

Heart of the Stirlings



SHIRE OF GNOWANGERUP

BORDEN GNOWANGERUP ONGERUP



2020-2021

SHIRE OF GNOWANGERUP

ANNUAL REPORT

CONTACT US

Main Administration Office:

28 Yougenup Rd,
Gnowangerup, WA, 6335

P: 9827 1007

F: 9827 1377

E: gnpshire@gnowangerup.wa.gov.au

W: www.gnowangerup.wa.gov.au

Office Opening Hours:

Monday to Friday
9:00am - 4.30pm

Licensing:

Monday - Friday
9:00am – 4:00pm

Phone Enquiries:

Monday - Friday
8:30am – 5:00pm

Depot:

P: 9827 1338

CONTENTS

THE DISTRICT AT A GLANCE	1
ACKNOWLEDGMENT OF COUNTRY	2
OUR VISION	2
OUR MISSION	2
OUR VALUES	2
OUR HISTORY.....	3
OUR COUNCIL.....	4
SHIRE PRESIDENT’S REPORT 2020/2021	4
OUR COUNCILLORS.....	7
THE NUMBER OF COUNCIL MEMBERS WHO ARE AGED.....	10
COUNCIL MEETINGS.....	11
ANNUAL MEETING OF ELECTORS.....	11
COUNCIL ELECTIONS.....	12
COUNCIL DELEGATES TO COMMITTEES.....	13
ELECTED MEMBERS ATTENDANCE AT MEETINGS.....	14
COMPLAINTS	15
OTHER MATTERS OF GOVERNANCE	16
PUBLIC INTEREST DISCLOSURES (PIDS)	16
NATIONAL COMPETITION POLICY (NCP)	17
COMPETITIVE NEUTRALITY.....	17
FREEDOM OF INFORMATION (FOI)	18
DISABILITY ACCESS AND INCLUSION PLAN (DAIP)	19
OUR ORGANISATION.....	21
CEO’S MESSAGE 2020/2021	21
SHIRE’S ORGANISATIONAL CHART	26
PAYMENT TO EMPLOYEES.....	27
SHIRE FACILITIES.....	28

OUR STRATEGIC FOCUS	29
INTRODUCTION	29
THEME 1 – SUSTAINABLE BUSINESS GROWTH	30
THEME 2 – THE NATURAL ENVIRONMENT	36
THEME 3 – OUR COMMUNITY	40
THEME 4 – A SUSTAINABLE AND CAPABLE COUNCIL.....	60
THEME 5 – FINANCIAL SUSTAINABILITY	66
THEME 6 – QUALITY BUILT FORM	77
OUR FINANCES	82
AUDITED ANNUAL FINANCIAL STATEMENTS	94
INDEPENDENT AUDITOR’S REPORT	150

THE DISTRICT AT A GLANCE

Population: 1215 (2016 Census Data)

Area: 4,268 km²

Number of Electors: 759 (2019 WA Electoral Commission)

Towns: Borden, Gnowangerup, Ongerup

Postcodes: 6338, 6335, 6336

Primary Schools (K6): Borden, Gnowangerup, Ongerup

Secondary Schools: Gnowangerup District High School, OneSchool Global (Private)

Libraries: Gnowangerup, Ongerup

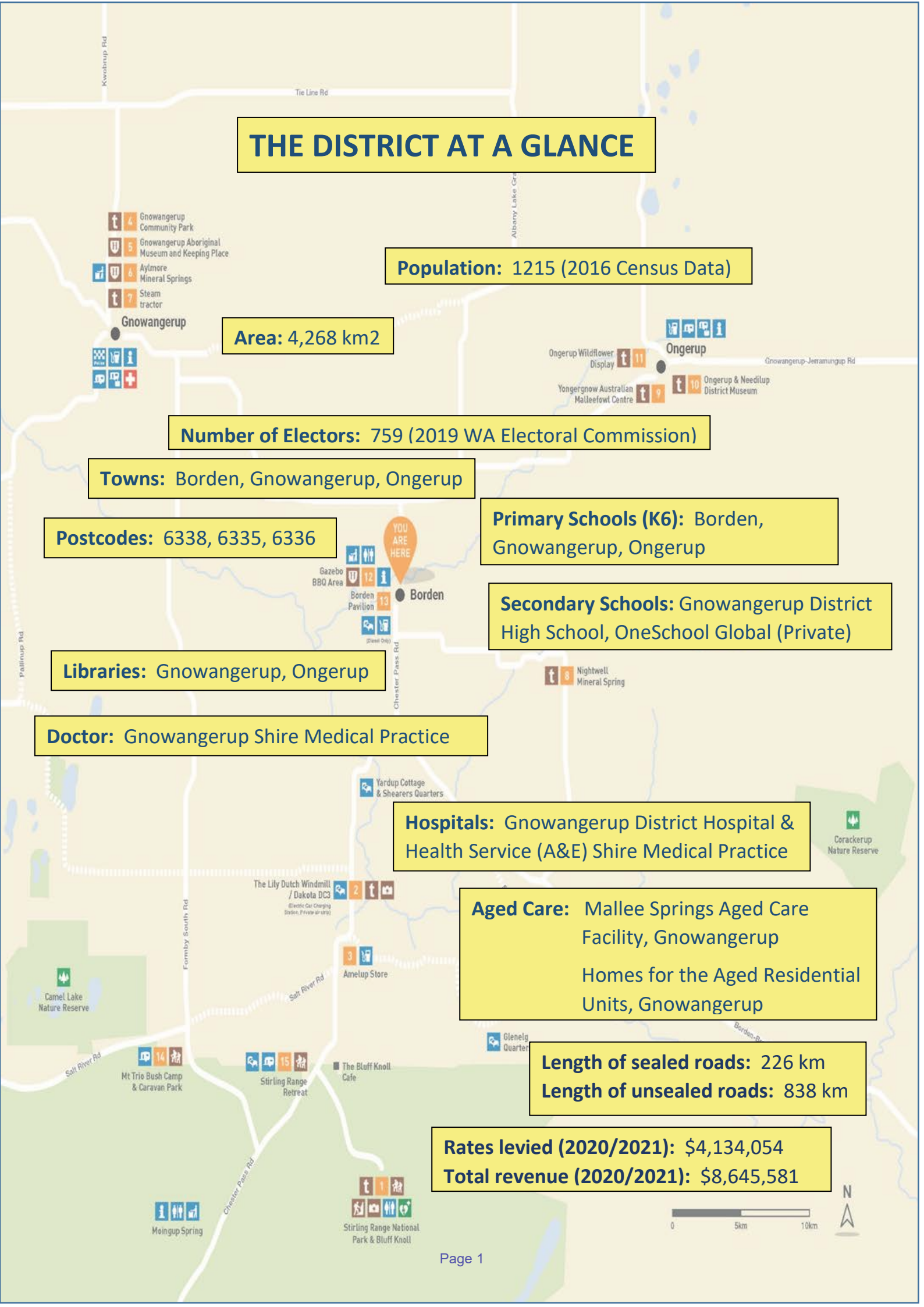
Doctor: Gnowangerup Shire Medical Practice

Hospitals: Gnowangerup District Hospital & Health Service (A&E) Shire Medical Practice

Aged Care: Mallee Springs Aged Care Facility, Gnowangerup
Homes for the Aged Residential Units, Gnowangerup

Length of sealed roads: 226 km
Length of unsealed roads: 838 km

Rates levied (2020/2021): \$4,134,054
Total revenue (2020/2021): \$8,645,581





ACKNOWLEDGEMENT OF COUNTRY

The Shire of Gnowangerup would like to acknowledge the Goreng people who are the Traditional Custodians of this land. The Shire of Gnowangerup would also like to pay respect to the Elders both past and present of the Noongar Nation and extend that respect to other Aboriginals present.

OUR VISION

A progressive, inclusive and prosperous community built on opportunity.

OUR MISSION

To demonstrate leadership in the provision of facilities, infrastructure and services that meet the needs of our community.

OUR VALUES

Honesty through integrity, ethical behaviour and trustworthiness.

Responsibility through accountability, transparency and ownership.

Respect of diversity and opinion through understanding and inclusiveness of all community groups.

Excellence through consistency and the pursuit of continual excellence.

Fairness through justice and equality.

Teamwork through collaboration, partnerships and a willingness to work together.

OUR HISTORY

The Gnowangerup District Road Board (as the Shire was initially known) was constituted on 26 January 1912, after years of tireless lobbying from the Gnowangerup Progress Association for its formation.

The Road Boards of Tambellup and Broomehill, under whose jurisdiction the land was previously governed, agreed to sever their eastern portions to form this new entity.

Within four months of the new entity, the first Gnowangerup District Road Board was elected. Of the 256 ratepayers in the district, only 74 cast a vote for the 13 candidates who were vying for the seven board positions.

Initially the board had no accommodation of its own. In 1915, a block of land was purchased in the Gnowangerup town site. The old premises of the Bank of Australasia was also purchased and shifted to the new site to accommodate the board. The administration buildings of the current Shire of Gnowangerup have occupied this location ever since.

For many years, the District extended all the way to the coast (Bremer Bay) in the east and past Bluff Knoll in the Stirling Ranges to the south.

After World War 2, the rapid pace of settlement in the area resulted in the Gnowangerup Road Board also encompassing the new localities of Jerramungup, Gairdner River, Boxwood Hills, Jacup and Bremer Bay.

In 1961, all Road Boards in Western Australia became known as Shire Council districts and the Shire of Gnowangerup, as it then became known, continued to flourish.

In 1982, the eastern section of the Shire was rescinded to form what is now known as the Shire of Jerramungup.

The Shire of Gnowangerup now consists of three towns, Gnowangerup (gazetted in 1908), Ongerup (1912) and Borden (1916).

OUR COUNCIL

SHIRE PRESIDENT'S REPORT 2020/2021

What a difference a year makes ...

Over the past 12 months our community has continued to feel the effects of the COVID pandemic. Luckily we have not been locked down or suffered as other states from restricted movement, we have mostly continued to operate in a business as 'usual' fashion.



The highlight of 2021 has been the weather, we have seen it rain to rival the 'old days'. As a result of this exceptional rain, many of our Water Strategies have been enacted and achieved. One of these outcomes was the construction of a storage dam with a capacity of 32.5 million litres, at a cost of \$205,000. This project has been funded 50% each by Department of Water and Environmental Regulation (DWER) and the Shire of Gnowangerup through the Community Water Supply Programme, this builds on the great collaboration between the Shire and DWER staff in Albany over a number of years. This water is for agricultural use and emergency fire-fighting, and the project has resulted in five dams being fully interconnected creating a high level of flexibility and storage capacity. The dam was opened by the Honorable Dave Kelly MLA the Minister for Water and the Honorable Shelley Payne MLC member for the Agricultural region in August. In addition, new tanks have been installed at Formby Road South and Highdenup bores by DWER.

Community participation in a Water Strategy Working Group has been invaluable to direct thought and planning to water projects within the community and allowing a long term plan to be developed that will endeavor to meet ongoing water needs.

One of the highlights of this year has been the Drought Communities Programme grant of \$1 million for the Shire to use on community projects. A wide range of projects were considered and subsequently funded throughout the Shire, water projects such as water harvesting at the Gnowangerup depot,

Magitup and Toompup dam renewal projects, tourism projects including development of the Stirling Range 'app', town entry landscaping, renewal of childcare and playground facilities, toilets and restoration works on a number of buildings. All of these projects were really appreciated by the community groups involved and ably managed by the Shire, and are almost completed.

A community celebration will be held in 2021/2022 to mark Dr Wole and Kemi's 10 years of medical services within our community. Whilst I am sure individually we have appreciated the work of this incredible doctor, on a Shire level we acknowledge the support Dr Wole has offered us through health care at the surgery, accident and emergency within the hospital and further afield and his support of the Local Emergency Management Committee during COVID discussions keeping us all safe.

This year has seen a review of the Strategic Community Plan with nine well attended community engagement sessions held. This plan is the overarching guide for the Shire over the next ten years, it has a broad long term focus and strong emphasis on the communities shared vision, goals and aspirations. The plan addresses questions such as "What are our community priorities?" "What actions can we take?" and "How will we know when we are succeeding?". The Strategic Community Plan is reviewed quarterly by Council and is available in the Shire meeting minutes and placed on the website for community information.

An emerging tourism venture within the Shire has been the Horsepower Highway, an initiative coordinated by GNP 360. This has seen a flurry of activity to rehome 'old' tractors along the Broomehill – Gnowangerup Road as far as the Stirling Ranges. The Shire has contributed by sponsorship towards the opening and by restoring our own 'Lizzy' who has a very remarkable tale. With an interactive map, each tractor has a story and it has provided a fun and interesting way of relaying the traffic through to the Stirling Ranges. This has been a really powerful addition to tourism within the Shire, cleverly marketed with minimal cost and a ton of community support.



As part of becoming a member of the Southern Link Voluntary Regional Organisation of Councils (VROC), the Shire has been very proactive in collaborating with our neighbouring Councils of; Broomehill-Tambellup, Cranbrook, Kojonup, Katanning and Plantagenet. We look forward to progressing common goals and initiatives into the future.

Each year Council has the opportunity to support community groups and events through the Shire Community Grant Programme. This is a great initiative that allows Council to support many community groups. In the 2020/2021 year, \$50,752 was allocated to sporting groups, community organisations and events in our Shire.

Looking to 2022, we will see a new set of projects with a completion date of 2023 in our Shire that will have been funded through a Federal Government Local Roads Community Infrastructure Program (LRCIP Phase 3) of \$ 859,416, as the next part of a major recovery initiative. Council is working on allocating funds to new capital and renewal projects that will allow for some of our long term financial plan infrastructure projects to be realised in a timely manner.

Finally, thank you to the Shire of Gnowangerup Council and staff and a special mention to our CEO Mr Bob Jarvis, and Deputy President Cr Greg Stewart for their continual support of all that is Gnowangerup – our people and our place, it's pretty unique.

Cr Fiona Gaze
Shire President



OUR COUNCILLORS



Cr Fiona Gaze - Shire President

Current term: 2019 - 2023

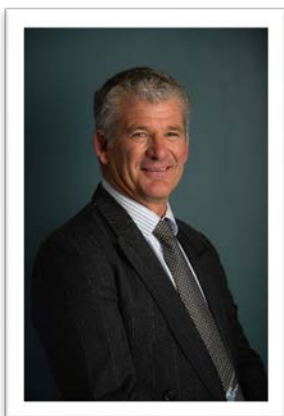
A Councillor since 2008, Cr Gaze has served as Deputy President from 2009 – 2011 and again from 2013 – 2019. Cr Gaze was elected President of the Shire of Gnowangerup in October 2019, Cr Gaze holds a Bachelor of Education and a Masters of Education Management from UWA. Since 1986, Cr Gaze has been employed in a variety of teaching and senior administration roles, including Principal at Gnowangerup District High School. Local economic and regional development that ensures Council progress and sustainability is a personal priority, allowing our communities to grow and thrive in our rapidly changing world. Cr Gaze is also involved in running her family farm and has a passion for local community via her work with families, children and youth.



Cr Greg Stewart JP- Deputy Shire President

Current term: 2017 - 2021

Cr Stewart previously served on Council from 1986-1994 and was re-elected in 2017. A life-long community member, he is passionate about issues involving projects that will be for the betterment of the Shire. Cr Stewart has a passion for farming and is still actively involved on the family farm. Cr Stewart has held many positions with local organisations including that of Chairman of the Indoor Recreation Centre Development in the early 80s, and member of the Ag School Board and the State Ag Advisory Trust. He has been awarded the 20 Year Service Medal for Bushfire Brigade volunteers and, in 2000, also received the Australia Sports Medal for services to sport in the Shire of Gnowangerup. Cr Stewart has been an active Justice of the Peace and wants to improve facilities and provide opportunities for new businesses in the Shire.



Cr Keith House JP

Current term: 2017 - 2021

Cr House was first elected to Council in 2009 and held the position of Deputy President in 2012/2013. Cr House has served as Shire President from 2015 – 2019. A life-long member of the Gnowangerup community, Cr House operates a family farming enterprise and holds a Bachelor of Agricultural Science from UWA. Cr House is a Justice of the Peace and has been actively involved with a number of community organisations including the Gnowangerup Hospital Advisory Board.



Cr Chris Thomas

Current term: 2017 - 2021

Elected to Council in 2017, Cr Thomas has a long standing connection to the Shire through family living in Ongerup. Following a career as Project Manager in Heavy Construction, Cr Thomas settled into the Shire and now owns the Bluff Knoll Cafe with his wife Jacqui. Cr Thomas promises to be a strong voice in Council with a high regard for community Representation.



Shelley Hmeljak

Current term: 2019 - 2023

First elected to Council in 2003, Cr Shelley Hmeljak has lived and worked in Gnowangerup all her life. Actively involved in many local committees, Cr Hmeljak served on inaugural committees for sports like water polo and T-ball, which were not previously provided for in the community. Cr Hmeljak is currently a pharmacy assistant and qualified swimming instructor and her involvement in both translates into a passion for the welfare of the Shire's youth and elderly populations.

Cr Hmeljak is passionate about the economic development of the Shire of Gnowangerup. She ran a successful campaign 'Shop Locally' in 2018/2019 to support the local business and to raise public awareness of the importance to shop in their own town.



Cr Frank Hmeljak

Current term: 2017 - 2021

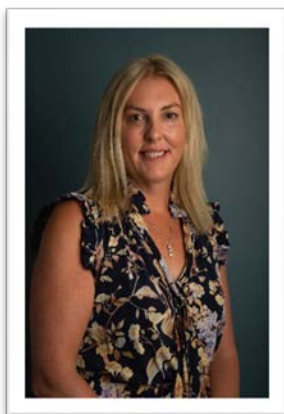
With more than 17 years' prior experience working for the Shire, Cr Frank Hmeljak has extensive knowledge of the organisation's buildings and road infrastructure. Born and bred in Gnowangerup, Cr Hmeljak is a qualified carpenter and joiner. He is passionate about creating greater opportunities for the Shire's youth both during and after their school years and is also interested in supporting opportunities for further small business creation within the Shire.



Cr Richard House

Current term: 2017 - 2021

Cr Richard House combines the operation of his family's broadacre farming enterprise with keen involvement in the Merino sheep industry, and the development and ownership of a commercial pellet mill business. Cr House has held many positions across a number of local organisations, including the Gnowangerup Sporting Complex Committee during a time of facility redevelopment and expansion. As a past State President of the WA Merino Breeders Association, Cr House brings invaluable governance experience to Council.



Cr Kate O'Keeffe

Current term: 2019 - 2023

Cr Kate O'Keeffe has lived in Gnowangerup since arriving as a teacher in January 1994. She has a Bachelor of Arts (Education) and has enjoyed a wide range of teaching positions at Gnowangerup District High School, including acting as Deputy Principal for some years. Cr O'Keeffe has held many positions in the Gnowangerup community during her 25+ years of living in Gnowangerup; including President of various sporting clubs, the Sporting Complex, The Gnowangerup Family Support Association and others. Cr O'Keeffe is also a keen farming enthusiast and enjoys working with her husband and family on their broad acre mixed farming enterprise. Cr O'Keeffe is a passionate and involved community member, who enjoys her role as a Councillor and the opportunity it provides her to 'give back' to her community.



Cr Mick Creagh

Current term: 2019 - 2023

Cr Mick Creagh moved to the Gnowangerup Shire in early 2006, to manage a farm at Ongerup. More recently he purchased and developed the Ongerup Farm Supplies & General Store business. Cr Creagh has been active in a number of community organisations, including as Captain of the Ongerup Bowling Club, serving as a Fire Control Officer and serving on the committee of the Ongerup Community Development. He holds an Associate Diploma in Agriculture from Muresk Institute of Agriculture. Cr Creagh is passionate about agriculture and all things involved with living in a rural community. Cr Creagh is very keen to see projects go ahead for the betterment of the whole Shire and would like to see the Shire take a leading role in developing the Great Southern as an agricultural, commercial, industrial and tourism hub.

THE NUMBER OF COUNCIL MEMBERS WHO ARE AGED —

- between 18 years and 24 years : Nil
- between 25 years and 34 years : Nil
- between 35 years and 44 years : Nil
- between 45 years and 54 years : Two
- between 55 years and 64 years : Five
- over the age of 64 years : Two



COUNCIL MEETINGS

Ordinary Council Meetings are generally held on the fourth Wednesday of each month (except January & December) in the Council Chambers at the Shire administration office, 28 Yougenup Rd, Gnowangerup from 3:30pm. All meetings are open to the public.

Special Meetings of Council are held as and when required. In this reporting period, Special Meetings were held on the following dates

- 25th February 2021
 - AUSPAN New Factory and Office - Request for Minimum Development Application Fee
 - Construction of 2 X Chalets at Gnowangerup Caravan Park
- 11th March 2021
 - AUSPAN New Factory and Office - Request for Minimum Development Application Fee
 - Ongerup Community Development Inc. – Request to re-finance loan to 30th June 2021

Minutes of the meetings are available on the Shire's website.

ANNUAL MEETING OF ELECTORS

An Annual Meeting of Electors is held each financial year, usually in February, in accordance with Part 3 of the *Local Government (Administration) Regulations 1996* and the *Local Government Act 1995* Part 5, Division 2, Subdivision 4, section 5.27. The purpose of the meeting is to, firstly, present the Annual Report (including the Auditor's Report) to electors, and then to discuss any other general business. Under section 5.33, all decisions made at an elector's meeting are to be considered at the next ordinary meeting of Council.

The Annual Meeting of Electors for this year was held on 3rd February 2021 at the Ongerup Sporting Complex.

COUNCIL ELECTIONS

Councillors are elected for four-year terms with Council elections held every two years on the third Saturday in October.

The next Council elections will be held on 16th October 2021.



B. JARVIS
CHIEF EXECUTIVE OFFICER



SHIRE PRESIDENT



CR. P. GAZE

COUNCIL DELEGATES TO COMMITTEES

Committee	Representative
Great Southern Recreational Advisory Group	Cr Richard House
WALGA Great Southern Zone	Cr Fiona Gaze Cr Keith House
Great Southern Joint Development Assessment Panel	Cr Keith House Cr Fiona Gaze
Regional Road Group	Cr Richard House
North Stirling Pallinup Natural Resources Inc.	Cr Chris Thomas
Yongergnow Malleefowl Centre	Cr Mick Creagh
Borden Pavilion Committee	Cr Fiona Gaze
Gnowangerup Sporting Complex Committee	Cr Richard House
Ongerup Sporting Complex Committee	Cr Keith House
Great Southern Treasures	Cr Kate O'Keeffe
Audit Committee	All Councillors
CEO Review Committee	All Councillors
Local Emergency Management Committee (LEMC)	Cr Fiona Gaze Cr Keith House
Bushfire Advisory Committee	Cr Greg Stewart
Southern Link VROC	Cr Fiona Gaze Cr G Stewart

Councillors participate in two types of committee. The first type are the committees of Council i.e. the Audit Committee and the Chief Executive Officer Review Committee. The second type of committee is where Councillors are invited to participate on committees of Community Groups external to the Shire of Gnowangerup as an organisation.

ELECTED MEMBERS ATTENDANCE AT MEETINGS

Councillors	Cr F Gaze	Cr G Stewart	Cr K House	Cr F Hmeljak	Cr K O'Keefe	Cr M Creagh	Cr R House	Cr C Thomas	Cr S Hmeljak
July 2020	O	X	O	O	O	O	X	O	O
August 2020	O	O	O	X	O	O	O	O	O
September 2020	O	O	X	O	O	O	O	O	O
October 2020	O	O	O	O	O	O	O	O	O
November 2020	O	O	X	O	O	O	O	X	O
December 2020	O	O	O	O	O	O	O	O	O
February 2021	O	O	O	X	O	O	O	O	O
March 2021	O	O	O	X	O	O	O	O	O
April 2021	O	O	O	O	O	O	O	X	O
May 2021	O	O	O	O	O	O	O	X	O
June 2021	O	O	O	O	O	O	O	X	O
Special Meeting 25 th February 2021	O	X	O	O	X	O	X	X	O
Special Meeting 11 th March 2021	O	O	O	X	O	O	O	X	X
Councillors	Cr F Gaze	Cr G Stewart	Cr K House	Cr F Hmeljak	Cr K O'Keefe	Cr M Creagh	Cr R House	Cr C Thomas	Cr S Hmeljak

Councillors	Cr F Gaze	Cr G Stewart	Cr K House	Cr F Hmeljak	Cr K O'Keeffe	Cr M Creagh	Cr R House	Cr C Thomas	Cr S Hmeljak
Audit Committee Meeting 14 th October 2020	X	O	O	X	O	O	X	X	O
Audit Committee Meeting 9 th December 2020	O	O	O	X	O	O	O	O	X
Audit Committee Meeting 17 th February 2021	O	O	O	X	O	O	O	O	X
Audit Committee Meeting 23 rd June 2021	O	O	O	O	O	O	O	X	O
CEO Review Committee Meeting 25 th November 2020	O	O	X	O	O	O	O	O	O
Annual Electors Meeting 3 rd February 2021	O	O	O	X	O	O	X	X	X
Councillors	Cr F Gaze	Cr G Stewart	Cr K House	Cr F Hmeljak	Cr K O'Keeffe	Cr M Creagh	Cr R House	Cr C Thomas	Cr S Hmeljak

Attendance: O

Apology: X

COMPLAINTS

No complaints were made against Councillors under Section 5.121 of the Local Government Act 1995 during the year-ended 30th June 2021.

