

# ANNUAL REPORT

2021-2022



CONTINUOUS  
GROWTH



IN-DEMAND  
DESTINATION



SERVICING THE  
GASCOYNE



**THE SHIRE OF  
EXMOUTH RESPECTFULLY  
ACKNOWLEDGES THE  
BAIYUNGU, THALANYJI AND  
YINIKURTURA PEOPLE AS THE  
TRADITIONAL CUSTODIANS OF THE  
LAND AND WATER ON WHICH THE  
SHIRE CONDUCTS ITS BUSINESS  
AND PAYS RESPECT TO THEIR  
ELDERS PAST AND  
PRESENT.**

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AUTHORISATION  
SHIRE OF EXMOUTH COUNCIL | CHIEF EXECUTIVE OFFICER  
ADOPTED 15/12/2022 - COUNCIL RESOLUTION 16-1222

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**OUR**

**VISION & MISSION**

**TO BE A PROSPEROUS AND SUSTAINABLE COMMUNITY LIVING IN HARMONY WITH OUR NATURAL ENVIRONMENT.**

**TO RESPONSIBLY PROVIDE GOVERNANCE FOR THE WHOLE COMMUNITY IN THE BEST INTEREST OF CURRENT AND FUTURE GENERATIONS.**

**OUR**

**OBJECTIVES**

**DIVERSIFY AND GROW OUR ECONOMY IN A MANNER THAT PROVIDES YEAR ROUND EMPLOYMENT OPPORTUNITIES.**

**TO PROTECT AND VALUE OUR UNIQUE NATURAL AND BUILT ENVIRONMENT AS WE GROW OUR ECONOMY.**

**TO BE A VIBRANT, PASSIONATE AND SAFE COMMUNITY VALUING OUR NATURAL ENVIRONMENT AND UNIQUE HERITAGE.**

**TO PROVIDE OPEN TRANSPARENT, ACCOUNTABLE LEADERSHIP WORKING IN COLLABORATION WITH OUR COMMUNITY.**

# WHAT IS THE ANNUAL REPORT

The Annual Report is a requirement of the Local Government Act 1995 and other associated regulations. It is an overview of the operations, activities and major initiatives that have been completed by the Shire within the past financial year or will continue to be completed into the coming financial year.

# SHIRE PROFILE

The Shire of Exmouth is situated 1,270km north of Perth, on the tip of the North West Cape in Western Australia. Exmouth is the gateway to the World Heritage Listed Ningaloo Coast, including the pristine Ningaloo Reef, Australia's largest fringing coral reef, and the rugged and spectacular Cape Range National Park.

The North West Cape is strategically important for tourism, defence and oil & gas investments.

Every year, during the cooler winter months from April to October, the resident population of 3,074 people (Census 2021) triples due to the number of visitors.

Tourists travel to Exmouth to swim with the biggest fish in the sea, the iconic Whaleshark, snorkel on the Ningaloo Reef, relax on the pristine coastline, fish, camp and explore the Cape Range National Park.

The tourism industry alone contributes more than \$110M and 1,053 direct and indirect jobs per annum (Deloitte Access Economics, June 2020).



**3,074**  
PEOPLE LIVING IN THE SHIRE OF EXMOUTH



**775**  
FAMILIES LIVING IN EXMOUTH



**37**  
IS THE MEDIAN AGE



**28.4%**  
RESIDENTS WERE BORN OVERSEAS



**1,681**  
ELIGIBLE VOTERS 18+



**24.3%**  
OF EXMOUTH'S POPULATION ARE VOLUNTEERS



**2,568**  
DWELLINGS



**\$850,000**  
MEDIAN HOUSING VALUE



**\$1,983**  
MEDIAN WEEKLY HOUSEHOLD INCOME

# MESSAGE FROM THE SHIRE PRESIDENT

It's a great pleasure to present Council's 2021-22 Annual Report to the Exmouth community as your Shire President. This document outlines the organisation's successes, challenges, and strategic direction over the past 12 months.

The Shire's Executive Management and their staff have been working closely with the community to manage the pressures arising from the changing demographics and increasing number of visitors while preparing for the busy financial year ahead with the Ningaloo Eclipse in April 2023.

Council and I are aware of how difficult times have been for our residents, ratepayers, and hardworking local businesses. And we have been working to address and clarify incoming enquiries and suggestions - supporting our community through this challenging period.

We've been privileged to witness the remarkable resilience, courage, and innovation of Exmouth's community and the Shire as an organisation, despite the staff shortages we have experienced and have felt across Western Australia.



However, let's not forget the amazing successes we've celebrated, with Exmouth being on top of mind for all Australians. We have a lot to be proud of, and I'm confident that with our continued hard work, we will be able to continue to build on our successes and create a better future for our community.

**Cr Darlene Allston**

*Shire President*



**YOU CAN DOWNLOAD A COPY OF THIS REPORT AT**

<https://www.exmouth.wa.gov.au/documents/annual-reports>

# MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



The 2021-22 reporting year has been extraordinary for the Shire of Exmouth, marked by substantial changes in personnel and a great need to adapt to a turbulent economic and social climate.

As Chief Executive Officer of this organisation, I am extremely proud of the professional, dedicated and resilient workforce that rose to the challenge of these trying times. We pride ourselves on our commitment to delivering projects that reflect the priorities of the Exmouth community as outlined in the Strategic Community Plan: Exmouth 2030, while also responding to the ongoing effects of the global COVID-19 pandemic.

The Shire of Exmouth, supported by various funding partners, has done an incredible job of investing in the upgrading of Exmouth's facilities and progressing works on capital works projects. We have also been very vocal in advocating for suitable accommodation solutions with the State Government. In addition, the Shire has supported eligible community and sporting groups and not-for-profit organisations in 2021-22 with a total of \$51,896 in grants and donations to help keep these organisations delivering great projects for our community.

We at the Shire of Exmouth understand the importance of investing in our community and are committed to continuing to do so in the years to come. We are proud of our team and what they have achieved in the last reporting year, and we look forward to many more successes to come in 2022-2023.

**Ben Lewis**

*Chief Executive Officer*

# YOUR COUNCIL

The Shire of Exmouth is governed by the Local Government Act 1995 and its associated Regulations. Elected members represent the community and make decisions on Council matters and policy, while the Chief Executive Officer manages the operations.

Ordinary Council meetings are held on the third Thursday of each month at 4.00 p.m. at the Ningaloo Centre, and members of the public are welcome to attend. Councillors and Executive Staff must

also attend Agenda Briefings on the third Tuesday and Strategic Briefings on the second Tuesday of each month. Additionally, Councillors are expected to attend 2-3 extensive budget workshops prior to adopting the Annual Budget.

We invite you to join us at the Council meetings to keep up to date with the decision-making process and to have your say on community issues.

During the year, the Shire President(s) and Councillors attended a variety of committee meetings of Council and Council Advisory Group meetings that are not listed in the Elected Members Attendance table.

For their service, Council Members receive fees and allowances for attending these meetings. We are pleased to report that there have been no complaints against Councillors during 2021/22.

## ELECTED MEMBERS ATTENDANCE

SHIRE PRESIDENT  
TERM EXPIRES OCT 21



SHIRE PRESIDENT  
TERM EXPIRES OCT 23



| DATE OF MEETING | TYPE OF MEETING | Cr Niikkula | Cr Mounsey | Cr Dixon | Cr Lake  | Cr Lucas | Cr McCarrol            | Cr Allston | Cr Brooks | Cr Gillespie |
|-----------------|-----------------|-------------|------------|----------|----------|----------|------------------------|------------|-----------|--------------|
| 22/07/2022      | OCM             | Attended    | Attended   | Attended | Attended | Apology  | Attended               |            |           |              |
| 26/08/2022      | OCM             | Attended    | Attended   | Attended | Attended | Attended | Attended               |            |           |              |
| 23/09/2022      | OCM             | Attended    | Leave      | Attended | Attended | Attended | Attended               |            |           |              |
| 19/10/2022      | SCM             |             |            |          | Attended | Attended | Attended               | Attended   | Attended  | Attended     |
| 28/10/2022      | OCM             |             |            |          | Attended | Attended | Attended               | Attended   | Attended  | Attended     |
| 25/11/2022      | OCM             |             |            |          | Attended | Attended | Attended               | Attended   | Attended  | Attended     |
| 16/12/2022      | OCM             |             |            |          | Attended | Attended | Attended               | Attended   | Attended  | Attended     |
| 24/02/2022      | OCM             |             |            |          | Attended | Attended | Resigned<br>12/04/2022 | Attended   | Attended  | Attended     |
| 24/03/2022      | OCM             |             |            |          | Attended | Attended |                        | Attended   | Attended  | Attended     |
| 28/04/2022      | OCM             |             |            |          | Attended | Attended |                        | Attended   | Attended  | Attended     |
| 26/05/2022      | OCM             |             |            |          | Attended | Leave    |                        | Attended   | Attended  | Attended     |
| 22/06/2022      | OCM             |             |            |          | Attended | Apology  |                        | Attended   | Attended  | Attended     |

OCM ORDINARY COUNCIL MEETING  
SCM SPECIAL COUNCIL MEETING

## ELECTED MEMBERS FEES & ALLOWANCES REGISTER

|                                  | Cr Niikkula         | Cr Mounsey         | Cr Dixon           | Cr Lake             | Cr Lucas           | Cr McCarrol         | Cr Allston          | Cr Brooks           | Cr Gillespie       |
|----------------------------------|---------------------|--------------------|--------------------|---------------------|--------------------|---------------------|---------------------|---------------------|--------------------|
| ANNUAL ATTENDANCE FEE            | \$ 7,362.90         | \$ 3,807.65        | \$ 3,807.65        | \$ 13,046.80        | \$ 13,046.80       | \$ 10,224.20        | \$ 17,653.99        | \$ 9,159.02         | \$ 9,159.02        |
| SHIRE PRESIDENT ALLOWANCE        | \$ 10,759.80        |                    |                    |                     |                    |                     | \$ 25,990.62        |                     |                    |
| DEPUTY SHIRE PRESIDENT ALLOWANCE |                     |                    | \$ 2,679.61        |                     |                    |                     |                     | \$ 6,384.41         |                    |
| IT ALLOWANCE                     |                     | \$174.66           |                    | \$ 600.00           | \$ 600.00          |                     |                     |                     |                    |
| <b>TOTAL</b>                     | <b>\$ 18,122.70</b> | <b>\$ 6,487.26</b> | <b>\$ 3,982.31</b> | <b>\$ 13,646.80</b> | <b>\$13,646.80</b> | <b>\$ 10,224.20</b> | <b>\$ 43,644.61</b> | <b>\$ 15,543.43</b> | <b>\$ 9,159.02</b> |

# ELECTED MEMBERS TRAINING REGISTER

The Shire of Exmouth is committed to the continuing professional development of its Elected Members, providing them with the necessary skills and knowledge to perform their roles as leaders in their community.

In accordance with section 5.126 of the Local Government Act 1995, all Elected Members, with the exception of those who commenced their term before the 2019 election, must complete the five modules of the mandatory training

course Council Member Essentials within twelve months of being elected.

To ensure that the Shire fulfills its obligation to report annually on who has completed the mandatory training in the past financial year, please refer to the register provided below.

## ELECTED MEMBER TRAINING FOR THE PERIOD ENDING 30 JUNE 2022

|                     | TRAINING                            | COMPLETED  |
|---------------------|-------------------------------------|------------|
| <b>CR ALLSTON</b>   | • Roles of Mayors & Presidents      | 24/11/2021 |
|                     | • Conflict of Interest              | 10/02/2022 |
|                     | • Understanding of Local Government | 10/02/2022 |
|                     | • Meeting Procedures                | 11/02/2022 |
|                     | • CEO Performance Appraisal         | 02/06/2022 |
| <b>CR BROOKS</b>    | • Roles of Mayors & Presidents      | 24/11/2021 |
|                     | • Conflict of Interest              | 10/02/2022 |
|                     | • Understanding of Local Government | 10/02/2022 |
|                     | • Meeting Procedures                | 11/02/2022 |
| <b>CR GILLESPIE</b> | • Conflict of Interest              | 10/02/2022 |
|                     | • Understanding of Local Government | 10/02/2022 |
|                     | • Meeting Procedures                | 11/02/2022 |
|                     | • CEO Performance Appraisal         | 02/06/2022 |
| <b>CR LAKE</b>      | • CEO Performance Appraisal         | 02/06/2022 |

# STRATEGIC COMMUNITY PLAN: EXMOUTH 2030

Our Community Plan: Exmouth 2030 (CSP) provides the direction and aspirations of our community and helps us develop a clear plan for the future.

Based on the CSP, the four key themes, 'Economic', 'Environment', 'Social' & 'Leadership' underpinned and informed all of the work done by the Shire of Exmouth.

The Corporate Business Plan then drives the whole of the organisational performance.



### ECONOMIC

Diversify and grow our economy in a manner that provides year-round employment opportunities.



### ENVIRONMENT

To protect and value our unique natural and built environment as we grow our economy.



### SOCIAL

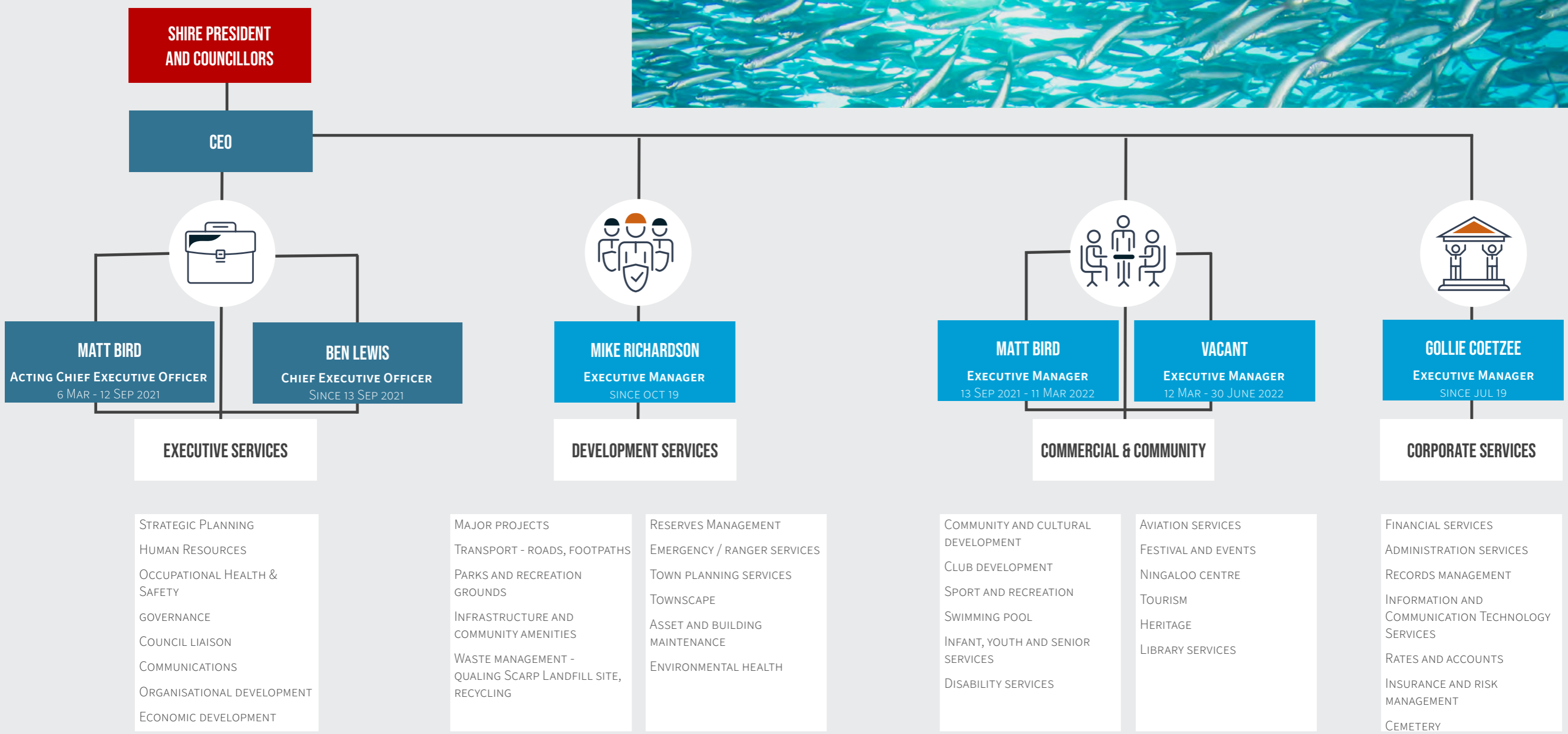
To be a vibrant, passionate and safe community valuing our natural environment and unique heritage.



### LEADERSHIP

To provide open transparent, accountable leadership working in collaboration with our community.

# SERVICE DELIVERY STRUCTURE



The Shire of Exmouth was structured around four directorates during the 2021/22 financial year.





