116,854	224,599	0	116,854	0	116,854	0	116,854	0	116,854	0	116,854	0	116,854	0	116,854	
Grader	262	WATC*	2.28%	256,194	(25,100)	(416)	0	(430)	(25,100)	(430)	0	49,638	0	25,100	0	25,100	0	25,100	0	25,100	0	25,100	0	25,100	0	25,100	
Bremer Bay Townsite	263	WATC*	3.14%	256,194	(33,269)	(7,641)	222,925	(7,785)	(33,269)	(7,785)	222,924	286,442	0	222,924	0	222,924	0	222,924	0	222,924	0	222,924	0	222,924	0	222,924	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)	914,422	(29,165)	(196,749)	(29,165)	914,420	789,297	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	500,000	914,420	
				1,111,170	(196,748)	(27,626)</																					

- WA Treasury Corporation

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

**16. INFORMATION ON BORROWINGS (Continued)**

	2021	2020
	\$	\$
<b>Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	15,000	15,000
Credit card balance at balance date	0	0
<b>Total amount of credit unused</b>	<b>15,000</b>	<b>15,000</b>
<b>Loan facilities</b>		
Loan facilities - current	177,355	196,748
Loan facilities - non-current	737,067	914,422
Lease liabilities - current	14,789	14,485
Lease liabilities - non-current	16,372	31,162
<b>Total facilities in use at balance date</b>	<b>945,583</b>	<b>1,156,817</b>
<b>Unused loan facilities at balance date</b>	<b>NIL</b>	<b>NIL</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Borrowing costs**

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

**Risk**

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

## 17. EMPLOYEE RELATED PROVISIONS

### Employee Related Provisions

#### Opening balance at 1 July 2020

Current provisions

Non-current provisions

Additional provision

Amounts used

#### Balance at 30 June 2021

#### Comprises

Current

Non-current

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2020			
Current provisions	153,082	201,695	354,777
Non-current provisions	0	41,320	41,320
	153,082	243,015	396,097
Additional provision	143,252	23,187	166,439
Amounts used	(107,814)	(27,917)	(135,731)
Balance at 30 June 2021	188,520	238,285	426,805
Comprises			
Current	188,520	213,872	402,392
Non-current	0	24,413	24,413
	188,520	238,285	426,805

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

Less than 12 months after the reporting date

More than 12 months from reporting date

Expected reimbursements from other WA local governments

	2021 \$	2020 \$
Less than 12 months after the reporting date	201,950	115,952
More than 12 months from reporting date	224,855	271,452
Expected reimbursements from other WA local governments	0	8,693
	426,805	396,097

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.

## 18. OTHER PROVISIONS

	Provision for Ravensthorpe Waste Facility	Total
	\$	\$
Opening balance at 1 July 2020	0	0
Additional provision	22,045	22,045
Balance at 30 June 2021	22,045	22,045
Comprises		
Non-current	22,045	22,045
	22,045	22,045

### Provision for Ravensthorpe Waste Facility

A Waste Management agreement exists between the Shire of Jerramungup and the Shire of Ravensthorpe for a Regional Landfill Facility located on Reserve 7380. Clause 8(2)c of the agreement allows each party to agree on a percentage share of capital costs for the purpose of future rehabilitation costs. The current cost estimate of rehabilitation of \$551,122 over 30 years of cell life provides an annualised cost of \$18,371 to be shared by each local government. On 4 June 2021 both parties agreed to a cost share of 60% Ravensthorpe and 40% Jerramungup. Since the facility has been operating since 2017, the Shire of Jerramungup has made a provision of \$22,045, being 40% share of the \$18,371 for 3 years. This provision will be increased by \$7,348 annually. The cost share agreement is to be reviewed by both parties in three years (2023/2024).

The Landfill site is prescribed premises for Category 64 Class II putrescible landfill and Category 62 Solid waste depot.

## 19. 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	5,065,723	2,462,711	4,672,540
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	2,419,286	4,904,788	3,173,962
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(1,939)	0	(865)
Depreciation on non-current assets	2,154,629	2,088,419	1,978,237
(Profit)/loss on sale of asset	1,921	29,954	(39,640)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(31,957)	0	(757,192)
(Increase)/decrease in inventories	15,792	0	(2,403)
(Increase)/decrease in contract assets	0	529,072	0
Increase/(decrease) in payables	267,142	0	(3,350,722)
Increase/(decrease) in employee provisions	30,708	0	24,351
Increase/(decrease) in other provisions	22,045	0	0
Increase/(decrease) in other liabilities	442,035	(909,091)	1,617,297
Non-operating grants, subsidies and contributions	(2,555,588)	(6,680,447)	(2,787,899)
Net cash from operating activities	2,764,074	(37,305)	(144,874)