OTHER MATTERS OF GOVERNANCE

PUBLIC INTEREST DISCLOSURES (PIDs)

The Public Interest Disclosure Act was established by the Commissioner for Public Sector Standards under Section 20 of the Public Interest Disclosure Act 2003. One of the principles of the legislation is not just to provide protection to those who make disclosures (and those who are the subject of disclosures) but also to encourage a system of transparency and accountability in the way government or government officials act and utilise public monies.

Matters that fall into the category of Public Interest include:

- Improper Conduct (irregular or unauthorised use of public resources)
- An offence under State Law including corruption (substantial unauthorised or irregular use of, or substantial mismanagement of, public resources).
- Administration matters generally (conduct involving a substantial risk of injury to public health, prejudice to public safety or harm to the environment).

Matters that relate to the Shire of Gnowangerup should be referred to the Shire's Public Interest Disclosure Officer (PID Officer). Disclosures made can be made not just about officers of a local authority but also about its elected members.

There is an obligation on the PID Officer in the Public Interest Disclosure Act to ensure that the disclosure is confidential and that the person making a disclosure is provided adequate protection from reprisals, civil and criminal liability, dismissal or breach of confidentiality.

The Shire of Gnowangerup had no public interest disclosures during the year-ended 30th June 2021.

NATIONAL COMPETITION POLICY (NCP)

The Competition Principles Agreement (CPA) is a contractual agreement between Federal Government and all State and Territory Governments which aims to ensure that all public enterprises operate in a transparent manner in the best interests of the public. Under the CPA, public enterprises are required to review their operations to ensure they have no competitive advantage or disadvantage as a result of their public status.

COMPETITIVE NEUTRALITY

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

Competitive neutrality should apply to all business activities that generate a user pays income of over \$200,000 per annum, unless it can be shown it is not in the public interest. A public benefit test is used to determine if competitive neutrality is in the public interest. This involves assessing the benefits of implementing competitive neutrality against the costs. If the benefits exceed the costs, competitive neutrality should be implemented.

The Shire of Gnowangerup does not control any business activity with a user pays income in excess of \$200,000.

FREEDOM OF INFORMATION (FOI)

In 2020/2021, the Shire published its annual Freedom of Information (FOI) statement in accordance with the requirements of the *Freedom of Information Act 1992*. A copy of the current statement is available on our website www.gnowangerup.wa.gov.au

We confirm that the Shire complies with the relevant legislation and welcomes FOI enquiries.

The Shire of Gnowangerup did not receive any FOI applications during the 2020/2021 year.

FREEDOM OF
INFORMATION

DISABILITY ACCESS AND INCLUSION PLAN (DAIP)

Part 5, sections 27, 28 & 29 of the Disability Services Act 1993 requires Local Governments to have and implement a Disability and Access Inclusion Plan and to report on the implementation of its Plan.

The Shire of Gnowangerup Disability Access and Inclusion Plan 2021-2026 contains a number of strategies to address each of the desired outcomes of the Disabilities Services Act 1993.

THERE ARE SEVEN OUTCOMES:

Outcome 1:

People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.

The Shire of Gnowangerup has commenced offering E-Resources at the Gnowangerup and Ongerup Libraries. Library members now have access to Kanopy, BorrowBox, RBDigital Magazines, and E-magazines from their computer, mobile or tablet device. Having this resource allows people with disability to access the library service from their home.

A new footpath has been constructed between the Gnowangerup Sporting Complex and Gnowangerup Cemetery. This pathway will assist with access to the cemetery for funerals being held at the Gnowangerup Sporting Complex.



Outcome 2:

People with disability have the same opportunities as other people to access the buildings, and other facilities of a public authority.

We recently upgraded our public amenities at the Shire Administration Office. The upgrade of the toilet block has made it easier for people with a disability to access and it also has a new non-slip floor.

We have also installed a new public toilet at our Gnowangerup Cemetery. This is a disabled access toilet that will be open to the whole community. Previously there were no toilets at the cemetery and the closest toilet is 1km away. Having this disabled access toilet will enable visitors to the Cemetery to stay longer.

As part of the Drought Communities Programme, new street signage has been placed throughout the town of Ongerup. This includes new public amenities signage showing where the disabled amenities are located.

Outcome 3:

People with disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.

We have recently designed a new Shire of Gnowangerup website. The new website has a clearer layout and will make it easier for residents to use. It now has the option to provide feedback through the website so people don't need to attend the office.

Outcome 4:

People with disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.

During the facility closures for COVID-19 our community library in Gnowangerup was closed to the public. We commenced a Mystery Box service. This was a box of 10 books that was delivered to our local residents and left on their doorstep. This service to our community ensured everyone was included and have this important service during the unfortunate pandemic.



Outcome 5:

People with disability have the same opportunities as other people to make complaints to a public authority.

The Shire continues to ensure all people have the same opportunity to make complaints. We accept written and verbal complaints through the Administration office, either over the phone, in person or mailed.

The addition of a feedback form on the new website will allow residents to contact us without attending the office or phoning.



Outcome 6:

People with disability have the same opportunities as other people to participate in any public consultation by a public authority.

No new activities commenced. The Shire continues to ensure everyone has the opportunity to participate in public consultation. Our surveys are provided both in hard copy and digital formats. When holding community meetings for consultation, these are always held in a disabled friendly location.

Outcome 7:

People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

The Shire continues to ensure all employment advertisements and packages are available in a range of print and electronic formats.

OUR ORGANISATION

CEO's MESSAGE 2020/2021

The year under review saw COVID 19 continuing as a global pandemic, but, like the rest of the State, the Shire has been spared the restrictions on movement and public participation that is being endured by other State and Territories. However, the Shire and the State have been impacted by global and national trends. These include supply line shortages, increased costs for essential and short supplied goods, and increased costs (and shortages) for trades and services. This has caused delays to the completion of grant funded projects through the Drought Communities Programme, and to some infrastructure projects. The delivery of plant and other equipment has also been delayed due to shortages of construction materials and delays in the delivery of imported machinery and plant.



The Federal Government has acknowledged these difficulties and provided significant extensions for grant funded projects to local governments across the nation. Gnowangerup Shire has fared better than most having completed more than 75% of its projects within the original timeframe. The Drought Communities projects completed within the year under review include the playground at the Gnowangerup Sporting Complex, renovation of the toilet facilities next to the Shire Administration Building, sandblasting and repainting of the historic tractor in front of that building, a shed for events at the Borden Pavilion and a water harvesting project at the Shire Depot in Gnowangerup.



Projects substantially completed during the year under review, include streetscape and signage projects in Borden and Ongerup, Amelup Tourism promotional products, and improvements to the Toompup and Magitup Dams. Renovations to the North Stirlings and Pallinup Natural Resource Management building in Borden,

alterations to the Ongerup Pavilion to accommodate the Ongerup occasional childcare group, toilet facilities at the Gnowangerup Cemetery, and painting of the historic police station building in Gnowangerup are all well underway or completed at the time of preparing this report.

The Shire has managed the challenges well, and, despite restrictions on travel for certifying staff, was able to complete its GNS (satellite navigation) approach project for the Gnowangerup Airstrip making it safer and accessible in inclement weather. The Shire was also able to complete a Community Water Supply Project, jointly funded by the Shire and the State, which saw the construction of a 32.5 million litre dam near the aerodrome with two 250,000 litre tanks with (solar powered) fast fill facilities. The dam was officially opened by the Minister for Water and the Shire President.



The Shire has completed significant roadworks and verge clearing projects funded by the Federal Government's Local Roads and Community Infrastructure Projects Program Phases 1 and 2, and further funding through Phase 3 of this Program will be received in January 2022. The Council will be looking at priorities for projects to be funded during the last few months of 2021.

The water shortages which have caused real concern during the last two reported years gave way to significant and damaging rains during the period under review. Many of the Shire's roads were damaged by water crossing roads, and flooding resulting in the Shire now preparing a claim for damages under the Disaster Recovery Funding Arrangements through DFES. Some farms also experienced difficulties in planting crops due to water inundation. The positives of this change in weather pattern are the substantial storage of water in public and private dams, including the near capacity filling of the new Gnowangerup Community Water Supply Dam and the Water Corporation's Number 1 Gnowangerup Dam.

Another challenge facing our community in the future is the shortage of housing and other accommodation which is exacerbated by the high cost of development of residential and industrial land in rural areas in WA. The Shire of Gnowangerup moved a motion at the Great Southern Zone of the West Australian Local Government Association (WALGA), which was adopted and subsequently passed at the Annual General Meeting of WALGA, with unanimous support from all WA local Governments present, calling on the State Government to urgently address these development costs including the impost of debilitating head works costs by utilities providers such as Water Corporation and Western Power.

The Shire has now become a full member of the Southern Link Voluntary Regional Organisation of Councils, and association of local governments which collaborate on projects benefiting all members including housing funding, pest control, shared services etc. The membership is as follows:

- Broomehill-Tambellup
- Cranbrook
- Gnowangerup
- Katanning
- Kojonup
- Plantagenet

More work has been done on the Gnowangerup Star Building including repairs to the building, several clean ups, repairs to parts of printing presses in anticipation of fully restoring some presses to working order, restoring three phase power to the building and planning for the preservation and safe storage of the collection of editions of the “Star”. The Shire has funded works thus far



but volunteers have made an invaluable contribution, and this growing group of people have made considerable commitments of time and energy to the project.

More detailed information on the achievements of the Shire is included in the remainder of the Annual Report.

2021 is an Election Year and I wish to thank the Councillors in place during the year under review for their support and hard work on behalf of their community, particularly those that have chosen to retire from Council, and to those that remain, and the new Councillors coming in, I look forward to you providing new perspectives and energy going forward.

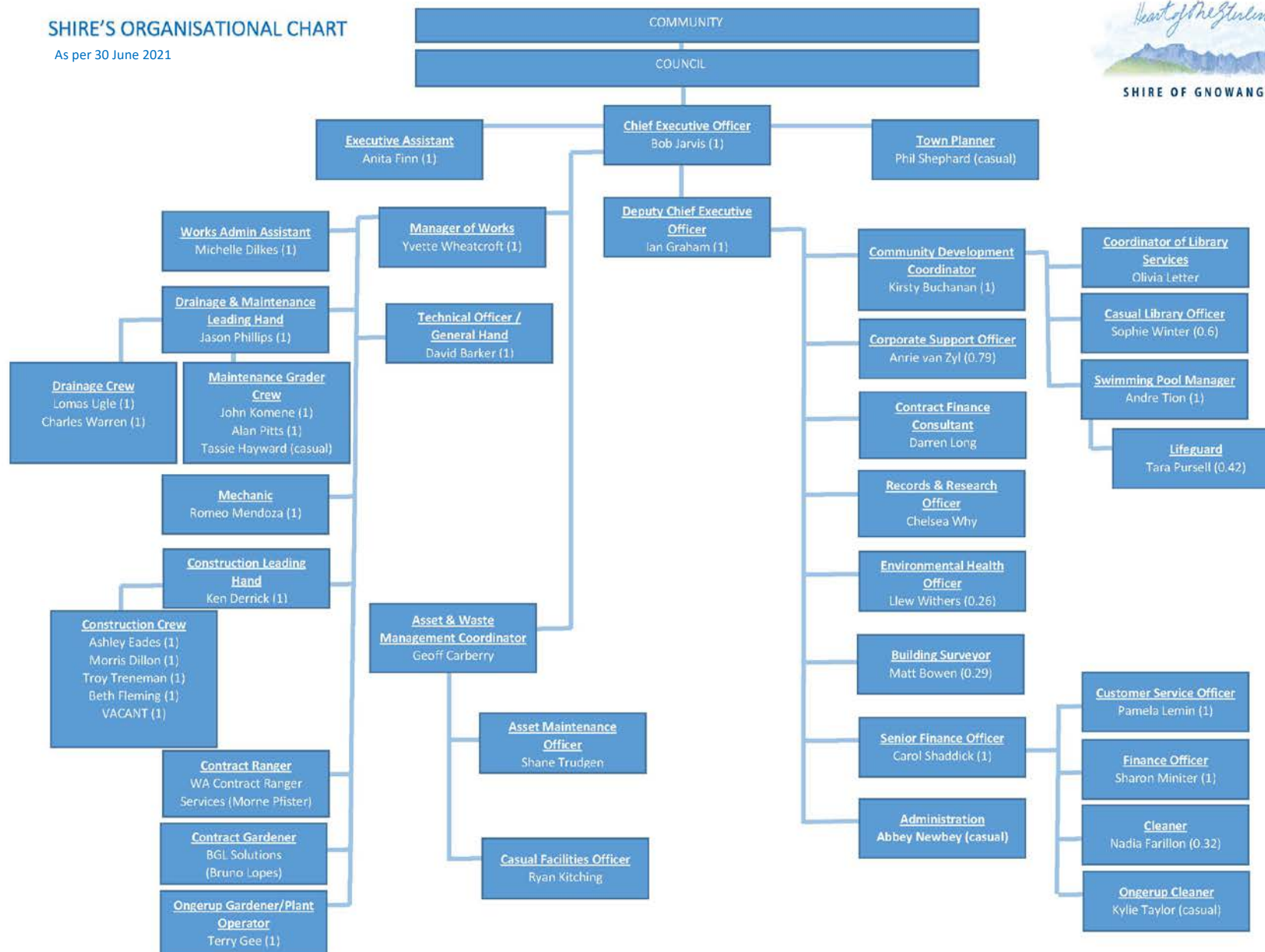
Bob Jarvis

Chief Executive Officer



SHIRE'S ORGANISATIONAL CHART

As per 30 June 2021



PAYMENTS TO EMPLOYEES

Regulation 19B of the Local Government (Administration) Regulations 1996

The number of employees of the local government entitled to an annual salary of \$130,000 or more:

ANNUAL SALARY	NUMBER OF EMPLOYEES
\$130,000 +	1

The number of employees of the local government entitled to an annual salary that falls within each band of \$10,000 over \$130,000:

ANNUAL SALARY	NUMBER OF EMPLOYEES
\$130,000 - \$140,000	0
\$140,000 - \$150,000	0
\$150,000 - \$160,000	1
\$160,000 - \$170,000	0

Any remuneration and allowances paid by the local government under Schedule 5.1 (Standards Panels) clause 9 during the financial year:

NIL

Any amount ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made under section 5.107(1), 5.109(1) or 5.114(1) to the local government during the financial year:

NIL

The remuneration (remuneration has the meaning given in the Salaries and Allowances Act 1975 section 4(1)) paid or provided to the CEO during the financial year:

CEO REMUNERATION 2020/2021	\$194,630
----------------------------	-----------



SHIRE FACILITIES

Libraries:

Gnowangerup

Yougenup Centre

47 Yougenup Rd, Gnowangerup, WA, 6335

P: 08 9827 1635

E: library@gnowangerup.wa.gov.au

Ongerup

c/-Yongergnow-Ongerup CRC

Lot 260 Jaekel St, Ongerup, WA, 6336

P: 08 9828 2325

E: library@gnowangerup.wa.gov.au

Recreation Centres:

Borden Pavilion

51 Stone St, Borden, WA, 6338

P: 08 9828 1116

Ongerup Sporting Complex

Jaekel St, Ongerup, WA 6336

P: 08 9828 2013

Gnowangerup Sporting Complex

Strathaven Road, Gnowangerup, WA, 6335

P: 08 9827 1386

Gnowangerup Community Swimming Pool:

Strathaven Road, Gnowangerup, WA, 6335

P: 08 9827 1741

OUR STRATEGIC FOCUS

INTRODUCTION

The Shire of Gnowangerup's direction was guided by the 2017-2020 Strategic Community Plan. This Plan was developed in 2017/2018 with our community and outlines the vision for the Shire and identifies community priority areas.



The Corporate Business Plan 2017–2021 is the Shire of Gnowangerup's 4-year service and project delivery program. It is aligned to the strategic direction and priorities set within the Strategic Community Plan 2017–2027 and reflects actions in the Shire's forward Capital Works Program and informing strategies

No modifications were made to the Strategic Community Plan in the 2020-21 financial year (the Shire of Gnowangerup commenced a four yearly major review of the Strategic Community Plan during the 2020-21 financial year; however the revised plan was not adopted during the 2020-21 financial year).

The Strategic Community Plan and the Corporative Business Plan is divided into six key themes:

Theme 1
Sustainable Business
Growth

Theme 2
The Natural Environment

Theme 3
Our Community

Theme 4
A Sustainable and Capable
Council

Theme 5
Financial Sustainability

Theme 6
Quality Built Form

THEME 1

SUSTAINABLE BUSINESS GROWTH

Sustainable Business Growth

- Regional Collaboration
- Business Capacity

Objective 1 Actively support and develop existing business and attract new local business.	
Strategic Initiatives:	1.1 Lobby for the technological infrastructure necessary to support commercial and business growth.
	1.2 Create business and community Partnerships.
	1.3 Review and align land use and infrastructure plans.
	1.4 Facilitate future industrial Development.
	1.5 Facilitate knowledge sharing and learning opportunities.

Development of industrial land

The Shire has been pursuing the development and release of additional general industrial land. In 2020, Shire planning staff commenced reviewing the opportunity for requesting a change of purpose of Reserve 28654 (Lot 347)



Quinn Street, Gnowangerup, to include Industrial Development purposes. Subject to the outcome of enquiries to the Department of Planning, Lands and Heritage, the matter will be presented to Council for consideration in the first quarter of the 2021/2022 financial year.

Objective 2 For the Shire’s business community to have the technology and communication capability necessary to thrive within a competitive environment.	
Strategic Initiatives:	2.1 Actively seek opportunities for improving local communication network infrastructure.

Superloop

Superloop Limited (Superloop) is a grant recipient under the “Digital Farms” program and has committed to deploying telecommunications infrastructure to service Great Southern regional communities. In May 2020, Superloop approached the Shire to consider agreeing to the terms of a draft Head of Agreement for a ground lease at the Shire Depot in Gnowangerup, subject to approval from the Minister for Lands. In January 2021, the Shire agreed to providing Superloop access to existing Shire infrastructure at the Gnowangerup Depot to facilitate commencement of the new internet service to the township of Gnowangerup. The new internet service commenced in April 2021.



Objective 3 Enhance and develop the tourism industry to promote growth and prosperity.	
Strategic Initiatives:	3.1 Develop partnerships to actively support visitor growth.
	3.2 Leverage our environmental, built, heritage and social assets in the promotion of tourism.

Marketing Strategy

Shire staff are reviewing the marketing strategy from an operational perspective with a view to implement recommendations where practicable.



Amelup Information Bay Upgrades

The very old and tired information bay at Amelup was updated. The new information bay will fall in line with the Gnowangerup, Borden and Ongerup information bays that were updated last year.



Blue Tree project

Partnering with the Gnowangerup Community Resource Centre, the Gnowangerup Yorgas Group and the Rapid Relief Team, the Gnowangerup Blue Tree was painted for Mental Health Week.

It was a fantastic community effort to see the tree painted and the community come together to add their handprint to show support for Mental Health. Over 90 handprints are now on the tree and these are joined with Aboriginal dot painting to show that the Gnowangerup community are all joined together for this fantastic cause.



The Gnowangerup Star



More work has been done on the Gnowangerup Star Building including repairs to the building, several clean ups, repairs to parts of printing presses in anticipation of fully restoring some presses to working order, restoring three phase power to the building and planning for the preservation and safe storage of the collection of editions of

the “Star”. The Shire has funded works thus far but volunteers have made an invaluable contribution, and this growing group of people have made considerable commitments of time and energy to the project.

Gnowangerup Heritage Trail Extension (War Memorial to Alymore Spring)

Work has begun on this project. The Gnowangerup Heritage Trail will now form part of the Great Southern Treasures ‘Bobtail Trail’. Working with GSCORE who have secured funding from Lotterywest to work on the Bobtail Trail, the Gnowangerup Heritage trail will continue on into the 2021/22 financial year to see its completion.



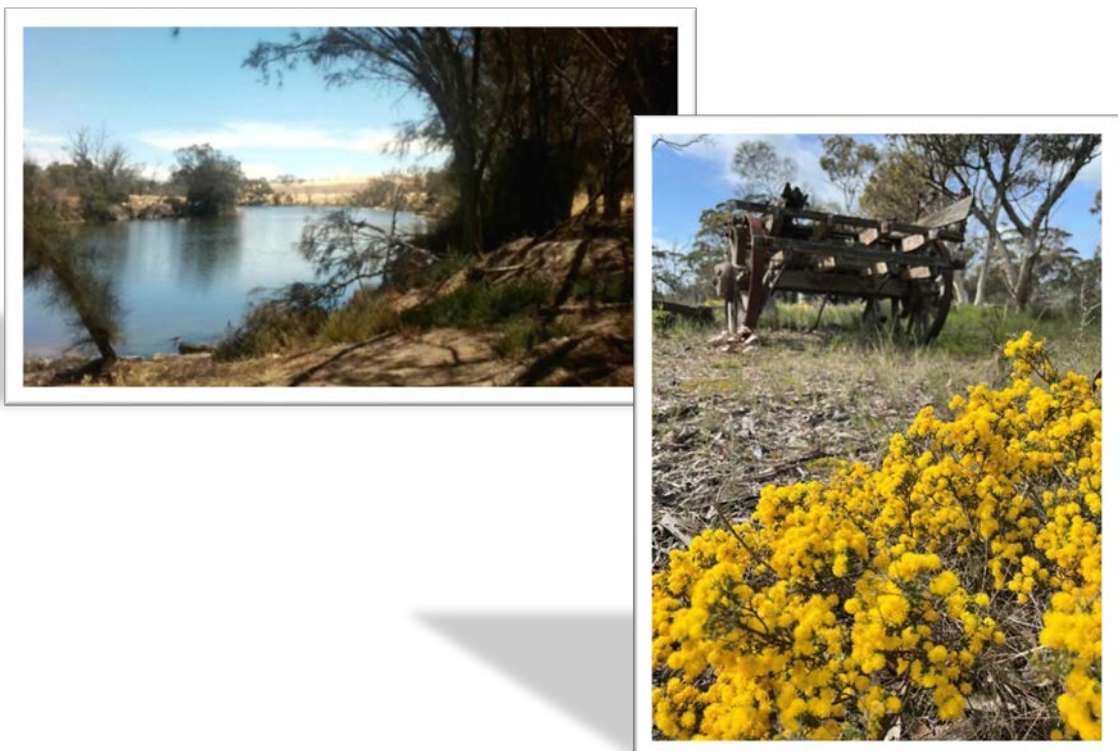
Participation in creating the Great Southern Trails Master Plan

The Shire has continued to work with the Great Southern Centre for Outdoor Recreation Excellence (GSCORE) and have now completed the final Great Southern Trails Masterplan. Working with 11 Local Governments and other government bodies to ensure we have a great plan to make the Great Southern a world class trails destination.

Trails that are included within the plan and in our area are:

1. Upgrades to the Bobtail Trail (formerly the Great Southern Treasures Trail) to include an Aboriginal Heritage Trail in Gnowangerup and a walk trail in Ongerup at the Yongernow Centre.
2. Potential Stirling Range valleys cycle trail and grain rail trail.

The Shire of Gnowangerup has also entered into a Service agreement with GSCORE for them to implement the masterplan and work with all 11 local governments to ensure the trails go ahead.