# LOCAL EMPLOYMENT OPPORTUNITIES

Every year, the Shire provides countless jobs and opportunities through the projects and contracts it facilitates, and 2021/22 was an exciting financial year for the Shire, with a flurry of activity within Human Resources.

The Shire of Exmouth, ever eager to support their community, took the opportunity to invest in their local workforce and businesses, creating countless jobs and opportunities for residents and businesses alike. Recruitment was a significant focus for the organisation, with full-time, part-time and casual employment opportunities available to the local workforce.

Not only that, but the Shire also offered apprenticeship and training opportunities to those eager to learn.

In addition to the ongoing recruitment efforts, the HR team will be actively involved in the Enterprise Agreement negotiation, with the current agreement set to expire in April of 2023.

**37** NEW STARTERS  
RESIGNATIONS **35**

## EMPLOYEE REMUNERATION & ALLOWANCES

In accordance with the Local Government (Administration) Regulations 19B, the Shire of Exmouth of employees entitled to an annual salary package of \$130,000 or more. is required to disclose in bands of \$10,000 the number

|                   | 2016     | 2017     | 2018     | 2019     | 2020     | 2021     | 2022     |
|-------------------|----------|----------|----------|----------|----------|----------|----------|
| 130,000 - 139,999 | 2        | 2        | 1        | 1        | -        | 1        | -        |
| 140,000 - 149,999 | -        | -        | -        | -        | -        | -        | 2        |
| 150,000 - 159,999 | 1        | 1        | 1        | 1        | -        | -        | -        |
| 160,000 - 169,999 | -        | -        | -        | -        | -        | 1        | -        |
| 170,000 - 179,999 | -        | -        | -        | -        | -        | -        | -        |
| 180,000 - 189,999 | -        | 1        | 1        | 1        | -        | -        | -        |
| 190,000 - 199,999 | -        | -        | -        | -        | -        | -        | 1        |
| 200,000 - 209,999 | -        | -        | -        | -        | -        | -        | -        |
| 210,000 - 219,999 | -        | -        | -        | -        | 1        | -        | -        |
| <b>TOTAL</b>      | <b>3</b> | <b>4</b> | <b>3</b> | <b>3</b> | <b>1</b> | <b>2</b> | <b>3</b> |

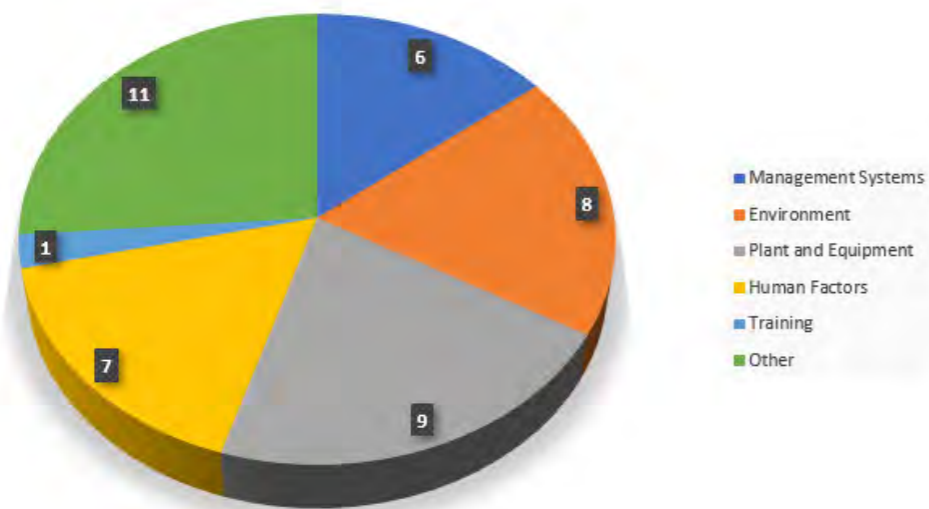
**“ THE WORKFORCE AT THE SHIRE OF EXMOUTH IS A DIVERSE TEAM AND ITS MEMBERS ARE PASSIONATE ABOUT OUR COMMUNITY.”**

# WORKPLACE HEALTH & SAFETY

INCIDENT TYPE UNTIL JUN 2022

|              | INJURY    | ENVIRONMENTAL HARM | PROPERTY DAMAGE | EQUIPMENT FAILURE | NON COMPLIANCE | SECURITY | OTHER    | TOTAL     |
|--------------|-----------|--------------------|-----------------|-------------------|----------------|----------|----------|-----------|
| JUL 21       | 2         | 0                  | 2               | 1                 | 0              | 0        | 0        | 5         |
| AUG 21       | 1         | 0                  | 0               | 0                 | 0              | 0        | 0        | 1         |
| SEP 21       | 4         | 0                  | 4               | 1                 | 0              | 0        | 0        | 9         |
| OCT 21       | 2         | 0                  | 3               | 1                 | 0              | 0        | 0        | 6         |
| NOV 21       | 0         | 0                  | 1               | 0                 | 0              | 0        | 0        | 1         |
| DEC 21       | 1         | 0                  | 0               | 0                 | 0              | 0        | 0        | 1         |
| JAN 22       | 1         | 0                  | 1               | 0                 | 0              | 0        | 0        | 2         |
| FEB 22       | 0         | 0                  | 0               | 0                 | 0              | 0        | 0        | 0         |
| MAR 22       | 1         | 0                  | 1               | 1                 | 0              | 0        | 0        | 2         |
| APR 22       | 0         | 0                  | 1               | 1                 | 0              | 0        | 0        | 2         |
| MAY 22       | 0         | 0                  | 2               | 0                 | 0              | 1        | 0        | 3         |
| JUN 22       | 0         | 1                  | 0               | 0                 | 0              | 0        | 0        | 1         |
| <b>TOTAL</b> | <b>12</b> | <b>1</b>           | <b>15</b>       | <b>4</b>          | <b>0</b>       | <b>2</b> | <b>0</b> | <b>34</b> |

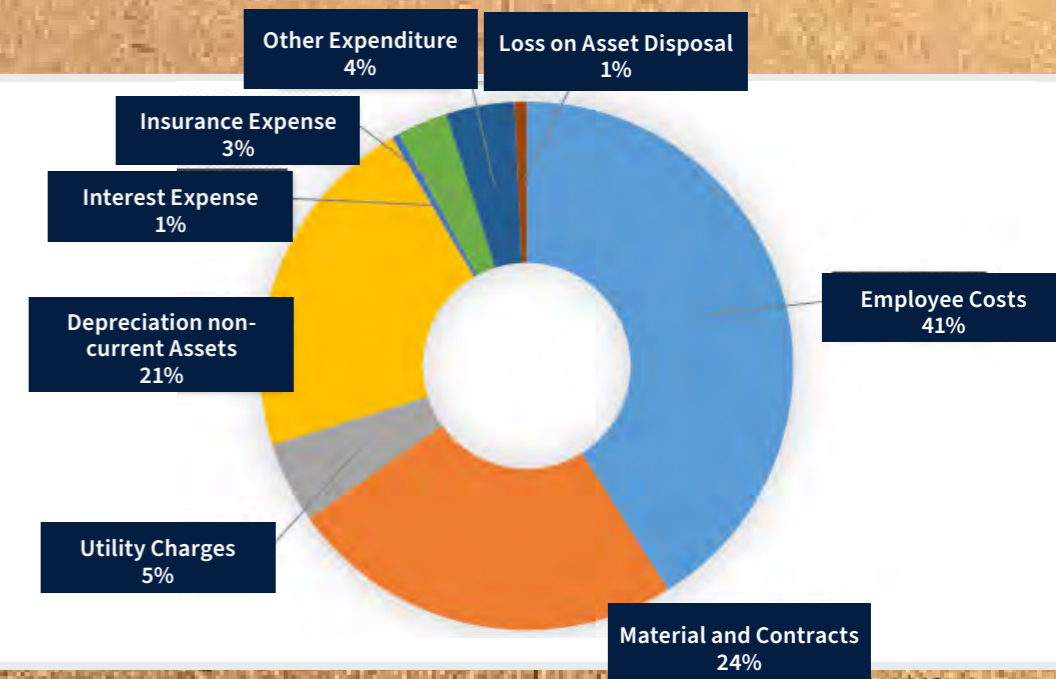
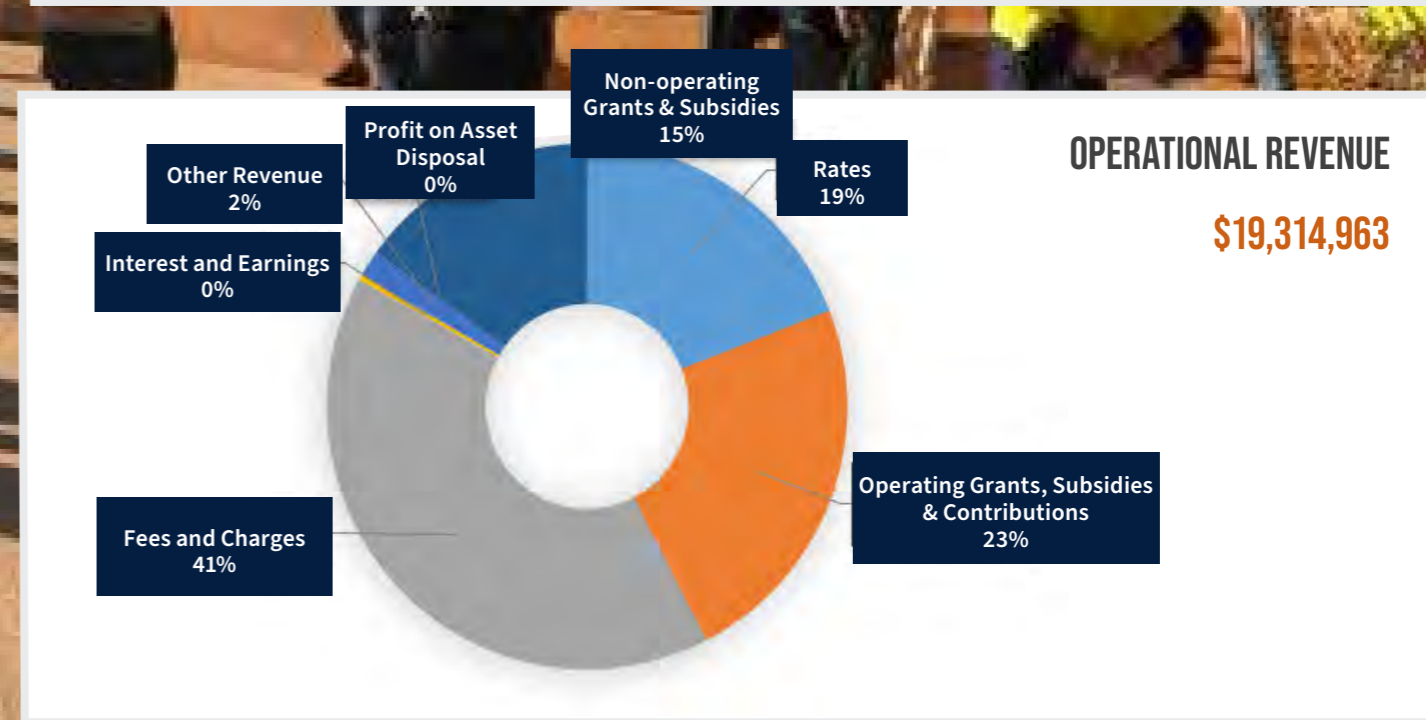
CONTRIBUTING FACTORS



# FINANCIAL REPORT REVIEW 2021/2022

Viewing the Shire's financial performance over time, excluding capital expenditure, is key to understanding it. Regular reports to Council on the Shire's budgetary control have earned unmodified audit reports, reflecting revenues from rates and other income such as fees and charges.

Expenses are incurred in providing a wide range of services including the Exmouth Library, Paltridge Memorial Swimming Pool, Spray Park, roads, buildings and parks maintenance, environmental, and Ranger Services.





THE PRINCIPAL FUNCTIONS OF THE DEVELOPMENT SERVICES ARE TO ENSURE NEW DEVELOPMENT COMPLIES WITH STATUTORY REQUIREMENTS; AND WHERE APPROPRIATE TO CARRY OUT ROUTINE INSPECTIONS OF EXISTING ESTABLISHMENTS/PUBLIC FACILITIES TO MAINTAIN AN ACCEPTABLE LEVEL OF PUBLIC HEALTH AND SAFETY FOR THE COMMUNITY.

DUE TO THE GLOBAL PANDEMIC COVID-19 THESE FUNCTIONS HAVE BEEN HEAVILY EXTENDED AS THE WORKFORCE IMPLEMENTED SOCIAL DISTANCING MEASURES, HANDED DOWN BY THE FEDERAL AND STATE GOVERNMENT, IMMEDIATELY TO KEEP OUR COMMUNITY SAFE AT ALL TIMES.

# HIGHLIGHTS 2021/2022

## EXECUTIVE SERVICES

### HUMAN RESOURCES

The major constraint to achieving operational targets in 2021/2022 has been the ability to attract and retain staff which has been an issue experienced by most employers nationwide.

### STAFF TRAINING CONTINUED

The investment in our staff training and induction programs will ensure that the Shire workforce is compliant, knowledgeable and up to date with the latest industry standards.

**35** RESIGNATIONS **37** NEW STARTERS



CITIZENSHIP CEREMONY

### GOVERNANCE

- 4** CITIZENSHIP CEREMONIES  
18 Conferees
- 11** ORDINARY COUNCIL MEETINGS
- 1** SPECIAL COUNCIL MEETINGS

REGISTER OF COMPLAINTS - 0

### COMMUNICATIONS

- 28** MEDIA RELEASES
- 26** PUBLIC NOTICES
- 932** SOCIAL MEDIA POSTS
- 63** NEWSLETTER

## DEVELOPMENT SERVICES

### ENGINEERING / PARKS & GARDENS

- 22 kms of bitumen reseal was completed on Yardie Creek Rd from Murat Rd intersection to just south of Tantabiddi boat ramp turnoff - capital expenditure \$891,000
- Warne St dual use path linking Murat Rd to Town Beach 620 metres - capital expenditure \$170,000
- New pathway on Stokes -Hughes Dr linking retirement village to the hospital 110 metre - capital expenditure \$30,000
- New pedestrian bridge over Murat Rd floodway - capital expenditure \$50,000
- Stage1A Town Beach Upgrade - new concrete hardstands and lighting - capital expenditure \$692,219

### WASTE MANAGEMENT

- Purchase and implementation of a new transaction and data collection software system for Qualing Scarp Landfill - capital expenditure \$33,000
- Qualing Scarp Landfill fencing preparations - capital expenditure \$10,000
- Construction of new evaporation pond at Qualing Scarp Landfill - capital expenditure \$185,000
- Purchase of waste baler for Bring It Centre - capital expenditure \$25,000
- Construction of baler shed for Bring It Centre

### TOWN PLANNING & BUILDING

- 125 Development Applications received.
- 188 Building permit applications received.
- Progressed a number of planning items to cater for and facilitate the upcoming 20 April 2023 Ningaloo Eclipse event. This included amendments to the local planning scheme to identify sites for temporary camping and activation for and around the event, along with a local planning policy for a streamlined registration process for owners who want to have temporary campers or rent their house for short term accommodation over this period.
- Progress a number of amendments to the local planning scheme, including the Kaillis site to create a unique 'fishing village' tourist facility, and the first omnibus scheme amendment.
- Working closely with Horizon Power to shape Exmouth's future energy solution, with the aim of moving towards 80 percent renewable energy by 2024, which is to consist of solar, additional batteries and potentially wind generation. A site has been identified at the end of Welch Street.
- Working with State Government and Development WA fore new residential land releases and identify sites for workers accommodation.
- Preparation of a Coastal Hazard Risk Management and Adaption Plan (CHMAP) for the Town Beach area between the golf course and Mortiss Street subdivision, to put a framework in place to help protect our coastline into the future.

### ENVIRONMENTAL HEALTH

#### QUICK FACTS

- 521 Water Samples completed from Drinking Water and Aquatic Facilities
- 21 Temporary Food Stall Approvals Issued
- 12 Event Approvals Issued
- 3 New Food Businesses
- 43 Food Premise Inspections
- 15 Lodging House Inspections
- 13 Aquatic Facilities Inspections
- 13 Miscellaneous - Caravan Parks, Public Buildings and Outdoor Eating Areas



In October 2021 the Shire initiated the Fight the Bite Backyard Fixathon, 52 inspections were completed, 23 properties were identified as requiring works, of those 23, 7 arranged for works to be completed.