## 20. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	0	35
General purpose funding	451,126	86,066
Law, order, public safety	1,099,082	1,125,606
Health	46,090	54,224
Education and welfare	450,013	523,545
Housing	5,625,537	2,928,612
Community amenities	4,595,316	3,783,787
Recreation and culture	17,812,077	16,979,969
Transport	211,134,815	209,653,288
Economic services	2,112,734	2,069,340
Other property and services	4,064,373	4,563,671
Unallocated	3,372,781	6,025,819
	250,763,944	247,793,962

## 21. CONTINGENT LIABILITIES

### Jerramungup Pool

At the special meeting of Council held 3 February 2021, Council endorsed a Development Agreement between the Minister of Education and the Shire of Jerramungup for the management of the project works associated with the Jerramungup Swimming Pool redevelopment. The Shire is currently delivering works associated with the Jerramungup Swimming Pool at 2 Lancaster Road in Jerramungup. The tenure of the project site is with the Department of Education, notwithstanding the agreement extends the management of the site to the Shire of Jerramungup. Practical completion is expected to be 31 March 2022. Upon practical completion of the pool, a licence agreement will be executed by both parties, the draft licence agreement states on termination of this agreement the Local Government agrees to pay to the Minister within 28 days after the demand, 50% of the cost incurred by the Minister to Decommission the whole or any part of the Facilities, if the Minister chooses to Decommission the whole or any part of the Facilities following such termination. The Shire will raise the liability for the decommission costs once the pool is complete and the decommissioning costs can be reliably estimated.

## 22. CAPITAL AND LEASING COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

	2021	2020
	\$	\$
	3,557,137	584,672
	3,557,137	584,672
	3,557,137	584,672

Payable:

- not later than one year

As at June 2021 a commitment exists to construct a swimming pool facility in Jerramungup. The construction is expected to be completed by 31 March 2022.

As at June 2020, \$6,625 and \$578,048 was outstanding for the two contracts relating to the construction of the Independent Living Units and Key Worker Accommodation projects.

### (b) Operating Lease Commitments

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

Payable:

- not later than one year

	2021	2020
	\$	\$
	13,827	10,144

## SIGNIFICANT ACCOUNTING POLICIES

### Leases

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

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

### Leases (Continued)

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

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

## 23. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
<b>Cr Robert Lester (President)</b>			
President's annual allowance	12,000	12,000	12,000
Meeting attendance fees	14,000	14,000	14,000
Telecommunications allowance	1,000	1,000	1,000
	27,000	27,000	27,000
<b>Cr Joanne Iffle (Deputy President)</b>			
Deputy President's annual allowance	3,000	3,000	3,000
Meeting attendance fees	7,000	7,000	7,000
Telecommunications allowance	1,000	1,000	1,000
	11,000	11,000	11,000
<b>Cr William Bailey [Elected Member]</b>			
Meeting attendance fees	7,000	7,000	7,000
Telecommunications allowance	1,000	1,000	1,000
	8,000	8,000	8,000
<b>Cr Julie Leenhouders [Elected Member]</b>			
Meeting attendance fees	7,000	7,000	7,000
Telecommunications allowance	1,000	1,000	1,000
	8,000	8,000	8,000
<b>Cr Rex Parsons [Elected Member]</b>			
Meeting attendance fees	7,000	7,000	7,000
Telecommunications allowance	1,000	1,000	1,000
	8,000	8,000	8,000
<b>Cr Andrew Price [Elected Member]</b>			
Meeting attendance fees	7,000	7,000	7,000
Telecommunications allowance	1,000	1,000	1,000
Travel and accommodation expenses	297	750	561
	8,297	8,750	8,561
<b>Cr Drew Dawson [Elected Member]</b>			
Meeting attendance fees	7,000	7,000	5,250
Telecommunications allowance	1,000	1,000	750
Travel and accommodation expenses	301	750	2,118
	8,301	8,750	8,118
	78,598	79,500	78,679
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	12,000	12,000	12,000
Deputy President's allowance	3,000	3,000	3,000
Meeting attendance fees	56,000	56,000	54,250
Telecommunications allowance	7,000	7,000	6,750
Travel and accommodation expenses	598	1,500	2,679
	78,598	79,500	78,679

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

**24. RELATED PARTY TRANSACTIONS**

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

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

	2021 Actual \$	2020 Actual \$
Short-term employee benefits	713,020	469,154
Post-employment benefits	78,146	42,254
Other long-term benefits	12,842	11,676
Termination benefits	0	16,755
	804,008	539,839

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

These amounts represent long service benefits accruing during the year.