THEME 2

THE NATURAL ENVIRONMENT

The Natural Environment

- Environmental Resilience
- Community Involvement
- Accessible Environments

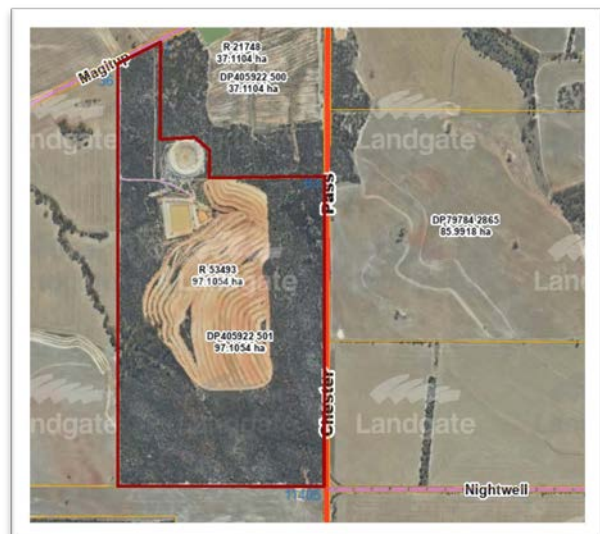
Objective 1 Environmentally sustainable leadership.	
Strategic Initiatives:	1.1 Effectively manage Resource consumption including water, energy and non-renewable resources and stewardship.
	1.2 Reduce waste through reduction, re- use and recycling of waste products.

Take Management Order over Borden Community reserve

The Shire received a management order over the Borden Community Dam Reserve in October 2019. In applying for the management order, the Shire had requested power to lease or licence (for a period no longer than 21 years with Ministerial Approval), however this was not included in the Management Order.

The Shire therefore subsequently sent a request to the Department of Planning, Lands and Heritage for the power to lease or licence to be added to the management order and the amended Management Order was finally issued on the 20th August 2020.

By having the Power to Lease or Licence (for a period no longer than 21 years with Ministerial Approval) the Shire will be able to include Reserve 53493 as part of future Lease Agreements for the Borden Pavilion, with conditions attached, as the dam is the main source of water for the ovals at the Pavilion.



Water Strategy

The year has seen a large expansion of water assets with several water storage projects being completed. The Community Drought Funding allowed three projects to be completed. Toompup Dam saw catchment improvements carried out, along with two 250,000 Litre tanks, supplied by a solar pump from the dam being installed. Repairs were carried out and a new spillway installed on the Magitup Dam. A 250,000 Litre tank was installed at the Gnowangerup Shire Depot using the sheds as its catchment.



A project jointly funded between the Shire and the Department of Water and Environment Regulation saw a 32.5 million litre storage dam constructed to further make use of the Airport catchment. This work enabled the interconnection of five dams giving a high degree of flexibility in collecting, transferring, and

storing water supplies. An additional two 250,000 Litre tanks are supplied from the new dam by a solar pump. This water is classified as Emergency (Firefighting) and Drought Relief.

Upgrading recycling capability

Work continued on identifying possible improvements towards improving the Shire's capability. Several options will be explored during the next tender for the waste collection contract.

Refuse Sites Swipe cards

Improvements to site access were completed at all three waste sites; with new fencing and controlled access gates being installed. The swipe card access has controlled dumping by non Shire users which will extend the life of the waste facilities. The closures on Monday and Friday allow Shire staff and contractors to work within the sites without public accessing the site whilst works are being conducted.



Objective 2

Adapt to the effects of Climate change.

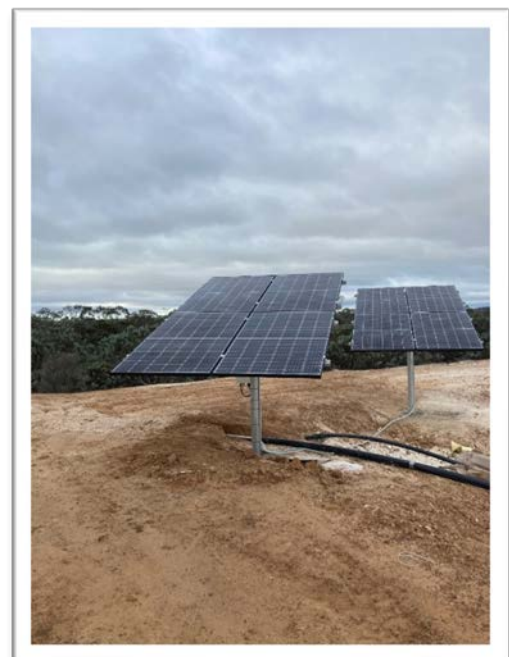
Strategic Initiatives:

2.1 Implement Policy changes through planning, building, land management and infrastructure.

Solar Installations

Solar installations located on Shire buildings continue to assist in reducing the Shires energy footprint.

Solar pumps were installed to supply water to the new tanks at Toompup and at the new airport dam.



Objective 3	
Enhance, preserve and protect local ecology and biodiversity of natural ecosystems.	
Strategic Initiatives:	3.1 Conserve and enhance open spaces.
	3.2 Conserve natural vegetation, Native reserve condition and bushland.

North Stirlings Pallinup Natural Resources

The Shire has continued to support local conservation groups, including the North Stirlings Pallinup Natural Resource Inc., which received a cash contribution of \$16,500 from the Shire in the 2020/2021 financial year.



Deferred / Cancelled:

Activity	Deferred / Cancelled
Facilitate active involvement from the community in preserving and enhancing the natural environment by using all available resources such as the West Australian Waste Authority's CIE Grants, which are available each year	This issue was considered in the review of the Strategic Community Plan conducted from April to June 2021. Adoption of the new Integrated Strategic Plan is anticipated in July 2021.
Roll out the recycling stations to the Borden and Ongerup landfills	This issue was considered in the review of the Strategic Community Plan conducted from April to June 2021. Adoption of the new Integrated Strategic Plan is anticipated in July 2021.

THEME 3

OUR COMMUNITY

Our Community

- Cultural Development
- Community Spirit

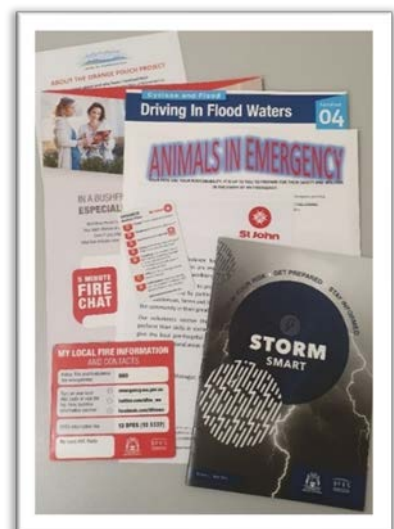
Objective 1 Build connectivity between the three communities	
Strategic Initiatives:	1.1 Strengthen the sense of place and culture and belonging through inclusive community interaction and participation.
	1.2 Actively strengthen relationships with our diverse cultural community
	1.3 Investigate the feasibility of changing the name of the Shire to promote a more inclusive Shire image.

EMERGENCY MANAGEMENT

Community Emergency Awareness Project 2020

In August 2020 the Shire launched the “Orange Pouch Community Emergency Awareness Project”. This project was initiated and fully funded by the Shire.

The project attracted the attention of local media and articles appeared in various local newspapers and even included an interview on ABC Breakfast Radio. The Shire was also contacted by several other local governments in WA and as far as NSW, who were considering running similar awareness projects using the document wallet.



The document wallet, that was specially designed for this awareness project, went out with the rates notices in early August 2020. Residents who were not ratepayers could collect a wallet from either the Shire Offices, the Community Resource Centre in Ongerup or the General Store in Borden.

What is the Orange Pouch and what is it used for?

The orange pouch is a Waterproof PVC Document Wallet that can be used to store important documents like passports, insurance policies, birth certificates etc. It also contains general emergency contact numbers and space to add other numbers considered necessary.



Front view of the pouch

Each pouch is filled with educational material to help residents with the process of being prepared and creating a plan for themselves, their families and pets in the case of any emergency, whether in the form of a fire, flood, earthquake or any other emergency event.



Back view of the pouch

Why orange?

To make the pouch easy identifiable and to stand out.

Aim of the project?

To make people more aware of the importance of being prepared for emergency situations. Disasters and emergencies come without warning and knowing that you are prepared can take the stress out of having to make those instant decisions like what to take, where to go or what to do with your pets.



Having a plan and knowing these things in advance can save lives.

ANIMALS IN EMERGENCIES WELFARE GRANT

In November 2020 the Shire was successful in their application in the first round of the DPIRD/WALGA “Animals in Emergencies Welfare Grant”. The Shire was awarded \$5,500 with the addition of a 25% compulsory Shire contribution.



As a Local Plan for Animal Welfare in Emergencies (PAWE) is now required to form part of the Shire’s Local Emergency Management Arrangements (LEMA), the Shire jumped at this grant opportunity to acquire much needed equipment to support and form part of the Shire’s developing PAWE.

The Shire, at the time of the application, did not have an established supply of animal equipment like animal cages, bedding, water/food bowls, leads, etc. to support residents and pets during emergencies.

The Shire acknowledges that animal owners are ultimately responsible for the welfare of their pets and livestock at all times, including during emergencies. However, the Shire also recognises that during disasters, resident can often be bounded in their ability to fulfil these obligations. Pet and livestock owners are often reluctant to leave their properties as they have not adequately prepared for their animals during emergency situations and risking their own lives to support their animals. To prevent the loss of human lives, animal owners may need assistance from the Shire to temporarily hold their animals, rescue their animals or reunite straying animals with their owners.



Even though the Shire is in a favourable position in terms of adequate space to house pets and small livestock in the event of an emergency, the Shire however lacked the equipment to enable the provision of this service effectively. Without proper equipment the Shire would be unable to house, transport, trap or reunite scared and lost animals. By purchasing the required equipment with this grant it enables the Shire to deliver the following outcomes:

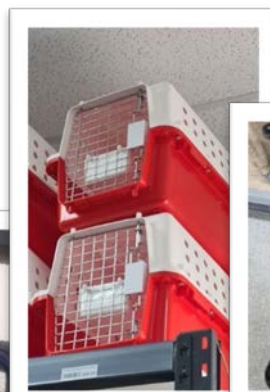
- Provide emergency shelter to temporarily house domestic/companion animals not allowed in evacuation centres.
- Provide immediate welfare for distressed animals.
- Enable the Shire to secure/confine animals in an area where it is not likely that they will injure themselves or be injured by other animals.
- Enable the Shire to impound loose animals for their safety, the safety of road users and emergency workers.
- Provide an alternative refuge for the animals for collection by their owners.
- Reporting injured/ill animals to a veterinarian, if necessary for treatment or euthanizing as soon as possible.



- Animals suffering from a contagious illness can be kept separately to prevent infection to other animals.
- Loose or stray animals can be identified by using a microchip reader and be reunited with their owners once an emergency has passed.

With the grant funding and Shire contribution the Shire was able to purchase the following equipment:

- Collapsible animal cages in various sizes
- Puppy pens
- Cat Carriers
- Cat traps
- Cat litter boxes
- Animal bedding
- Microchip Reader – to identify and reunite lost or straying animals with their owners
- Food/water bowls
- Leads



PROMOTING MENTAL HEALTH

Shire Remains an 'Act-Belong-Commit' Partner Site.

The Shire has remained a partner site with Act-Belong-Commit since 2017. We work closely with our CRC's and community groups who are planning events to ensure the Act-Belong-Commit materials and logos are used for promotion.



Act

Stay active: mentally, physically,
socially, spiritually, culturally...

Belong

Keep connected to friends,
family and your community.

Commit

Participate in activities that are
meaningful to you.

Supports Community driven Preventative Health Initiatives and supports the Provision of Services for Community Members impacted by Mental Health Issues

The Shire has continued its support to Southern Agcare with funding assistance of \$5,000 to ensure there is a counsellor in Gnowangerup one day every week throughout the year.

NAIDOC WEEK

Unfortunately, due to COVID-19 all NAIDOC celebrations and events were cancelled for 2020/2021.

We have continued to work with the Noongar community to ensure an event/project is in place for July 2021.

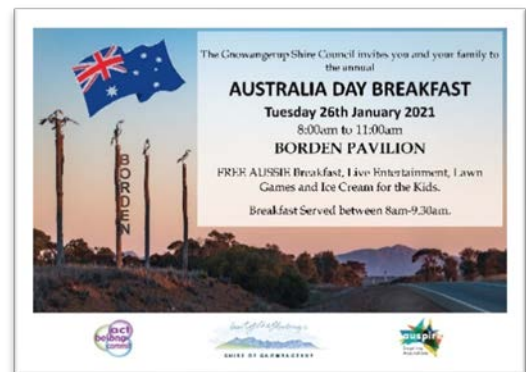


Objective 2 Build proud and active residents who participate in local activities and services for the betterment of the community	
Strategic Initiatives:	2.1 Facilitate a program of community-based events that encourage social interaction within our three communities.
	2.2 Increase productivity and where possible value add to Shire delivered community services.

EVENTS

Australia Day Celebrations

This year's Australia Day celebrations took place at the Borden Pavilion. It was a great day for all with an approximate attendance of 90 people. The Gnowangerup Police and Shire President assisted local community members to raise the flags and we had fantastic music from Josh who is a new community member to town.



Citizen of the Year Awards 2021

This year's winners of the Australian Citizen of the Year Awards were:

Graeme Savage (Community Citizens of the Year)



Graeme has been nominated/recognised for his work within the Ongerup community, especially within the Ongerup Community Development Group of which he is the Chairperson. His commitment to the Great Southern Housing Initiative has seen two, brand new, family rental houses built in the town of Ongerup is fantastic. The project has been a huge commitment to the Ongerup Community Development Group and without Graeme's dedicated hard work may not have gone ahead so smoothly. Graeme has also been part of numerous community committees and has run a successful business over many years, this has proved that he is huge asset to the small community of Ongerup.

Gnowangerup Sporting Complex (Active Citizenship, Group or Event)

The Gnowangerup Sporting Complex is the heart of most community events that are held in Gnowangerup. The volunteer committee has worked exceptionally hard to create a community space that can be used for numerous events/activities throughout the year. The work they do to ensure that funerals for community members are run successfully and are fantastically catered for is something that is appreciated by the whole community. Having held the Football Grand Final in Gnowangerup this year, the committee did a great job ensuring the event was successful and COVID safe for the whole community to attend.



Citizenship Ceremonies

The Shire of Gnowangerup welcomed 15 new Australian citizens in 2020/2021.

The conferees received their citizenship at three ceremonies with their friends and families witnessing this special event.

Shire President, Fiona Gaze presided over the ceremonies and received the pledge of the new Australian citizens.

Making the Australian Citizenship Pledge is the final step in becoming an Australian Citizen, and the Shire of Gnowangerup is proud to welcome those who have made this journey.

Australian Citizenship Day 17th September 2020



Australia Day Citizenship Ceremony 26th January 2021



Citizenship Ceremony 28th April 2021



FACILITIES / SERVICES

LIBRARY SERVICES

Gnowangerup and Ongerup

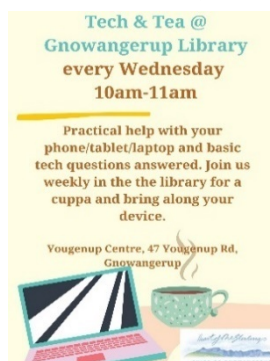
After the Library closing in April 2020 due to the COVID-19 pandemic, the Gnowangerup Library jumped straight back into action for the new financial year. Many activities and events were held throughout 2020/21. This was an important part of ensuring our community recovered well.



Due to COVID and the resulting lockdown the Library has adapted to providing events and programs online and remotely. They have continued to do this for some events as they found it can reach a wider audience in some cases. For example a school holidays event held over ZOOM.

The Library staff has attended staff training and meetings that were also conducted mostly over ZOOM, which enabled them to attend remotely.

Another 'leftover' of lockdown is the uptake of digital and e-resources in our patrons. Digital platforms Libby and BorrowBox provide audiobooks and e-books that can be borrowed for free with a library membership. We have always promoted this



fantastic service, and now have found a significant amount of our patrons have continued to enjoy these as well as a new online book club established by State Library of WA.

Both Gnowangerup and Ongerup Libraries continue to welcome patrons to their premises and below are some of the great events and programs our Library held for the community.



Gnowangerup Community Swimming Pool



Gnowangerup Community Swimming Pool Learn Play Plunge
Swim spray snorkel
dive race

SWIMMING POOL OPENING

Please be advised that the Gnowangerup Community Swimming Pool will open for the 2020/21 season on:

MONDAY 2ND NOVEMBER

Opening times: 12noon to 6pm - everyday

Price List:	
Adult (18 years and over)	\$4.65
Child (under 18 years old)	\$3.00
Aged Pensioner (must show card)	\$3.75
Infant / Child (3 years and under)	Free
Spectator (all ages)	Free
Family Season Pass	\$365.00
Adult Season Pass	\$168.00
Child Season Pass	\$77.00
Aged Pensioner Season Pass	\$86.50

**Swimming Pool phone number: 9627 1741
**Morning Swimming available: 9am to 10am
**Kids under 10 must be supervised at all times
**Children under 5 must be at arms reach at all times

The Gnowangerup Community Swimming Pool has now completed its 5th season at the Gnowangerup Sporting Complex. With fantastic events and clubs running weekly, the Gnowangerup community are never short of things to do during the season.

A brief overview of our season

The 2020/2021 season took off on the 2nd of November wasting no time to get things rolling. The synchro club started its training on opening day followed by a swimming club in the days to follow the season kept its fast pace going into December with eight Christmas and end of year parties as well as the usual events and activities.

- The synchro club consists of approximately 12 swimmers with weekly training sessions.
- The Swimming club has approximately 50 members training two days a week.
- 23 early morning swimmers have the option to swim four days a week resulting in an additional 150 patrons a year.
- Vacation lessons had 93 enrolments totaling in over 1000 patrons over 10 days.



Heart of the Shire
SHIRE OF GNOWANGERUP

Back to School Splash

Get your friends and family together and come join us At the Gnowangerup Swimming Pool from 12:30pm on Saturday the 30th January 2020 to say good bye to the summer holidays!
Sausage Sizzle and drink provided
Swimming, Inflatables and Fun, Fun, Fun.

- We hosted in term swimming lessons for
 - 12 students One School Global
 - 115 students Gnowangerup District High School
 - 38 students Tambellup Primary School
 - 22 students Borden Primary School
 - 13 students Ongerup Primary School
- Next it was carnival time with Gnowangerup District High School having 187 people for their carnival.
- Tambellup and Broomehill Primary School brought across 65 people for their carnival day.
- Then we had the pleasure of hosting a 185 people from Gnowangerup, Lake Grace, Ravensthorpe, and Jerramungup for the interschool carnival.

Bringing our season to a close on the 11th April 2021.

The new two shade sails and additional shade placed in-between the three stand-alone shade sails have seen plenty of positive feedback throughout the season.



Objective 3 Assist in building the sustainable management of local organisations and community groups.	
Strategic Initiatives:	3.1 Support and facilitate the development of community Leaders.
	3.2 Support and encourage opportunities for local volunteering.

Community Financial Assistance Grants 2020/2021

Each financial year, the Shire provides Community Financial Assistance Grants to community groups who were successful in their funding applications. Applications are open to all not-for-profit groups and range from \$500 applications to \$20,000 applications. Below is an overview of the grants provided to groups in 2020/21.

Name of Organisation	Approved Amount	Name of Project
Gnowangerup CRC	\$500.00	Great Southern Arts Festival Opening Night
Ongerup and Needilup District Museum	\$3,920.00	Maintenance and Improvements to Buildings
GNP Giant Tractor Group	\$3,654.50	Tractoberfest Bus Service
A Smart Start Great Southern	\$2,000.00	A Smart Start in Gnowangerup
Borden Pavilion	\$5,000.00	Borden X Cup 2021
North Stirling's Pallinup Natural Resources	\$11,317.60	Pallinup River Monitoring
	\$26,392.10	

Council Operational Assistance 2020/2021

Each year Council provides Operational Assistance to the Gnowangerup Sporting Complex, Ongerup Sporting Complex and the Borden Pavilion. The funding allocation is worked out from the utility costs that the complexes/pavilion paid in the previous year. In 2020/2021, Council funded 80% of the previous year's utility costs.

Sporting Complex/Pavilion	Approved Allocated
Gnowangerup Sporting Complex	\$13,624
Ongerup Sporting Complex	\$3,571
Borden Pavilion	\$7,164
	\$24,359

Objective 4 Ensure residents feel safe and confident in their ability to travel and socialise within their community.	
Strategic Initiatives:	4.1 Build a healthy community that is aware of and responsive to current public health risks.
	4.2 Support and promote initiatives that aim to improve mental health.

Environmental Health Service Annual Report

Environmental Health Officers have many tasks required to be performed during the course of their duties. The Environmental Health Service is a part time position of 1 day per week. These duties are principally related to managing environmental and public health risk.

The commencement of the revamped Council Website included a page for Environmental Health. This may be found at:

<https://www.gnowangerup.wa.gov.au/community/services/environmental-health.aspx>

PUBLIC HEALTH PLAN

Work commenced on the preparation of a Public Health Plan. The Plan is developed in 3 stages, being:

- The Health Profile Report
- The Health & Well Being Survey
- The Public Health Plan



The Health Profile Report was written and presented to Council during an Information Session addressing all manner of reported health risks and data of persons living within the Shire of Gnowangerup. Sources of information are derived from the Australia Bureau of Statistics, the Department of Health and a range of other creditable sources.

The Health & Well Being Survey is programmed in the next financial year with the preparation of the Public Health Plan to be adopted by Council before presentation to the Department of Health.

COVID 19

Following directions from the Department of Health, the Shire of Gnowangerup relayed important directions to local residents about COVID 19. Fortunately, there was wide spread media coverage and minimal infection in the local community, so the effect of the lock downs in the Perth Metropolitan area and



interstate delivered less disruptions in the local area other than increased intrastate travellers.

The EHO worked cooperatively with Council's Local Emergency Management Committee (LEMC) that met regularly during the course of the year.

FOOD

During this year an additional number of new food businesses were created and operated in the Shire. Each local Government is an enforcement agency under the Food Act and the EHO is required to maintain surveillance of food products prepared and delivered in the local community.

Principally food production is monitored by

- Inspection of food premises & food vans and market stalls
- Approval of new food businesses by risk
- Communication to Food Business Proprietors
- Food Recalls
- Food Handler Training
- Food Sampling

Inspection of Food Premises

All food premises are inspected in the Shire of Gnowangerup in accordance to the risk and the cleanliness of premises.

Food Business Classification	Number of Food Businesses	Number of Food Businesses Inspected during the financial year were:
Low Risk	2	3
Medium Risk	3	
High Risk	11	13
TOTAL NUMBER	16	16

Approval of New Food Businesses

During the course of the year, three food businesses commenced. Each food premises to be approved required several visits and consultations with the proponent to ensure that proper standards of food premises fit out where maintained.

A number of **businesses stopped trading** during the year although they remain registered. Three food businesses are in the **process of seeking registration** as a food business.

Communication To Food Businesses

The Shire of Gnowangerup sends updates to Food Business proprietors regularly concerning Food Recalls and COVID 19 information.

Food Recalls

Manufacturers regularly advise food enforcement agencies through state government authorities when there is a need to withdraw processed food from sale. This is a Food Recall. During the year there were a number of Food Recalls. Where the product was sold locally or there was a risk to local residents, a Food Recall Notice would be posted on the Shire's Face Book and circulated to local community newsletters.

Number of	Product Recalled
3	Confectionary products
1	Fruit Juices & fruit
4	Herbs & vegetables
2	Packaged sauces and pesto
5	Packaged food products (e.g. noodles)
3	Cakes
6	Sparkling Waters & Wines & Bee & Milk
2	Fish products
Total 26	(up by 2 from 2019-20)

Food Handler Training

All Food Handlers are required under Food Law to possess skills and knowledge applicable to the type of work undertaken. It therefore follows that they should possess knowledge of food hygiene practices. One way to obtain knowledge is the online Food Handler training course offered free of charge by the Shire on the Environmental Health Website. Persons obtaining this qualification can use as a minimum knowledge of food hygiene in the food industry.

Food Sampling

One bottle of packaged water (water is considered to be a food) was tested against an international standard for packaged rain water. There are no applicable standards for rain water in Australia.

WATER

Drinking water from food shops, swimming pools and private household supplies (on request) are sampled monthly throughout the year. They are tested for bacteria such as E.Coli for drinking water and swimming pools and amoebae for swimming pools.