Commencing in September 2021 Foodie Fodder was developed as a way to communicate and assist food businesses with keeping up to date with food safety. Reporting on the good, bad and ugly the key topics are establishing a food safety culture, legislative changes or clarification, food safety tips and food business resources. An average of 29 recipients of 63 open the newsletter, the aim for future issues is to increase the interactivity of the posts and expand into further environmental health related topics



## COMMERCIAL AND COMMUNITY

### NINGALOO AQUARIUM & DISCOVERY CENTRE

**30,794** VISITORS

**4** TURTLES REHABILITATED AND RELEASED



SHIRE INCORPORATES THE NINGALOO VISITOR CENTRE, STRENGTHENING RELATIONSHIPS WITH LOCAL BUSINESSES AND SUPPORTING ONE OF THE LARGEST INDUSTRIES (TOURISM) IN THE REGION

### NINGALOO VISITOR CENTRE

#### VISITOR SERVICING

-The Ningaloo Visitor Centre assisted over 100,000 visitors through the doors of Ningaloo Centre in 2021/2022

-The Overflow Campground was activated for 6 months to better meet the demand when commercial businesses reached capacity

-Merchandise Sales recorded turnover exceeding \$600,000

#### TANTABIDDI TRAVELLING GALLERY

The Tantabiddi Travelling Gallery hosted various exhibitions over the Financial Year.

- ArtQuest

- Jess Hadden and Sadie James: Ningaloo Stories

- Playing the Man: Art on the Move

- Tiffany Clitheroe and Hendrik Heuschkel: Beyond the Surface- the space between worlds

#### MANDU MANDU FUNCTION CENTRE

The Mandu Mandu Function Centre hosted multiple day conferences and meetings for a range of local businesses and agencies

In addition a range of events has been hosted:

- Exmouth District High School production

- Shire of Exmouth Community Volunteer and Sporting Awards

### COMMUNITY DEVELOPMENT

- The Club Development Program is supported by BHP and DLGSC

**48** COMMUNITY ORGANISATIONS SERVICED

**10** CLUBS SUPPORTED TO APPLY FOR SHIRE COMMUNITY GRANTS

**7** WORKSHOPS/PRESENTATIONS DELIVERED TO CLUBS & NPOS

**16** COMMUNITY & SPORTING GRANTS AWARDED TO 6 ORGANISATIONS  
\$22,056

**6** MAJOR EVENT SPONSORSHIPS AWARDED  
\$24,890

**11** DONATIONS AWARDED TO ELEVEN ORGANISATIONS  
\$4,950

- Gascoyne Games hosted with 12 Sports | 50 teams | 80 volunteers/officials | 550 participants | 650 spectators

- 8 Sports learning and development opportunities were held as part of the games and in had a total of 409 attendees

### EVENTS

- Vietnam Veterans Day
- Children's Week
- Mental Health Week
- Seniors Week
- Remembrance Day
- Christmas Light Competition - EXMAS 2021
- Christmas Decals and Christmas Tree Ningaloo Centre
- Australia Day at the Pool
- Citizenship Ceremony at Australia Day
- Taste of Harmony
- ANZAC Day
- Community Volunteer & Sport Awards
- Exmouth Healthy lifestyle Expo 2022

### PALTRIDGE MEMORIAL SWIMMING POOL

To provide an aquatic training and recreation facility to our community that is welcoming, safe, financially affordable for users and sustainable for the rate payers of the Shire of Exmouth.

#### SEASON

14th September 2020 to 7th May 2021

**28,614** ANNUAL PATRONAGE

#### USER GROUPS

Exmouth Amateur Swimming Club, Exmouth District High School, VacSwim, TAFE, Shire of Exmouth Community Department, Exmouth Swim School, Exmouth Cultural Arts, WA Country Health Service aqua Aerobics, Cape Youth, Scripture Union, Rottneest Channel Swim Association, Royal Life Saving WA, Exmouth Dive Centre, Dive Ningaloo, Salty Hearts Freediving, Exmouth Marine Rescue, Parks and Wild Life, Pilbara Regiment, and ECAC.

#### MAIN EVENTS & ACTIVITIES

Pool Open Day, Aqua Run Fun Days, Exmouth Swim School, VacSwim, Virtual Rottneest Channel Swim, Gascoyne Open Swimming Competition, Aqua Aerobics, TAFE marine shipboard safety courses, Exmouth Marine Rescue Training, SCUBA training, Freediving Training, Cape Youth pool parties & birthdays/

### LIBRARY

- Development of a monthly newsletter to keep members informed on Library matters

**26,865** LIBRARY VISITORS

**1,852** ACTIVE MEMBERS

**268** NEW MEMBERS 2019/2020

**10,514** ITEMS LOANED

**5,062** ELECTRONIC RESOURCES LOANED

**1,491** PEOPLE PARTICIPATING IN LIBRARY EVENTS



STORYTIME AT THE LIBRARY



SENIORS AT THE EXMOUTH PUBLIC LIBRARY



COMMUNITY VOLUNTEER & SPORTING AWARDS



SADIE JAMES AT KIDS BOOK WEEK



PALTRIDGE MEMORIAL SWIMMING POOL



GASCOYNE GAMES WITH OLYMPIC NAT BURTON



EXMOUTH BIRTHDAY CELEBRATIONS



'BETTER BEGINNINGS' SING WITH ME PROGRAM (BACKPACK)

# STATUTORY REPORTING

## DISABILITY ACCESS & INCLUSION PLAN (DAIP)

On 26 May 2022, Shire of Exmouth council endorsed the 2022-2027 Universal Access and Inclusion Plan.

During the review period we consulted with people with diverse abilities, carers and service providers, as well those with temporary injuries, the aging community, people with prams, and those who speak English as a second language.

This next plan will focus on Universal Access for all abilities. The feedback from the consultation has been streamlined into themes around which specific strategies

will be developed.

The 7 objectives outlined in the plan are set by the WA Disability Services Act (1993) and include goals in the following areas:

Events and services, buildings and facilities, information, quality of services, feedback and complaints, Public consultation and employment.

## STATE RECORDS ACT

The Shire's current Recordkeeping Plan was approved by the State Records Commission on 26 March 2021 and is valid for five years. The next review is due in March 2026.

The Recordkeeping Plan details all record keeping practices across the organisation and incorporates legal requirements set by State Records.

The Shire's records staff undertake record keeping training for all staff on an as needed basis following a formal induction process. Every staff member attends a mandatory record-keeping induction upon commencing with the organisation.

## REGISTER OF COMPLAINTS

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) of the Local Government Act 1995 requires that details of entries made under section 5.121 during the financial year in the register of complaints, including;

i) the number of complaints recorded in the register of complaints; and ii) how the recorded complaints were dealt with; be included in the Annual Report of Council.

**There were no complaints received pursuant to s5.121 of the Local Government Act 1995 by the Shire of Exmouth during the 2021/22 reporting period.**

## FREEDOM OF INFORMATION

The Shire of Exmouth will, in all instances, seek to provide access to information upon request, except where there may be issues under the Privacy Act 1998 or Freedom of Information Act 1992 or other relevant legislation.

An Application for Access to Documents form is available on the Shire's website or upon request. The Shire processed one (1) Freedom of Information request in 2021-22.

## NATIONAL COMPETITION POLICY

The Competition Principals Agreement (CPA) is an Intergovernmental Agreement between the Commonwealth and State/Territory governments that sets out how the government will apply National Competition Policy principles to public sector organisations within their jurisdiction.

The National Competition Policy itself concluded in 2005/06 and has been succeeded by Australia's National Reform Agenda, which is an addition to, and continuation of, the National Competition Policy reforms.

The CPA (as amended 13 April 2007) sets out nominated principles from the agreement that now applies to local government. The provisions of the CPA require local government to report annually on implementation, application and effects of Competition Policy.

Competition Policy does not require contracting out or competitive tendering.

It does not preclude a local government from continuing to subsidise its business activities from general revenue, nor does it require privatisation of government functions.

It does require local governments to identify significant business activities and apply competitive disciplines to those businesses which compete with the private sector. In July 1996 the State Government released a Policy Statement called Clause 7 which describes the application of specific "Competition Principles" to the activities and functions of local government pursuant to the National Competition Policy package.

Although local government is not a party to the agreement, the State's obligations extend to ensuring that the principles are applied to local government activities, and functions and the annual report must include a statement on all allegations of non-compliance with the principles.

**In accordance with the requirements of the National Competition Policy the Shire makes the following disclosure for the reporting period.**

- The Shire does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise;
- The number of activities to which competitive neutrality principles have been considered but not applied in the reporting period is: One (1) - Learmonth Aviation Operations. A study into the operations of the Learmonth Aviation Operations concluded that competitive neutrality not be applied to the Learmonth Aviation Operations. Council will continue to monitor the benefits of applying competitive neutrality on an ongoing basis;
- During the reporting period the Shire did not receive any complaints or did not become aware of any allegations of non-compliance with the competitive neutrality principles made by a private entity against the Shire.

## MOVING FORWARD

The Ningaloo Eclipse is coming to the Shire and preparations are in full swing. The once-in-a-lifetime event is set to take place on 20 April 2023, and the team at the Shire is getting ready for the event. From creating a plan to ensure the safety of visitors to organizing accommodations and activities. They are also working with other stakeholders to ensure that the economic and social benefits of the event are maximized.



# FINANCIAL REPORT

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

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**COMMUNITY VISION:**

To be a prosperous and sustainable community living in harmony with our natural environment.

Principal place of business:  
2 Truscott Crescent  
Exmouth WA 6707

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

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

Signed on the 13 day of December 2022



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Chief Executive Officer

Ben Lewis

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Name of Chief Executive Officer





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

|   | NOTE       | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|---|------------|----------------------|----------------------|----------------------|
| <b>Revenue</b>  |            |                      |                      |                      |
| Rates   | 24(a),2(a) | 3,681,391            | 3,679,000            | 3,489,748            |
| Operating grants, subsidies and contributions                                   | 2(a)       | 4,512,738            | 2,119,500            | 2,734,381            |
| Fees and charges  | 23(b),2(a) | 7,839,460            | 8,887,000            | 7,890,796            |
| Interest earnings   | 2(a)       | 60,869               | 85,000               | 74,074               |
| Other revenue   | 2(a)       | 314,931              | 267,500              | 704,842              |
|   |            | 16,409,389           | 15,038,000           | 14,893,841           |
| <b>Expenses</b>   |            |                      |                      |                      |
| Employee costs  |            | (7,042,300)          | (7,014,000)          | (6,466,313)          |
| Materials and contracts   |            | (4,131,757)          | (4,053,000)          | (3,646,535)          |
| Utility charges   |            | (849,884)            | (720,500)            | (821,509)            |
| Depreciation  | 10(a)      | (3,672,091)          | (3,666,000)          | (3,729,681)          |
| Finance costs   | 2(b)       | (77,168)             | (68,000)             | (72,380)             |
| Insurance   |            | (527,125)            | (482,000)            | (390,684)            |
| Other expenditure   | 2(b)       | (709,487)            | (695,000)            | (286,872)            |
|   |            | (17,009,812)         | (16,698,500)         | (15,413,974)         |
|   |            | (600,423)            | (1,660,500)          | (520,133)            |
| Non-Operating grants, subsidies and contributions                               | 2(a)       | 2,903,712            | 2,783,000            | 1,759,713            |
| Profit on asset disposals   | 10(b)      | 1,862                | 0                    | 0                    |
| Loss on asset disposals   | 10(b)      | (126,589)            | 0                    | (16,000)             |
| Fair value adjustments to financial assets at fair value through profit or loss |            | 5,995                | 0                    | 3,878                |
|   |            | 2,784,980            | 2,783,000            | 1,747,591            |
| <b>Net result for the period</b>  | 23(a)      | <b>2,184,557</b>     | <b>1,122,500</b>     | <b>1,227,458</b>     |
| <b>Other comprehensive income for the period</b>                                |            |                      |                      |                      |
| <i>Items that will not be reclassified subsequently to profit or loss</i>       |            |                      |                      |                      |
| Changes in asset revaluation surplus  | 17         | 31,603,493           | 0                    | (2,564,336)          |
| <b>Total other comprehensive income for the period</b>                          | 17         | <b>31,603,493</b>    | <b>0</b>             | <b>(2,564,336)</b>   |
| <b>Total comprehensive income for the period</b>                                |            | <b>33,788,050</b>    | <b>1,122,500</b>     | <b>(1,336,878)</b>   |

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



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

|                                      | NOTE | 2022<br>\$         | 2021<br>\$         |
|--------------------------------------|------|--------------------|--------------------|
| <b>CURRENT ASSETS</b>                |      |                    |                    |
| Cash and cash equivalents            | 3    | 15,287,959         | 12,640,020         |
| Trade and other receivables          | 6    | 2,975,253          | 2,430,918          |
| Inventories                          | 7    | 168,185            | 114,747            |
| <b>TOTAL CURRENT ASSETS</b>          |      | <b>18,431,397</b>  | <b>15,185,685</b>  |
| <b>NON-CURRENT ASSETS</b>            |      |                    |                    |
| Trade and other receivables          | 6    | 102,934            | 160,126            |
| Other financial assets               | 4(a) | 116,706            | 110,710            |
| Property, plant and equipment        | 8    | 100,058,781        | 69,218,637         |
| Infrastructure                       | 9    | 52,039,938         | 49,585,723         |
| Right-of-use assets                  | 11   | 5,837              | 136,899            |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <b>152,324,196</b> | <b>119,212,095</b> |
| <b>TOTAL ASSETS</b>                  |      | <b>170,755,593</b> | <b>134,397,780</b> |
| <b>CURRENT LIABILITIES</b>           |      |                    |                    |
| Trade and other payables             | 12   | 4,492,472          | 3,137,428          |
| Other liabilities                    | 13   | 354,092            | 409,363            |
| Lease liabilities                    | 14   | 6,122              | 134,745            |
| Borrowings                           | 15   | 354,034            | 290,666            |
| Employee related provisions          | 16   | 778,391            | 736,893            |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>5,985,111</b>   | <b>4,709,095</b>   |
| <b>NON-CURRENT LIABILITIES</b>       |      |                    |                    |
| Lease liabilities                    | 14   | 0                  | 6,122              |
| Borrowings                           | 15   | 3,098,921          | 1,792,955          |
| Employee related provisions          | 16   | 164,699            | 170,796            |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <b>3,263,620</b>   | <b>1,969,873</b>   |
| <b>TOTAL LIABILITIES</b>             |      | <b>9,248,731</b>   | <b>6,678,968</b>   |
| <b>NET ASSETS</b>                    |      | <b>161,506,862</b> | <b>127,718,812</b> |
| <b>EQUITY</b>                        |      |                    |                    |
| Retained surplus                     |      | 66,259,268         | 64,735,398         |
| Reserve accounts                     | 5    | 11,279,359         | 10,618,672         |
| Revaluation surplus                  | 17   | 83,968,235         | 52,364,742         |
| <b>TOTAL EQUITY</b>                  |      | <b>161,506,862</b> | <b>127,718,812</b> |

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



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

|   | NOTE | RETAINED<br>SURPLUS<br>\$ | RESERVE<br>ACCOUNTS<br>\$ | REVALUATION<br>SURPLUS<br>\$ | TOTAL<br>EQUITY<br>\$ |
|---|------|---------------------------|---------------------------|------------------------------|-----------------------|
| <b>Balance as at 1 July 2020</b>          |      | <b>65,117,313</b>         | <b>9,009,299</b>          | <b>54,929,078</b>            | <b>129,055,690</b>    |
| Comprehensive income for the period       |      |                           |                           |                              |                       |
| Net result for the period                 |      | 1,227,458                 | 0                         | 0                            | 1,227,458             |
| Other comprehensive income for the period | 17   | 0                         | 0                         | (2,564,336)                  | (2,564,336)           |
| Total comprehensive income for the period |      | 1,227,458                 | 0                         | (2,564,336)                  | (1,336,878)           |
| Transfers from reserves                   | 5    | 1,698,000                 | (1,698,000)               | 0                            | 0                     |
| Transfers to reserves                     | 5    | (3,307,373)               | 3,307,373                 | 0                            | 0                     |
| <b>Balance as at 30 June 2021</b>         |      | <b>64,735,398</b>         | <b>10,618,672</b>         | <b>52,364,742</b>            | <b>127,718,812</b>    |
| Comprehensive income for the period       |      |                           |                           |                              |                       |
| Net result for the period                 |      | 2,184,557                 | 0                         | 0                            | 2,184,557             |
| Other comprehensive income for the period | 17   | 0                         | 0                         | 31,603,493                   | 31,603,493            |
| Total comprehensive income for the period |      | 2,184,557                 | 0                         | 31,603,493                   | 33,788,050            |
| Transfers from reserves                   | 5    | 1,961,817                 | (1,961,817)               | 0                            | 0                     |
| Transfers to reserves                     | 5    | (2,622,504)               | 2,622,504                 | 0                            | 0                     |
| <b>Balance as at 30 June 2022</b>         |      | <b>66,259,268</b>         | <b>11,279,359</b>         | <b>83,968,235</b>            | <b>161,506,862</b>    |