*Termination benefits*

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

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

**24. 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	52,094	35,589
Purchase of goods and services	60,108	49,150
Short term employee benefits -other related parties	165,012	225,903

**Related Parties**

Jerramungup Electrical  
 Springtide  
 Chesh-hire  
 RE & ML Lester

R & T Parson  
 The Telegraph  
 JM & JL Iffla  
 Megatime

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

*i. Key management personnel*

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

*ii. Other Related Parties*

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

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

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

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

## 25. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS

### (i) Retirement Units - Derrick Street and Roderick Street

The Shire together with the Department of Communities have a joint arrangement with regard to the provision of six retirement units at Lot 158 Derrick Street, Jerramungup and six retirement units in Roderick Street, Bremer Bay. The only assets are land and housing units of which Jerramungup Shire owns a 17% share of the Jerramungup units and 14.64% share of the Bremer Bay units.

The units are leased by Advance Housing Limited for a 10 year term with rent being \$12,070 per annum.

	2021	2020
	\$	\$
<b>Non current assets</b>		
Land and buildings	197,046	197,046
Less accumulated depreciation	(21,453)	(17,079)
Total assets	175,593	179,967
<b>Statement of comprehensive income</b>		
Other revenue	12,070	85,630
Other expenditure	0	(70,579)
Net result for the period	12,070	15,051
<b>Total comprehensive income for the period</b>	12,070	15,051

### (ii) Waste Facility

The Shire of Jerramungup together with the Shire of Ravensthorpe, have entered into a joint operation with regards to a regional waste management facility located on Reserve 7380, Moir Road Ravensthorpe. The agreement between both Shires govern the operation of the waste facility, covering operating and capital costs, responsibilities of the two Shires, setting of fees and charges, record keeping etc. The building of the regional waste facility was fully funded and recognised in the financials of the Shire of Ravensthorpe, and they are responsible for the day to day management of the facility. Key operating decisions in relation to the operating costs and future capital costs of the facility are to be agreed by both Shires.

The regional waste facility commenced its operation in February 2018. The Shire of Jerramungup's share of annual operating cost is determined by its percentage of total waste tonnage (measured in cubic meters) delivered to the facility by both parties in the proceeding year. This is estimated to be 25.5%.

The Shire of Jerramungup's share of the operating costs for the year were \$91,301.

The current cost estimate of rehabilitation of \$551,122 over 30 years of cell life provides an annualised cost of \$18,371 to be shared by each local government. On 4 June 2021 both parties agreed to a cost share of 60% Shire of Ravensthorpe and 40% Shire of Jerramungup. A provision has been raised for this future rehabilitation cost based on the number of years the facility has been in operation.

### SIGNIFICANT ACCOUNTING POLICIES

#### Interests in joint arrangements

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

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

#### Interests in joint arrangements (Continued)

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



SHIRE OF JERRAMUNGUP  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2021  
26. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	2021 Actual	2021 Budget	2020 Actual	Circumstances in which Discount is Granted
	\$	\$	\$	
Small interest write off	198	150	283	Write off of small balances under CEO's delegated authority
	198	150	283	
Small interest write offs (Note 26(a))	198	150	283	

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

26. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	09-Oct-20	0.00	0.00%	8.00%
<b>Option Two</b>				
First instalment	09-Oct-20	0.00	0.00%	8.00%
Second instalment	12-Feb-21	0.00	5.50%	8.00%
<b>Option Three</b>				
First instalment	09-Oct-20	0.00	0.00%	8.00%
Second instalment	11-Dec-20	0.00	5.50%	8.00%
Third instalment	12-Feb-21	0.00	5.50%	8.00%
Fourth instalment	16-Apr-21	0.00	5.50%	8.00%
		<b>2021 Actual</b> \$	<b>2021 Budget</b> \$	<b>2020 Actual</b> \$
Interest on unpaid rates		7,607	6,000	10,772
Interest on instalment plan		13,850	16,000	16,965
Charges on instalment plan		0	0	5,832
		21,457	22,000	33,569

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

27. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget	2019/20 Budget
		(30 June 2021)	(30 June 2020)
		Carried Forward)	Carried Forward)
Note		\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	10(a)	(18,515)	(7,600)
Less: Movement in liabilities associated with restricted cash		10,110	396
Less: Fair value adjustments to financial assets at fair value through profit and loss		0	0
Movement in employee benefit provisions (non-current)		(16,907)	0
Movement in other provisions (non-current)		22,045	0
Add: Loss on disposal of assets	10(a)	20,436	37,554
Add: Depreciation on non-current assets	10(b)	2,154,629	2,088,419
<b>Non cash amounts excluded from operating activities</b>		<b>2,171,798</b>	<b>2,118,769</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserves - cash backed	4	(1,659,836)	(1,718,078)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	16(a)	177,355	177,355
- Current portion of lease liabilities		14,789	14,789
- Employee benefit provisions		76,063	66,350
<b>Total adjustments to net current assets</b>		<b>(1,391,629)</b>	<b>(1,459,584)</b>
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets		6,180,823	3,048,815
Less: Total current liabilities		(3,157,448)	(1,584,639)
Less: Total adjustments to net current assets		(1,391,629)	(1,459,584)
<b>Net current assets used in the Rate Setting Statement</b>		<b>1,631,746</b>	<b>4,592</b>