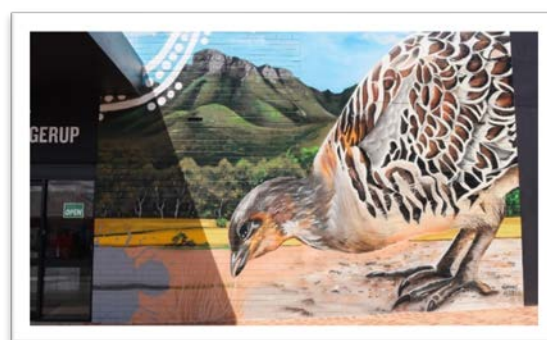
Drinking water & swimming pool samples taken were:

For Bacteria	For Amoebae
7 months x 4 (pools) = 28 samples	7 x (4 pools) = 28 samples
12 months x 5 (locations) = 60 drinking water	
Samples (2) of drinking water are also from private homes following for infectious disease investigations.	
TOTAL = 90 samples	28 samples

Swimming pools (2 centres) are tested from October to April only.

DEVELOPMENT SERVICES

Building and planning applications and applications for food shops and buildings used for public assembly are assessed against legislative criteria, Australian standards and codes of practice, guidelines etc. A number of applications were submitted for septic systems and aerobic treatment units.



PESTICIDES AND WASTE MANAGEMENT

A number of complaints were raised during the year from persons affected by the odour of released and returned containers of pesticides and herbicides kept in the townsite areas. The storage of herbicides and pesticides is controlled



under the AgSafe Code of Practice. This is a standard adopted by the industry by self-management.

Where herbicides are accidentally or intentionally released during spraying operations or maintaining giant boom sprayers, there is a risk of the release of uncontrolled chemicals in the atmosphere or deposited as an

effluent into the ground below. There will be a need to establish a base line audit of accidentally spilt chemicals used on industrial properties to prevent chemical effluent plumes reaching underground water courses.

Also, there is a demonstrated need to prepare Health Local Laws to cause all properties where chemicals are stored and sprayers maintained, to have the pavement sealed to prevent ground penetration and the tarmac to be graded into a capture tank and the waste transported for an approved disposal.

Environmental Release and Chemical Emissions

In addition to uncontrolled chemical release, there is a demonstrated need for surveillance of all industrial properties to ensure that all wastes are properly contained and disposed to prevent the uncontrolled release into the atmosphere and ground water.

Approval for Fumigation

The Department of Health sought the advice of the Environmental Health Officer before the fumigation licenses were issued for wheat stored in Borden and Gnowangerup wheat silos. The request was supported.

Waste Management Facilities

The management of landfill sites in the Shire lie with the Manager of Assets and Waste Management. The EHO will provide advice of the minimisation of nuisances and vectors (flies and mosquitoes) as required.

Mosquito Management

A 2-day training course for Council workers was conducted by Don Sorenson of the Shire of Bayswater Environmental Health Unit to review mosquito control techniques and train staff in detection of larvae and control strategies to minimise mosquito breeding. As a result of this training, a small team of Council staff now monitor creeks and water courses in a radius of 5km around each town centre and areas adjacent to the Stirling Ranges for mosquito breeding larvae.



Aedes camptorhynchus

A Mosquito Management Plan was prepared for the Shire to be presented to the Department of Health for approval as part of the process to form a CLAG (Contiguous Local Authority Group) to manage mosquitoes. The CLAG will be formed between the Shires of Gnowangerup, Katanning and Broomehill-Tambellup and the Department of Health. Once formed and approved by the



Culex quinquefasciatus

Mosquito Control Advisory Committee of the Department of Health (WA), funds will be made available to the CLAG for promotion, eradication equipment and chemical subsidy. It is planned to form the CLAG in the next financial year with the goal of the Group to be operational in the following fiscal year.

No cases of Ross River Virus or Barmah Forest Virus were recorded during this annual reporting period.



ACCOMMODATION & PUBLIC BUILDINGS

Accommodation in the Shire of Gnowangerup is contained in:

- Caravan Parks & Camping Grounds
- Hotels & Motels
- Bed & Breakfast and Farm Stay
- Publicly used facilities e.g., bowling clubs, sports facilities
- Child Care Centres & Creche
- Public Events



Inspections of facilities are undertaken on a basis of risk. Where there is a greater risk of disease or safety (e.g., hotel), a premises will be inspected more regularly than those of low risk (e.g., church). All private and publicly owned facilities are required to be maintained by the Proprietor, Body Corporate, Club or Association (and private residence) in good order minimising the risk to public safety and maintenance of the building / structure.

Public Buildings are to be approved by the local government before the building may be used but where the building has been in use for a length of time without a Certificate of Maximum Accommodation, the Proprietor is to ensure the safety of patrons is the first priority. Buildings used for public assembly must be maintained at all times for:

- Building structure & correct usage
- Functional exit signs and access ways and door latches
- Operating fire extinguishers & fire control strategies
- An Evacuation Plan on display near the main exit door.
- A 'Certificate of Maximum Accommodation' must be provided.

A Certificate of Maximum Accommodation will prescribe the minimum floor area required for appropriate activities and the number of toilets required, marked exits, fire extinguishers etc. The certificate shall be issued by the Council and mounted in a prominent location.

During the annual reporting period, four buildings were inspected and approved.

A program is underway between Council Officers to inspect all public buildings in use in the Shire. High & medium risk premises will be addressed first. The program will take several years to complete.

With COVID 19

Advice was provided under COVID 19 conditions where persons were to occupy a public building.

Public Events

All public events are required to be approved by the Environmental Health Officer through application to the Shire Office. Where a public event is contained within the normal operations of a football or netball, bowling club etc, the approval of the Council is not required.

COMPLAINTS

A number of complaints were lodged with the Shire Office and were investigated for compliance with current legislation.

Type of Complaint / Issue	Number
Misuse of pesticides & herbicides	5
Unclean & dilapidated housing	
Asbestos Handling & Disposal	1
Household & Industrial Effluent Disposal	2
Environmental Noise Emission	1
TOTAL	9

THEME 4

A SUSTAINABLE AND CAPABLE COUNCIL

A Sustainable and Capable Council

- Effective Representation
Active Democracy
- Corporate Capacity
- Strong Leadership

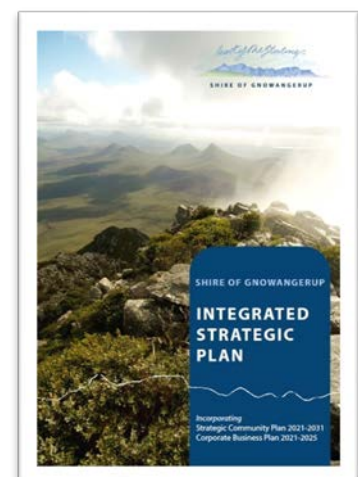
Objective 1 Provide accountable and transparent leadership.	
Strategic Initiatives:	1.1 Continue to develop a policy framework that guides decision making..
	1.2 Integrate planning, resources and reporting.
	1.3 Demonstrate accountability through robust reporting that is relevant and easily accessible by the Community.
	1.4 Optimise opportunities for the community to access and participate in the decision making process.

Policy Manual

A major review of the Policy Manual was completed by an external consultant in May 2019. The next major review will be undertaken in the 2022/2023 financial year.

Integrated Community & Business Plan

During the 2020/2021 year, the Shire commenced a four-year major review of the Strategic Community Plan and Corporate Business Plan. This process commenced in early April 2021, with a community consultation and engagement program that included a number of meetings with all members of the community across the Shire. Meetings were scheduled in all three towns (Borden, Gnowangerup and Ongerup), with both daytime and evening meetings to encourage



attendance by as many community members as possible.

A decision was made to incorporate both the Strategic Community Plan and Corporate Business Plan into a single document – the Integrated Strategic Plan. A draft document was prepared by mid-May 2021 and was then subjected to a comprehensive review by the SCP Focus Review Group. A final draft document was then tabled at a workshop with Council in June 2021. Adoption of the new Integrated Strategic Plan is anticipated in July 2021.

Standing Orders Local Law 2021

A review of the Shire of Gnowangerup Standing Orders Local Law commenced in October 2020. A new Standing Orders Local Law 2021 was adopted by Council in February 2021 and gazetted in April 2021.



Objective 2 To have a highly skilled and effective Council that represents the best interests of the community.	
Strategic Initiatives:	2.1 Ensure elected body has a comprehensive understanding of its roles and responsibilities.

Elected Members Training

The Shire has a Councillors Professional Development Policy (adopted by Council in December 2019). In addition, a new Attendance at Events Policy was adopted in March 2020, which includes policy information relating to attendance of events for professional development.



Objective 3 Improve the capability and capacity of the Shire.	
Strategic Initiatives:	3.1 Improve organisational systems with a focus on innovative solutions.
	3.2 Strengthen customer service.
	3.3 Maintain a highly skilled and effective workforce.

ALTUS Financial Report System

The Shire finance team continued to develop and utilise 'Power BI' for specific reporting during 2020/2021, however further development and investment on ALTUS was put on hold, pending further development and information from the software developer.

Review of Customer Service Charter

The Shire of Gnowangerup is committed to providing the highest standard of service to its' customers. The Customer Service Charter will be subject to a full review during the 2021/2022 year.

There has been
77 Dog Registrations &
15 Cat Registrations
in 2020/2021

Improvement of Services, Corporate Systems and Processes

The Shire is constantly seeking to improve its services, corporate systems and processes.

Recordkeeping Plan

The State Records Act 2000 requires all local government authorities to develop and maintain a Recordkeeping Plan. This plan must be endorsed by the State Records Commission and reviewed at least every five years.

An amended draft Recordkeeping Plan and Procedures were submitted to the State Records Office in December 2019, and this was approved by the State Records Commission on the 12th December 2019. Council formally adopted the new Recordkeeping Plan in May 2020.



In April 2020, the Shire adopted a new Workforce Plan, which included changing the existing casual Records Officer position to a fulltime Records

and Research Officer position, with commencement for the new role in July 2020. The change reflects the importance of record keeping and an increased commitment to recordkeeping compliance from the Shire.

In May 2020, the Shire released a Request for Quotation for the Shire of Gnowangerup Medical Centre Medical Records Archiving. This project was successfully completed in May 2021.

New employees continue to receive informal face-to-face training and/or formal records training through IT Vision.

The new fulltime Records and Research Officer is working to establish a training schedule for new and current staff, to ensure that recordkeeping compliance is improved and maintained.

New Website

In November 2020 the brand new and improved Shire of Gnowangerup Website went live as the existing website was outdated and support was coming to an end. The new website sees a massive improvement in the layout, access to documents and brand-new Council Meeting, Events and Facebook Feed modules. This design allows for ease of information location, encourages engagement and the use of online features.

The website now allows staff to easier communicate things to the community and provide access to Council reports, minutes and public notices.



Objective 4

For the Shire to demonstrate advocacy in promoting the needs and ambitions of the district and the advancement of Local Government.

Strategic Initiatives:

4.1 Advocate and influence political direction to achieve local and regional development.

Shire representation on external organisations

The Shire has maintained representation on external organisations including WALGA, Great Southern Development Commission, Great Southern Treasures and the Department of Local Government, Communities and Sport and attendance at associated meetings and conferences to continue to influence positive local and regional outcomes. In-person attendance at various meetings was not possible during the COVID-19 restrictions, however regular on-line meetings were held. Outside of the COVID-19 restrictions, in-person attendance at meetings was maintained.

Deferred / Cancelled:

Activity	Deferred / Cancelled
Encourage better use of existing underutilised community spaces across the Shire.	This issue was considered in the review of the Strategic Community Plan conducted from April to June 2021. Adoption of the new Integrated Strategic Plan is anticipated in July 2021.

Theme 5

Financial Sustainability

Financial Sustainability

- Financial Diversity
- Effective Management
- Major Project Delivery

Objective 1

To be less reliant on rates as the primary basis for revenue by leveraging alternative income streams.

Strategic Initiatives:

- 1.1 Identify opportunities for new income streams that are financially sound and equitable.
- 1.2 Position the Shire to align with State and Federal Government priorities to increase eligibility for grant funding.

Federal Government's Drought Communities Extension Program ('\$1Million Grant')

In the second half of the 2019/2020 the Shire worked with the community to develop a list of suitable projects for the Federal Government's Drought Communities Extension Program / '1Million Grant'. Following the adoption by Council by Council in June 2020, the Shire applied successfully for \$1million dollars for the projects listed below.

PROJECTS NAME AND DESCRIPTION
ADVERSE EVENT PLAN (MANDATORY) Develop and submit an Adverse Event Plan with the final project report.
AMELUP TOURISM AND MARKETING CAMPAIGN Development of a tourism and marketing campaign for Amelup in the Stirling Ranges.
BORDEN PAVILION MULTIPURPOSE SHED AND SHELTER Construction of a multipurpose shed, storage area and shelter at the Borden Pavilion.
BORDEN STREETScape PROJECT Rejuvenation of Borden Main Street, Travellers' Park and the area around the Southern entrance statement, including new garden landscapes through the following steps; soil health improvement, water conservation and capture, an upgraded, reliable reticulation system, water wise and endemic planting selection and upgraded signage, solar lighting and a public art installation.

DROUGHT OFFICER / PROJECT MANAGER

A drought officer (or two part-time officers) will be contracted by Council to project manage the Drought Communities funding projects.

GNOWANGERUP CEMETERY PROJECT

Installation of a toilet block and repairs to fencing at the Gnowangerup Cemetery.

GNOWANGERUP HERITAGE AND TOURISM PRECINCT PROJECT

Renewal of the Gnowangerup heritage and tourism precinct, including refurbishment, repairs and painting of the historic steam tractor, painting of the historic Police Station and upgrades of toilet facilities at the Shire Office.

MAGITUP DAM PROJECT

Renovation and renewal of the Magitup Dam including repairs, catchment works and concrete repairs.

NORTH STIRLING PALINUP NATURAL RESOURCE MANAGEMENT HEADQUARTERS

Repairs and upgrades to the North Stirling Palinup Natural Resource Management group headquarters building including roof and floor repairs and installation of bathroom facilities.

ONGERUP STREET BEAUTIFICATION PROJECT

This project incorporates streetscape improvements and water harvesting along with new tourism and community signage to give the town site a facelift. New gardens with reticulation and attractive signage, including new entry statements will provide an attractive vision for residents and tourists alike. The town houses an internationally recognised Mallee Fowl Conservation and study centre which is a tourist attraction. The town has considerable community spirit and sees this project as a way of building social capital and pride in the town and attracting new residents to the town.



PLAYGROUND AT GNOWANGERUP SPORTING COMPLEX

Purchase and installation of playground equipment at the Gnowangerup Sporting Complex to enable the Gnowangerup Play Group to relocate to the complex, and to compliment other activities at the complex, which is a centre for sports, indoor and outdoor and the site of the Shire's swimming pool.

**GNOWANGERUP DEPOT WATER HARVESTING**

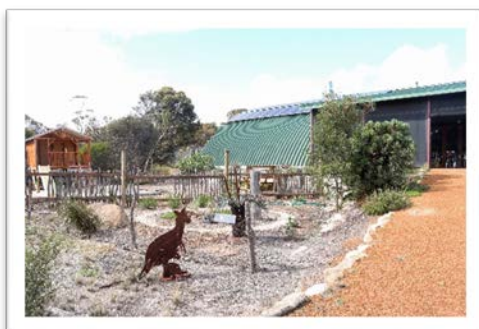
Improved rain water catchments and harvesting, and installation of a 250,000 Litre tank at the Shire Depot.

TOOMPUP DAM PROJECT

Expansion of the smaller dam, improvements to the catchment for the big dam and the provision of half a million litres of storage in two new tanks fitted with solar pumps.

UPGRADE AND RENOVATION OF THE ONGERUP SPORTING COMPLEX

Upgrades and renovation of the Ongerup Sporting Complex to include relocated former users of the Ongerup Community Centre, including the Ongerup long day care service.



Airport Grant

Effective use has been made with grant funding to help the financial sustainability of the Shire. Grant funding allows planned projects to be bought forward or work to be carried out that wouldn't normally be within the Shires financial capability. Examples included in recent funding Water projects, Townscape works and Toilet renovations.

Aerodrome

The Aerodrome continues to be a valued asset by the community.

A rejuvenation product was applied to the runway to assist in prolonging the life of the bitumen seal.

Federal and Community funding assisted in getting Designed Approach and Departure flight paths created to provide an all weather safe flight path to and from the Aerodrome.



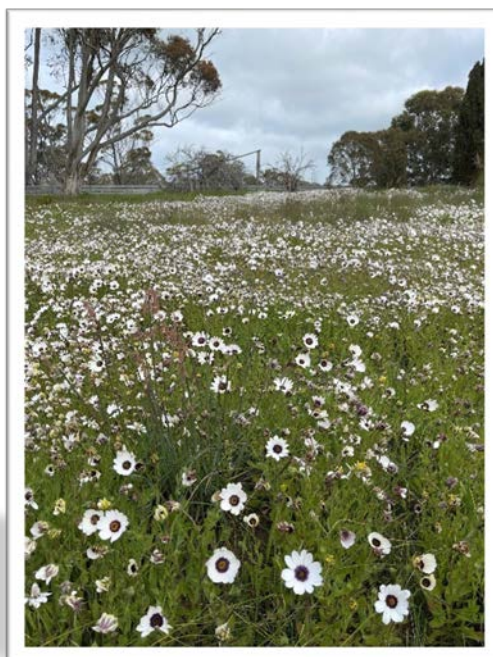
Objective 2 Effective management to conduct business in a financially sustainably manner	
Strategic Initiatives:	2.1 Manage liabilities and assets through a planned, long-term approach.
	2.2 Balance service levels for assets against long-term funding capacity.
	2.3 Seek out efficiencies and regional collaborations to reduce service delivery costs.

ITC Strategy

Deferred to 2021/2022, to be developed in conjunction with new IT Managed Services provider (the existing IT managed services provider contract has been extended through to June 2022 under the COVID-19 pandemic amendments to the Local Government (Functions and General) Regulations 1996).

Assets

The employing of a Buildings Maintenance Officer has assisted the Shire to maintain the Shires buildings and assets. This has proven to be a cost effective option as building trades have been extremely busy, making timely repairs very restricted due to availability and cost issues.



Objective 3**To effectively plan for the funding and delivery of major projects.****Strategic Initiatives:**

3.1 Effectively prioritise major capital projects to facilitate long-term financial sustainability.

Implement Capital Works Program

The 2020/2021 capital works program was again a diverse program consisting of both urban and rural works. All scheduled works were completed except for Rabbit Proof Fence Road gravel sheeting as water resources were not available due to drought conditions. This project was moved forward to the 2021/2022 program and was replaced with Old Ongerup Road gravel sheeting which was moved back from the 2021/22 scheduled program.

Approximately 20km of unsealed roads were gravel sheeted and 27km of roads bitumen resealed.

Capital Works Program

2020/2021 Works program was completed as follows:

Road Name	Described works and Funding Source
Road Maintenance	<ul style="list-style-type: none"> A total of \$1,578,533 was spent on road maintenance across the Shire road network in 2020/2021
Old Ongerup Road	<ul style="list-style-type: none"> Gravel sheeting Total cost \$128,474 Fully funded by Roads to Recovery
Cowalelleup Road	<ul style="list-style-type: none"> Gravel sheeting Total cost \$129,891 Fully funded by Roads to Recovery
Nightwell Road	<ul style="list-style-type: none"> Reseal 6km to protect pavement integrity Total cost \$134,526 Fully funded by Roads to Recovery
Kwobrup Road (report see below)	<ul style="list-style-type: none"> Pavement overlay, widen running surface to 7.5m and seal Total cost \$542,089 Regional Road Group state contribution \$360,000 Shire contribution \$182,089

Tieline Road	<ul style="list-style-type: none"> • Reseal final section of road at western end • Total cost of \$22,285 • Regional Road Group state contribution \$14,666 • Shire contribution \$7,619
Borden Bremer Bay Road	<ul style="list-style-type: none"> • Reseal 7km to protect pavement integrity • Total cost \$263,144 • Regional Road Group state contribution \$175,334 • Shire contribution \$87,810
Local Roads and Community Infrastructure Grant (LRCIP)	<ul style="list-style-type: none"> • New bitumen seal on 2.45km of Chillinup Road • Total cost \$323,272 • Fully funded by LRCIP grant
Local Roads and Community Infrastructure Grant (LRCIP)	<ul style="list-style-type: none"> • Reseal 6km on Boxwood Ongerup Road to preserve pavement • Total cost \$109,708 • Fully funded by LRCIP grant
Boxwood Hill Ongerup Road	<ul style="list-style-type: none"> • Reseal 5km to preserve pavement integrity • Total cost \$85,612 • Fully Council funded
Old Ongerup Road	<ul style="list-style-type: none"> • Gravel sheeting • Total cost \$95,970 • Fully Council funded
Garnett Road (report see below)	<ul style="list-style-type: none"> • Asphalt three intersections into CBH then reseal road from Hotel to Walsh Road • Total cost \$93,616 • Fully Council funded
Cecil & Quinn Street intersections	<ul style="list-style-type: none"> • Widen intersections in preparation for RAV application • Total cost \$64,376 • Fully Council funded

KWOBRUP ROAD

One major construction project was the Kwobrup Road widening, pavement overlay and sealing for three kilometres. This increased the sealed width from 6.4m to 7.5m. This project was two thirds funded by Regional Road Group and one third by Council. This is the first section of the twelve kilometres of Kwobrup Road. This will improve the rideability and safety for a road that has a high number of combined light vehicles and heavy traffic all year round.



Kwobrup Road widening and sealing



Kwobrup Road finished project after line marking

ASPHALT GARNETT ROAD AND CBH INTERSECTIONS

Three intersections on Garnett Road in Gnowangerup that lead into CBH were asphalted which has significantly improved the longevity and the rideability of those areas. These intersections were continually blowing out and potholing due to the stress of heavy vehicles turning. This ties in with the asphalt on the CBH side that was completed 12 months earlier.



Asphalting
intersections on
Garnett Road near
CBH



Restricted Access Vehicles (RAV) Access in Gnowangerup Industrial Area

Another ongoing project is the widening of intersections to gain RAV access to the industrial area in Gnowangerup. This project will carry into 2021/2022 financial year as we are now looking at relocating a power pole and working with Main Roads on widening the joint owned intersection on Yougenup Road.

General Maintenance

A total of \$1,578,533 was spent on general maintenance throughout the financial year. This consisted of maintenance grading, gravel patching, cement stabilising, road verge spraying and clearing drains and offshoots. Approximately \$120,000 of tree pruning took place on Hinkley Road and a further \$10,000 on Mindarabin Road.



Cement stabilising patches



Widening a crossover

Drainage for Gnowangerup Sporting Complex

The drain from the Gnowangerup Sporting Complex across to the dam had collapsed and was causing flooding issues on the oval. The works crew replaced the pipe to the dam, and this has significantly improved the drainage on the oval.



Replacing drain from Gnowangerup Complex oval to dam

Future Capital Works for 2021/2022

In the 2021/2022 construction program we will carry on with a further 3km of widening on Kwobrup Road, as well as five gravel sheeting projects on various roads and 13km of bitumen resealing. We will continue to work on gaining RAV access to the industrial area in Gnowangerup.

Local Roads and Community Infrastructure Program (LCRIP) Phase Two will be spent on a road verge pruning program across the Shire road network.

<u>Objective 4</u> Continue to liaise with key stakeholders such as State and Federal Government Agencies.	
Strategic Initiatives:	4.1 Maximise funding opportunities for key infrastructure projects for the Shire of Gnowangerup.

LCRIP Grant Funding

Through the Local Roads and Community Infrastructure Program (LCRIP) Phase One, the Council were given \$429,708 extra funding. This money was used to seal 2.46km of Chillinup Road that runs south from Borden Bremer Bay Road. This was the final section of Chillinup Road that remained unsealed. The remaining funds were allocated to resealing 6km of Boxwood Hill Ongerup Road that has a deteriorating prime seal.



New seal going down on Chillinup

Theme 6

Quality Built Form

Quality Built Form

- Quality Built Outcomes
Integrated Spaces
- Quality Open Spaces
- Quality Facilities

Objective 1 For the Shire's commercial and residential areas to be filled with quality buildings and appealing streetscapes.	
Strategic Initiatives:	1.1 Ensure planning frameworks promote and support mixed use developments.
	1.2 Environmentally sensitive building designs are promoted and encouraged.
	1.3 Buildings and landscaping is suitable for the immediate environment and reflect community values.

Building Surveyor Report

For the 2020/2021 financial year the following building approvals were issued by the Shire of Gnowangerup.