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



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

|  | NOTE  | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|--|-------|----------------------|----------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |       |                      |                      |                      |
| <b>Receipts</b>  |       |                      |                      |                      |
| Rates  |       | 3,739,080            | 3,679,000            | 3,770,866            |
| Operating grants, subsidies and contributions              |       | 3,875,061            | 2,119,500            | 1,624,809            |
| Fees and charges   |       | 7,839,460            | 8,887,000            | 7,890,796            |
| Interest received  |       | 60,869               | 85,000               | 74,074               |
| Goods and services tax received                            |       | 0                    | 0                    | 196,713              |
| Other revenue  |       | 314,931              | 267,500              | 704,842              |
|  |       | 15,829,401           | 15,038,000           | 14,262,100           |
| <b>Payments</b>  |       |                      |                      |                      |
| Employee costs   |       | (6,998,185)          | (7,014,000)          | (6,600,972)          |
| Materials and contracts                                    |       | (2,847,399)          | (3,753,000)          | (1,449,740)          |
| Utility charges  |       | (849,884)            | (720,500)            | (821,509)            |
| Finance costs  |       | (64,707)             | (68,000)             | (72,380)             |
| Insurance paid   |       | (527,125)            | (482,000)            | (390,684)            |
| Goods and services tax paid                                |       | (23,553)             | 0                    | (141,812)            |
| Other expenditure  |       | (709,487)            | (695,000)            | (286,872)            |
|  |       | (12,020,340)         | (12,732,500)         | (9,763,969)          |
| <b>Net cash provided by (used in) operating activities</b> | 18(b) | 3,809,061            | 2,305,500            | 4,498,131            |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |       |                      |                      |                      |
| Payments for purchase of property, plant & equipment       | 8(a)  | (2,657,439)          | (3,005,000)          | (3,199,830)          |
| Payments for construction of infrastructure                | 9(a)  | (3,147,933)          | (8,093,000)          | (2,804,332)          |
| Non-operating grants, subsidies and contributions          |       | 2,903,712            | 2,783,000            | 1,759,713            |
| Proceeds from sale of property, plant & equipment          | 10(b) | 448,750              | 110,000              | 40,000               |
| <b>Net cash provided by (used in) investing activities</b> |       | (2,452,911)          | (8,205,000)          | (4,204,449)          |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                |       |                      |                      |                      |
| Advance to community groups                                |       | 0                    | 0                    | (45,000)             |
| Proceeds from community loans                              |       | 57,200               | 15,000               | 22,700               |
| Repayment of borrowings                                    | 15(b) | (290,666)            | (290,500)            | (231,702)            |
| Payments for principal portion of lease liabilities        | 14(b) | (134,745)            | (135,000)            | (148,937)            |
| Proceeds from new borrowings                               | 15(c) | 1,660,000            | 4,800,000            | 540,000              |
| <b>Net cash provided by (used in) financing activities</b> |       | 1,291,789            | 4,389,500            | 137,061              |
| <b>Net increase (decrease) in cash held</b>                |       | 2,647,939            | (1,510,000)          | 430,743              |
| Cash at beginning of year                                  |       | 12,640,020           | 13,171,683           | 12,209,277           |
| <b>Cash and cash equivalents at the end of the year</b>    | 18(a) | 15,287,959           | 11,661,683           | 12,640,020           |

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



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

|   | NOTE  | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|---|-------|----------------------|----------------------|----------------------|
| <b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>      | 25(b) | 1,388,551            | 2,887,155            | 2,691,280            |
| <b>OPERATING ACTIVITIES</b>   |       |                      |                      |                      |
| <b>Revenue from operating activities (excluding general rate)</b>               |       |                      |                      |                      |
| Rates (excluding general rate)  | 24(b) | 51,780               | 51,000               | 48,727               |
| Operating grants, subsidies and contributions                                   |       | 4,512,738            | 2,119,500            | 2,734,381            |
| Fees and charges  |       | 7,839,460            | 8,887,000            | 7,890,796            |
| Interest earnings   |       | 60,869               | 85,000               | 74,074               |
| Other revenue   |       | 314,931              | 267,500              | 704,842              |
| Profit on asset disposals   | 10(b) | 1,862                | 0                    | 0                    |
| Fair value adjustments to financial assets at fair value through profit or loss |       | 5,995                | 0                    | 3,878                |
|   |       | 12,787,635           | 11,410,000           | 11,456,698           |
| <b>Expenditure from operating activities</b>                                    |       |                      |                      |                      |
| Employee costs  |       | (7,042,300)          | (7,014,000)          | (6,466,313)          |
| Materials and contracts   |       | (4,131,757)          | (4,053,000)          | (3,646,535)          |
| Utility charges   |       | (849,884)            | (720,500)            | (821,509)            |
| Depreciation  |       | (3,672,091)          | (3,666,000)          | (3,729,681)          |
| Finance costs   |       | (77,168)             | (68,000)             | (72,380)             |
| Insurance   |       | (527,125)            | (482,000)            | (390,684)            |
| Other expenditure   |       | (709,487)            | (695,000)            | (286,872)            |
| Loss on asset disposals   | 10(b) | (126,589)            | 0                    | (16,000)             |
|   |       | (17,136,401)         | (16,698,500)         | (15,429,974)         |
| Non-cash amounts excluded from operating activities                             | 25(a) | 3,445,686            | 3,666,000            | 4,906,288            |
| <b>Amount attributable to operating activities</b>                              |       | (903,080)            | (1,622,500)          | 933,012              |
| <b>INVESTING ACTIVITIES</b>   |       |                      |                      |                      |
| Non-operating grants, subsidies and contributions                               |       | 2,903,712            | 2,783,000            | 1,759,713            |
| Proceeds from disposal of assets  | 10(b) | 448,750              | 110,000              | 40,000               |
| Purchase of property, plant and equipment                                       | 8(a)  | (2,657,439)          | (3,005,000)          | (3,199,831)          |
| Purchase and construction of infrastructure                                     | 9(a)  | (3,147,933)          | (8,093,000)          | (2,804,332)          |
|   |       | (2,452,910)          | (8,205,000)          | (4,204,450)          |
| <b>Amount attributable to investing activities</b>                              |       | (2,452,910)          | (8,205,000)          | (4,204,450)          |
| <b>FINANCING ACTIVITIES</b>   |       |                      |                      |                      |
| Repayment of borrowings   | 15(b) | (290,666)            | (290,500)            | (231,702)            |
| Proceeds from borrowings  | 15(c) | 1,660,000            | 4,800,000            | 540,000              |
| Proceeds from community loans   |       | 57,200               | 15,000               | 22,700               |
| Advance to community groups   |       | 0                    | 0                    | (45,000)             |
| Payments for principal portion of lease liabilities                             | 14(b) | (134,745)            | (135,000)            | (148,937)            |
| Transfers to reserves (restricted assets)                                       | 5     | (2,622,504)          | (3,857,000)          | (3,307,373)          |
| Transfers from reserves (restricted assets)                                     | 5     | 1,961,817            | 2,793,000            | 1,698,000            |
| <b>Amount attributable to financing activities</b>                              |       | 631,102              | 3,325,500            | (1,472,312)          |
| <b>Surplus/(deficit) before imposition of general rates</b>                     |       | (1,336,337)          | (3,614,845)          | (2,052,470)          |
| <b>Total amount raised from general rates</b>                                   | 24(a) | 3,629,611            | 3,628,000            | 3,441,021            |
| <b>Surplus/(deficit) after imposition of general rates</b>                      | 25(b) | <b>2,293,274</b>     | <b>13,155</b>        | <b>1,388,551</b>     |

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



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

**1. BASIS OF PREPARATION**

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

**Local Government Act 1995 requirements**

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

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

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

**The local government reporting entity**

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 of the financial report.

**Judgements and estimates**

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

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

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

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

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

**2. REVENUE AND EXPENSES**

**(a) Revenue Recognition**

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

**For the year ended 30 June 2022**

| Nature or type                                    | Contracts with customers | Capital grant/contributions | Statutory Requirements | Other             | Total             |
|---|--------------------------|-----------------------------|------------------------|-------------------|-------------------|
|   | \$                       | \$                          | \$                     | \$                | \$                |
| Rates   | 0                        | 0                           | 3,681,391              | 0                 | 3,681,391         |
| Operating grants, subsidies and contributions     | 0                        | 0                           | 0                      | 4,512,738         | 4,512,738         |
| Fees and charges                                  | 0                        | 0                           | 61,460                 | 7,778,000         | 7,839,460         |
| Interest earnings                                 | 0                        | 0                           | 25,984                 | 34,885            | 60,869            |
| Other revenue                                     | 0                        | 0                           | 0                      | 314,931           | 314,931           |
| Non-operating grants, subsidies and contributions | 0                        | 3,257,803                   | 0                      | 0                 | 3,257,803         |
| <b>Total</b>                                      | <b>0</b>                 | <b>3,257,803</b>            | <b>3,768,835</b>       | <b>12,640,554</b> | <b>19,667,192</b> |

**For the year ended 30 June 2021**

| Nature or type                                    | Contracts with customers | Capital grant/contributions | Statutory Requirements | Other             | Total             |
|---|--------------------------|-----------------------------|------------------------|-------------------|-------------------|
|   | \$                       | \$                          | \$                     | \$                | \$                |
| Rates   | 0                        | 0                           | 3,489,748              | 0                 | 3,489,748         |
| Operating grants, subsidies and contributions     | 0                        | 0                           | 0                      | 2,734,381         | 2,734,381         |
| Fees and charges                                  | 0                        | 0                           | 0                      | 7,890,796         | 7,890,796         |
| Interest earnings                                 | 0                        | 0                           | 25,925                 | 48,149            | 74,074            |
| Other revenue                                     | 0                        | 0                           | 0                      | 704,842           | 704,842           |
| Non-operating grants, subsidies and contributions | 0                        | 1,759,713                   | 0                      | 0                 | 1,759,713         |
| <b>Total</b>                                      | <b>0</b>                 | <b>1,759,713</b>            | <b>3,515,673</b>       | <b>11,378,168</b> | <b>16,653,554</b> |

| Note   | 2022 Actual    | 2022 Budget    | 2021 Actual    |
|--|----------------|----------------|----------------|
| <b>Interest earnings</b>                                 |                |                |                |
| Interest on reserve funds                                | 34,885         | 40,000         | 47,263         |
| Rates instalment and penalty interest (refer Note 24(e)) | 25,984         | 40,000         | 25,925         |
| Other interest earnings                                  | 0              | 5,000          | 886            |
|  | <b>60,869</b>  | <b>85,000</b>  | <b>74,074</b>  |
| <b>(b) Expenses</b>                                      |                |                |                |
| <b>Auditors remuneration</b>                             |                |                |                |
| - Audit of the Annual Financial Report                   | 48,500         | 60,000         | 44,700         |
| - Other services   | 41,760         | 3,500          | 160            |
|  | <b>90,260</b>  | <b>63,500</b>  | <b>44,860</b>  |
| <b>Finance costs</b>                                     |                |                |                |
| Borrowings   | 15(b) 74,981   | 66,000         | 66,134         |
| Lease liabilities  | 14(b) 2,187    | 2,000          | 6,246          |
|  | <b>77,168</b>  | <b>68,000</b>  | <b>72,380</b>  |
| <b>Other expenditure</b>                                 |                |                |                |
| Sundry expenses  | 709,487        | 695,000        | 286,872        |
|  | <b>709,487</b> | <b>695,000</b> | <b>286,872</b> |



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

**3. CASH AND CASH EQUIVALENTS**

Unrestricted cash and cash equivalents  
 Restricted cash and cash equivalents  
**Total cash and cash equivalents**

| Note  | 2022       | 2021       |
|-------|------------|------------|
|       | \$         | \$         |
|       | 4,008,600  | 2,021,348  |
| 18(a) | 11,279,359 | 10,618,672 |
|       | 15,287,959 | 12,640,020 |

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

**Restricted financial assets**

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

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

**4. OTHER FINANCIAL ASSETS**

**(a) 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

| 2022    | 2021    |
|---------|---------|
| \$      | \$      |
| 116,706 | 110,710 |
| 116,706 | 110,710 |
| 116,706 | 110,710 |
| 116,706 | 110,710 |

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

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

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

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

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

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

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 21.

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

**5 RESERVE ACCOUNTS**

|   | 2022<br>Actual<br>Opening<br>Balance | 2022<br>Actual<br>Transfer to | 2022<br>Actual<br>Transfer<br>(from) | 2022<br>Actual<br>Closing<br>Balance | 2022<br>Budget<br>Opening<br>Balance | 2022<br>Budget<br>Transfer to | 2022<br>Budget<br>Transfer<br>(from) | 2022<br>Budget<br>Closing<br>Balance | 2021<br>Actual<br>Opening<br>Balance | 2021<br>Actual<br>Transfer to | 2021<br>Actual<br>Transfer<br>(from) | 2021<br>Actual<br>Closing<br>Balance |
|---|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|
|   | \$                                   | \$                            | \$                                   | \$                                   | \$                                   | \$                            | \$                                   | \$                                   | \$                                   | \$                            | \$                                   | \$                                   |
| <b>Restricted by legislation/agreement</b>      |                                      |                               |                                      |                                      |                                      |                               |                                      |                                      |                                      |                               |                                      |                                      |
| (a) Marina Canal Reserve (Specified Area Rates) | 411,149                              | 53,405                        | 0                                    | 464,554                              | 409,753                              | 51,000                        | 0                                    | 460,753                              | 360,269                              | 50,880                        | 0                                    | 411,149                              |
|   | 411,149                              | 53,405                        | 0                                    | 464,554                              | 409,753                              | 51,000                        | 0                                    | 460,753                              | 360,269                              | 50,880                        | 0                                    | 411,149                              |
| <b>Restricted by council</b>                    |                                      |                               |                                      |                                      |                                      |                               |                                      |                                      |                                      |                               |                                      |                                      |
| (b) Leave reserve                               | 699,202                              | 2,399                         | 0                                    | 701,601                              | 698,134                              | 3,000                         | 0                                    | 701,134                              | 695,562                              | 3,640                         | 0                                    | 699,202                              |
| (c) Aviation Reserve                            | 1,172,684                            | 4,023                         | (51,246)                             | 1,125,461                            | 1,171,028                            | 5,000                         | (80,000)                             | 1,096,028                            | 1,166,579                            | 6,105                         | 0                                    | 1,172,684                            |
| (d) Building Infrastructure Reserve             | 81,401                               | 331                           | 0                                    | 81,732                               | 80,935                               | 0                             | 0                                    | 80,935                               | 595,760                              | 2,641                         | (517,000)                            | 81,401                               |
| (e) Community Development Reserve               | 1,382,658                            | 4,746                         | (262,375)                            | 1,125,029                            | 1,369,602                            | 5,000                         | 0                                    | 1,374,602                            | 1,375,459                            | 7,199                         | 0                                    | 1,382,658                            |
| (f) Community Interest Free Reserve             | 278,065                              | 953                           | 0                                    | 279,018                              | 184,009                              | 1,000                         | 0                                    | 185,009                              | 321,450                              | 1,615                         | (45,000)                             | 278,065                              |
| (g) Insurance/Natural Disaster Reserve          | 183,974                              | 631                           | 0                                    | 184,605                              | 322,636                              | 1,000                         | 0                                    | 323,636                              | 183,016                              | 958                           | 0                                    | 183,974                              |
| (h) Land Acquisition Reserve                    | 1,725,802                            | 5,823                         | (340,000)                            | 1,391,625                            | 1,469,825                            | 7,000                         | (250,000)                            | 1,226,825                            | 736,873                              | 1,308,929                     | (320,000)                            | 1,725,802                            |
| (i) Marina Village Asset Replacement Reserve    | 33,442                               | 115                           | 0                                    | 33,557                               | 33,267                               | 0                             | 0                                    | 33,267                               | 33,268                               | 174                           | 0                                    | 33,442                               |
| (j) Mosquito Management Reserve                 | 10,161                               | 35                            | 0                                    | 10,196                               | 10,108                               | 0                             | 0                                    | 10,108                               | 10,108                               | 53                            | 0                                    | 10,161                               |
| (k) Ningaloo Centre Reserve                     | 257,175                              | 37,882                        | 0                                    | 295,057                              | 256,826                              | 38,000                        | 0                                    | 294,826                              | 255,836                              | 1,339                         | 0                                    | 257,175                              |
| (l) Plant Reserve                               | 550,296                              | 531,851                       | (621,548)                            | 460,599                              | 549,938                              | 532,000                       | (650,000)                            | 431,938                              | 187,979                              | 551,317                       | (189,000)                            | 550,296                              |
| (m) Public Radio Infrastructure Reserve         | 5,185                                | 18                            | 0                                    | 5,203                                | 5,158                                | 0                             | 0                                    | 5,158                                | 5,158                                | 27                            | 0                                    | 5,185                                |
| (n) Rehabilitation Reserve                      | 253,435                              | 870                           | 0                                    | 254,305                              | 253,106                              | 1,000                         | 0                                    | 254,106                              | 252,116                              | 1,319                         | 0                                    | 253,435                              |
| (o) Roads Reserve                               | 901,228                              | 3,061                         | 0                                    | 904,289                              | 900,020                              | 4,000                         | 0                                    | 904,020                              | 592,844                              | 768,384                       | (460,000)                            | 901,228                              |
| (p) Shire President COVID-19 Relief Fund        | 40,209                               | 138                           | 0                                    | 40,347                               | 41,000                               | 0                             | 0                                    | 41,000                               | 40,000                               | 209                           | 0                                    | 40,209                               |
| (q) Shire Staff Housing Reserve                 | 137,092                              | 472                           | (100,000)                            | 37,564                               | 137,373                              | 1,501,000                     | (100,000)                            | 1,538,373                            | 136,378                              | 714                           | 0                                    | 137,092                              |
| (r) Swimming Pool Reserve                       | 650,793                              | 1,702,222                     | (46,805)                             | 2,306,210                            | 649,908                              | 1,703,000                     | (450,000)                            | 1,902,908                            | 547,831                              | 102,962                       | 0                                    | 650,793                              |
| (s) Tourism Development Reserve                 | 358,832                              | 1,216                         | (5,000)                              | 355,048                              | 251,000                              | 1,000                         | 0                                    | 252,000                              | 200,008                              | 158,824                       | 0                                    | 358,832                              |
| (t) Town Planning Scheme Reserve                | 21,969                               | 76                            | 0                                    | 22,045                               | 21,854                               | 0                             | 0                                    | 21,854                               | 21,855                               | 114                           | 0                                    | 21,969                               |
| (u) Waste & Recycle Management Reserve          | 1,054,557                            | 3,619                         | (236,085)                            | 822,091                              | 1,052,906                            | 4,000                         | (548,000)                            | 508,906                              | 1,073,950                            | 5,607                         | (25,000)                             | 1,054,557                            |
| (v) Unspent Grants & Contributions Reserve      | 409,363                              | 268,618                       | (298,758)                            | 379,223                              | 715,000                              | 0                             | (715,000)                            | 0                                    | 217,000                              | 334,363                       | (142,000)                            | 409,363                              |
|   | 10,207,523                           | 2,569,099                     | (1,961,817)                          | 10,814,805                           | 10,173,633                           | 3,806,000                     | (2,793,000)                          | 11,186,633                           | 8,649,030                            | 3,256,493                     | (1,698,000)                          | 10,207,523                           |
|   | 10,618,672                           | 2,622,504                     | (1,961,817)                          | 11,279,359                           | 10,583,386                           | 3,857,000                     | (2,793,000)                          | 11,647,386                           | 9,009,299                            | 3,307,373                     | (1,698,000)                          | 10,618,672                           |

