

Heart of the Sterlings



SHIRE OF GNOWANGERUP



▶ SHIRE OF GNOWANGERUP

ANNUAL REPORT

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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

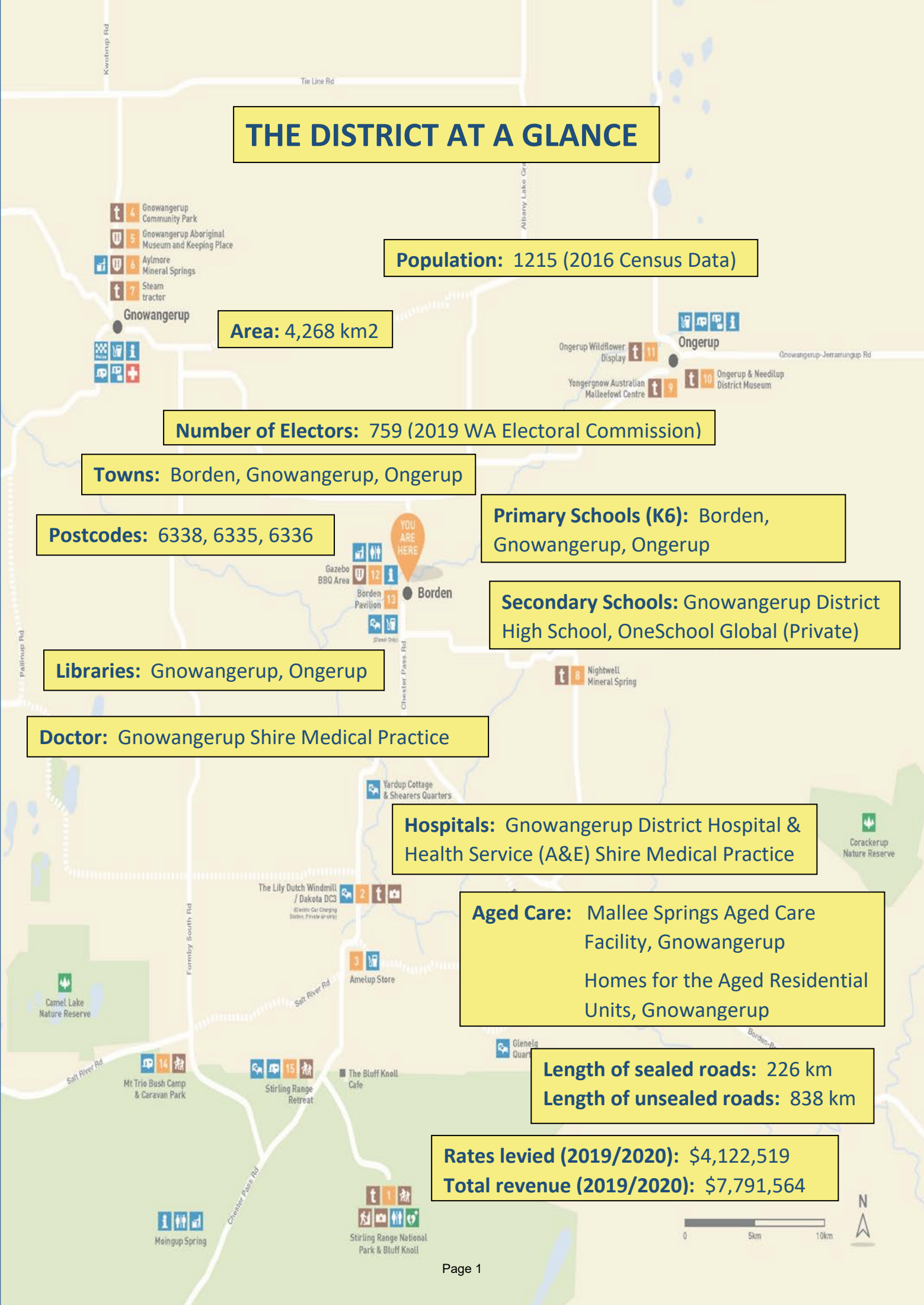
Doctor: Gnowangerup Shire Medical Practice

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 (2019/2020): \$4,122,519
Total revenue (2019/2020): \$7,791,564





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

As we welcomed our new CEO Mr Bob Jarvis and two new Councillors Cr Kate O'Keeffe and Cr Mick Creagh to the Gnowangerup Shire in October little did we know the events that would take place in our part of the state in the following months. The year 2020 has been a year to test the courage, determination and resilience of our small communities and we have risen to the challenge.