Approvals Issued	24
Uncertified Building Permits:	15
Certified Building Permits:	7
Occupancy Permits:	0
Demolition Permits	2
Notices of Completion:	4

Types of Building Project

Houses	2
Other Residential Buildings (Sheds, Garages etc.)	9
Commercial	2
Civil	1
Industrial & Agricultural	3
Other	5

Objective 2 Facilitate and integrate housing options, local services, employment and recreational spaces.	
Strategic Initiatives:	2.1 Facilitate diverse, inclusive, housing options.
	2.2 Provide appropriate open space to recreate and connect with nature.
	2.3 Buildings and landscaping is suitable for the immediate environment and reflect community values.

Construction of two Chalets at Caravan Park

The Shire of Gnowangerup, through its Strategic Community Plan, identified the need to enhance and develop the tourism industry to promote economic growth and prosperity. Through investment in tourism initiatives that support visitor growth and by leveraging the Shire's natural, heritage and cultural assets, the Shire aims to increase its share of visitors to the Great Southern Region. In March 2021, the Shire lodged an application through the Building Better Regions Fund (BBRF) Round 5 for the construction of 2 x chalets at the Gnowangerup Caravan Park. The total project cost was \$344,800, of which \$238,500 was sought from the BBRF and \$106,300 funded by the Shire, with provision for the project to be made in the 2021/2022 Annual Budget. A decision on the BBRF funding applications outcomes was expected to be received in mid-July 2021.



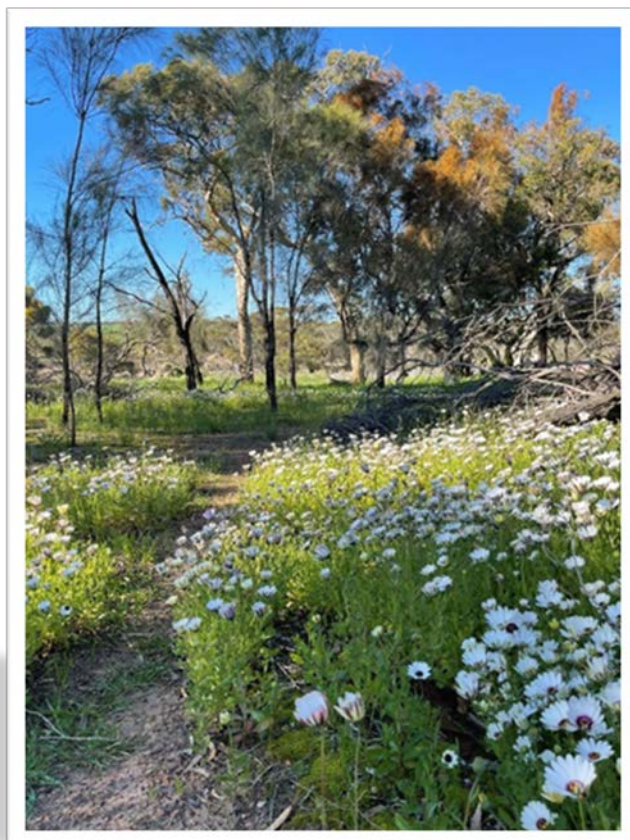
Objective 4 Continue to liaise with key stakeholders such as State and Federal Government Agencies.	
Strategic Initiatives:	4.1 Continue to improve asset management practices.

Asset Management Plan

During the 2020/2021 year, the Shire completed a four-year major review of the Asset Management Plan and prepared the following new draft plans:

- Fleet and IT Asset Management Plan
- Property Asset Management Plan
- Recreation Asset Management Plan
- Transport Asset Management Plan

The draft plans were reviewed by Council at a workshop in June 2021, with adoption of the new Asset Management Plans anticipated in July 2021.



Gnowangerup Cemetery

The '1Million Grant' (Federal Government's Drought Communities Extension Programme) enabled us to carry out improvements at the Gnowangerup Cemetery.

With more and more funeral services being held at the Gnowangerup Sporting Complex and many people walking from the Complex to the cemetery to lay their loved ones to rest, a new footpath was made for easier access to the cemetery.



Footpath BEFORE

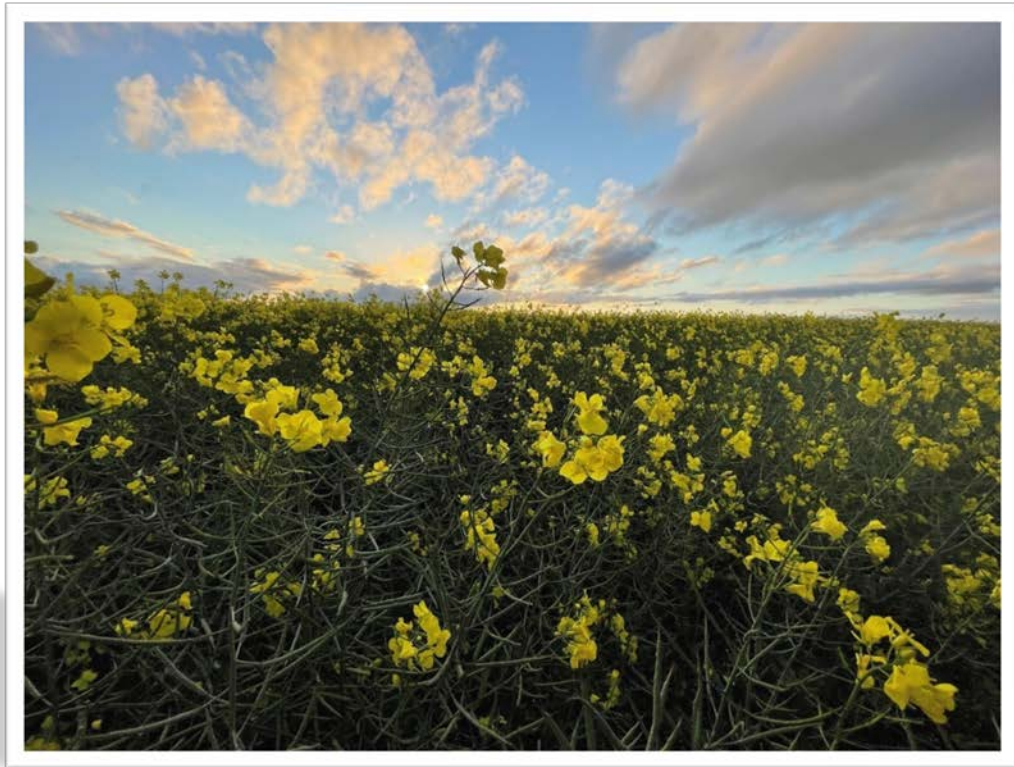


Footpath AFTER

As part of the Drought Communities Extension Programme, a new fence was established as the old one was damaged.



Following costumers requests, a part the '1 Million Grant" was used to install a new toilet at the cemetery.



OUR FINANCES

Financial Health Overview

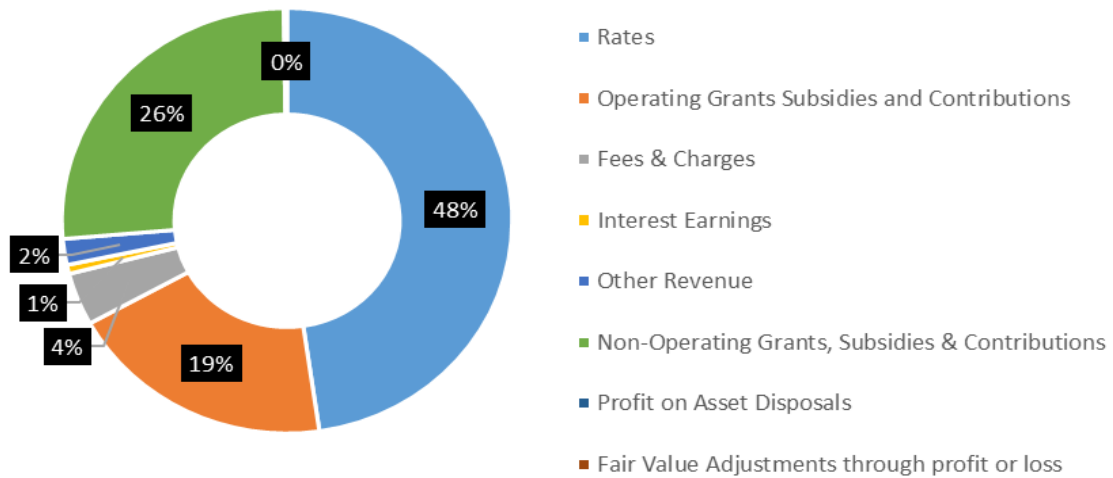
2019/20 RESULTS OVERVIEW	2019/20 ACTUAL \$	2020/21 ACTUAL \$	VARIANCE TO 2019/20 %
Total Revenue	7,864,087	8,666,125	10.2%
Total Expenses	7,107,651	7,874,867	10.8%
Net Result from Operations	756,436	791,258	4.6%
Total Assets	125,072,266	130,375,542	4.2%
Total Liabilities	1,754,554	2,197,132	25.2%
Net Assets	123,317,712	128,178,410	3.9%
Total Cash & Investments	4,531,189	4,910,995	8.4%

Operating Revenue

The Shire's revenue is derived from various sources including rates, fees and charges, interest earnings, other revenue, operating grants and contributions, non-operating grants; a breakdown is shown below:

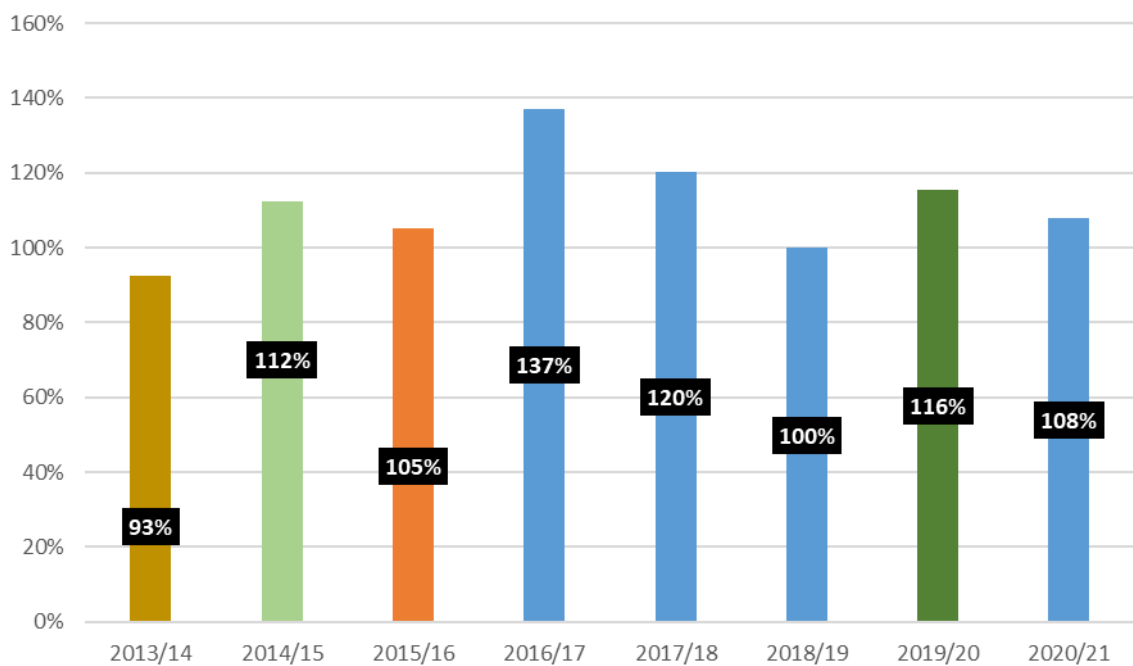
Operating Revenue By Nature/Type	2018/19 \$	2019/20 \$	2020/21 \$
Rates	4,039,331	4,122,519	4,134,054
Operating Grants, Subsidies & Contributions	1,602,206	1,783,768	1,670,788
Fees & Charges	215,564	352,896	346,915
Interest Earnings	109,367	67,166	58,628
Other Revenue	2,840,960	192,720	170,991
Non-Operating Grants, Subsidies, Contributions	810,852	1,343,239	2,265,755
Profit on Asset Disposals	19,535	626	16,408
Fair value adjustments through profit or loss	63,882	1,153	0
Total	9,701,697	7,864,087	8,666,125

Operating Revenue by Nature/Type



Operating Revenue Actual vs Budget	2018/19 \$	2019/20 \$	2020/21 \$
Total Actual Revenue	9,701,697	7,864,087	8,666,125
Total Budget Revenue	9,714,873	6,806,342	8,023,959

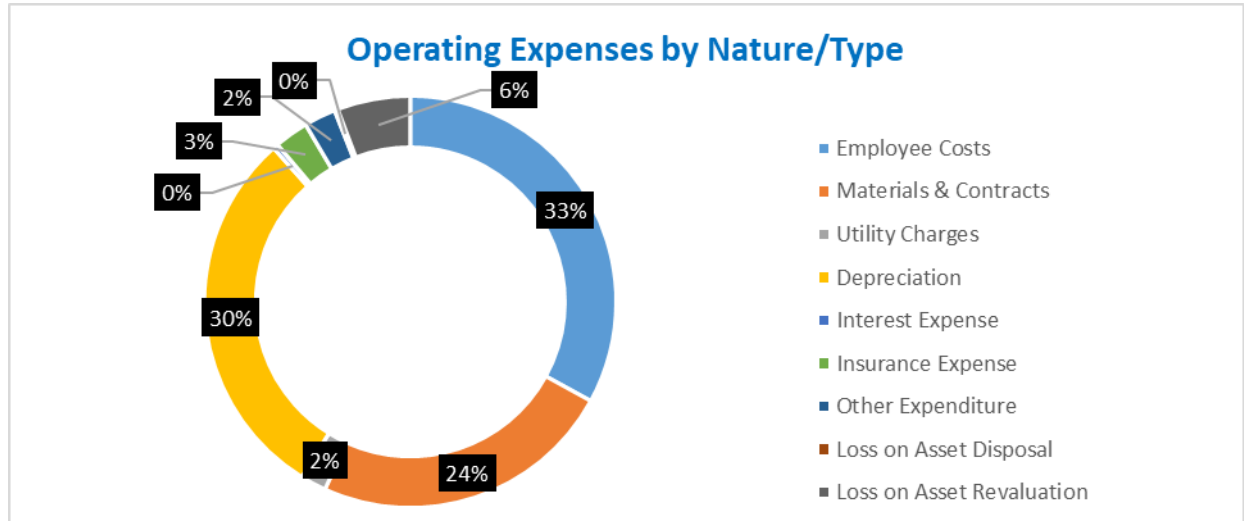
Operating Revenue vs Budget



Operating Expense

Operating expenses consist of employee costs, borrowing costs, materials and contracts, utilities, depreciation, interest expense and insurance, a breakdown of which is shown below:

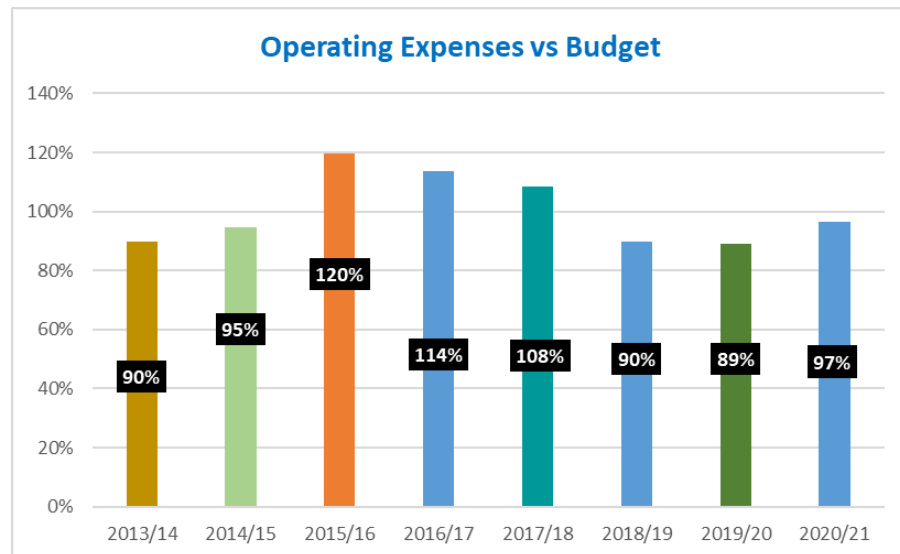
Operating Expenses By Nature	2018/19 \$	2019/20 \$	2020/21 \$
Employee Costs	2,333,010	2,513,509	2,597,546
Materials & Contracts	3,993,665	1,511,525	1,875,883
Utility Charges	151,422	168,150	159,395
Depreciation	2,168,243	2,313,016	2,331,548
Interest Expense	46,526	33,711	31,066
Insurance Expense	183,191	194,975	211,119
Other Expenses	254,093	300,242	196,392
Loss on Asset Disposal	1,160,885	72,523	20,544
Loss on Asset Revaluation	0	0	451,374
Total	10,291,035	7,107,651	7,874,867



Operating Expense vs Budget

Actual vs Budget	2018/19 \$	2019/20 \$	2020/21 \$
Total Actual Expenses	10,291,035	7,107,651	7,874,867
Total Budget Expenses	11,459,159	7,991,228	8,157,883

The graph on the right illustrates how effective the Shire's budget development and management practices are by comparing how the actuals align to budget estimates.



Net Result from Operations

When considering financial sustainability one of the key measures referred to is the Net Result from Operations, which is calculated by subtracting Operating Expenses from Operating Revenues. The Shire recognises the importance of budgeting towards and achieving long term financial sustainability in this regard and as such, the table below refers to past years' results.

Description	2018/19 \$	2019/20 \$	2020/21 \$
Net Result from Operations	(589,338)	756,436	791,258

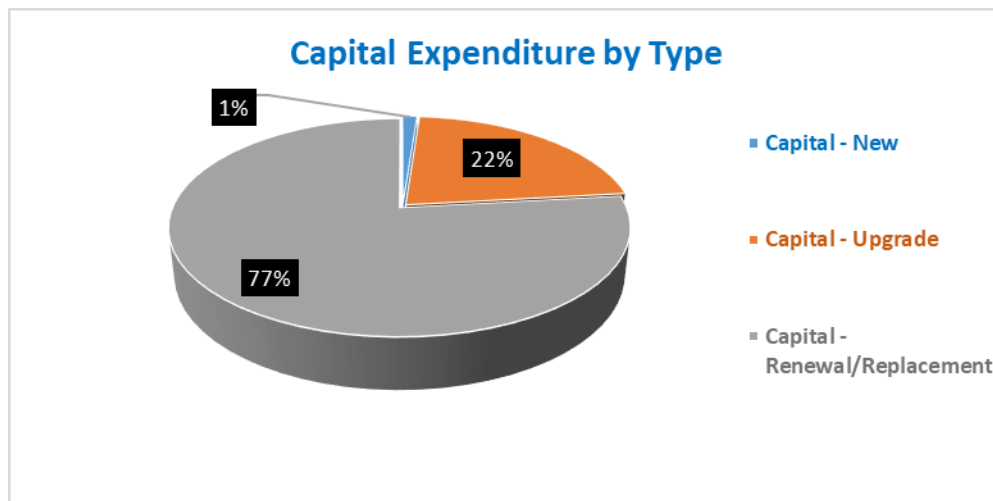
The figures for 2018/19 show a negative result, which is attributable to a significant increase in depreciation since 2015. The increase in depreciation expenses was generated by the increase of asset values stemming from Fair Value valuations.

Capital Expenditure

Effectively implementing capital projects is essential to achieve the Shire's vision. A total of \$3.39m of capital projects was delivered during 2020/21 (\$3.02m in 2019/20).

A summary of projects is shown by Function below:

Capital Expenses By Nature	2020/21 Original Budget \$	2020/21 Revised Budget \$	2020/21 Actual \$
Governance	0	0	42,580
Law, Order & Public Safety	0	0	24,321
Health	63,455	63,455	43,178
Housing	0	0	0
Community Amenities	100,157	103,776	180,155
Recreation & Culture	303,133	303,133	362,140
Transport	2,981,359	3,034,730	2,465,418
Economic Services	468,822	470,821	229,493
Other Property & Services	100,000	100,000	47,544
Total	4,016,926	4,075,915	3,394,829



Capital Expenditure by Type	2018/19 Actual \$	2019/20 Actual \$	2020/21 Actual \$
Capital - New	528,277	816,085	40,719
Capital - Upgrade	586,672	845,696	747,063
Capital - Renewal	1,680,897	1,354,931	2,607,047
Total	2,795,846	3,016,712	3,394,829

Actual Performance against Budget

The Shire's budget is regularly reviewed, where necessary. A statutory mid-year review is undertaken and presented to Council. The analysis below is based on the mid-year budget review for 2020/2021.

Total Operating Revenue	2020/21 Actual \$	2020/21 Revised Budget \$	Variance \$	Variance %
Rates	4,134,054	4,090,054	44,000	1.1%
Operating Grants, Subsidies & Contributions	1,670,788	890,011	780,777	80.7%
Fees & Charges	346,915	316,590	30,325	8.5%
Interest Earnings	58,628	32,992	25,636	43.5%
Other Revenue	170,991	91,217	79,774	78.9%
Non-Operating Grants, Subsidies, Contributions	2,265,755	2,845,865	(580,110)	(42.4%)
Profit on Asset Disposals	16,408	16,408	0	0.0%
Fair Value Adjustments through profit or loss	2,586	0	2,586	0.0%
Total	8,666,125	8,283,117	383,008	4.6%

Total Operating Expenses	2020/21 Actual \$	2020/21 Revised Budget \$	Variance \$	Variance %
Employee Costs	2,597,546	2,788,822	(191,276)	(7.6%)
Materials & Contracts	1,875,883	2,564,173	(688,290)	(33.9%)
Utility Charges	159,395	200,045	(40,650)	(21.9%)
Depreciation	2,331,548	2,275,630	55,918	2.6%
Interest Expense	31,066	31,838	(772)	(1.5%)
Insurance Expense	211,119	232,147	(21,028)	(8.8%)
Other Expenses	196,392	303,774	(107,382)	(25.8%)
Loss on Disposal of Assets	20,544	14,961	5,583	4.8%
Loss on Asset Revaluation	451,374	0	451,374	0.0%
Total	7,874,867	8,411,390	(536,523)	(6.9%)

Total Capital Expenditure	2020/21 Actual \$	2020/21 Revised Budget \$	Variance \$	Variance %
Total	3,394,829	4,016,926	(622,097)	(15.49%)

Financial Position

Total Assets	2018/19 \$	2019/20 \$	2020/21 \$
Cash & Cash Equivalents	3,401,475	4,531,189	4,910,995
Trade & Other Receivables	898,597	419,004	502,892
WA Local Govt. House Unit Trust	70,068	71,221	73,807
Other Financial Assets	89,235	60,677	370,948
Inventories	20,994	15,194	23,344
Property, Plant & Equipment	29,808,487	29,771,122	34,073,314
Infrastructure	89,770,636	90,187,158	90,416,058
Right of Use Assets	0	16,701	4,184
Total	124,059,492	125,072,266	130,375,542

Total assets for 2020/21 increased by \$5,303,276 (4.24%) compared to 2019/20.

Total Liabilities	2018/19 \$	2019/20 \$	2020/21 \$
Trade & Other Payables	226,039	283,969	398,278
Contract Liabilities	0	19,423	188,809
Lease Liabilities	0	12,664	4,322
Current Provisions	447,391	380,729	394,658
Non-Current Provisions	54,321	63,229	89,450
Long Term Borrowings	749,851	990,221	1,121,615
Total	1,477,602	1,754,554	2,197,132

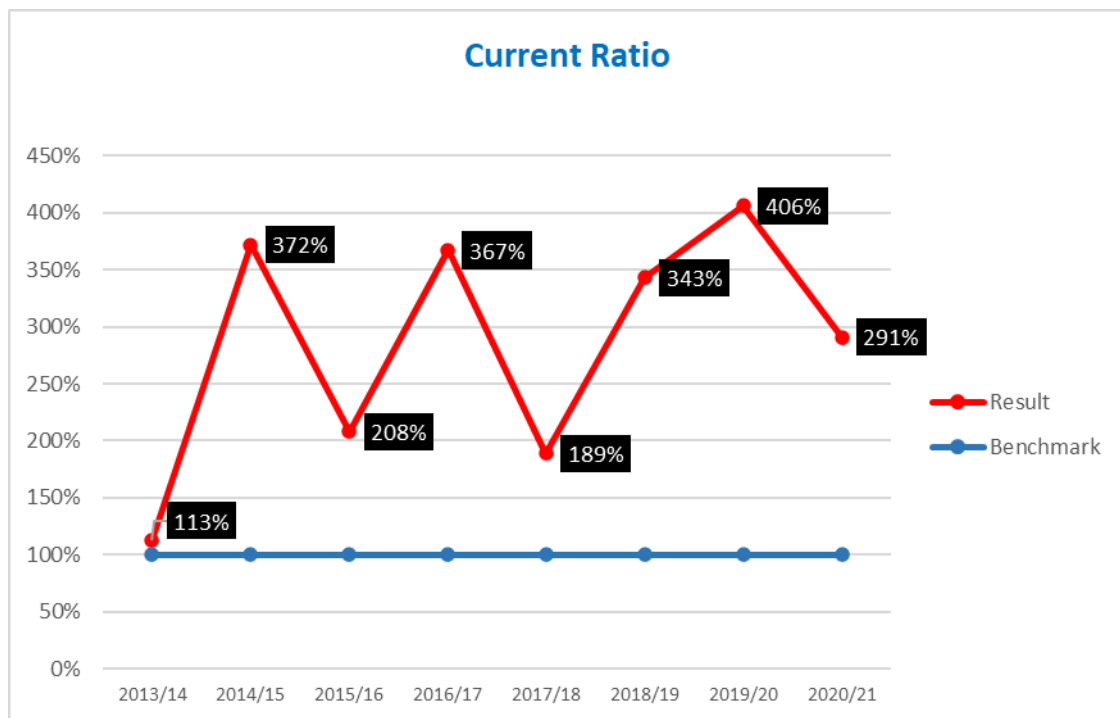
Total liabilities for 2020/21 increased by \$442,578 (25.22%) compared to 2019/20, with increases in loan borrowings and trade payables being the largest contributors.