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:

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

**5 RESERVE ACCOUNTS**

| <b>Name of Reserve</b>                          | <b>Purpose of the reserve</b>   |
|---|---|
| (a) Marina Canal Reserve (Specified Area Rates) | These funds are derived from levying specified area rate titles Marina Specified Area Rates.  |
| (b) Leave reserve                               | To be used for annual and long service leave requirements.  |
| (c) Aviation Reserve                            | To be used to fund aviation improvements.   |
| (d) Building Infrastructure Reserve             | To be used for the development, preservation and maintenance of building infrastructure with the Shire of Exmouth.  |
| (e) Community Development Reserve               | To be used for major community development initiatives.   |
| (f) Community Interest Free Reserve             | To be used to fund major community development projects.  |
| (g) Insurance/Natural Disaster Reserve          | To be used for the purpose of funding insurance claims where the excess is higher than the cost of repairs in addition to any weather related insurance/WANDRRA claims. |
| (h) Land Acquisition Reserve                    | To be used to fund the acquisition and disposal of land and buildings and provide contributions for land development within the Shire of Exmouth.                       |
| (i) Marina Village Asset Replacement Reserve    | To be used for the preservation and maintenance of infrastructure related to the Exmouth Marina Village.  |
| (j) Mosquito Management Reserve                 | To be used in years where mosquito-borne disease/nuisance is greater than normal.   |
| (k) Ningaloo Centre Reserve                     | To be used for the preservation and maintenance of the Ningaloo Centre.   |
| (l) Plant Reserve                               | To be used for the purchase of major plant and equipment.   |
| (m) Public Radio Infrastructure Reserve         | To be used to maintain the rebroadcasting infrastructure.   |
| (n) Rehabilitation Reserve                      | To be used to manage the funds associated with the environmental rehabilitation of the sand and gravel pits within the Shire of Exmouth.                                |
| (o) Roads Reserve                               | To be used for the preservation and maintenance of roads.   |
| (p) Shire President COVID-19 Relief Fund        | To be used to support the community who are severely financially affected by COVID-19.  |
| (q) Shire Staff Housing Reserve                 | To be used to fund housing for staff.   |
| (r) Swimming Pool Reserve                       | To be used to fund swimming pool upgrades.  |
| (s) Tourism Development Reserve                 | To be used to fund the development and implementation of initiatives to achieve the strategic tourism and economic developments of the Shire of Exmouth.                |
| (t) Town Planning Scheme Reserve                | To be used for the purpose of funding a review of the future Town Planning Scheme.  |
| (u) Waste & Recycle Management Reserve          | To be used to fund capital and operational costs of Refuse Site including implementation of post closure plan.  |
| (v) Unspent Grants & Contributions Reserve      | To be used to contain funds that are derived from unspent grants or prepaid grants and contributions from external parties.   |

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

**6 TRADE AND OTHER RECEIVABLES**

**Current**

Rates receivable  
 Trade and other receivables  
 GST receivable  
 Loans receivable - clubs/institution

**Non-current**

Pensioner's rates and ESL deferred  
 Loans receivable - clubs/institution

| Note | 2022             | 2021             |
|------|------------------|------------------|
|      | \$               | \$               |
|      | 177,378          | 234,502          |
|      | 2,619,420        | 2,037,014        |
|      | 166,255          | 142,702          |
|      | 12,200           | 16,700           |
|      | <b>2,975,253</b> | <b>2,430,918</b> |
|      | 45,534           | 50,026           |
|      | 57,400           | 110,100          |
|      | <b>102,934</b>   | <b>160,126</b>   |

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 21.

**Classification and subsequent measurement**

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

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

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

**7. INVENTORIES**

**Current**

Fuel and materials  
 Visitor centre stock

| Note | 2022           | 2021           |
|------|----------------|----------------|
|      | \$             | \$             |
|      | 54,265         | 18,586         |
|      | 113,920        | 96,161         |
|      | <b>168,185</b> | <b>114,747</b> |

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**

|  |                |                |
|--|----------------|----------------|
|  | 114,747        | 1,047,439      |
|  | 0              | (964,175)      |
|  | 53,438         | 31,483         |
|  | <b>168,185</b> | <b>114,747</b> |

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

**Land held for resale**

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

**Land held for resale (Continued)**

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

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

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

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

**8. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

|  | Note  | Land              | Buildings -<br>non-<br>specialised | Buildings -<br>specialised | Total land<br>and<br>buildings | Furniture<br>and<br>equipment | Plant and<br>equipment | Other<br>property,<br>plant and<br>equipment -<br>Works in<br>progress | Total<br>property,<br>plant and<br>equipment |
|--|-------|-------------------|------------------------------------|----------------------------|--------------------------------|-------------------------------|------------------------|--|--|
|  |       | \$                | \$                                 | \$                         | \$                             | \$                            | \$                     | \$   | \$   |
| <b>Balance at 1 July 2020</b>  |       | 7,703,000         | 5,020,749                          | 50,360,648                 | 63,084,397                     | 1,020,420                     | 2,515,590              | 1,105,360  | 67,725,767                                   |
| Additions  |       | 514,289           | 433,967                            | 555,331                    | 1,503,587                      | 67,704                        | 252,652                | 1,425,948  | 3,249,891                                    |
| Disposals  |       | 0                 | 0                                  | 0                          | 0                              | 0                             | (56,000)               | 0  | (56,000)                                     |
| Revaluation increments / (decrements) transferred to revaluation surplus |       | 0                 | 0                                  | 0                          | 0                              | (54,847)                      | (5,345)                | 0  | (60,192)                                     |
| Depreciation   | 10(a) | 0                 | (92,887)                           | (971,106)                  | (1,063,993)                    | (153,774)                     | (373,002)              | 0  | (1,590,769)                                  |
| Transfers  |       | 429,500           | 0                                  | 0                          | 429,500                        | 255,000                       | 362,000                | (1,096,560)  | (50,060)                                     |
| <b>Balance at 30 June 2021</b>   |       | <b>8,646,789</b>  | <b>5,361,829</b>                   | <b>49,944,873</b>          | <b>63,953,491</b>              | <b>1,134,503</b>              | <b>2,695,895</b>       | <b>1,434,748</b>   | <b>69,218,637</b>                            |
| <b>Comprises:</b>  |       |                   |                                    |                            |                                |                               |                        |  |  |
| Gross balance amount at 30 June 2021                                     |       | 8,646,789         | 7,449,487                          | 77,247,390                 | 93,343,666                     | 1,985,516                     | 6,512,926              | 1,434,748  | 103,276,856                                  |
| Accumulated depreciation at 30 June 2021                                 |       | 0                 | (2,087,658)                        | (27,302,517)               | (29,390,175)                   | (851,013)                     | (3,817,031)            | 0  | (34,058,219)                                 |
| <b>Balance at 30 June 2021</b>   |       | <b>8,646,789</b>  | <b>5,361,829</b>                   | <b>49,944,873</b>          | <b>63,953,491</b>              | <b>1,134,503</b>              | <b>2,695,895</b>       | <b>1,434,748</b>   | <b>69,218,637</b>                            |
| Additions  |       | 295,000           | 1,418,704                          | 136,306                    | 1,850,010                      | 0                             | 224,777                | 582,652  | 2,657,439                                    |
| Disposals  |       | (330,000)         | 0                                  | (87,883)                   | (417,883)                      | 0                             | (155,594)              | 0  | (573,477)                                    |
| Revaluation increments / (decrements) transferred to revaluation surplus |       | 8,458,211         | 231,510                            | 22,013,772                 | 30,703,493                     | 0                             | 0                      | 0  | 30,703,493                                   |
| Depreciation   | 10(a) | 0                 | (104,811)                          | (978,575)                  | (1,083,386)                    | (170,014)                     | (320,935)              | 0  | (1,574,335)                                  |
| Transfers  |       | 0                 | (763,032)                          | 1,651,907                  | 888,875                        | 0                             | 172,897                | (1,434,748)  | (372,976)                                    |
| <b>Balance at 30 June 2022</b>   |       | <b>17,070,000</b> | <b>6,144,200</b>                   | <b>72,680,400</b>          | <b>95,894,600</b>              | <b>964,489</b>                | <b>2,617,040</b>       | <b>582,652</b>   | <b>100,058,781</b>                           |
| <b>Comprises:</b>  |       |                   |                                    |                            |                                |                               |                        |  |  |
| Gross balance amount at 30 June 2022                                     |       | 17,070,000        | 9,143,400                          | 99,399,600                 | 125,613,000                    | 1,985,516                     | 6,613,397              | 582,652  | 134,794,565                                  |
| Accumulated depreciation at 30 June 2022                                 |       | 0                 | (2,999,200)                        | (26,719,200)               | (29,718,400)                   | (1,021,027)                   | (3,996,357)            | 0  | (34,735,784)                                 |
| <b>Balance at 30 June 2022</b>   |       | <b>17,070,000</b> | <b>6,144,200</b>                   | <b>72,680,400</b>          | <b>95,894,600</b>              | <b>964,489</b>                | <b>2,617,040</b>       | <b>582,652</b>   | <b>100,058,781</b>                           |

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

**9. INFRASTRUCTURE**

**(a) Movements in Balances**

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

|  | Note  | Infrastructure -<br>roads | Other<br>infrastructure | Other<br>infrastructure -<br>Works in progress | Total<br>Infrastructure |
|--|-------|---------------------------|-------------------------|--|-------------------------|
|  |       | \$                        | \$                      | \$   | \$                      |
| <b>Balance at 1 July 2020</b>  |       | 36,315,714                | 14,849,310              | 110,548  | 51,275,572              |
| Additions  |       | 2,111,195                 | 206,978                 | 458,090  | 2,776,263               |
| Revaluation increments / (decrements) transferred to revaluation surplus |       | 0                         | (4,144)                 | 0  | (4,144)                 |
| Impairment (losses) / reversals  |       | (2,500,000)               | 0                       | 0  | (2,500,000)             |
| Depreciation   | 10(a) | (1,475,366)               | (514,671)               | 0  | (1,990,037)             |
| Transfers  |       |                           | 138,617                 | (110,548)                                      | 28,069                  |
| <b>Balance at 30 June 2021</b>   |       | <b>34,451,543</b>         | <b>14,676,090</b>       | <b>458,090</b>                                 | <b>49,585,723</b>       |
| <b>Comprises:</b>  |       |                           |                         |  |                         |
| Gross balance at 30 June 2021  |       | 47,337,662                | 22,460,916              | 458,090  | 70,256,668              |
| Accumulated depreciation at 30 June 2021                                 |       | (12,886,119)              | (7,784,826)             | 0  | (20,670,945)            |
| <b>Balance at 30 June 2021</b>   |       | <b>34,451,543</b>         | <b>14,676,090</b>       | <b>458,090</b>                                 | <b>49,585,723</b>       |
| Additions  |       | 1,577,353                 | 1,341,305               | 229,275  | 3,147,933               |
| Impairment (losses) / reversals  |       | 900,000                   | 0                       | 0  | 900,000                 |
| Depreciation   | 10(a) | (1,440,646)               | (526,048)               | 0  | (1,966,694)             |
| Transfers  |       | 0                         | 781,306                 | (408,330)                                      | 372,976                 |
| <b>Balance at 30 June 2022</b>   |       | <b>35,488,250</b>         | <b>16,272,653</b>       | <b>279,035</b>                                 | <b>52,039,938</b>       |
| <b>Comprises:</b>  |       |                           |                         |  |                         |
| Gross balance at 30 June 2022  |       | 49,815,015                | 24,889,551              | 279,035  | 74,983,601              |
| Accumulated depreciation at 30 June 2022                                 |       | (14,326,765)              | (8,616,898)             | 0  | (22,943,663)            |
| <b>Balance at 30 June 2022</b>   |       | <b>35,488,250</b>         | <b>16,272,653</b>       | <b>279,035</b>                                 | <b>52,039,938</b>       |

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

**10. FIXED ASSETS**

**(a) Depreciation**

|                             | Note  | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|-----------------------------|-------|----------------------|----------------------|----------------------|
| Buildings - non-specialised | 8(a)  | 104,811              | 0                    | 92,887               |
| Buildings - specialised     | 8(a)  | 978,575              | 1,011,000            | 971,106              |
| Furniture and equipment     | 8(a)  | 170,014              | 157,000              | 153,774              |
| Plant and equipment         | 8(a)  | 320,935              | 379,000              | 373,002              |
| Infrastructure - roads      | 9(a)  | 1,440,646            | 1,483,000            | 1,475,366            |
| Other infrastructure        | 9(a)  | 526,048              | 505,000              | 514,671              |
| Right-of-use assets         | 11(a) | 131,062              | 131,000              | 148,875              |
|                             |       | 3,672,091            | 3,666,000            | 3,729,681            |

SHIRE OF EXMOUTH  
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10. FIXED ASSETS (Continued)

(b) Disposals of assets

|                         | 2022<br>Actual<br>Net Book<br>Value | 2022<br>Actual<br>Sale<br>Proceeds | 2022<br>Actual<br>Profit | 2022<br>Actual<br>Loss | 2022<br>Budget<br>Net Book<br>Value | 2022<br>Budget<br>Sale<br>Proceeds | 2022<br>Budget<br>Profit | 2022<br>Budget<br>Loss | 2021<br>Actual<br>Net Book<br>Value | 2021<br>Actual<br>Sale<br>Proceeds | 2021<br>Actual<br>Profit | 2021<br>Actual<br>Loss |
|-------------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|
|                         | \$                                  | \$                                 | \$                       | \$                     | \$                                  | \$                                 | \$                       | \$                     | \$                                  | \$                                 | \$                       | \$                     |
| Land - freehold land    | 330,000                             | 300,000                            | 0                        | (30,000)               | 0                                   | 0                                  | 0                        | 0                      | 0                                   | 0                                  | 0                        | 0                      |
| Buildings - specialised | 87,883                              | 0                                  | 0                        | (87,883)               | 0                                   | 0                                  | 0                        | 0                      | 0                                   | 0                                  | 0                        | 0                      |
| Plant and equipment     | 155,594                             | 148,750                            | 1,862                    | (8,706)                | 110,000                             | 110,000                            | 0                        | 0                      | 56,000                              | 40,000                             | 0                        | (16,000)               |
|                         | 573,477                             | 448,750                            | 1,862                    | (126,589)              | 110,000                             | 110,000                            | 0                        | 0                      | 56,000                              | 40,000                             | 0                        | (16,000)               |

The following assets were disposed of during the year.

|                                    | 2022<br>Actual<br>Net Book<br>Value | 2022<br>Actual<br>Sale<br>Proceeds | 2022<br>Actual<br>Profit | 2022<br>Actual<br>Loss |
|------------------------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|
| <b>Plant and Equipment</b>         |                                     |                                    |                          |                        |
| <b>Transport</b>                   |                                     |                                    |                          |                        |
| Plant & Equipment                  | 155,594                             | 148,750                            | 1,862                    | (8,706)                |
| <b>Other property and services</b> |                                     |                                    |                          |                        |
| Land                               | 330,000                             | 300,000                            | 0                        | (30,000)               |
| Buildings - Specialised            | 87,883                              | 0                                  | 0                        | (87,883)               |
|                                    | 573,477                             | 448,750                            | 1,862                    | (126,589)              |



## 10. FIXED ASSETS (Continued)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

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

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

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

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

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

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

#### Revaluation

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

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

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

#### Revaluation (continued)

for the same class of asset.