The continual lack of rain and water deficiencies that were apparent from 2017 (2015 and 2016 were years of flood) until the present has proven to be a test for all of our businesses, farmers and stock come to mind readily but most importantly potable water for families without a water corporation connection and water for our tourism businesses near the Stirling Ranges has been critical. With a lot of support from the Department of Water and Environmental Regulation (DWER), supplies were increased through new tanks to the bores on South Formby and Highdenup Roads, Water Corporation kept the supply up to Gnowangerup Number 1 dam and the Shire scheduled dam cleaning and dam improvements as part of a wider Water Strategy. Overall water was tight but we managed until a timely week of rain in August.



Lightning strikes within the Stirling Range on the night of 26th December 2019 put a hold to Christmas celebrations, the mobilisation of the Volunteer Bush Fire Brigades within the Gnowangerup Shire and surrounds saw a successful collaboration of a number of government agencies, local government representatives, volunteers and community members. This incident within our Shire had some significant adverse outcomes for the natural environment within the 'Stirlings' and for the tourism businesses that rely so heavily

on visitors and access to the park and beyond. Once again significant pressure was put on local water supplies and support was forthcoming from state government sources.

After 4 years of service, the Shire farewelled Mr Vin Fordham Lamont, Vin as the Deputy CEO was actively involved in many community projects and local sporting groups and committees. We wish Vin and Dianne all the best as he settles into his new role as CEO at the Shire of Carnamah. Along with Vin, the Shire farewelled Mr John Skinner the Asset and Waste Management Coordinator and we wish him every success in his new role as Manager of Works and Services at the Shire of Carnamah. With the departure of Vin and John we welcomed Mr Ian Graham as our Deputy CEO and Mr Geoff Carberry our Asset and Waste Management Coordinator to the Shire of Gnowangerup and wish them both every success in their new positions.

Just when we thought that things couldn't get any more critical with the weather, we encountered COVID 19. An unforeseen disaster for the whole world with a severe and ongoing impact on the economic and social capital of our country. The community pulled together to establish healthy practices of handwashing and social distancing. Our local businesses were again compromised with some closing and others not able to keep up with the supplies that were needed for the community. In all this I believe our Local Emergency Management Committee (LEMC) demonstrated exceptional leadership as we worked together to limit the impact of this pandemic on our local area.

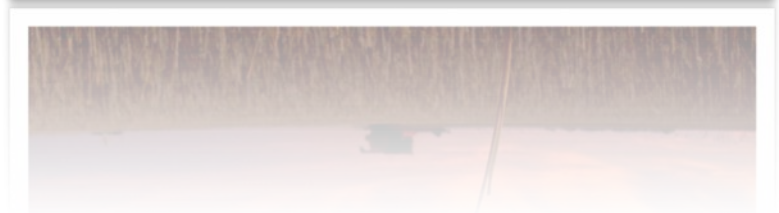


If there is a silver lining in any of these events, it has been the ability to come together and work as a whole Shire for the good of the community through LEMC, Volunteer Bush Fire Brigades, external agencies and all tiers of government. Council has been working closely throughout this time and I would like to sincerely thank my fellow Councillors for their support, especially our former president Cr Keith House, and Deputy President Cr Greg Stewart.

Each year Council has the opportunity to support community groups and events through the Shire Community Grant Program. This is a great initiative that allows Council to support many community groups. In the 2019/2020 year, \$65 000 was allocated to sporting groups, community organisations and events in our Shire.

Looking to 2021, will see the completion of a number of projects within our Shire that have been provided through a Federal Government Drought Communities Program (\$1 000 000) as part of a major recovery initiative. Council has allocated funds to water projects, infrastructure improvements, and tourism. This is a once in a lifetime occasion for the renewal of some our aging infrastructure, water security and a much needed opportunity for community collaboration and will see us moving into the following years with an optimistic outlook, safe in the knowledge that we do live in the best community in the state.