Net Community Assets	2018/19 \$	2019/20 \$	2020/21 \$
Total	122,581,890	123,317,712	128,178,410

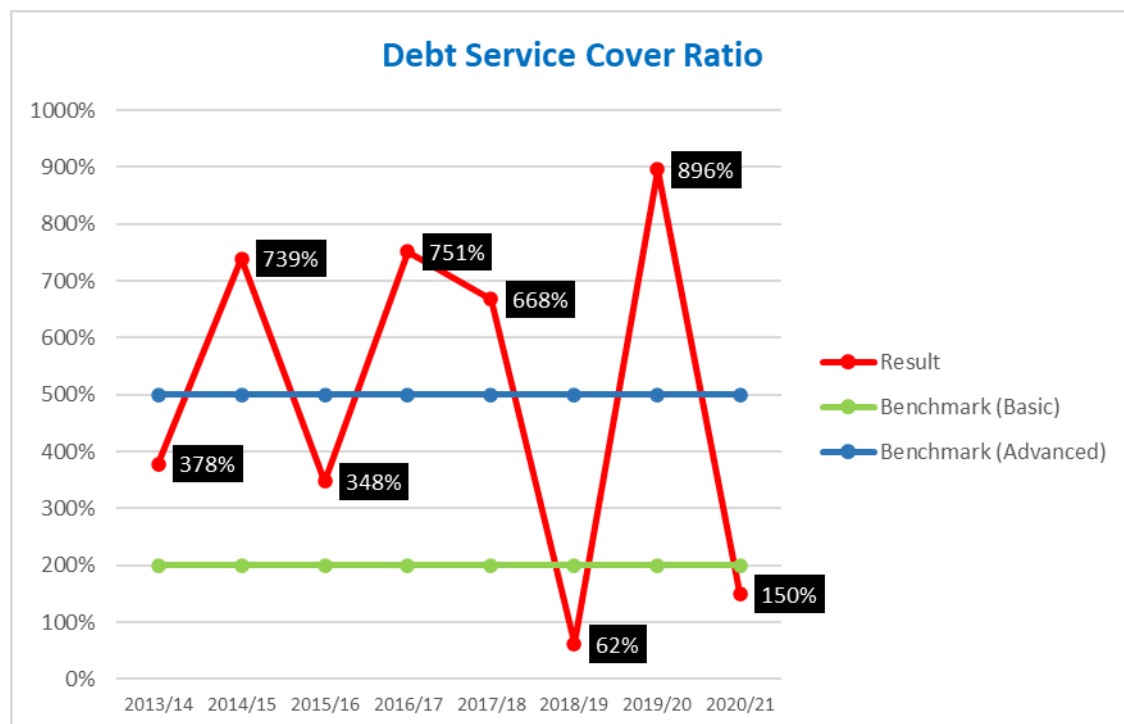
Community Equity	2018/19 \$	2019/20 \$	2020/21 \$
Retained Surplus	42,305,941	42,788,388	43,421,134
Reserves – Cash backed	1,726,808	1,980,183	2,138,695
Reserves – Asset Revaluation	78,549,141	78,549,141	82,618,581
Total	122,581,890	123,317,712	128,178,410

Cash Flows	2018/19 \$	2019/20 \$	2020/21 \$
Cash Flows from Operating Activities	3,597,068	2,281,335	1,287,933
Cash Flows from Investing Activities	(1,639,404)	(1,408,314)	(1,026,860)
Cash Flows from Financing Activities	(1,136,105)	256,693	118,733
Net Increase/(Decrease) in Cash Held	821,559	1,129,714	379,806

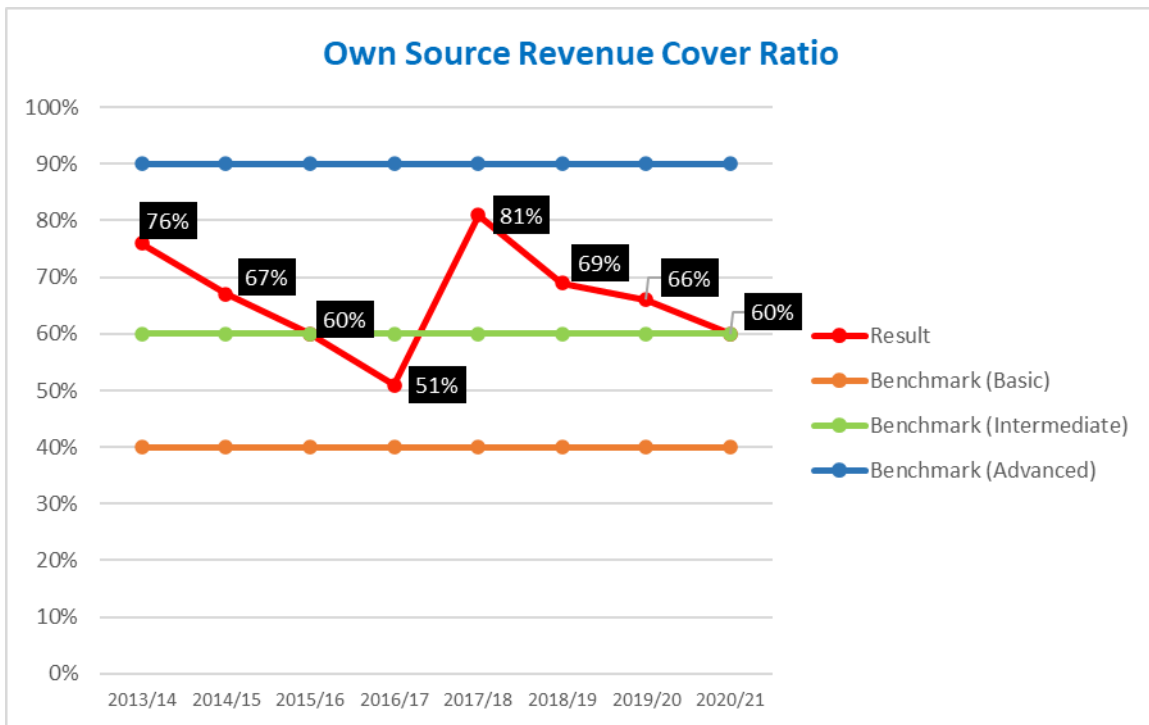
Financial Ratios



This is a modified commercial ratio designed to focus on the liquidity position of the Shire that has arisen from past years' transactions. The standard has been achieved.

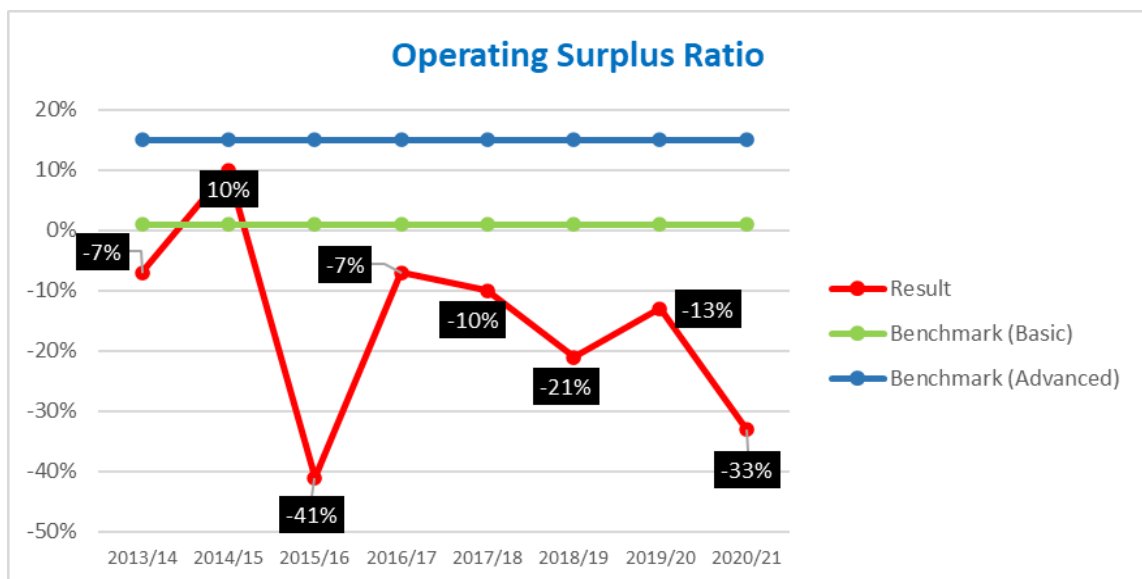


This ratio is a measurement of the Shire's ability to repay its debt obligations including lease payments.



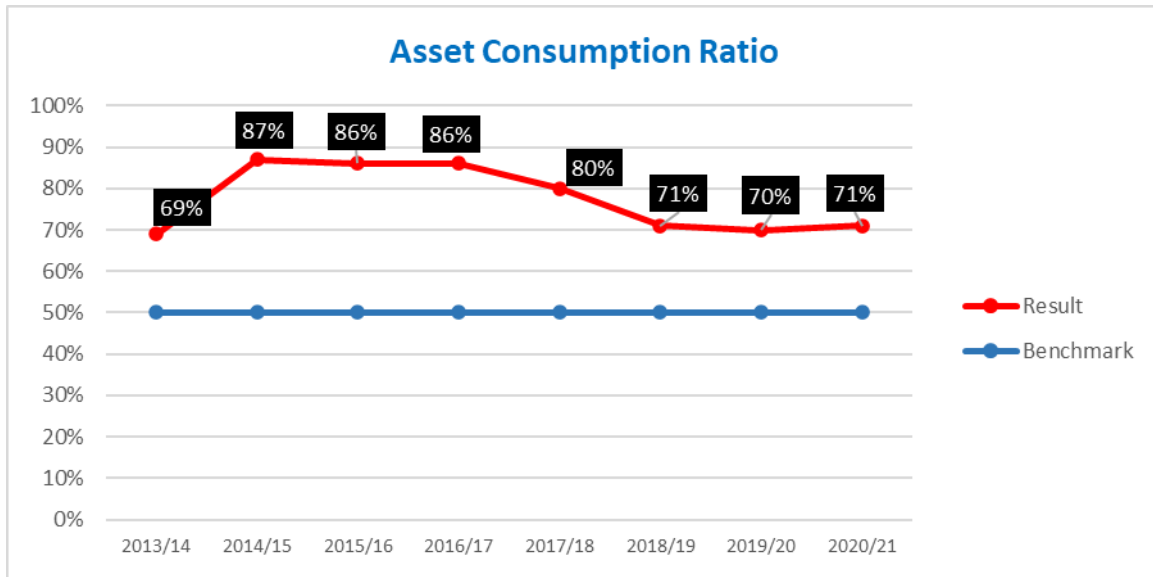
This ratio is a measurement of the Shire's ability to cover its costs through its own revenue efforts.

An intermediate standard has been achieved, as the ratio is 60%.



This ratio is a measurement of the Shire's ability to cover its operational costs and have revenues available for capital funding or other purposes.

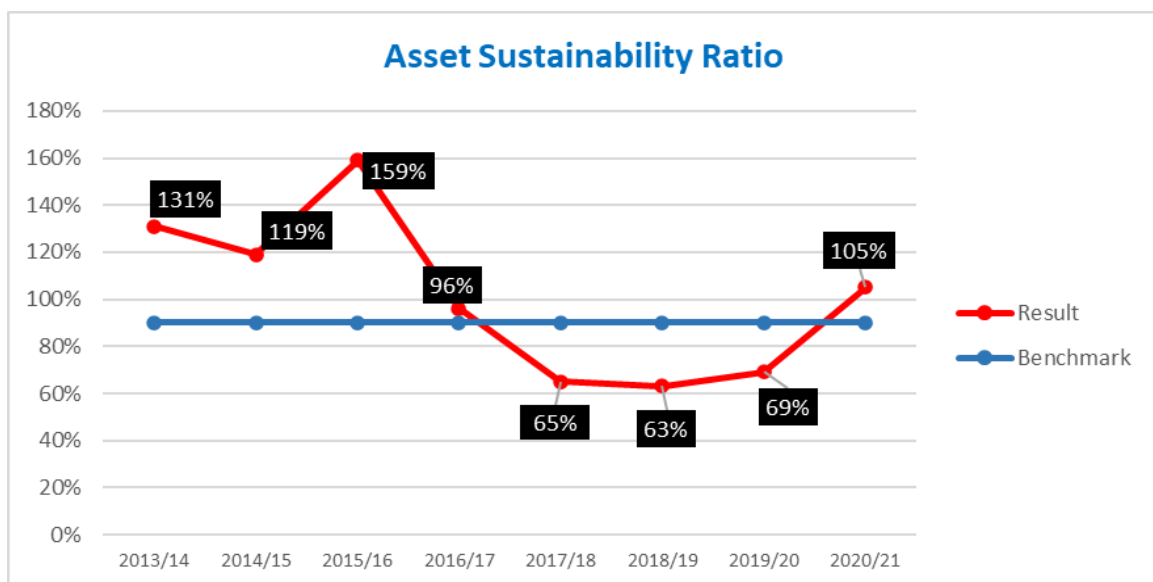
The standard has not been met, as the ratio is less than 1%.



This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.

Recent revaluations have resulted in increases in current replacement costs for these asset classes, which is the denominator in calculating the ratio. The increase in replacement cost indicates that assets will cost more to replace when they reach the end of their useful life.

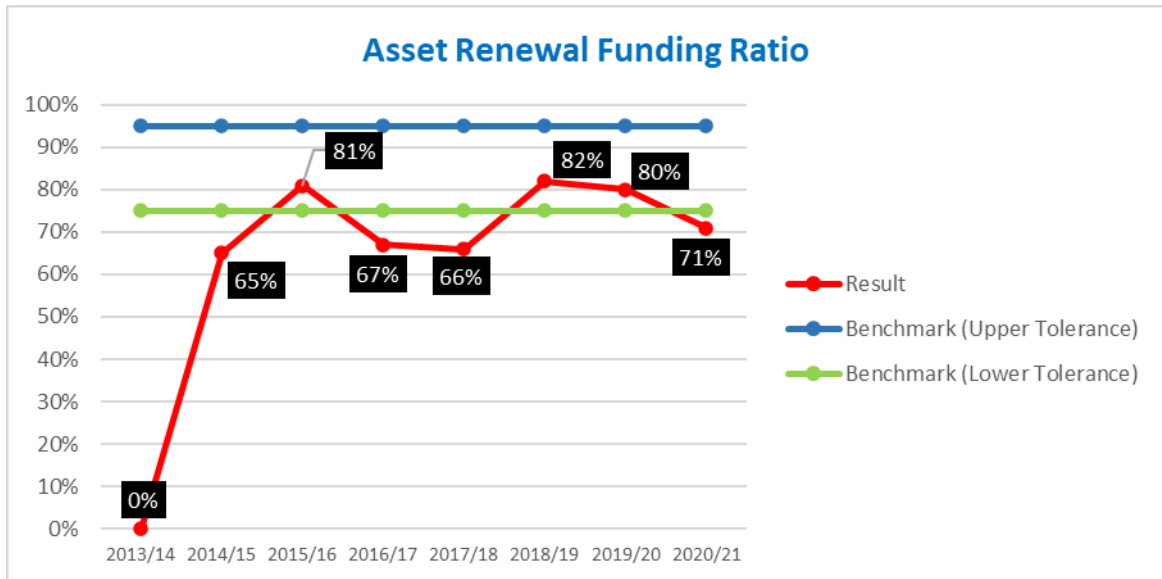
The standard has been met, as the ratio is greater than 50%.



This ratio indicates whether the Shire is replacing or renewing existing assets at the same rate that its overall asset stock is wearing out.

The graph trend indicates Council is spending less on asset renewal when compared to what is being consumed (depreciated) of the asset base each year.

The standard has been met, as the ratio is greater than 90%.



This ratio measures the ability of the Shire to fund its projected asset renewal/replacements in the future.

The data is based on the Long Term Financial Plan, which the Council reviews each year. Council's aim is to maintain this ratio above 75% in future revisions of its Long Term Financial Plan.

The standard has not been met, as the ratio is less than 75%.

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

TABLE OF CONTENTS

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

COMMUNITY VISION

"A progressive, inclusive and prosperous community built on opportunity"

Principal place of business:
28 Yougenup Road
GNOWANGERUP WA 6335

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 22ND day of DECEMBER. 2021



Chief Executive Officer

BOB JARVIS

Name of Chief Executive Officer



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

	NOTES	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	24(a)	4,134,054	4,125,515	4,122,519
Operating grants, subsidies and contributions	2(a)	1,670,788	932,030	1,783,768
Fees and charges	2(a)	346,915	307,371	352,896
Interest earnings	2(a)	58,628	46,338	67,166
Other revenue	2(a)	170,991	84,856	192,720
		6,381,376	5,496,110	6,519,069
Expenses				
Employee costs		(2,597,546)	(2,879,109)	(2,513,509)
Materials and contracts		(1,875,883)	(2,166,952)	(1,511,525)
Utility charges		(159,395)	(193,747)	(168,150)
Depreciation on non-current assets	10(b)	(2,331,548)	(2,275,630)	(2,313,016)
Interest expenses	2(b)	(31,066)	(31,838)	(33,711)
Insurance expenses		(211,119)	(234,191)	(194,975)
Other expenditure		(196,392)	(376,416)	(300,242)
		(7,402,949)	(8,157,883)	(7,035,128)
		(1,021,573)	(2,661,773)	(516,059)
Non-operating grants, subsidies and contributions	2(a)	2,265,755	2,527,849	1,343,239
Profit on asset disposals	10(a)	16,408	-	626
Loss on asset disposals	10(a)	(20,544)	-	(72,523)
Fair value adjustments to financial assets at fair value through profit or loss		2,586	-	1,153
Revaluation decrement to buildings	8(a)	(451,374)	-	-
		1,812,831	2,527,849	1,272,495
Net result for the period		791,258	(133,924)	756,436
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	4,069,440	-	-
Total other comprehensive income for the period		4,069,440	-	-
Total comprehensive income for the period		4,860,698	(133,924)	756,436

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



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

	NOTES	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance		3,279	-	1,038
General purpose funding		5,442,230	4,735,120	5,573,125
Law, order, public safety		115,448	72,810	91,624
Health		480	1,200	1,798
Education and welfare		11,992	11,200	12,226
Housing		91,991	96,028	92,323
Community amenities		355,888	277,110	300,195
Recreation and culture		20,336	19,365	22,728
Transport		171,153	149,600	152,860
Economic services		29,078	28,180	66,181
Other property and services		139,501	105,497	204,971
		6,381,376	5,496,110	6,519,069
Expenses				
Governance		(755,102)	(834,589)	(778,262)
General purpose funding		(61,069)	(112,462)	(121,390)
Law, order, public safety		(365,384)	(396,152)	(333,473)
Health		(283,953)	(322,499)	(307,790)
Education and welfare		(28,213)	(40,363)	(29,200)
Housing		(34,826)	(56,485)	(55,480)
Community amenities		(538,037)	(574,230)	(500,717)
Recreation and culture		(1,594,085)	(1,480,017)	(1,437,810)
Transport		(2,966,899)	(3,346,723)	(2,733,633)
Economic services		(249,778)	(323,142)	(128,474)
Other property and services		(494,537)	(639,383)	(575,188)
		(7,371,883)	(8,126,045)	(7,001,417)
Finance Costs				
Housing		(11,567)	(12,602)	(10,941)
Recreation and culture		(18,226)	(18,850)	(21,954)
Other property and services		(1,273)	(386)	(816)
	2(b)	(31,066)	(31,838)	(33,711)
		(1,021,573)	(2,661,773)	(516,059)
Non-operating grants, subsidies and contributions	2(a)	2,265,755	2,527,849	1,343,239
Profit on disposal of assets	10(a)	16,408	-	626
Loss on disposal of assets	10(a)	(20,544)	-	(72,523)
Fair value adjustments to financial assets at fair value through profit or loss		2,586	-	1,153
Revaluation decrement to buildings	8(a)	(451,374)	-	-
		1,812,831	2,527,849	1,272,495
Net result for the period		791,258	(133,924)	756,436
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	4,069,440	-	-
Total other comprehensive income for the period		4,069,440	-	-
Total comprehensive income for the period		4,860,698	(133,924)	756,436

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

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

	NOTES	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	4,910,995	4,531,189
Trade and other receivables	6	388,105	300,450
Other financial assets	5(a)	370,948	29,729
Inventories	7	23,344	15,194
TOTAL CURRENT ASSETS		5,693,392	4,876,562
NON-CURRENT ASSETS			
Trade and other receivables	6	114,787	118,554
Other financial assets	5(b)	73,807	102,169
Property, plant and equipment	8	34,073,314	29,771,122
Infrastructure	9	90,416,058	90,187,158
Right-of-use assets	11(a)	4,184	16,701
TOTAL NON-CURRENT ASSETS		124,682,150	120,195,704
TOTAL ASSETS		130,375,542	125,072,266
CURRENT LIABILITIES			
Trade and other payables	13	398,278	283,969
Contract liabilities	14	188,809	19,423
Lease liabilities	15(a)	4,322	12,664
Borrowings	16(a)	556,783	208,606
Employee related provisions	17	394,658	380,729
TOTAL CURRENT LIABILITIES		1,542,850	905,391
NON-CURRENT LIABILITIES			
Lease liabilities	15(a)	-	4,319
Borrowings	16(a)	564,832	781,615
Employee related provisions	17	89,450	63,229
TOTAL NON-CURRENT LIABILITIES		654,282	849,163
TOTAL LIABILITIES		2,197,132	1,754,554
NET ASSETS		128,178,410	123,317,712
EQUITY			
Retained surplus		43,421,134	42,788,388
Reserves - cash backed	4	2,138,695	1,980,183
Revaluation surplus	12	82,618,581	78,549,141
TOTAL EQUITY		128,178,410	123,317,712

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



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

	NOTES	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		42,285,327	1,726,808	78,549,141	122,561,276
Comprehensive income					
Net result for the period		756,436	-	-	756,436
Total comprehensive income for the period		756,436	-	-	756,436
Transfers from reserves	4	249,500	(249,500)	-	-
Transfers to reserves	4	(502,875)	502,875	-	-
Balance as at 30 June 2020		42,788,388	1,980,183	78,549,141	123,317,712
Comprehensive income					
Net result for the period		791,258	-	-	791,258
Other comprehensive income	12	-	-	4,069,440	4,069,440
Total comprehensive income for the period		791,258	-	4,069,440	4,860,698
Transfers from reserves	4	111,000	(111,000)	-	-
Transfers to reserves	4	(269,512)	269,512	-	-
Balance as at 30 June 2021		43,421,134	2,138,695	82,618,581	128,178,410