#### Depreciation

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

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

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

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

#### Depreciation on revaluation

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

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

#### Amortisation

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

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

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

**SHIRE OF EXMOUTH**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**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.

|                                | Note  | Right-of-use assets | Right-of-use assets Total |
|--------------------------------|-------|---------------------|---------------------------|
|                                |       | \$                  | \$                        |
| <b>Balance at 1 July 2020</b>  |       | 285,774             | 285,774                   |
| Depreciation                   |       | (148,875)           | (148,875)                 |
| <b>Balance at 30 June 2021</b> |       | 136,899             | 136,899                   |
| Depreciation                   | 10(a) | (131,062)           | (131,062)                 |
| <b>Balance at 30 June 2022</b> |       | 5,837               | 5,837                     |

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

|   |       | 2022 Actual | 2021 Actual |
|---|-------|-------------|-------------|
|   |       | \$          | \$          |
| Depreciation on right-of-use assets                                     | 10(a) | (131,062)   | (148,875)   |
| Interest expense on lease liabilities                                   |       | (2,187)     | (6,246)     |
| Low-value asset lease payments recognised as expense                    |       | 47,640      | 52,404      |
| <b>Total amount recognised in the statement of comprehensive income</b> |       | (85,609)    | (102,717)   |
| Total cash outflow from leases  |       | (136,932)   | (155,183)   |

**Secured liabilities and assets pledged as security**

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 25(c).

**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.

**Right-of-use assets - valuation measurement**

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

Refer to Note 10 under revaluation 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 shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

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 Shire applies AASB 15 to allocate the consideration under the contract to each component.

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

**12. TRADE AND OTHER PAYABLES**

**Current**

|                                |                  |                  |
|--------------------------------|------------------|------------------|
| Sundry creditors               | 2,535,338        | 1,351,617        |
| Prepaid rates                  | 49,416           | 53,343           |
| Accrued payroll liabilities    | 23,434           | 0                |
| GST Payables                   | 182,744          | 197,464          |
| Bonds and deposits held        | 188,412          | 351,095          |
| Accrued interest on borrowings | 20,865           | 8,404            |
| Accrued expenses               | 1,492,263        | 1,175,505        |
|                                | <b>4,492,472</b> | <b>3,137,428</b> |

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

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

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

**Prepaid rates**

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

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

**13. OTHER LIABILITIES**

**Current**

Contract liabilities

**Reconciliation of changes in contract liabilities**

Opening balance

Additions

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

|  | 2022      | 2021    |
|--|-----------|---------|
|  | \$        | \$      |
|  | 354,092   | 409,363 |
|  | 354,092   | 409,363 |
|  | 409,363   | 217,000 |
|  | 354,092   | 192,363 |
|  | (409,363) | 0       |
|  | 354,092   | 409,363 |

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

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

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

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

14 LEASE LIABILITIES

(a) Lease Liabilities

|             | 2022  | 2021    |
|-------------|-------|---------|
|             | \$    | \$      |
| Current     | 6,122 | 134,745 |
| Non-current | 0     | 6,122   |
|             | 6,122 | 140,867 |

(b) Lease Liabilities - Movement in Carrying Amounts

| Purpose               | Actual                   |                |                           |                             | Budget                   |                |                           |                             | Actual                   |                |                           |                             |
|-----------------------|--------------------------|----------------|---------------------------|-----------------------------|--------------------------|----------------|---------------------------|-----------------------------|--------------------------|----------------|---------------------------|-----------------------------|
|                       | Principal                |                | Principal at 30 June 2022 | Interest Repayments 2021-22 | Principal                |                | Principal at 30 June 2022 | Interest Repayments 2021-22 | Principal                |                | Principal at 30 June 2021 | Interest Repayments 2020-21 |
|                       | Principal at 1 July 2021 | During 2021-22 |                           |                             | Principal at 1 July 2021 | During 2021-22 |                           |                             | Principal at 1 July 2020 | During 2020-21 |                           |                             |
| Rental Dugong Close   | 12,979                   | (12,979)       | 0                         | (55)                        | 12,979                   | (13,000)       | (21)                      | 0                           | 43,734                   | (30,755)       | 12,979                    | (531)                       |
| Airport X-Ray Scanner | 112,818                  | (112,818)      | 0                         | (1,795)                     | 113,320                  | (113,000)      | 320                       | (2,000)                     | 222,321                  | (109,503)      | 112,818                   | (5,109)                     |
| RAAF Airport Lease    | 15,070                   | (8,948)        | 6,122                     | (337)                       | 15,070                   | (9,000)        | 6,070                     | 0                           | 23,749                   | (8,679)        | 15,070                    | (606)                       |
|                       | 140,867                  | (134,745)      | 6,122                     | (2,187)                     | 141,369                  | (135,000)      | 6,369                     | (2,000)                     | 289,804                  | (148,937)      | 140,867                   | (6,246)                     |

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 25(c).

Right-of-use assets - valuation measurement

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

Refer to Note 10 under revaluation 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 shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

**SHIRE OF EXMOUTH**  
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**15. BORROWINGS**

| (a) Borrowings | 2022             | 2021             |
|----------------|------------------|------------------|
|                | \$               | \$               |
| Current        | 354,034          | 290,666          |
| Non-current    | 3,098,921        | 1,792,955        |
|                | <u>3,452,955</u> | <u>2,083,621</u> |

**(b) Borrowings - Movement in Carrying Amounts**

| Purpose               | Interest Rate | Institution | Actual                   |                           |                  |                  | Budget                    |                           |                  |                  | Actual                   |                           |                  |                |                           |                           |                          |
|-----------------------|---------------|-------------|--------------------------|---------------------------|------------------|------------------|---------------------------|---------------------------|------------------|------------------|--------------------------|---------------------------|------------------|----------------|---------------------------|---------------------------|--------------------------|
|                       |               |             | Principal                |                           | New Loans        | Interest         | Principal                 |                           | New Loans        | Interest         | Principal                |                           | New Loans        | Interest       |                           |                           |                          |
|                       |               |             | Principal at 1 July 2021 | Repayments During 2021-22 |                  |                  | Principal at 30 June 2022 | Repayments During 2021-22 |                  |                  | Principal at 1 July 2021 | Repayments During 2021-22 |                  |                | Principal at 30 June 2022 | Repayments During 2021-22 | Principal at 1 July 2020 |
| 76 - 1 Bennett Street | 5.04%         | WATC        | 197,665                  | (22,291)                  | 0                | 175,374          | (9,617)                   | 197,666                   | (22,000)         | 0                | 175,666                  | (10,000)                  | 218,875          | (21,210)       | 0                         | 197,665                   | (10,703)                 |
| 80 - Staff Dwellings  | 4.73%         | WATC        | 480,257                  | (72,049)                  | 0                | 408,208          | (21,025)                  | 1,020,257                 | (122,500)        | 0                | 897,757                  | (29,000)                  | 548,983          | (68,726)       | 0                         | 480,257                   | (24,354)                 |
| 81 - Rubbish Truck    | 2.41%         | WATC        | 85,975                   | (85,975)                  | 0                | 0                | (1,495)                   | 85,975                    | (86,000)         | 0                | (25)                     | (2,000)                   | 169,915          | (83,940)       | 0                         | 85,975                    | (3,531)                  |
| 82 - Ningaloo Centre  | 3.33%         | WATC        | 779,724                  | (59,768)                  | 0                | 719,956          | (25,412)                  | 779,725                   | (60,000)         | 0                | 719,725                  | (25,000)                  | 837,550          | (57,826)       | 0                         | 779,724                   | (27,355)                 |
| 83 - Staff Dwellings  | 1.44%         | WATC        | 540,000                  | (50,583)                  | 0                | 489,417          | (7,571)                   | 0                         | 0                | 0                | 0                        | 0                         | 0                | 0              | 540,000                   | 0                         | (191)                    |
| 84 - Staff Dwellings  | 3.40%         | WATC        | 0                        | 0                         | 1,660,000        | 1,660,000        | (9,861)                   | 0                         | 0                | 1,800,000        | 0                        | 0                         | 0                | 0              | 0                         | 0                         | 0                        |
| Swimming Pool         | 0.00%         | WATC        | 0                        | 0                         | 0                | 0                | 0                         | 0                         | 0                | 3,000,000        | 0                        | 0                         | 0                | 0              | 0                         | 0                         | 0                        |
|                       |               |             | <u>2,083,621</u>         | <u>1,660,000</u>          | <u>(290,666)</u> | <u>3,452,955</u> | <u>(74,981)</u>           | <u>2,083,623</u>          | <u>4,800,000</u> | <u>(290,500)</u> | <u>6,593,123</u>         | <u>(66,000)</u>           | <u>1,775,323</u> | <u>540,000</u> | <u>(231,702)</u>          | <u>2,083,621</u>          | <u>(66,134)</u>          |

**(c) New Borrowings - 2021/22**

| Particulars/Purpose | Institution | Loan Type | Term Years | Interest Rate % | Amount Borrowed  |                  | Amount (Used)    |                  |
|---------------------|-------------|-----------|------------|-----------------|------------------|------------------|------------------|------------------|
|                     |             |           |            |                 | 2022 Actual      | 2022 Budget      | 2022 Actual      | 2022 Budget      |
|                     |             |           |            |                 | \$               | \$               | \$               | \$               |
| Staff Housing       | WATC        | P&I       | 10         | 3.40%           | 1,660,000        | 1,800,000        | 1,660,000        | 1,800,000        |
| Pool Renewal        | WATC        | P&I       | 20         | 0.00%           | 0                | 3,000,000        | 0                | 3,000,000        |
|                     |             |           |            |                 | <u>1,660,000</u> | <u>4,800,000</u> | <u>1,660,000</u> | <u>4,800,000</u> |

\* WA Treasury Corporation

**Secured liabilities and assets pledged as security**

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Exmouth. Other loans relate to transferred receivables. Refer to Note 6.

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

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

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

**SHIRE OF EXMOUTH  
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**16. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual Leave

Long Service Leave

**Non-current provisions**

Long Service Leave

|                    | 2022           | 2021           |
|--------------------|----------------|----------------|
|                    | \$             | \$             |
| Annual Leave       | 483,573        | 450,789        |
| Long Service Leave | 294,818        | 286,104        |
|                    | <b>778,391</b> | <b>736,893</b> |
| Long Service Leave | 164,699        | 170,796        |
|                    | <b>164,699</b> | <b>170,796</b> |
|                    | <b>943,090</b> | <b>907,689</b> |

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

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

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

Less than 12 months after the reporting date

More than 12 months from reporting date

| Note   | 2022           | 2021           |
|--|----------------|----------------|
|  | \$             | \$             |
| Less than 12 months after the reporting date | 583,556        | 562,932        |
| More than 12 months from reporting date      | 359,534        | 344,757        |
|  | <b>943,090</b> | <b>907,689</b> |

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

SHIRE OF EXMOUTH  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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17. REVALUATION SURPLUS

|   | 2022<br>Opening<br>Balance | 2022<br>Impairment<br>Increment | 2022<br>Revaluation<br>Increment | Total<br>Movement | 2022<br>Closing<br>Balance | 2021<br>Opening<br>Balance | 2021<br>Impairment<br>(Decrement) | 2021<br>Revaluation<br>(Decrement) | Total<br>Movement on<br>Revaluation | 2021<br>Closing<br>Balance |
|---|----------------------------|---------------------------------|----------------------------------|-------------------|----------------------------|----------------------------|-----------------------------------|------------------------------------|-------------------------------------|----------------------------|
|   | \$                         | \$                              | \$                               | \$                | \$                         | \$                         | \$                                | \$                                 | \$                                  | \$                         |
| Revaluation surplus - Land - freehold land        | 3,170,303                  | 0                               | 8,458,211                        | 8,458,211         | 11,628,514                 | 3,170,303                  | 0                                 | 0                                  | 0                                   | 3,170,303                  |
| Revaluation surplus - Buildings - non-specialised | (51,616)                   | 0                               | 231,510                          | 231,510           | 179,894                    | (51,616)                   | 0                                 | 0                                  | 0                                   | (51,616)                   |
| Revaluation surplus - Buildings - specialised     | 21,970,659                 | 0                               | 22,013,772                       | 22,013,772        | 43,984,431                 | 21,970,659                 | 0                                 | 0                                  | 0                                   | 21,970,659                 |
| Revaluation surplus - Furniture and equipment     | 935,970                    | 0                               | 0                                | 0                 | 935,970                    | 990,817                    | 0                                 | (54,847)                           | (54,847)                            | 935,970                    |
| Revaluation surplus - Plant and equipment         | 1,069,516                  | 0                               | 0                                | 0                 | 1,069,516                  | 1,074,861                  | 0                                 | (5,345)                            | (5,345)                             | 1,069,516                  |
| Revaluation surplus - Infrastructure - roads      | 18,809,940                 | 900,000                         | 0                                | 900,000           | 19,709,940                 | 21,309,940                 | (2,500,000)                       | 0                                  | (2,500,000)                         | 18,809,940                 |
| Revaluation surplus - Other infrastructure        | 6,459,970                  | 0                               | 0                                | 0                 | 6,459,970                  | 6,464,114                  | 0                                 | (4,144)                            | (4,144)                             | 6,459,970                  |
|   | 52,364,742                 | 900,000                         | 30,703,493                       | 31,603,493        | 83,968,235                 | 54,929,078                 | (2,500,000)                       | (64,336)                           | (2,564,336)                         | 52,364,742                 |

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



**SHIRE OF EXMOUTH**  
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**18. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

|  | Note | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|--|------|----------------------|----------------------|----------------------|
| Cash and cash equivalents  | 3    | 15,287,959           | 11,661,683           | 12,640,020           |
| <b>Restrictions</b>  |      |                      |                      |                      |
| The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used: |      |                      |                      |                      |
| - Cash and cash equivalents  | 3    | 11,279,359           | 11,647,386           | 10,618,672           |
|  |      | <u>11,279,359</u>    | <u>11,647,386</u>    | <u>10,618,672</u>    |
| The restricted financial assets are a result of the following specific purposes to which the assets may be used:   |      |                      |                      |                      |
| Restricted reserve accounts  | 5    | 11,279,359           | 11,647,386           | 10,618,672           |
| <b>Total restricted financial assets</b>   |      | <u>11,279,359</u>    | <u>11,647,386</u>    | <u>10,618,672</u>    |

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

|   |  |                  |                  |                  |
|---|--|------------------|------------------|------------------|
| Net result  |  | 2,184,557        | 1,122,500        | 1,227,458        |
| Non-cash items:   |  |                  |                  |                  |
| Adjustments to fair value of financial assets at fair value through profit and loss |  | (5,995)          | 0                | (3,878)          |
| Depreciation/amortisation   |  | 3,672,091        | 3,666,000        | 3,729,681        |
| (Profit)/loss on sale of asset  |  | 124,727          | 0                | 16,000           |
| Changes in assets and liabilities:  |  |                  |                  |                  |
| (Increase)/decrease in trade and other receivables                                  |  | (544,343)        | 0                | (1,170,625)      |
| (Increase)/decrease in inventories  |  | (53,438)         | 0                | 932,692          |
| Increase/(decrease) in trade and other payables                                     |  | 1,355,044        | 300,000          | 1,298,692        |
| Increase/(decrease) in employee related provisions                                  |  | 35,401           | 0                | 35,461           |
| Increase/(decrease) in other liabilities  |  | (55,271)         | 0                | 192,363          |
| Non-operating grants, subsidies and contributions                                   |  | (2,903,712)      | (2,783,000)      | (1,759,713)      |
| Net cash provided by/(used in) operating activities                                 |  | <u>3,809,061</u> | <u>2,305,500</u> | <u>4,498,131</u> |

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

|                                      |  |                |  |                |
|--------------------------------------|--|----------------|--|----------------|
| Bank overdraft limit                 |  | 400,000        |  | 400,000        |
| Bank overdraft at balance date       |  | 0              |  | 0              |
| Credit card limit                    |  | 20,000         |  | 19,000         |
| Credit card balance at balance date  |  | (6,537)        |  | (6,253)        |
| <b>Total amount of credit unused</b> |  | <u>413,463</u> |  | <u>412,747</u> |

**Loan facilities**

|  |  |                  |  |                  |
|--|--|------------------|--|------------------|
| Loan facilities - current                      |  | 354,034          |  | 290,666          |
| Loan facilities - non-current                  |  | 3,098,921        |  | 1,792,955        |
| <b>Total facilities in use at balance date</b> |  | <u>3,452,955</u> |  | <u>2,083,621</u> |

**SHIRE OF EXMOUTH  
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**19. CAPITAL COMMITMENTS**

|                                | <b>2022</b>    | <b>2021</b>      |
|--------------------------------|----------------|------------------|
|                                | \$             | \$               |
| <b>Contracted for:</b>         |                |                  |
| - capital expenditure projects | 534,886        | 933,721          |
| - plant & equipment purchases  | 445,508        | 190,187          |
|                                | <u>980,394</u> | <u>1,123,908</u> |
| <b>Payable:</b>                |                |                  |
| - not later than one year      | 980,394        | 1,123,908        |
|                                | <u>980,394</u> | <u>1,123,908</u> |

The capital expenditure projects outstanding at the end of the current reporting period represent the installation of jetties, staff housing, passenger screening tunnel at the airport and construction of a new liquid waste evaporation pond. Plant and equipment purchases include two vehicles and a mid size road sweeper.