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

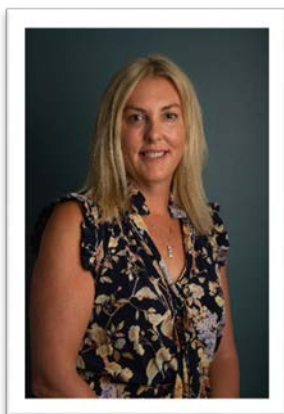
With more than 17 years' prior experience working for the Shire, Cr Frank Hmeljak has extensive knowledge of the organisation's buildings and road infrastructure. Born and bred in Gnowangerup, Cr Hmeljak is a qualified carpenter and joiner. He is passionate about creating greater opportunities for the 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 bought 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 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.



COUNCIL MEETINGS

Ordinary Council Meetings are generally held on the fourth Wednesday of each month (except January) 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

- 14th August 2019 Adoption of the Annual Budget for 2019/2020
- 11th September 2019 Disposal of outgoing CEO's vehicle
- 23rd October 2019 Election Agenda
- 8th November 2019 Airstrip Grant

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 5th February 2020 at the Borden Pavilion.


COUNCIL ELECTIONS

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

The Shire of Gnowangerup 2019 elections were held on Saturday 19th October 2019 with 4 positions vacant.

Councillor Fiona Gaze and Shelley Hmeljak were re-elected and Mick Creagh and Kate O’Keeffe were elected as new members. All candidates will hold office until October 2023.

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



SHIRE OF GNOWANGERUP
LOCAL GOVERNMENT ORDINARY POSTAL ELECTION
NOTICE OF RESULTS
Shire of Gnowangerup

The result of the Ordinary Election conducted as a postal vote on Saturday, 19 October 2019 is as follows:

Ward	Position	Candidates	Votes	Term of Office
District	4 Councillors	CREAGH, Michael	321	4 year term
		THOMAS, Jacqueline	146	
		O'KEEFFE, Kate	275	4 year term
		ROONEY, Shane	70	
		HMELJAK, Shelley	252	4 year term
		GAZE, Fiona	293	4 year term


Michael CREAGH is elected as Councillor for the Gnowangerup Ward and will hold office until 21 October 2023.

Fiona June GAZE is elected as Councillor for the Gnowangerup Ward and will hold office until 21 October 2023.

KATE EMMA O'KEEFFE is elected as Councillor for the Gnowangerup Ward and will hold office until 21 October 2023.

Shelley Esther HMELJAK is elected as Councillor for the Gnowangerup Ward and will hold office until 21 October 2023.

Rebecca BRADY
RETURNING OFFICER
0448 949 144



B. JARVIS
CHIEF EXECUTIVE OFFICER



SHIRE PRESIDENT



CR. F. 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 Hmejlak	Cr K O'Keefe	Cr M Creagh	Cr R House	Cr C Thomas	Cr S Hmejlak	Cr B Moore	Cr L Martin
July 2019	X	O	O	O	N/A	N/A	X	O	O	O	O
August 2019	O	O	O	O	N/A	N/A	X	O	O	O	O
September 2019	O	O	O	X	N/A	N/A	X	O	O	N/A	X
October 2019	O	O	X	O	O	O	O	O	O	N/A	N/A
November 2019	O	O	O	O	O	O	O	O	O	N/A	N/A
December 2019	O	O	O	O	O	O	X	X	O	N/A	N/A
February 2020	O	O	O	X	O	O	O	O	O	N/A	N/A
March 2020	O	O	O	X	O	O	O	O	O	N/A	N/A
April 2020	O	O	O	O	O	O	O	O	O	N/A	N/A
May 2020	O	O	O	X	O	O	O	O	O	N/A	N/A
June 2020	O	O	O	O	O	O	O	O	O	N/A	N/A
Special Meeting 14 th August 2019	X	O	O	X	N/A	N/A	O	O	O	X	O
Special Meeting 11 th September 2019	O	O	O	O	N/A	N/A	O	O	O	N/A	X
Special Meeting 23 rd October 2019	O	O	X	O	O	O	O	O	O	N/A	N/A
Special Meeting 8 th November 2019	O	O	O	X	O	O	O	X	O	N/A	N/A
Councillors	Cr F Gaze	Cr G Stewart	Cr K House	Cr F Hmejlak	Cr K O'Keefe	Cr M Creagh	Cr R House	Cr C Thomas	Cr S Hmejlak	Cr B Moore	Cr L Martin

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	Cr B Moore	Cr L Martin
Audit Committee Meeting 24 th July 2019	X	O	O	O	N/A	N/A	X	O	O	O	O
Audit Committee Meeting 29 th November 2019	X	O	O	O	O	X	O	O	O	N/A	N/A
Audit Committee Meeting 11 th March 2020	O	O	O	X	O	O	O	X	O	N/A	N/A
CEO Review Committee Meeting 22 nd April 2020	O	O	X	O	O	O	O	O	O	N/A	N/A
Annual Electors Meeting 5 th February 2020	O	O	O	X	X	O	O	O	X	N/A	N/A

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	Cr B Moore	Cr L Martin

Attendance: O

Apology: X

COMPLAINTS

No complaints were made against Councillors under Section 5.121 of the *Local Government Act 1995* during the reporting period.