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



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

	NOTES	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		4,103,720	4,125,515	4,106,031
Operating grants, subsidies and contributions		1,624,498	912,608	1,791,499
Fees and charges		344,554	307,371	352,896
Interest received		58,837	46,338	66,741
Goods and services tax received		505,582	-	334,896
Other revenue		167,156	84,856	684,936
		6,804,347	5,476,688	7,336,999
Payments				
Employee costs		(2,548,030)	(2,810,221)	(2,561,603)
Materials and contracts		(1,791,576)	(2,182,394)	(1,459,976)
Utility charges		(159,395)	(193,747)	(168,150)
Interest expenses		(32,570)	(31,838)	(33,711)
Insurance paid		(211,119)	(234,191)	(194,975)
Goods and services tax paid		(544,925)	-	(337,007)
Other expenditure		(228,799)	(376,416)	(300,242)
		(5,516,414)	(5,828,807)	(5,055,664)
Net cash provided by / (used in) operating activities	18	1,287,933	(352,119)	2,281,335
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost - self supporting loans		(340,000)	-	-
Payments for purchase of property, plant & equipment	8(a)	(785,084)	(948,278)	(1,275,355)
Payments for construction of infrastructure	9(a)	(2,609,745)	(3,068,648)	(1,741,353)
Non-operating grants, subsidies and contributions		2,519,604	2,527,849	1,343,239
Proceeds from financial assets at amortised cost - self supporting loans		29,729	29,729	28,558
Proceeds from sale of property, plant & equipment	10(a)	158,636	192,000	265,155
Net cash provided by / (used in) investment activities		(1,026,860)	(1,267,348)	(1,379,756)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(548,606)	(208,606)	(163,630)
Payments for principal portion of lease liabilities	15(b)	(12,661)	(12,664)	(12,235)
Proceeds from new borrowings	16(b)	680,000	-	404,000
Net cash provided by / (used in) financing activities		118,733	(221,270)	228,135
Net increase / (decrease) in cash held		379,806	(1,840,737)	1,129,714
Cash at beginning of year		4,531,189	4,540,665	3,401,475
Cash and cash equivalents at the end of the year	18	4,910,995	2,699,928	4,531,189

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



BUTLER SETTINERI

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

	NOTES	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)		2,182,529	2,053,442	1,779,280
		2,182,529	2,053,442	1,779,280
Revenue from operating activities (excluding rates)				
Governance		3,279	-	1,038
General purpose funding		1,552,428	852,442	1,693,101
Law, order, public safety		115,448	72,810	91,624
Health		480	1,200	1,798
Education and welfare		11,992	11,200	12,226
Housing		91,991	96,028	92,323
Community amenities		355,888	277,110	300,195
Recreation and culture		20,336	19,365	22,728
Transport		187,561	149,600	153,486
Economic services		29,078	28,180	66,181
Other property and services		142,087	105,497	206,124
		2,510,568	1,613,432	2,640,824
Expenditure from operating activities				
Governance		(755,102)	(834,589)	(778,262)
General purpose funding		(61,069)	(112,462)	(121,390)
Law, order, public safety		(365,384)	(396,152)	(333,473)
Health		(297,998)	(322,499)	(307,790)
Education and welfare		(28,213)	(40,363)	(29,200)
Housing		(46,393)	(69,087)	(108,421)
Community amenities		(538,037)	(574,230)	(525,717)
Recreation and culture		(1,612,311)	(1,498,867)	(1,459,764)
Transport		(2,969,399)	(3,346,723)	(2,739,156)
Economic services		(249,778)	(323,142)	(128,474)
Other property and services		(951,183)	(639,769)	(576,004)
		(7,874,867)	(8,157,883)	(7,107,651)
Non-cash amounts excluded from operating activities	25(a)	2,814,460	2,344,518	2,395,048
Amount attributable to operating activities		(367,310)	(2,146,491)	(292,499)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	2,265,755	2,527,849	1,343,239
Proceeds from disposal of assets	10(a)	158,636	192,000	265,155
Proceeds from financial assets at amortised cost - self supporting loans		29,729	29,729	28,558
Payments for financial assets at amortised cost - self supporting loans		(340,000)	-	-
Purchase of property, plant and equipment	8(a)	(785,084)	(948,278)	(1,275,355)
Purchase and construction of infrastructure	9(a)	(2,609,745)	(3,068,648)	(1,741,353)
		(1,280,709)	(1,267,348)	(1,379,756)
Amount attributable to investing activities		(1,280,709)	(1,267,348)	(1,379,756)
FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(548,606)	(208,606)	(163,630)
Proceeds from borrowings	16(c)	680,000	-	404,000
Payments for principal portion of lease liabilities	15(b)	(12,661)	(12,664)	(12,235)
Transfers to reserves (restricted assets)	4	(269,512)	(398,569)	(502,875)
Transfers from reserves (restricted assets)	4	111,000	151,000	249,500
Amount attributable to financing activities		(39,779)	(468,839)	(25,240)
Surplus/(deficit) before imposition of general rates		(1,687,798)	(3,882,678)	(1,697,495)
Total amount raised from general rates	24(a)	3,889,802	3,882,678	3,880,024
Surplus/(deficit) after imposition of general rates	25(b)	2,202,004	-	2,182,529

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

OAG
AUDITED

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

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	11
Note 3	Cash and Cash Equivalents	16
Note 4	Reserves - Cash Backed	17
Note 5	Other Financial Assets	18
Note 6	Trade and Other Receivables	19
Note 7	Inventories	20
Note 8	Property, Plant and Equipment	21
Note 9	Infrastructure	23
Note 10	Fixed Assets	25
Note 11	Leases	28
Note 12	Revaluation Surplus	29
Note 13	Trade and Other Payables	30
Note 14	Contract Liabilities	31
Note 15	Lease Liabilities	32
Note 16	Information on Borrowings	33
Note 17	Employee Related Provisions	35
Note 18	Notes to the Statement of Cash Flows	36
Note 19	Total Assets Classified by Function and Activity	37
Note 20	Contingent Liabilities	38
Note 21	Capital Commitments	39
Note 22	Elected Members Remuneration	40
Note 23	Related Party Transactions	42
Note 24	Rating Information	44
Note 25	Rate Setting Statement Information	48
Note 26	Financial Risk Management	49
Note 27	Events occurring after the end of the Reporting Period	52
Note 28	Initial Application of Australian Accounting Standards	53
Note 29	Other Significant Accounting Policies	54
Note 30	Activities/Programs	55
Note 31	Financial Ratios	56

1. BASIS OF PREPARATION

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

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

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

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

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

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

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

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

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

- Employee Expenses
- Other Financial Assets
- Property, Plant and Equipment
- Infrastructure
- Right-of-use Assets
- Lease Liabilities
- Borrowing Liabilities
- Provisions

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

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	1,000	-	-
General purpose funding	1,406,969	711,075	1,531,634
Law, order, public safety	91,721	68,290	75,690
Recreation and culture	-	3,165	-
Transport	171,098	149,500	152,701
Economic services	-	-	23,743
	1,670,788	932,030	1,783,768
Non-operating grants, subsidies and contributions			
Law, order, public safety	13,577	-	-
Housing	-	-	367,500
Community amenities	-	-	276,181
Transport	1,416,054	1,427,849	699,558
Other property and services	836,124	1,100,000	-
	2,265,755	2,527,849	1,343,239
Total grants, subsidies and contributions	3,936,543	3,459,879	3,127,007
Fees and charges			
Governance	-	-	27
General purpose funding	15,435	14,700	12,720
Law, order, public safety	6,775	4,520	8,434
Health	193	900	1,300
Education and welfare	11,992	11,200	12,226
Housing	91,718	94,028	88,677
Community amenities	134,471	103,118	127,294
Recreation and culture	17,980	16,200	16,845
Transport	55	100	109
Economic services	28,853	28,105	42,265
Other property and services	39,443	34,500	42,999
	346,915	307,371	352,896

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

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	254,777	232,367	248,770
Fees and charges	191,524	163,113	190,781
Other revenue	67,690	46,575	41,186
Non-operating grants, subsidies and contributions	2,265,755	2,527,849	1,343,239
	2,779,746	2,969,904	1,823,976

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

Revenue from contracts with customers included as a contract liability at the start of the period	19,423	19,422	-
Revenue from contracts with customers recognised during the year	494,568	422,633	480,737
Revenue from transfers intended for acquiring or constructing recognisable non-financial assets during the year	2,265,755	2,527,849	1,343,239
	2,779,746	2,969,904	1,823,976

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

Trade and other receivables from contracts with customers	117,844	-	153,804
Contract liabilities from contracts with customers	(188,809)	-	(19,423)

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

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

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

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

General rates
 Specified area rates
 Waste collection rate
 Statutory permits and licences
 Fines

Other revenue

Reimbursements and recoveries
 Other

Interest earnings

Financial assets at amortised cost - self supporting loans
 Interest on reserve funds
 Rates instalment and penalty interest (refer Note 24(e))
 Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
	3,889,802	3,882,678	3,880,024
	76,957	75,942	75,701
	132,000	131,600	131,499
	20,376	9,510	28,589
	1,936	620	3,604
	4,121,071	4,100,350	4,119,417
	103,301	38,281	151,534
	67,690	46,575	41,186
	170,991	84,856	192,720
	2,063	-	3,761
	8,512	9,900	18,505
	39,976	26,438	35,089
	8,077	10,000	9,811
	58,628	46,338	67,166

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services

Interest expenses (finance costs)

- Borrowings
- Lease liabilities

Other expenditure

- Impairment loss on trade and other receivables
- Sundry expenses

Note	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
	23,500	45,000	23,000
	1,600	1,250	1,120
	25,100	46,250	24,120
16(b)	30,677	31,452	32,895
15(b)	389	386	816
	31,066	31,838	33,711
	-	-	55,544
	196,392	376,416	244,698
	196,392	376,416	300,242

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

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general rates	General rates	Over time	Payment dates adopted by Council during the year	None	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Rates - Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Rates - Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the funding body	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations.
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges	Building, cemetery services, library fees, property hire, private works, planning, development, animal management services, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Adopted by Council annually or Set by State legislation or limited by legislation to the cost of provision of the service	Applied fully based on timing of provision/entry, or based on timing of issue of the associated rights	Not applicable	Output method based on provision of service or completion of works, or on payment and issue of the licence, registration or approval
Other revenue - Commissions	Commissions on licencing	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Other revenue - Reimbursements	Insurance claims and reimbursable expenses	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed or reimbursement is agreed	Not applicable	When claim is agreed or when reimbursement is agreed

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

3. CASH AND CASH EQUIVALENTS

NOTES	2021	2020
	\$	\$
Cash at bank and on hand	4,910,995	4,531,189
Total cash and cash equivalents	4,910,995	4,531,189

Restrictions

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

Cash and cash equivalents	2,327,504	1,999,606
	2,327,504	1,999,606

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

Reserves - cash backed	4	2,138,695	1,980,183
Contract liabilities from contracts with customers	14	188,809	19,423
Total restricted assets		2,327,504	1,999,606

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

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

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

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	166,982	30,719	-	197,701	166,982	30,835	-	197,817	115,741	51,241	-	166,982
(b) Plant and Equipment	741,293	103,181	(111,000)	733,474	741,293	103,706	(111,000)	733,999	851,666	109,127	(219,500)	741,293
(c) Ongerup Effluent	37,060	10,160	-	47,220	37,060	10,185	-	47,245	26,774	10,286	-	37,060
(d) Area Promotion	30,525	131	-	30,656	30,525	153	-	30,678	30,201	324	-	30,525
(e) Swimming Pool	237,416	57,023	-	294,439	237,416	57,187	-	294,603	209,174	58,242	(30,000)	237,416
(f) Land Development	192,554	826	-	193,380	192,554	963	-	193,517	190,512	2,042	-	192,554
(g) Computer Replacement	48,058	5,207	-	53,265	48,058	5,240	-	53,298	7,973	40,085	-	48,058
(h) Waste Disposal	249,827	1,073	-	250,900	249,827	1,249	-	251,076	247,178	2,649	-	249,827
(i) Future Funds	144,773	60,627	-	205,400	144,773	188,393	(40,000)	293,166	16,230	128,543	-	144,773
(j) Liquid Waste Facility	31,695	136	-	31,831	31,695	158	-	31,853	31,359	336	-	31,695
(k) COVID-19	100,000	429	-	100,429	100,000	500	-	100,500	-	100,000	-	100,000
	1,980,183	269,512	(111,000)	2,138,695	1,980,183	398,569	(151,000)	2,227,752	1,726,808	502,875	(249,500)	1,980,183

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	Ongoing	to be used to fund annual and long service leave requirements
(b) Plant and Equipment	Ongoing	to be used for the purchase of major plant
(c) Ongerup Effluent	Ongoing	to be used for the maintenance of the Ongerup Effluent System
(d) Area Promotion	Ongoing	to be used for the promotion of the Gnowangerup Shire
(e) Swimming Pool	Ongoing	to be used to assist with upgrade of the Gnowangerup Swimming Pool
(f) Land Development	Ongoing	to be used to fund the purchase or development of land and buildings and building renewal
(g) Computer Replacement	Ongoing	to be used to fund the maintenance and replacement of the administration computer system
(h) Waste Disposal	Ongoing	to be used to fund waste disposal in the Shire, including rehabilitation, transfer stations and post closure of sites
(i) Future Funds	Ongoing	to be used for contributions towards major externally grant funded projects and programs within the Shire of Gnowangerup
(j) Liquid Waste Facility	Ongoing	to be used to fund the maintenance, renewal and upgrade of the liquid waste facility
(k) COVID-19	30-06-22	to be used to fund any project, programme or activity of any kind which contributes to the recovery of the Shire of Gnowangerup from the COVID-19 pandemic.

5. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Self supporting loans

(b) Non-current assets

Financial assets at amortised cost

Financial assets at fair value through profit and loss

Financial assets at amortised cost

Self supporting loans

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2021	2020
	\$	\$
Financial assets at amortised cost	370,948	29,729
	370,948	29,729
Other financial assets at amortised cost		
Self supporting loans	370,948	29,729
	370,948	29,729
Financial assets at amortised cost	-	30,948
Financial assets at fair value through profit and loss	73,807	71,221
	73,807	102,169
Financial assets at amortised cost		
Self supporting loans	-	30,948
	-	30,948
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	73,807	71,221
	73,807	71,221

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 16(b) as self supporting loans.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

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

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
GST receivable	
Allowance for impairment of receivables	
Accrued income	

Non-current

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

2021	2020
\$	\$
248,410	200,319
117,844	153,804
41,005	1,662
(23,137)	(55,335)
3,983	-
388,105	300,450
114,787	118,554
114,787	118,554

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

7. INVENTORIES

Current

Fuel and materials

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

	2021	2020
	\$	\$
	23,344	15,194
	23,344	15,194
	15,194	20,994
	(155,611)	(160,566)
	163,761	154,766
	23,344	15,194

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
Gross balance amount at 30 June 2019	1,016,324	1,598,110	24,248,618	26,863,052	61,560	3,961,200	30,885,812
Accumulated depreciation at 30 June 2019	-	(79,546)	(997,779)	(1,077,325)	-	-	(1,077,325)
Balance at 1 July 2019	1,016,324	1,518,564	23,250,839	25,785,727	61,560	3,961,200	29,808,487
Additions	15,297	777,828	-	793,125	11,594	470,636	1,275,355
Disposals	(25,000)	(222,000)	-	(247,000)	-	(90,052)	(337,052)
Depreciation expense	-	(39,952)	(502,605)	(542,557)	(23,034)	(410,077)	(975,668)
Balance at 30 June 2020	1,006,621	2,034,440	22,748,234	25,789,295	50,120	3,931,707	29,771,122
Comprises:							
Gross balance amount at 30 June 2020	1,006,621	2,135,938	24,248,618	27,391,177	73,154	4,336,836	31,801,167
Accumulated depreciation at 30 June 2020	-	(101,498)	(1,500,384)	(1,601,882)	(23,034)	(405,129)	(2,030,045)
Balance at 30 June 2020	1,006,621	2,034,440	22,748,234	25,789,295	50,120	3,931,707	29,771,122
Additions	30,619	-	246,741	277,360	42,580	465,144	785,084
Disposals	-	-	-	-	(3,083)	(159,689)	(162,772)
Revaluation increments / (decrements) transferred to revaluation surplus	12,833	(9,113)	5,078,383	5,082,103	-	-	5,082,103
Revaluation (loss) / reversals transferred to profit or loss	-	(451,374)	-	(451,374)	-	-	(451,374)
Depreciation expense	-	(33,953)	(502,607)	(536,560)	(7,436)	(406,853)	(950,849)
Balance at 30 June 2021	1,050,073	1,540,000	27,570,751	30,160,824	82,181	3,830,309	34,073,314
Comprises:							
Gross balance amount at 30 June 2021	1,050,073	1,540,000	27,570,751	30,160,824	99,124	4,620,480	34,880,428
Accumulated depreciation at 30 June 2021	-	-	-	-	(16,943)	(790,171)	(807,114)
Balance at 30 June 2021	1,050,073	1,540,000	27,570,751	30,160,824	82,181	3,830,309	34,073,314

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land - freehold	2	Market approach using observable or estimated open market values of similar assets adjusted for condition and comparability at their highest and best use	Independent registered valuers	June 2021	Price per hectare/market borrowing rate
Buildings - non-specialised	2	Market approach using observable or estimated open market values of similar assets adjusted for condition and comparability at their highest and best use	Independent registered valuer	June 2021	Available market information and utilising both observable and unobservable inputs being construction costs based on recent contract prices, current condition, residual values and remaining useful life assessment
Buildings - specialised	3	Cost approach using current replacement cost	Independent registered valuer	June 2021	Construction costs and current condition, residual values and remaining useful life assessment inputs
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
(ii) Cost					
Furniture and equipment		Cost approach	Cost		Purchase cost
Plant and equipment		Cost approach	Cost		Purchase cost

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks and ovals	Infrastructure - other	Infrastructure - airports	Infrastructure - sewer	Infrastructure - solid waste	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gross balance at 30 June 2019	75,944,477	743,644	3,718,282	6,392,756	654,084	3,282,900	239,529	68,800	91,044,472
Accumulated depreciation at 30 June 2019	(778,550)	(14,873)	(73,455)	(269,005)	(21,374)	(110,331)	(4,196)	(2,052)	(1,273,836)
Balance at 1 July 2019	75,165,927	728,771	3,644,827	6,123,751	632,710	3,172,569	235,333	66,748	89,770,636
Additions	1,373,802	-	-	29,416	63,999	-	-	274,136	1,741,353
Depreciation expense	(803,584)	(14,873)	(74,366)	(270,816)	(42,662)	(110,332)	(4,974)	(3,224)	(1,324,831)
Balance at 30 June 2020	75,736,145	713,898	3,570,461	5,882,351	654,047	3,062,237	230,359	337,660	90,187,158
Comprises:									
Gross balance at 30 June 2020	77,318,279	743,644	3,718,282	6,422,173	718,084	3,282,900	239,529	342,936	92,785,827
Accumulated depreciation at 30 June 2020	(1,582,134)	(29,746)	(147,821)	(539,822)	(64,037)	(220,663)	(9,170)	(5,276)	(2,598,669)
Balance at 30 June 2020	75,736,145	713,898	3,570,461	5,882,351	654,047	3,062,237	230,359	337,660	90,187,158
Additions	1,992,967	-	-	262,613	298,485	55,680	-	-	2,609,745
Impairment losses	(1,012,663)	-	-	-	-	-	-	-	(1,012,663)
Depreciation expense	(831,061)	(14,872)	(74,366)	(272,770)	(45,618)	(110,331)	(4,975)	(14,189)	(1,368,182)
Balance at 30 June 2021	75,885,388	699,026	3,496,095	5,872,194	906,914	3,007,586	225,384	323,471	90,416,058
Comprises:									
Gross balance at 30 June 2021	78,298,583	743,644	3,718,282	6,684,786	1,016,569	3,338,580	239,529	342,936	94,382,909
Accumulated depreciation at 30 June 2021	(2,413,195)	(44,618)	(222,187)	(812,592)	(109,655)	(330,994)	(14,145)	(19,465)	(3,966,851)
Balance at 30 June 2021	75,885,388	699,026	3,496,095	5,872,194	906,914	3,007,586	225,384	323,471	90,416,058

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs ; current condition, residual values and remaining useful life assessment (Level 3) inputs
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs ; current condition, residual values and remaining useful life assessment (Level 3) inputs
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs ; current condition, residual values and remaining useful life assessment (Level 3) inputs
Infrastructure - parks and ovals	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs ; current condition, residual values and remaining useful life assessment (Level 3) inputs
Infrastructure - other	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs ; current condition, residual values and remaining useful life assessment (Level 3) inputs
Infrastructure - airports	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs ; current condition, residual values and remaining useful life assessment (Level 3) inputs
Infrastructure - sewer	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs ; current condition, residual values and remaining useful life assessment (Level 3) inputs
Infrastructure - solid waste	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs ; current condition, residual values and remaining useful life assessment (Level 3) inputs

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

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

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

10. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	-	-	-	-	-	-	-	-	25,000	-	-	(25,000)
Buildings - non-specialised	-	-	-	-	-	-	-	-	222,000	180,000	-	(42,000)
Furniture and equipment	3,083	-	-	(3,083)	-	-	-	-	-	-	-	-
Plant and equipment	159,689	158,636	16,408	(17,461)	192,000	192,000	-	-	90,052	85,155	626	(5,523)
	162,772	158,636	16,408	(20,544)	192,000	192,000	-	-	337,052	265,155	626	(72,523)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Health				
Mazda CX9	30,409	16,364	-	(14,045)
Transport				
Isuzu D-Max Space Cab	24,250	27,273	3,023	-
Isuzu D-Max Tray Top	24,750	27,273	2,523	-
Isuzu Space Cab	20,001	27,273	7,272	-
Isuzu D-Max utility	25,500	29,090	3,590	-
Box Trailer	2,500	-	-	(2,500)
Other property and services				
Toyota RAV4	32,279	31,363	-	(916)
	159,689	158,636	16,408	(17,461)
Furniture & equipment				
Other property and services				
Desktop computers and laptops	2,594	-	-	(2,594)
2015 Server	489	-	-	(489)
	3,083	-	-	(3,083)
	162,772	158,636	16,408	(20,544)

10. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	33,953	39,952	39,952
Buildings - specialised	502,607	502,605	502,605
Furniture and equipment	7,436	23,034	23,034
Plant and equipment	406,853	380,077	410,077
Infrastructure - roads	831,061	857,535	803,584
Infrastructure - footpaths	14,872	14,895	14,873
Infrastructure - drainage	74,366	74,365	74,366
Infrastructure - parks and ovals	272,770	200,817	270,816
Infrastructure - other	45,618	45,193	42,662
Infrastructure - airports	110,331	112,225	110,332
Infrastructure - sewer	4,975	4,980	4,974
Infrastructure - solid waste	14,189	7,435	3,224
Right-of-use assets - plant and equipment	12,517	12,517	12,517
	2,331,548	2,275,630	2,313,016

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
Formation	not depreciated
Pavement	50 years
Road seals	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
- formation	not depreciated
- pavement	50 years
Footpaths - slab	20 years
Sewerage piping	25 to 80 years
Water supply piping and drainage systems	50 years
Right of use (plant and equipment)	Based on the shorter of lease term or useful life of the underlying asset
Airport infrastructure	13 to 100 years
Parks and ovals infrastructure	2 to 100 years
Other infrastructure	10 to 50 years
Solid waste infrastructure	15 to 25 years

Depreciation on revaluation

When an item of property, plant and equipment is revalued, 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.

11. LEASES

(a) Right-of-Use Assets

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

Balance at 1 July 2019

Depreciation (expense)

Balance at 30 June 2020

Depreciation (expense)

Balance at 30 June 2021

Right-of-use assets - plant and equipment	Right-of-use assets Total
\$	\$
29,218	29,218
(12,517)	(12,517)
16,701	16,701
(12,517)	(12,517)
4,184	4,184

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

Depreciation expense on lease liabilities

Interest expense on lease liabilities

Total amount recognised in the statement of comprehensive income

Total cash outflow from leases

2021 Actual	2020 Actual
\$	\$
(12,517)	(12,517)
(389)	(816)
(12,906)	(13,333)
(13,050)	(13,050)

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - valuation

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

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

Right-of-use assets - depreciation

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

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

12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	Impairment Losses	2021 Closing Balance	2020 Opening Balance	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	814,452	12,833	-	12,833	-	827,285	814,452	814,452
Buildings - non-specialised	9,113	-	(9,113)	(9,113)	-	-	9,113	9,113
Buildings - specialised	18,463,939	5,078,383	-	5,078,383	-	23,542,322	18,463,939	18,463,939
Furniture and equipment	13,037	-	-	-	-	13,037	13,037	13,037
Plant and equipment	945,000	-	-	-	-	945,000	945,000	945,000
Infrastructure - roads	48,816,887	-	-	-	(1,012,663)	47,804,224	48,816,887	48,816,887
Infrastructure - footpaths	417,913	-	-	-	-	417,913	417,913	417,913
Infrastructure - drainage	3,408,530	-	-	-	-	3,408,530	3,408,530	3,408,530
Infrastructure - parks and ovals	1,903,113	-	-	-	-	1,903,113	1,903,113	1,903,113
Infrastructure - other	439,715	-	-	-	-	439,715	439,715	439,715
Infrastructure - airports	3,317,442	-	-	-	-	3,317,442	3,317,442	3,317,442
Infrastructure - sewer	-	-	-	-	-	-	-	-
Infrastructure - solid waste	-	-	-	-	-	-	-	-
	78,549,141	5,091,216	(9,113)	5,082,103	(1,012,663)	82,618,581	78,549,141	78,549,141

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

Impairment loss on revalued assets is recognised directly against the revaluation reserve.