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**20. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

| Note  | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|---|----------------------|----------------------|----------------------|
| <b>President</b>  |                      |                      |                      |
| President's annual allowance  | 36,750               | 37,000               | 36,957               |
| Meeting attendance fees   | 25,016               | 25,000               | 25,342               |
| ICT expenses  | 446                  | 1,000                | 636                  |
| Travel and accommodation expenses   | 5,083                | 7,000                | 3,766                |
|   | 67,295               | 70,000               | 66,701               |
| <b>Deputy President</b>   |                      |                      |                      |
| Deputy President's annual allowance   | 9,064                | 9,000                | 9,239                |
| Meeting attendance fees   | 12,967               | 13,000               | 13,094               |
| ICT expenses  | 446                  | 1,000                | 636                  |
| Travel and accommodation expenses   | 1,525                | 2,000                | 0                    |
|   | 24,002               | 25,000               | 22,969               |
| <b>Councillor 3</b>   |                      |                      |                      |
| Meeting attendance fees   | 13,047               | 13,000               | 13,094               |
| Annual allowance for ICT expenses   | 600                  | 500                  | 600                  |
|   | 13,647               | 13,500               | 13,694               |
| <b>Councillor 4</b>   |                      |                      |                      |
| Meeting attendance fees   | 13,047               | 13,000               | 13,094               |
| Annual allowance for ICT expenses   | 600                  | 500                  | 600                  |
|   | 13,647               | 13,500               | 13,694               |
| <b>Councillor 5</b>   |                      |                      |                      |
| Meeting attendance fees   | 10,224               | 13,000               | 13,094               |
| ICT expenses  | 353                  | 0                    | 0                    |
| Annual allowance for ICT expenses   | 0                    | 500                  | 600                  |
|   | 10,577               | 13,500               | 13,694               |
| <b>Councillor 6</b>   |                      |                      |                      |
| Meeting attendance fees   | 12,967               | 13,000               | 13,094               |
| ICT expenses  | 314                  | 0                    | 636                  |
| Annual allowance for ICT expenses   | 175                  | 500                  | 0                    |
| Travel and accommodation expenses   | 269                  | 1,000                | 0                    |
|   | 13,725               | 14,500               | 13,730               |
|   | 142,893              | 150,000              | 144,482              |
| <b>Fees, expenses and allowances to be paid or reimbursed to elected council members.</b> |                      |                      |                      |
|   | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
| President's annual allowance  | 36,750               | 37,000               | 36,957               |
| Deputy President's annual allowance   | 9,064                | 9,000                | 9,239                |
| Meeting attendance fees   | 87,268               | 90,000               | 90,812               |
| ICT expenses  | 1,559                | 2,000                | 1,908                |
| Annual allowance for ICT expenses   | 1,375                | 2,000                | 1,800                |
| Travel and accommodation expenses   | 6,877                | 10,000               | 3,766                |
| 20(b)   | 142,893              | 150,000              | 144,482              |

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**20. RELATED PARTY TRANSACTIONS**

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

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

|                                     | 2022<br>Actual | 2021<br>Actual |
|-------------------------------------|----------------|----------------|
|                                     | \$             | \$             |
| Short-term employee benefits        | 519,737        | 634,327        |
| Post-employment benefits            | 91,789         | 105,131        |
| Employee - other long-term benefits | 10,401         | 12,864         |
| Employee - termination benefits     | 52,749         | 5,475          |
| Council member costs                | 142,893        | 144,482        |
| 20(a)                               | 817,569        | 902,279        |

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Termination benefits*

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

*Council member costs*

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

**(c) Transactions with related parties**

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

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

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

|                                | 2022<br>Actual | 2021<br>Actual |
|--------------------------------|----------------|----------------|
|                                | \$             | \$             |
| Sale of goods and services     | 55,145         | 0              |
| Purchase of goods and services | 176,221        | 130,596        |

**(d) Related Parties**

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

*i. Key management personnel*

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

*ii. Other Related Parties*

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

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

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

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

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

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**21. FINANCIAL RISK MANAGEMENT**

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

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

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

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

**(a) Interest rate risk**

**Cash and cash equivalents**

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

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

|                           | <b>Weighted<br/>Average<br/>Interest Rate</b> | <b>Carrying<br/>Amounts</b> | <b>Fixed<br/>Interest Rate</b> | <b>Variable<br/>Interest Rate</b> | <b>Non Interest<br/>Bearing</b> |
|---------------------------|---|-----------------------------|--------------------------------|-----------------------------------|---------------------------------|
|                           | <b>%</b>                                      | <b>\$</b>                   | <b>\$</b>                      | <b>\$</b>                         | <b>\$</b>                       |
| <b>2022</b>               |   |                             |                                |                                   |                                 |
| Cash and cash equivalents | 0.11%   | 15,287,959                  | 3,500,000                      | 7,779,360                         | 4,008,599                       |
| <b>2021</b>               |   |                             |                                |                                   |                                 |
| Cash and cash equivalents | 0.34%   | 12,640,020                  | 7,021,340                      | 5,618,680                         | 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.

|  | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|
|  | <b>\$</b>   | <b>\$</b>   |
| Impact of a 1% movement in interest rates on profit and loss and equity* | 77,794      | 56,187      |

\* Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 25(a).

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**21. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

**Trade and Other Receivables**

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

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

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

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

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

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

|                       | Less than 1<br>year past due | More than 1<br>year past due | More than 2<br>years past due | More than 3<br>years past due | Total   | Note |
|-----------------------|------------------------------|------------------------------|-------------------------------|-------------------------------|---------|------|
| <b>30 June 2022</b>   |                              |                              |                               |                               |         |      |
| Rates receivable      |                              |                              |                               |                               |         |      |
| Expected credit loss  | 0.00%                        | 0.00%                        | 0.00%                         | 0.00%                         |         |      |
| Gross carrying amount | 64,210                       | 29,545                       | 24,683                        | 58,940                        | 177,378 |      |
| Loss allowance        | 0                            | 0                            | 0                             | 0                             | 0       | 6    |
| <b>30 June 2021</b>   |                              |                              |                               |                               |         |      |
| Rates receivable      |                              |                              |                               |                               |         |      |
| Expected credit loss  | 0.00%                        | 0.00%                        | 0.00%                         | 0.00%                         |         |      |
| Gross carrying amount | 17,151                       | 86,024                       | 47,277                        | 84,050                        | 234,502 |      |
| Loss allowance        | 0                            | 0                            | 0                             | 0                             | 0       | 6    |

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

|                             | Current   | More than 30<br>days past due | More than 60<br>days past due | More than 90<br>days past due | Total     |   |
|-----------------------------|-----------|-------------------------------|-------------------------------|-------------------------------|-----------|---|
| <b>30 June 2022</b>         |           |                               |                               |                               |           |   |
| Trade and other receivables |           |                               |                               |                               |           |   |
| Expected credit loss        | 3.22%     | 5.83%                         | 14.32%                        | 22.89%                        |           |   |
| Gross carrying amount       | 1,822,687 | 665,801                       | 8,199                         | 122,732                       | 2,619,419 |   |
| Loss allowance              | 58,708    | 38,812                        | 1,174                         | 28,088                        | 126,782   | 6 |
| <b>30 June 2021</b>         |           |                               |                               |                               |           |   |
| Trade and other receivables |           |                               |                               |                               |           |   |
| Expected credit loss        | 5.50%     | 12.15%                        | 30.43%                        | 40.92%                        |           |   |
| Gross carrying amount       | 1,135,862 | 303,740                       | 14,387                        | 149,843                       | 1,603,832 |   |
| Loss allowance              | 62,477    | 36,897                        | 4,378                         | 61,320                        | 165,072   | 6 |

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**21. 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 18(c).

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

|                          | Due<br>within<br>1 year | Due<br>between<br>1 & 5 years | Due<br>after<br>5 years | Total<br>contractual<br>cash flows | Carrying<br>values |
|--------------------------|-------------------------|-------------------------------|-------------------------|------------------------------------|--------------------|
|                          | \$                      | \$                            | \$                      | \$                                 | \$                 |
| <b><u>2022</u></b>       |                         |                               |                         |                                    |                    |
| Trade and other payables | 4,492,472               | 0                             | 0                       | 4,492,472                          | 4,492,472          |
| Borrowings               | 354,034                 | 1,864,653                     | 1,234,268               | 3,452,955                          | 3,452,955          |
| Contract Liabilities     | 354,092                 | 0                             | 0                       | 354,092                            | 354,092            |
| Lease liabilities        | 6,122                   | 0                             | 0                       | 6,122                              | 6,122              |
|                          | 5,206,720               | 1,864,653                     | 1,234,268               | 8,305,641                          | 8,305,641          |
| <b><u>2021</u></b>       |                         |                               |                         |                                    |                    |
| Trade and other payables | 3,137,428               | 0                             | 0                       | 3,137,428                          | 3,137,428          |
| Borrowings               | 290,666                 | 1,132,346                     | 660,609                 | 2,083,621                          | 2,083,621          |
| Contract Liabilities     | 409,363                 | 0                             | 0                       | 409,363                            | 409,363            |
| Lease liabilities        | 134,745                 | 6,122                         | 0                       | 140,867                            | 140,867            |
|                          | 3,972,202               | 1,138,468                     | 660,609                 | 5,771,279                          | 5,771,279          |

## 22. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

### b) Current and non-current classification

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

### c) Rounding off figures

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

### d) Comparative figures

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

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

### e) Budget comparative figures

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

### f) Superannuation

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

### g) Fair value of assets and liabilities

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

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

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

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

### h) Interest earnings

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

### i) Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

#### Valuation techniques

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

#### Market approach

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

#### Income approach

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

#### Cost approach

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

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

### j) Impairment of assets

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

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

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

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

### k) Initial application of accounting standards

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

### New accounting standards for application in future years

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

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

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



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**23. FUNCTION AND ACTIVITY**

**(a) Income and expenses**

|   | <b>2022</b>         | <b>2022</b>         | <b>2021</b>         |
|---|---------------------|---------------------|---------------------|
|   | <b>Actual</b>       | <b>Budget</b>       | <b>Actual</b>       |
|   | <b>\$</b>           | <b>\$</b>           | <b>\$</b>           |
| <b>Income excluding grants, subsidies and contributions</b> |                     |                     |                     |
| Governance  | 0                   | 0                   | 5,459               |
| General purpose funding                                     | 3,795,939           | 3,794,000           | 3,588,136           |
| Law, order, public safety                                   | 41,593              | 80,000              | 38,263              |
| Health  | 36,431              | 39,000              | 44,185              |
| Education and welfare                                       | 443                 | 3,000               | 3,088               |
| Housing   | 23,849              | 50,000              | 63,786              |
| Community amenities   | 1,248,861           | 1,281,000           | 1,509,045           |
| Recreation and culture                                      | 999,027             | 927,000             | 1,097,558           |
| Transport   | 4,483,543           | 5,710,000           | 4,294,255           |
| Economic services   | 1,266,259           | 1,022,500           | 1,069,202           |
| Other property and services                                 | 8,563               | 12,000              | 450,361             |
|   | <b>11,904,508</b>   | <b>12,918,500</b>   | <b>12,163,338</b>   |
| <b>Operating Grants, subsidies and contributions</b>        |                     |                     |                     |
| Governance  | 0                   | 0                   | 985                 |
| General purpose funding                                     | 1,630,057           | 1,450,000           | 1,488,396           |
| Health  | 2,481               | 3,500               | 0                   |
| Housing   | 42,879              | 0                   | 0                   |
| Community amenities   | 45,000              | 60,000              | 0                   |
| Recreation and culture                                      | 363,450             | 72,000              | 189,278             |
| Transport   | 2,360,337           | 514,000             | 895,020             |
| Economic services   | 48,267              | 0                   | 142,632             |
| Other property and services                                 | 20,267              | 20,000              | 18,070              |
|   | <b>4,512,738</b>    | <b>2,119,500</b>    | <b>2,734,381</b>    |
| <b>Non-Operating Grants, subsidies and contributions</b>    |                     |                     |                     |
| Recreation and culture                                      | 1,690,734           | 1,728,000           | 370,040             |
| Transport   | 1,212,978           | 1,055,000           | 1,389,673           |
|   | <b>2,903,712</b>    | <b>2,783,000</b>    | <b>1,759,713</b>    |
| <b>Total Income</b>   | <b>19,320,958</b>   | <b>17,821,000</b>   | <b>16,657,432</b>   |
| <b>Expenses</b>   |                     |                     |                     |
| Governance  | (600,297)           | (201,000)           | (908,695)           |
| General purpose funding                                     | (173,811)           | (161,500)           | (125,031)           |
| Law, order, public safety                                   | (454,087)           | (436,500)           | (382,450)           |
| Health  | (299,691)           | (320,500)           | (222,022)           |
| Education and welfare                                       | (85,534)            | (75,000)            | (64,560)            |
| Housing   | (133,666)           | (50,000)            | (192,408)           |
| Community amenities   | (1,805,025)         | (2,207,500)         | (1,566,497)         |
| Recreation and culture                                      | (5,635,351)         | (5,673,500)         | (5,191,727)         |
| Transport   | (5,465,734)         | (5,868,500)         | (4,796,607)         |
| Economic services   | (1,422,052)         | (1,397,500)         | (1,403,647)         |
| Other property and services                                 | (1,061,153)         | (307,000)           | (576,330)           |
| <b>Total expenses</b>                                       | <b>(17,136,401)</b> | <b>(16,698,500)</b> | <b>(15,429,974)</b> |
| <b>Net result for the period</b>                            | <b>2,184,557</b>    | <b>1,122,500</b>    | <b>1,227,458</b>    |

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

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

|                             | <b>2022</b>        | <b>2022</b>        | <b>2021</b>      |
|-----------------------------|--------------------|--------------------|------------------|
|                             | <b>Actual</b>      | <b>Budget</b>      | <b>Actual</b>    |
|                             | <b>\$</b>          | <b>\$</b>          | <b>\$</b>        |
| <b>(b) Fees and Charges</b> |                    |                    |                  |
| Governance                  | 0                  | 0                  | 30               |
| General purpose funding     | 47,684             | 30,000             | 24,300           |
| Law, order, public safety   | 37,593             | 9,500              | 14,559           |
| Health                      | 36,431             | 39,000             | 44,185           |
| Education and welfare       | 0                  | 1,000              | 1,634            |
| Housing                     | 17,143             | 50,000             | 63,786           |
| Community amenities         | 1,248,861          | 1,281,000          | 1,506,943        |
| Recreation and culture      | 878,441            | 742,000            | 886,044          |
| Transport                   | 4,478,271          | 5,710,000          | 4,291,441        |
| Economic services           | 1,093,032          | 1,022,500          | 1,053,959        |
| Other property and services | 2,004              | 2,000              | 3,915            |
|                             | <b>7,839,460</b>   | <b>8,887,000</b>   | <b>7,890,796</b> |
| <b>(c) Total Assets</b>     |                    |                    |                  |
| Governance                  | 287,222            | 205,272            |                  |
| General purpose funding     | 222,912            | 284,528            |                  |
| Law, order, public safety   | 1,795,213          | 1,207,125          |                  |
| Health                      | 2,786              | 10,030             |                  |
| Education and welfare       | 998,000            | 1,573,580          |                  |
| Housing                     | 8,871,500          | 7,142,719          |                  |
| Community amenities         | 3,040,065          | 2,384,613          |                  |
| Recreation and culture      | 65,103,359         | 48,321,631         |                  |
| Transport                   | 52,703,617         | 48,745,934         |                  |
| Economic services           | 5,027,746          | 2,048,407          |                  |
| Other property and services | 32,703,173         | 22,473,941         |                  |
|                             | <b>170,755,593</b> | <b>134,397,780</b> |                  |