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 2019/2020.

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 2019/2020, 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 received the following FOI applications during the 2019/2020 year:

FOI REF.	APPLICANT NAME	APPLICANT'S REPRESENTATIVE	SUBJECT	DARE REQUEST RECEIVED	DATE RESPONSE DUE (45 CALENDAR DAYS)	DATE RESPONSE SENT	DATE INFORMATION SENT
2020/1	Maurice Walsh	N/A	Investigation conducted by Wise Workplace	07/05/2020	21/06/2020	27/05/2020	27/05/2020

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 2017-2021 contains a number of strategies to address each of the desired outcomes of the Disabilities Services Act 1993.

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 access path to the Yongergnow Malleefowl Centre was upgraded due to feedback from a community member that uses a walking frame. The pathway was a high steep climb. This has now been rectified which resolved in a much better feedback.

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

The Shire of Gnowangerup has commenced the planning process to upgrade our public amenities. The upgrade of the toilet block will make it easier access for people with a disability and will have non-slip flooring.

We are also installing a new public toilet at our Gnowangerup Cemetery. This is a disabled access toilet that will be open to the whole community. There is currently 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.

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 are implementing a new improved Shire website. The new website will have a clearer layout and will make it easier for residents to use.

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.

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

No new activities commenced. 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.

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.

OUR ORGANISATION

CEO's MESSAGE 2019/2020

I take pleasure in reporting on the year under review, my first as the CEO of this Shire. It was a year of great challenges, but also of great community resilience.

It was clear in late 2019 that the water situation in the Shire was going to be difficult. Whilst it was a reasonable season for cropping for most, there was little run-off from rain and many farm dams were empty. It was obvious that water carting for stock was going to be commonplace across the Shire and community water supplies from existing dams were also low. Many farmers used the dry spell as an opportunity to clean out dams and repair and renew catchments, and the Shire took some strategic steps to assist farmers in gaining access to water. With the assistance of the Department of Water and Environmental Regulation (DWER), which donated two 250 thousand litre tanks, the Shire was able to upgrade the bores at Formby Road South and Highdenup Road to allow faster fill times for farmers carting water. DWER assisted by providing regular information to farmers on alternative water supplies. The Shire established a Water Strategy Working Group to look at the short term and long term water issues, and this group is made up of Shire staff and Councillors, DWER representatives, farmers and water contractors. This bringing together of stakeholders enabled plans to be put in place for future water projects including

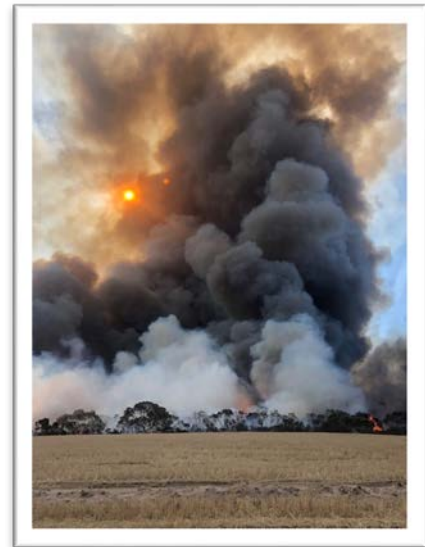


a new dam at the Gnowangerup Airstrip and the rehabilitation of existing dams. Watercorp provided significant water supplementation supplies to the No. 1 Dam in Gnowangerup and it would be fair to say that this action plus the supplies in the Toompup Dam enabled the Shire to get through this difficult time in better shape

than what was envisaged at the beginning of the 2019/2020 summer. Actions

taken to improve the catchment of the No. 1 Dam and the cleaning out of the silt trap at the Magitup Dam have already seen significant improvements in water harvesting from early rains in 2020. Federal funding will see further works done to the Toompup and Magitup Dams during the 2020/2021 spring and summer as well as water harvesting initiatives and greater tank storage capacity. The Water Strategy Working Group will continue to explore new initiatives and opportunities to enhance the long term water future of the Shire.