The Shire's Infrastructure - roads has been impaired at 30 June 2021 by \$1,012,663. Consequently, total changes in asset revaluation surplus of \$4,069,440 is charged to other comprehensive income.

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
Accrued interest on loans
Accrued expenses

2021	2020
\$	\$
298,337	215,450
29,432	15,442
32,659	23,293
4,160	5,664
33,690	24,120
398,278	283,969

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

Prepaid rates

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

14. CONTRACT LIABILITIES

Current

Contract liabilities

2021	2020
\$	\$
188,809	19,423
188,809	19,423

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

Less than 1 year

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
188,809	-

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

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

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

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

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

15. LEASE LIABILITIES

(a) Lease Liabilities

	2021	2020
	\$	\$
Current	4,322	12,664
Non-current	-	4,319
	4,322	16,983

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020
					Lease Principal 1 July 2020	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments	Lease Principal 1 July 2020	Budget Lease Principal Repayments	Budget Lease Principal Outstanding	Budget Lease Interest Repayments	Lease Principal 1 July 2019	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other property and services																
Photocopier Lease	N0005968	LeaseIT	3.50%	4 yrs	16,983	(12,661)	4,322	(389)	13,426	(12,664)	762	(386)	29,218	(12,235)	16,983	(816)
					16,983	(12,661)	4,322	(389)	13,426	(12,664)	762	(386)	29,218	(12,235)	16,983	(816)

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

16. INFORMATION ON BORROWINGS

(a) Borrowings

	2021	2020
	\$	\$
Current	556,783	208,606
Non-current	564,832	781,615
	1,121,615	990,221

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020
				Principal	Actual	Actual	Actual	Actual		Budget	Budget	Budget		Actual	Actual	Actual	Actual
				1 July 2020	New	Principal	Interest	Principal		Principal	Principal	Interest		1 July 2019	New	Principal	Interest
				\$	Loans	\$	\$	\$		\$	\$	\$		\$	\$	\$	\$
Housing																	
GROH Housing	277	WATC*	4.20%	178,921	-	(87,602)	(5,720)	91,319	178,921	(87,602)	(6,604)	91,319	262,956	-	-	(84,035)	(9,322)
Staff Housing	281	WATC*	1.52%	404,000	-	(37,703)	(5,847)	366,297	404,000	(37,703)	(5,998)	366,297	-	404,000	-	-	(1,619)
Recreation and culture																	
Gnowangerup Community Centre	273	WATC*	6.18%	127,754	-	(18,189)	(7,484)	109,565	127,756	(18,189)	(7,766)	109,567	144,869	-	-	(17,115)	(8,566)
Borden Pavilion	278	WATC*	4.29%	56,003	-	(17,880)	(2,028)	38,123	56,001	(17,880)	(2,213)	38,121	73,140	-	-	(17,137)	(2,779)
Gnowangerup Complex Synthetic Turf	279	WATC*	4.23%	162,864	-	(17,503)	(6,651)	145,361	162,866	(17,503)	(6,706)	145,363	179,650	-	-	(16,786)	(7,371)
				929,542	-	(178,877)	(27,730)	750,665	929,544	(178,877)	(29,287)	750,667	660,615	404,000	-	(135,073)	(29,657)
Self Supporting Loans																	
Recreation and culture																	
Gnowangerup Sporting Complex	275	WATC*	4.06%	42,009	-	(20,582)	(1,428)	21,427	42,008	(20,582)	(1,499)	21,426	61,779	-	-	(19,770)	(2,242)
Borden Pavilion	276	WATC*	4.06%	18,670	-	(9,147)	(635)	9,523	18,670	(9,147)	(666)	9,523	27,457	-	-	(8,787)	(996)
Other property and services																	
Ongerup Community Development	282	WATC*	0.52%	-	680,000	(340,000)	(884)	340,000	-	-	-	-	-	-	-	-	-
				60,679	680,000	(369,729)	(2,947)	370,950	60,678	(29,729)	(2,165)	30,949	89,236	-	-	(28,557)	(3,238)
				990,221	680,000	(548,606)	(30,677)	1,121,615	990,222	(208,606)	(31,452)	781,616	749,851	404,000	-	(163,630)	(32,895)

* WA Treasury Corporation

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

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

16. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2020/21

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2021 Actual	2021 Budget	2021 Actual	2021 Budget		
Community Housing	WATC*	Debenture	1	0.40%	\$ 680,000	\$ -	\$ (680,000)	\$ -	\$ 876	\$ -
* WA Treasury Corporation					680,000	-	(680,000)	-	876	-

(d) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2021	2020
	\$	\$
Bank overdraft limit	-	500,000
Bank overdraft at balance date	-	-
Credit card limit	10,000	10,000
Credit card balance at balance date	(1,306)	(1,768)
Total amount of credit unused	8,694	508,232

Loan facilities

Loan facilities - current	556,783	208,606
Loan facilities - non-current	564,832	781,615
Lease liabilities - current	4,322	12,664
Lease liabilities - non-current	-	4,319
Total facilities in use at balance date	1,125,937	1,007,204

Unused loan facilities at balance date

NIL NIL

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

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

17. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual & Sick Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current	252,076	128,653	380,729
Non-current	-	63,229	63,229
	252,076	191,882	443,958
Additional provision	181,656	54,391	236,047
Amounts used	(188,775)	(7,122)	(195,897)
Balance at 30 June 2021	244,957	239,151	484,108
Comprises			
Current	244,957	149,701	394,658
Non-current	-	89,450	89,450
	244,957	239,151	484,108

	2021	2020
	\$	\$
Less than 12 months after the reporting date	243,625	180,701
More than 12 months from reporting date	223,179	255,561
Expected reimbursements from other WA local governments	17,304	7,696
	484,108	443,958

Amounts are expected to be settled on the following basis:

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

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

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

18. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash and cash equivalents	4,910,995	2,699,928	4,531,189
Reconciliation of Net Result to Net Cash Provided By / (Used In) Operating Activities			
Net result for the period	791,258	(133,924)	756,436
Non-cash flows items:			
Adjustments to fair value of financial assets at fair value through profit and loss	(2,586)	-	(1,153)
Depreciation on non-current assets	2,331,548	2,275,630	2,313,016
Profit on sale of asset	(16,408)	-	(626)
Loss on sale of asset	20,544	-	72,523
Revaluation decrement to buildings	451,374	-	-
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables	(83,888)	-	479,593
(Increase)/decrease in inventories	(8,150)	-	5,800
Increase/(decrease) in trade and other payables	114,309	(15,442)	57,930
Increase/(decrease) in employee related provisions	40,150	68,888	(57,754)
Increase/(decrease) in contract liabilities	169,386	(19,422)	(1,191)
Non-operating grants, subsidies and contributions	(2,519,604)	(2,527,849)	(1,343,239)
Net cash provided by / (used in) operating activities	1,287,933	(352,119)	2,281,335

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
General purpose funding	3,469,039	427,715
Law, order, public safety	1,700,421	1,774,365
Health	523,539	520,289
Education and welfare	159,000	151,300
Housing	1,667,000	2,245,437
Community amenities	1,859,497	1,748,593
Recreation and culture	31,053,715	25,966,415
Transport	87,673,376	87,365,851
Economic services	346,396	358,503
Other property and services	1,923,559	1,644,497
Unallocated	-	2,869,301
	130,375,542	125,072,266

20. CONTINGENT LIABILITIES

Contaminated Sites

The Shire of Gnowangerup has identified the following sites, in relation to land owned, vested or leased, that is known to be, or suspected of being contaminated.

Lot 193 (16) Corbett St, Gnowangerup - Possibly contaminated, investigation required
Lot 9319 Airport Road, Pallinup - Possibly contaminated, investigation required
Lot 9196 Airport Road, Pallinup - Possibly contaminated, investigation required
Lot 500 on DP77797 - Possibly contaminated, investigation required
Reserve 23659 - Possibly contaminated, investigation required
Lot 5631 on Plan 144307 - Possibly contaminated, investigation required
Lot 150 on DP67780 - Possibly contaminated, investigation required

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

21. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

2021	2020
\$	\$
72,568	-
189,861	-
262,429	-
262,429	-

Payable:

- not later than one year

In 2021 the Shire had uncompleted contracted works for the Ongerup Childcare Facility totalling \$72,568 and \$189,861 for the purchase of a new triaxle side tipper, tandem dolly, and two diesel powered ride on mowers.

22. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Councillor F Gaze			
President's annual allowance	15,315	15,315	11,736
Deputy President's annual allowance	-	-	766
Meeting attendance fees	16,000	16,000	15,750
Annual allowance for ICT expenses	673	674	673
Travel and accommodation expenses	926	1,990	782
	32,914	33,979	29,707
Councillor G Stewart			
Deputy President's annual allowance	3,065	3,065	2,267
Meeting attendance fees	8,000	8,000	8,032
Annual allowance for ICT expenses	673	674	673
	11,738	11,739	10,972
Councillor Cr R House			
Meeting attendance fees	8,000	8,000	8,000
Annual allowance for ICT expenses	673	674	673
	8,673	8,674	8,673
Councillor Cr C Thomas			
Meeting attendance fees	8,000	8,000	8,000
Annual allowance for ICT expenses	673	673	673
Travel and accommodation expenses	2,165	4,650	2,086
	10,838	13,323	10,759
Councillor Cr S Hmeljak			
Meeting attendance fees	8,000	8,000	8,000
Annual allowance for ICT expenses	673	673	673
	8,673	8,673	8,673
Councillor Cr K House			
President's annual allowance	-	-	3,595
Meeting attendance fees	8,000	8,000	8,234
Annual allowance for ICT expenses	673	673	673
	8,673	8,673	12,502
Councillor Cr F Hmeljak			
Meeting attendance fees	8,000	8,000	8,000
Annual allowance for ICT expenses	673	673	673
	8,673	8,673	8,673
Councillor K O'Keeffe			
Meeting attendance fees	8,000	8,000	6,000
Annual allowance for ICT expenses	673	673	508
	8,673	8,673	6,508
Councillor M Creagh			
Meeting attendance fees	8,000	8,000	6,000
Annual allowance for ICT expenses	673	673	508
Travel and accommodation expenses	-	-	1,168
	8,673	8,673	7,676
Councillor A Martin			
Meeting attendance fees	-	-	2,000
Annual allowance for ICT expenses	-	-	165
	-	-	2,165

22. ELECTED MEMBERS REMUNERATION (Continued)

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Councillor B Moore			
Meeting attendance fees	-	-	2,000
Annual allowance for ICT expenses	-	-	165
	-	-	2,165
	107,528	111,080	108,473
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	15,315	15,315	15,331
Deputy President's allowance	3,065	3,065	3,033
Meeting attendance fees	80,000	80,000	80,016
Annual allowance for ICT expenses	6,057	6,060	6,057
Travel and accommodation expenses	3,091	6,640	4,036
	107,528	111,080	108,473

23. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

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

	2021 Actual \$	2020 Actual \$
Short-term employee benefits	314,012	271,936
Post-employment benefits	38,774	36,433
Other long-term benefits	6,707	5,332
	359,493	313,701

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

23. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

The following transactions occurred with related parties:	2021 Actual	2020 Actual
	\$	\$
Sale of goods and services - supply of sand and blue metal sweepings	228	-
Purchase of goods and services - building materials, reticulation supplies, water tanks, and food catering	20,737	-

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

Relationships included elected members being sold services by the local government at arms length, and the local government purchasing goods from an entity owned by an elected member.

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

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

24. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
GRV GRV Townsites	0.154804	365	3,381,537	522,378	3,048	(553)	524,873	520,890	-	-	520,890	524,086
GRV GRV Amelup Tourism	0.154804	4	114,660	17,750	-	-	17,750	17,750	-	-	17,750	17,750
Unimproved valuations												
UV R UV Rural	0.009784	347	330,827,504	3,236,816	(105)	586	3,237,297	3,235,868	-	-	3,235,868	3,227,736
UV MUV Mining	0.009784	0	-	-	-	-	-	-	-	-	-	-
Sub-Total		716	334,323,701	3,776,944	2,943	33	3,779,920	3,774,508	-	-	3,774,508	3,769,572
Minimum \$												
Gross rental valuations												
GRV Townsites	765	125	237,166	95,625	-	-	95,625	95,625	-	-	95,625	98,685
GRV Amelup Tourism	765	1	4,160	765	-	-	765	765	-	-	765	765
Unimproved valuations												
UV Rural	765	24	1,040,896	18,360	-	-	18,360	18,360	-	-	18,360	17,595
UV Mining	765	3	21,731	2,295	1,712	-	4,007	2,295	-	-	2,295	2,282
Sub-Total		153	1,303,953	117,045	1,712	-	118,757	117,045	-	-	117,045	119,327
		869	335,627,654	3,893,989	4,655	33	3,898,677	3,891,553	-	-	3,891,553	3,888,899
Discounts/concessions (Note 24(d))							(8,875)				(8,875)	(8,875)
Total amount raised from general rate							3,889,802				3,882,678	3,880,024
Specified Area Rate (Note 24(b))							76,957				75,942	75,701
Waste Collection Rate (Note 24(c))							132,000				131,600	131,499
Ex-gratia rates							35,295				35,295	35,295
Totals							4,134,054				4,125,515	4,122,519

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

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

24. RATING INFORMATION (Continued)

(b) Specified Area Rate

Specified Area Rate	Basis of Valuation	Rate in \$	2020/21 Rateable Value	2020/21 Rate Revenue	2020/21 Interim Rate Revenue	2020/21 Back Rate Revenue	2020/21 Total Specified Area Rate Revenue	2020/21 Budget Rate Revenue	2020/21 Budget Back Rate Revenue	2020/21 Budget Interim Rate Revenue	2020/21 Total Budget Revenue	2019/20 Total Actual Revenue
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gnowangerup Sporting Complex	GRV	0.003728	2,809,446	10,474	135	-	10,609	10,473	-	-	10,473	10,650
Gnowangerup Sporting Complex	UV	0.000131	148,551,600	19,460	17	-	19,443	19,460	-	-	19,460	19,429
Borden Pavilion	GRV	0.002242	225,694	506	-	-	506	506	-	-	506	512
Borden Pavilion	UV	0.000081	118,456,600	9,595	-	-	9,595	9,595	-	-	9,595	9,732
Ongerup Effluent	GRV	0.077689	462,214	35,908	896	-	36,804	35,908	-	-	35,908	35,378
			270,505,554	75,943	1,014	-	76,957	75,942	-	-	75,942	75,701

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	2020/21 Actual Rate Applied to Costs	2020/21 Actual Rate Set Aside to Reserve	2020/21 Actual Reserve Applied to Costs	2020/21 Budget Rate Applied to Costs	2020/21 Budget Rate Set Aside to Reserve	2020/21 Budget Reserve Applied to Costs
			\$	\$	\$	\$	\$	\$
Gnowangerup Sporting Complex	To meet part of the loan repayments for the Gnowangerup Sporting Complex Facility.	Applied to all properties in the Old Gnowangerup Townsite Ward and Gnowangerup Rural Ward.	10,609	-	-	10,473	-	-
Gnowangerup Sporting Complex	To meet part of the loan repayments for the Gnowangerup Sporting Complex Facility.	Applied to all properties in the Old Gnowangerup Townsite Ward and Gnowangerup Rural Ward.	19,443	-	-	19,460	-	-
Borden Pavilion	To meet the loan repayments for the Borden Pavilion Facility.	Applied to all properties of the Old Borden Townsite Ward and the Borden Rural Ward.	506	-	-	506	-	-
Borden Pavilion	To meet the loan repayments for the Borden Pavilion Facility.	Applied to all properties of the Old Borden Townsite Ward and the Borden Rural Ward.	9,595	-	-	9,595	-	-
Ongerup Effluent	To contribute towards the maintenance, renewal and replacement of the Ongerup Effluent System.	Applied to all properties in the Ongerup Townsite.	36,804	-	-	35,908	-	-
			76,957	-	-	75,942	-	-

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

24. RATING INFORMATION (Continued)

(c) Waste Collection Rate

Waste Collection Rate	Basis of Valuation	Rate In \$	Minimum Rate	Rateable Properties	Rateable Value	2020/21 Rate Revenue	2020/21 Budget Revenue	2019/20 Total Actual Revenue
			\$	\$	\$	\$	\$	\$
Waste Collection Rate	GRV	0.000001	200.00	280	3,666,011	56,000	56,000	56,000
Waste Collection Rate	UV	0.000001	200.00	378	288,643,210	76,000	75,600	75,499
				658	292,309,221	132,000	131,600	131,499

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

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount	Discount	2021 Actual	2021 Budget	2020 Actual
		%	\$	\$	\$	\$
Assess A213	Concession	50%	-	2,415	2,415	2,415
Assess A293	Concession	50%	-	4,548	4,548	4,548
Assess A314	Concession	50%	-	825	825	825
Assess A556	Concession	50%	-	1,087	1,087	1,087
				8,875	8,875	8,875
Total discounts/concessions (Note 24(a))				8,875	8,875	8,875

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Assess A213	General rates on Assessment A213	To assist promote the tourist industry in the Amelup Tourism Precinct.	To provide a concession to tourism operators to stimulate tourism in the Amelup Tourism Precinct.
Assess A293	General rates on Assessment A293	To assist promote the tourist industry in the Amelup Tourism Precinct.	To provide a concession to tourism operators to stimulate tourism in the Amelup Tourism Precinct.
Assess A314	General rates on Assessment A314	To assist promote the tourist industry in the Amelup Tourism Precinct.	To provide a concession to tourism operators to stimulate tourism in the Amelup Tourism Precinct.
Assess A556	General rates on Assessment A556	To assist promote the tourist industry in the Amelup Tourism Precinct.	To provide a concession to tourism operators to stimulate tourism in the Amelup Tourism Precinct.

24. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	18-09-20	-	-	8.00%
Option Two				
First instalment	18-09-20	-	-	8.00%
Second instalment	18-11-20	10.00	5.50%	8.00%
Third instalment	18-01-21	10.00	5.50%	8.00%
Fourth instalment	18-03-21	10.00	5.50%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	26,777	13,000	20,917
Interest on instalment plan	12,588	11,500	12,234
Charges on instalment plan	4,900	5,000	5,220
Interest on Deferred Rates	611	1,938	1,938
	44,876	31,438	40,309

25. RATE SETTING STATEMENT INFORMATION

		2020/21 (30 June 2021 Carried Forward)	2020/21 Budget (30 June 2021 Carried Forward)	2019/20 (30 June 2020 Carried Forward)
	Notes	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
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> .				
Adjustments to operating activities				
Less: Profit on asset disposals	10(a)	(16,408)	-	(626)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(2,586)	-	(1,153)
Movement in pensioner deferred rates (non-current)		3,767	-	2,380
Movement in employee benefit provisions (non-current)		26,221	68,888	8,908
Add: Loss on disposal of assets	10(a)	20,544	-	72,523
Add: Revaluation decrement to buildings	8(a)	451,374	-	-
Add: Depreciation on non-current assets	10(b)	2,331,548	2,275,630	2,313,016
Non cash amounts excluded from operating activities		2,814,460	2,344,518	2,395,048
(b) Surplus/(deficit) after imposition of general rates				
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.				
Adjustments to net current assets				
Less: Reserves - cash backed	4	(2,138,695)	(2,227,752)	(1,980,183)
Less: Financial assets at amortised cost - self supporting loans	5(a)	(370,948)	-	(29,729)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	16(a)	556,783	216,784	208,606
- Current portion of lease liabilities	15(a)	4,322	5,082	12,664
Total adjustments to net current assets		(1,948,538)	(2,005,886)	(1,788,642)
Net current assets used in the Rate Setting Statement				
Total current assets		5,693,392	3,023,808	4,876,562
Less: Total current liabilities		(1,542,850)	(1,017,922)	(905,391)
Less: Total adjustments to net current assets		(1,948,538)	(2,005,886)	(1,788,642)
Net current assets used in the Rate Setting Statement		2,202,004	-	2,182,529

26. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2021					
Cash and cash equivalents	0.3378%	4,910,995	-	4,910,095	900
2020					
Cash and cash equivalents	0.6249%	4,531,189	-	4,531,189	-

Sensitivity analysis

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

	2021 \$	2020 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	49,110	45,312

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 16(b).

26. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for rates receivables:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	-	-	-	14.51%	
Gross carrying amount	1,902	31,493	55,526	159,489	248,410
Loss allowance	-	-	-	23,137	23,137
30 June 2020					
Rates receivable					
Expected credit loss	-	-	-	37.76%	
Gross carrying amount	1,882	6,165	45,726	146,546	200,319
Loss allowance	-	-	-	55,335	55,335

No loss allowance was raised for trade receivables as at 30 June 2021 and 30 June 2020.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	60,741	733	182	56,188	117,844
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	139,017	13,360	330	1,097	153,804

26. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16(d).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2021					
Payables	398,278	-	-	398,278	398,278
Borrowings	581,075	396,252	223,526	1,200,853	1,121,615
Contract liabilities	188,809	-	-	188,809	188,809
Lease liabilities	4,322	-	-	4,322	4,322
	1,172,484	396,252	223,526	1,792,262	1,713,024
2020					
Payables	283,969	-	-	283,969	283,969
Borrowings	204,221	661,907	199,670	1,065,798	990,221
Contract liabilities	19,423	-	-	19,423	19,423
Lease liabilities	12,664	4,319	-	16,983	16,983
	520,277	666,226	199,670	1,386,173	1,310,596

27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire did not have any events occurring after the reporting date that have a significant effect on the financial statements.

28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 1059 Service Concession Arrangements: Grantors

The Shire adopted AASB 1059 Service Concession Arrangements: Grantors on 1 July 2020, which resulted in no financial impact.

SHIRE OF GNOWANGERUP

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

29. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient 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.

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

30. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources	Administration and operation of members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services	To collect revenue in the form of rates, interest and general purpose government grants to allow for the provision of services.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH To provide an operational framework for environmental and community health	Inspection of food outlets and their control, noise control and waste disposal compliance.
EDUCATION AND WELFARE To provide services to the elderly, children and youth	The provision of pre-school facilities to relevant community groups and the support of youth in the community.
HOUSING To provide and maintain staff and other housing	Provision and maintenance of staff and other housing.
COMMUNITY AMENITIES To provide services required by the community	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resource which will help the social well being of the community	Maintenance of public halls, civic centres, swimming pool, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and other cultural facilities.
TRANSPORT To provide safe, effective and efficient transport services to the community	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
ECONOMIC SERVICES To help promote the shire and its economic wellbeing	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control services.
OTHER PROPERTY AND SERVICES To monitor and control Shire's overheads operating accounts	Private works operation, plant repair and operation costs and engineering operation costs, administration costs allocated and other unclassified works and services.

31. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	2.91	4.06	3.43
Asset consumption ratio	0.71	0.70	0.71
Asset renewal funding ratio	0.71	0.80	0.82
Asset sustainability ratio	1.05	0.69	0.63
Debt service cover ratio	1.50	8.96	0.62
Operating surplus ratio	(0.33)	(0.13)	(0.21)
Own source revenue coverage ratio	0.60	0.66	0.68

The above ratios are calculated as follows:

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



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Gnowangerup

To the Councillors of the Shire of Gnowangerup

Report on the audit of the annual financial report

Opinion

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

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

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

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

Basis for opinion

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

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

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

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

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
 - a) The Operating Surplus Ratio is below the Department of Local Government, Sport and Cultural Industries standard for the past 3 years. The financial ratios are reported at Note 31 of the annual financial report.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

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

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

Matters relating to the electronic publication of the audited financial report

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

Jordan Langford-Smith
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
22 December 2021

Other information

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

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

Matters relating to the electronic publication of the audited financial report

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



Jordan Langford-Smith
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
22 December 2021