## 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	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 \$
<b>2021</b>					
Cash and cash equivalents	0.01%	5,065,723	0	5,065,523	200
<b>2020</b>					
Cash and cash equivalents	0.07%	4,672,540	0	4,672,540	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\*

\* Holding all other variables constant

	2021 \$	2020 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	50,657	46,725

#### 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. The Shire is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors.

No expected credit loss was forecast on 30 June 2021 or 30 June 2020 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed to recover unpaid rates.

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2021</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	9.39%	
Gross carrying amount	444,222	449,827	1,197	15,560	910,806
Loss allowance	0	0	0	1,462	1,462
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	898,701	2,198	2,502	8,106	911,507
Loss allowance	0	0	0	0	0

## 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.

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2021</b>					
Payables	503,580	0	0	503,580	503,580
Borrowings	200,382	530,307	258,830	989,519	914,422
Contract liabilities	2,059,332	0	0	2,059,332	2,059,332
Lease liabilities	14,789	16,372	0	31,161	31,161
	<u>2,778,083</u>	<u>546,679</u>	<u>258,830</u>	<u>3,583,592</u>	<u>3,508,495</u>
<b>2020</b>					
Payables	236,438	0	0	236,438	236,438
Borrowings	225,912	730,689	354,327	1,310,928	1,111,170
Contract liabilities	1,617,297	0	0	1,617,297	1,617,297
Lease liabilities	14,485	31,162	0	45,647	45,647
	<u>2,094,132</u>	<u>761,851</u>	<u>354,327</u>	<u>3,210,310</u>	<u>3,010,552</u>

## 29. TRUST FUNDS

No funds were held at balance date which are required to be held in trust and which would not be included in the financial statements.

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

**31. ACTIVITIES/PROGRAMS**

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

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of resources	Administration and operation of facilities and services to members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services
<b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services	Rates, general purpose government grants & interest revenue
<b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help ensure a safer community	Supervision of various by-laws, fire prevention, emergency services & animal control
<b>HEALTH</b> To provide an operational framework for good community health	Food quality and pest control; maintenance and contributions to health services and facilities
<b>EDUCATION AND WELFARE</b> To meet the needs of the community in these areas	Operation and provisions of services to seniors and child care centres within the shire
<b>HOUSING</b> Help ensure adequate housing for key community personnel such as police	Maintenance of staff and rental housing
<b>COMMUNITY AMENITIES</b> To provide services required by the community	Rubbish collection services, operation of tips, noise control and administration of the town planning scheme, maintenance of cemeteries, control and maintenance of coastal reserves and other community/environmental services
<b>RECREATION AND CULTURE</b> To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community	Maintenance of public halls, sporting complexes, resource centres, various parks and associated facilities, provision of library services in Jerramungup and Bremer Bay. Maintenance and upgrade of radio repeater service
<b>TRANSPORT</b> To provide safe and efficient transport services to the community	Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, parking facilities, traffic signs, depot maintenance and airstrips maintenance
<b>ECONOMIC SERVICES</b> To help promote the Shire and improve the economic wellbeing of the community	The regulation and provision of tourism, area promotion, building control, saleyards, noxious weeds, vermin control and water supply, including stand pipes
<b>OTHER PROPERTY AND SERVICES</b> Other activities which contribute to the governance and operations of the Shire	Private works operation, plant repairs and operating costs, administration expenses

## 32. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	2.45	2.59	2.88
Asset consumption ratio	0.98	0.86	0.87
Asset renewal funding ratio	1.61	1.71	1.65
Asset sustainability ratio	1.02	0.99	1.04
Debt service cover ratio	8.54	11.56	7.92
Operating surplus ratio	(0.03)	0.08	(0.02)
Own source revenue coverage ratio	0.67	0.78	0.71

The above ratios are calculated as follows:

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



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2021 Shire of Jerramungup

To the Councillors of the Shire of Jerramungup

## Report on the audit of the annual financial report

### Opinion

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

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

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

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

### Basis for opinion

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

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

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

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

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

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

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

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

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

## **Report on other legal and regulatory requirements**

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

- (i) All required information and explanations were obtained by me.
- (ii) All audit procedures were satisfactorily completed.
- (iii) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

## **Other information**

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

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

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

This auditor's report relates to the financial report of the Shire of Jerramungup 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  
14 December 2021