December 2019 to January 2020 saw devastating bushfires in the Stirling Ranges and Camel Lake Reserve. Significant areas of the park were burnt out and the Shire's volunteer brigades were put to the test and performed magnificently in the face of extreme danger to minimise loss of habitat and private property. The track to Bluff Knoll was burnt out and the significant damage to the Stirling Range National Park meant that the Shire's tourism ventures in the area were immediately affected as so many areas of the park were closed, and the pristine nature of the park as an attraction was lost for many months to come. It is a tribute to



the resilience of this community that we have come out of this emergency stronger and able to look back at so many examples of bravery and community support which were all celebrated at a post fire function in Borden which provided an opportunity for the firefighters to debrief and be celebrated by their community. It was an important recovery event allowing reflection, the telling of stories and the release of the anxieties felt by so many during this event. It also meant an opportunity for learning and planning, and since this event, and following representations to the Minister for Emergency Services by the Shire President, the Shire has been funded for a Community Emergency Services Manager (CESM) shared with Cranbrook and Kojonup, and the promise of a new firefighting appliance when new funding becomes available. Our brigades have been busy with smaller fires within the Shire, and also made a valuable contribution to extinguishing the major fire in Katanning and Woodanilling Shires.

As if water shortages and fires were not enough to test our community, along came the COVID-19 pandemic, an event of global proportions not seen since the Spanish Flu pandemic just after World War 1. It is an event which at the writing of this report is still not over and will continue to have effects on our community for years to come. During the year under review the Shire, along with the rest of the State, went into lockdown with restrictions on movement and gatherings. The effects on the community included shortages of supplies, loss of schooling for students, further loss of income for tourism related businesses, and the cancellation of events, meetings and sports which are so important to community life. Western Australia, and therefore the Shire, has been spared the worst of this pandemic compared to the world and other parts of Australia, but it is difficult to predict just how long we will endure an uncertain future as the world adjusts to the event, and markets for goods and supplies of many products are uncertain. What can be said is just how well this community responded to the emergency and took seriously the need to abide by the rules to protect ourselves and others - particularly the more vulnerable in our community. For many months the Shire convened a weekly meeting of all agencies to manage the emergency locally and to put in place measures and plans as the event unfolded. These meetings demonstrated how strong this community is in the manner in which all that was required to be done was achieved in a cooperative and professional manner. The recovery process has begun even before the crisis is officially over, and this has included the Shire resolving to maintain rates in the dollar at the same level as the year under review and establish a COVID recovery fund which will be held in reserve to be used as-and- when required to address issues for the community as we go in to a post COVID period. The Shire along with many other rural communities has avoided the worst of the pandemic thus far, and with vigilance can hope to continue to recover as we see the resumption of sports and other community activities so vital to our well-being.



The year under review saw the departure of the Deputy CEO of the Shire (Vin Fordham Lamont) to a CEO role at Carnamah, and the Asset and Waste Management Coordinator (John Skinner) to the Works Manager role at the same Shire, and we thank them for their dedicated service to Gnowangerup. We welcomed Ian Graham to the role of Deputy CEO and Geoffrey Carberry to the Asset and Waste Management role - both highly experienced local government officers and we are already benefiting from that wealth of knowledge.

The future of the Gnowangerup Star building has been a focus for the Shire with a group of retired printers visiting the site and looking at opportunities to get the equipment restored and a series of workshops organised to look at a proposal for the facility being used to prepare an annual Gnowangerup Star edition with stories generated by the community and printed in the building using restored equipment. It is hoped that this will be an annual event involving the whole community including the schools, and include a "Printers' Picnic" event. The group is part of the Trade Union History group and its members have strong connections to retired printers who used the same equipment as exists in the Star and would welcome the opportunity to reuse their skills in this way. The roof has been repaired, and a gap in the front wall made-good, to preserve the equipment and interior of the building. It is hoped that funding will be secured to advance the preservation of the equipment and the building in the first instance.





The Shire completed its Road Works Program, both capital and maintenance despite issues with gravel supplies and water, and thanks go to those landowners who assisted in supplying those critical resources to the crew.