SHIRE OF EXMOUTH  
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24. RATING INFORMATION

(a) General Rates

| RATE TYPE                                     |                        | Rate in \$ | Number of Properties | 2021/22 Actual Rateable Value * | 2021/22 Actual Rate Revenue | 2021/22 Actual Interim Rates | 2021/22 Actual Back Rates | 2021/22 Actual Total Revenue | 2021/22 Budget Rate Revenue | 2021/22 Budget Interim Rate | 2021/22 Budget Back Rate | 2021/22 Budget Total Revenue | 2020/21 Actual Total Revenue |
|---|------------------------|------------|----------------------|---------------------------------|-----------------------------|------------------------------|---------------------------|------------------------------|-----------------------------|-----------------------------|--------------------------|------------------------------|------------------------------|
| General                                       | Gross rental valuation | 0.0787     | 1,204                | 29,784,024                      | 2,344,003                   | 2,601                        | (1,859)                   | 2,344,745                    | 2,341,000                   | 6,000                       | 2,000                    | 2,349,000                    | 2,199,429                    |
| Marina Developed                              | Gross rental valuation | 0.1062     | 102                  | 3,652,407                       | 387,886                     | 12,994                       | 413                       | 401,293                      | 385,000                     | 0                           | 0                        | 385,000                      | 368,061                      |
| Holiday Homes                                 | Gross rental valuation | 0.1091     | 87                   | 2,197,000                       | 239,693                     | 3,210                        | 334                       | 243,237                      | 240,000                     | 0                           | 0                        | 240,000                      | 221,029                      |
| Vacant Land                                   | Gross rental valuation | 0.1573     | 232                  | 2,348,030                       | 369,345                     | (1,663)                      | 0                         | 367,682                      | 373,000                     | 0                           | 0                        | 373,000                      | 361,882                      |
| Mining  | Unimproved valuation   | 0.1676     | 11                   | 361,992                         | 60,670                      | 0                            | 0                         | 60,670                       | 60,000                      | 0                           | 0                        | 60,000                       | 53,696                       |
| Rural   | Unimproved valuation   | 0.0838     | 6                    | 537,400                         | 45,034                      | 0                            | 0                         | 45,034                       | 54,000                      | 0                           | 0                        | 54,000                       | 47,529                       |
| <b>Sub-Total</b>                              |                        |            | 1,642                | 38,880,853                      | 3,446,631                   | 17,142                       | (1,112)                   | 3,462,661                    | 3,453,000                   | 6,000                       | 2,000                    | 3,461,000                    | 3,251,626                    |
| <b>Minimum payment</b>                        |                        |            |                      |                                 |                             |                              |                           |                              |                             |                             |                          |                              |                              |
| General                                       | Gross rental valuation | 950        | 60                   | 549,082                         | 57,000                      | 0                            | 0                         | 57,000                       | 57,000                      | 0                           | 0                        | 57,000                       | 78,120                       |
| Marina Developed                              | Gross rental valuation | 950        | 1                    | 0                               | 950                         | 0                            | 0                         | 950                          | 1,000                       | 0                           | 0                        | 1,000                        | 930                          |
| Vacant Land                                   | Gross rental valuation | 750        | 141                  | 465,880                         | 105,750                     | 0                            | 0                         | 105,750                      | 106,000                     | 0                           | 0                        | 106,000                      | 107,310                      |
| Mining  | Unimproved valuation   | 250        | 10                   | 8,574                           | 2,500                       | 0                            | 0                         | 2,500                        | 2,000                       | 0                           | 0                        | 2,000                        | 2,300                        |
| Rural   | Unimproved valuation   | 750        | 1                    | 5,800                           | 750                         | 0                            | 0                         | 750                          | 1,000                       | 0                           | 0                        | 1,000                        | 735                          |
| <b>Sub-Total</b>                              |                        |            | 213                  | 1,029,336                       | 166,950                     | 0                            | 0                         | 166,950                      | 167,000                     | 0                           | 0                        | 167,000                      | 189,395                      |
|   |                        |            | 1,855                | 39,910,189                      | 3,613,581                   | 17,142                       | (1,112)                   | 3,629,611                    | 3,620,000                   | 6,000                       | 2,000                    | 3,628,000                    | 3,441,021                    |
| Write off                                     |                        |            |                      |                                 |                             |                              |                           | 0                            |                             |                             |                          | 0                            | (222)                        |
| <b>Total amount raised from general rates</b> |                        |            |                      |                                 |                             |                              |                           | 3,629,611                    |                             |                             |                          | 3,628,000                    | 3,440,799                    |

\* Rateable value is based on the value of properties at the time the rate is raised.

(b) Rates (excluding general rates)

| Specified Area Rates  |                        | Rate in \$ | 2021/22 Actual Rateable Value * | 2021/22 Actual Rate Revenue | 2021/22 Actual Interim Rates | 2021/22 Actual Back Rates | 2021/22 Actual Total Revenue | 2021/22 Budget Rate Revenue | 2021/22 Budget Interim Rate | 2021/22 Budget Back Rate | 2021/22 Budget Total Revenue | 2020/21 Actual Total Revenue |
|---|------------------------|------------|---------------------------------|-----------------------------|------------------------------|---------------------------|------------------------------|-----------------------------|-----------------------------|--------------------------|------------------------------|------------------------------|
| Marina Specified Area Rate                                      | Gross rental valuation | 0.014      | 3,669,077                       | 51,367                      | 413                          | 0                         | 51,780                       | 51,000                      | 0                           | 0                        | 51,000                       | 48,949                       |
| <b>Total amount raised from rates (excluding general rates)</b> |                        |            |                                 |                             |                              |                           | 51,780                       |                             |                             |                          | 51,000                       | 48,949                       |
| <b>(c) Total Rates</b>  |                        |            |                                 |                             |                              |                           | <b>3,681,391</b>             |                             |                             |                          | <b>3,679,000</b>             | <b>3,489,748</b>             |

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

SHIRE OF EXMOUTH  
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24. RATING INFORMATION (Continued)

(d) Specified Area Rate

| Specified Area Rate        | Purpose of the rate  | Area/properties<br>Rate Imposed           | 2021/22<br>Actual<br>Rate<br>Applied<br>to Costs<br>\$ | 2021/22<br>Actual<br>Rate<br>Set Aside<br>to Reserve<br>\$ | 2021/22<br>Actual<br>Reserve<br>Applied to<br>Costs<br>\$ | 2021/22<br>Budget<br>Rate<br>Applied<br>to Costs<br>\$ | 2021/22<br>Budget<br>Rate<br>Set Aside<br>to Reserve<br>\$ | 2021/22<br>Budget<br>Reserve<br>Applied<br>to Costs<br>\$ |
|----------------------------|--|---|--|--|---|--|--|---|
| Marina Specified Area Rate | The proceeds of these funds are applied in full on environmental monitoring and maintenance of the canal waterway, dredging and entrance channel navigation including both onshore & offshore, cost of clearing the sand traps, maintaining the main breakwaters including all breakwaters and groynes surrounding and protecting the outer harbour and other preservation works in accordance with the Exmouth Marina Village Agreement between the Minister of Transport, Landcorp and Shire of Exmouth. | Properties zoned Marina and Marina Canals | 0  | 51,780   | 0   | 0  | 51,000   | 0   |
|                            |  |   | 0  | 51,780   | 0   | 0  | 51,000   | 0   |

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

(e) Interest Charges & Instalments

| Instalment Options  | Date Due   | Instalment Plan Admin Charge<br>\$ | Instalment Plan Interest Rate<br>% | Unpaid Rates Interest Rate<br>% |
|---------------------|------------|------------------------------------|------------------------------------|---------------------------------|
| <b>Option One</b>   |            |                                    |                                    |                                 |
| Single full payment | 3/09/2021  | 0.00                               | 0.0%                               | 7.0%                            |
| <b>Option Two</b>   |            |                                    |                                    |                                 |
| First instalment    | 3/09/2021  | 0.00                               | 0.0%                               | 7.0%                            |
| Second instalment   | 15/11/2021 | 14.75                              | 5.5%                               | 7.0%                            |
| <b>Option Three</b> |            |                                    |                                    |                                 |
| First instalment    | 3/09/2021  | 0.00                               | 0.0%                               | 7.0%                            |
| Second instalment   | 15/11/2021 | 14.75                              | 5.5%                               | 7.0%                            |
| Third instalment    | 21/01/2022 | 14.75                              | 5.5%                               | 7.0%                            |
| Fourth instalment   | 1/04/2022  | 14.75                              | 5.5%                               | 7.0%                            |

|                             | 2022 Actual<br>\$ | 2022 Budget<br>\$ | 2021 Actual<br>\$ |
|-----------------------------|-------------------|-------------------|-------------------|
| Interest on unpaid rates    | 13,639            | 25,000            | 25,925            |
| Interest on instalment plan | 12,345            | 15,000            | 0                 |
| Charges on instalment plan  | 12,346            | 15,000            | 0                 |
|                             | 38,330            | 55,000            | 25,925            |

**SHIRE OF EXMOUTH**  
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**25. RATE SETTING STATEMENT INFORMATION**

|  |   | 2021/22<br>Budget                    | 2020/21                              |
|--|---|--------------------------------------|--------------------------------------|
|  | 2021/22<br>(30 June 2022<br>Carried<br>Forward) | (30 June 2022<br>Carried<br>Forward) | (30 June 2021<br>Carried<br>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(b) (1,862)                                   | 0                                    | 0                                    |
| Less: Movement in liabilities associated with restricted cash  | (349,654)                                       | 0                                    | 0                                    |
| Less: Fair value adjustments to financial assets at fair value through profit and loss   | (5,995)   | 0                                    | (3,878)                              |
| Add: Loss on disposal of assets  | 10(b) 126,589                                   | 0                                    | 16,000                               |
| Add: Depreciation  | 10(a) 3,672,091                                 | 3,666,000                            | 3,729,681                            |
| Non-cash movements in non-current assets and liabilities:  |   |                                      |                                      |
| Pensioner deferred rates   | 4,492   | 0                                    | (3,180)                              |
| Employee benefit provisions  | (6,097)   | 0                                    | 68,745                               |
| Lease Liabilities  | 6,122   | 0                                    | 134,745                              |
| Inventory  | 0   | 0                                    | 964,175                              |
| <b>Non-cash amounts excluded from operating activities</b>   | <b>3,445,686</b>                                | <b>3,666,000</b>                     | <b>4,906,288</b>                     |
| <b>(b) Surplus/(deficit) after imposition of general rates</b>   |   |                                      |                                      |
| The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates. |   |                                      |                                      |
| <b>Adjustments to net current assets</b>   |   |                                      |                                      |
| Less: Reserve accounts   | 5 (11,279,359)                                  | (11,647,386)                         | (10,618,672)                         |
| Less: Community Loans  | (12,200)  | 0                                    | (16,700)                             |
| Add: Current liabilities not expected to be cleared at end of year   |   |                                      |                                      |
| - Current portion of borrowings  | 15 354,034                                      | 488,500                              | 290,666                              |
| - Current portion of contract liability held in reserve  | 0   | 0                                    | 409,363                              |
| - Current portion of lease liabilities   | 11(b) 6,122                                     | 6,369                                | 134,745                              |
| - Employee benefit provisions  | 778,391   | 770,000                              | 712,559                              |
| <b>Total adjustments to net current assets</b>   | <b>(10,153,012)</b>                             | <b>(10,382,517)</b>                  | <b>(9,088,039)</b>                   |
| <b>Net current assets used in the Rate Setting Statement</b>   |   |                                      |                                      |
| Total current assets   | 18,431,397                                      | 13,566,690                           | 15,185,685                           |
| Less: Total current liabilities  | (5,985,111)                                     | (3,171,018)                          | (4,709,095)                          |
| Less: Total adjustments to net current assets  | (10,153,012)                                    | (10,382,517)                         | (9,088,039)                          |
| <b>Net current assets used in the Rate Setting Statement</b>   | <b>2,293,274</b>                                | <b>13,155</b>                        | <b>1,388,551</b>                     |

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**26 MAJOR LAND TRANSACTIONS**

**(a) Details**

A feasibility study was undertaken during 2013/14 to ascertain if land proposed for a possible subdivision in Heron Way Exmouth would be a viable business activity for Council. Based on the findings of the study, Council initiated the acquisition of land during 2014/15 for special rural residential sub-division comprising of 11 Lots of varying sizes, with the first sale of this subdivision received in 2015/16. As at 30 June 2021, all lots have been sold. No further development costs are anticipated to be spent on this project, which was funded from municipal funds.

**(b) Current year transactions**

**Other revenue**

- Sale proceeds

**Other expenditure**

- Cost of goods sold

|  | <b>2022<br/>Actual</b> | <b>2022<br/>Budget</b> | <b>2021<br/>Actual</b> |
|--|------------------------|------------------------|------------------------|
|  | \$                     | \$                     | \$                     |
|  | 0                      | 0                      | 1,359,091              |
|  | 0                      | 0                      | (964,175)              |
|  | <b>0</b>               | <b>0</b>               | <b>394,916</b>         |

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**27. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

Learmonth Airport is the general aviation and regular transport for the Shire of Exmouth. It is the main regional base for aircraft charter operations and private flying in Exmouth. The Shire is responsible for operating the civil terminal, apron and taxiway. The RAAF is responsible for maintaining the other civil facilities used for civil aviation to comply with defence legislations and regulations.

|   | <b>2022<br/>Actual</b> | <b>2022<br/>Budget</b> | <b>2021<br/>Actual</b> |
|---|------------------------|------------------------|------------------------|
|   | \$                     | \$                     | \$                     |
| <b>Operating Revenue</b>                          |                        |                        |                        |
| Operating grants, subsidies and contributions     | 1,785,401              | 79,000                 | 79,370                 |
| Fees and charges                                  | 4,396,831              | 5,614,500              | 4,221,271              |
| Other revenue                                     | 3,410                  | 0                      | 2,814                  |
|   | <b>6,185,642</b>       | <b>5,693,500</b>       | <b>4,303,455</b>       |
| Employee costs                                    | (1,191,783)            | (1,221,000)            | (1,160,177)            |
| Materials and contracts                           | (924,184)              | (999,000)              | (571,940)              |
| Utility charges                                   | (110,909)              | (110,000)              | (90,804)               |
| Depreciation                                      | (434,256)              | (424,000)              | (414,004)              |
| Finance costs                                     | (2,187)                | (2,000)                | (5,714)                |
| Insurance   | (76,432)               | (60,000)               | (58,443)               |
| Other expenditure                                 | (107,984)              | (200,000)              | (21,490)               |
|   | <b>(2,847,735)</b>     | <b>(3,016,000)</b>     | <b>(2,322,572)</b>     |
| <b>Operating surplus</b>                          | <b>3,337,907</b>       | <b>2,677,500</b>       | <b>1,980,883</b>       |
| <b>Capital Revenue</b>                            |                        |                        |                        |
| Non-Operating grants, subsidies and contributions | 0                      | 0                      | 183,112                |
|   | <b>0</b>               | <b>0</b>               | <b>183,112</b>         |
| <b>Capital Expenditure</b>                        |                        |                        |                        |
| Land and buildings                                | (219,845)              | (295,000)              | (19,356)               |
| Plant and equipment                               | (9,046)                | (5,000)                | 0                      |
| Infrastructure - Other                            | 0                      | (25,000)               | 0                      |
| Transfer to/from reserve                          | 50,040                 | 320,000                | (6,105)                |
|   | <b>(178,851)</b>       | <b>(5,000)</b>         | <b>(25,461)</b>        |
| <b>Total</b>                                      | <b>3,159,056</b>       | <b>2,672,500</b>       | <b>2,138,534</b>       |



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**28. TRUST FUNDS**

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

|                                   | <u>1 July 2021</u> | <u>Amounts Received</u> | <u>Amounts Paid</u> | <u>30 June 2022</u> |
|-----------------------------------|--------------------|-------------------------|---------------------|---------------------|
|                                   | \$                 | \$                      | \$                  | \$                  |
| Cash in Lieu POS                  | 171,856            | 0                       | (126,215)           | 45,641              |
| Bond Deed Exmouth Marina Holdings | 18,186             | 0                       | 0                   | 18,186              |
| Exmouth Volunteer Fire & Rescue   | 50,828             | 0                       | 0                   | 50,828              |
|                                   | <u>240,870</u>     | <u>0</u>                | <u>(126,215)</u>    | <u>114,655</u>      |