The Shire received notice of \$1 million dollars in funding from the Federal Government from its Drought Communities Fund and the range of community and Shire nominated projects for these funds will be completed in the 2020/2021 financial year. A significant portion will be spent on essential water projects and the remaining funds are spread across a diverse range of projects for community infrastructure, tourism and heritage.

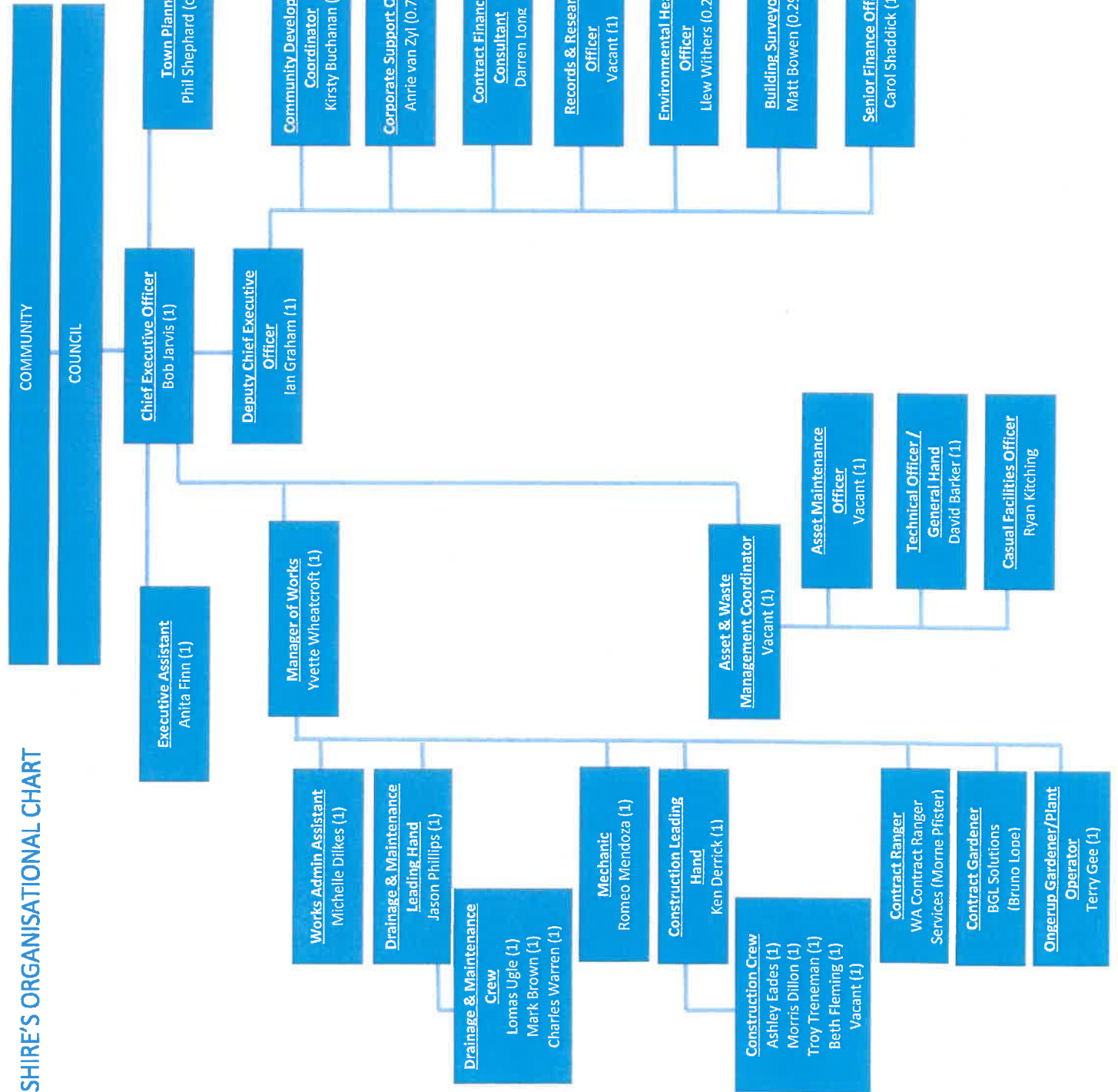
The two houses constructed through the Building Better Regions Fund were completed and are now tenanted.

The Annual Report includes more details of projects and initiatives during the years under review.

I thank the Shire and the community for making me feel very welcome and I look forward to another year of success for the Shire, mixed with I'm sure some challenges.

Bob Jarvis
Chief Executive Officer





PAYMENTS TO EMPLOYEES

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

The number of employees with an annual cash salary greater than \$100,000 for 2019/2020 were as follows:

ANNUAL CASH SALARY	NUMBER OF EMPLOYEES
\$110,000 - \$120,000	1
\$150,000 - \$160,000	1



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



The Strategic Community Plan and the Corporate 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.

Go Digi Digital Awareness Project

The *Go Digi* project was a digital knowledge and awareness project that was implemented to assist members of our community to have a better understanding of everything digital. The project also built capacity in our community as three local community members were trained in facilitation by Innovation Central Perth to enable them to provide the training that was the subject of this project. The project enabled us to hold 32 workshops in our community with 143 people in attendance and was funded by the Building Better Regions Fund.



Development of industrial land

The Shire has been pursuing the development and release of additional general industrial land. Very limited available land has been identified; however Shire planning staff have 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 further research and initial enquiries with the Department of Planning, Lands and Heritage, the matter will be presented to Council for consideration in the first quarter of the 2020/2021 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" programme and has committed to deploying telecommunications infrastructure



to service Great Southern regional communities in Western Australia. 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, for the purpose of constructing and maintaining a new 25m communications tower. Council agreed to the terms

of the Head of Agreement at the May 2020 Council meeting. The Shire has requested approval of the proposed ground lease from the Minister for Lands. Subject to receiving approval from the Minister, Superloop will commence construction of the new tower in the first half of the 2020/2021 financial year.

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

The Shire engaged the assistance of the Wheatbelt Business Network to prepare a Marketing Strategy. The marketing strategy document was finalised in July 2019, following a process of in-depth consultation with both community and Shire representatives. The aim of the strategy is to:

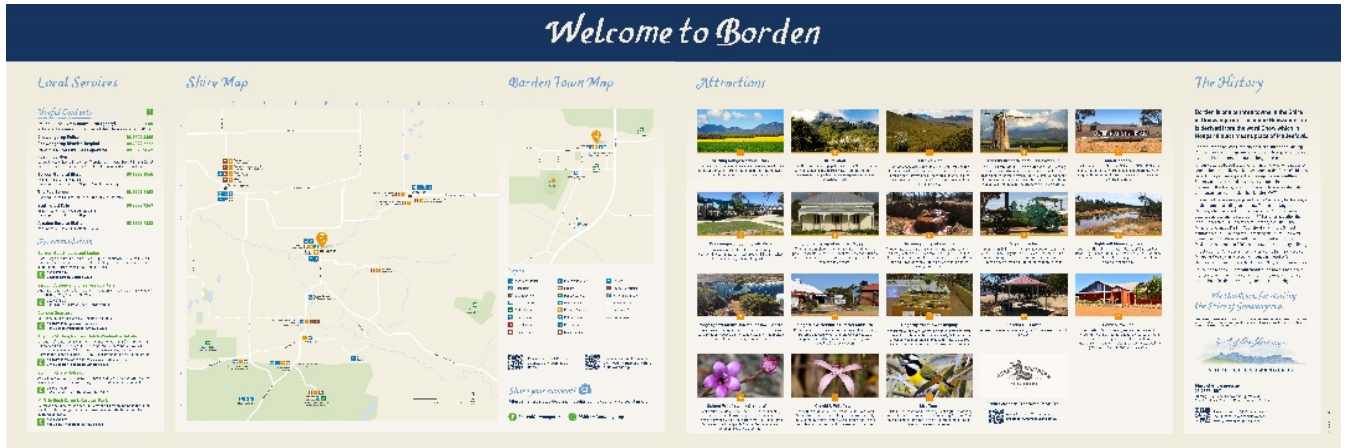
- provide an integrated vision for business and community development across the Shire
- identification of tourism opportunities and future growth across the communities within the Shire
- Identification of consistent, on-going awareness of destinations and experiences within the Shire
- an integrated approach to activity and communications by the Shire of Gnowangerup and local groups, and
- identification, associated actions and introductions for active partnerships within the broader region networks (both within the Great Southern Region and State wide).

Shire staff are reviewing the marketing strategy from an operational perspective with a view to implement recommendations where practicable. The COVID-19 pandemic limited opportunity in this regard during the second half of the 2019/2020 financial year.



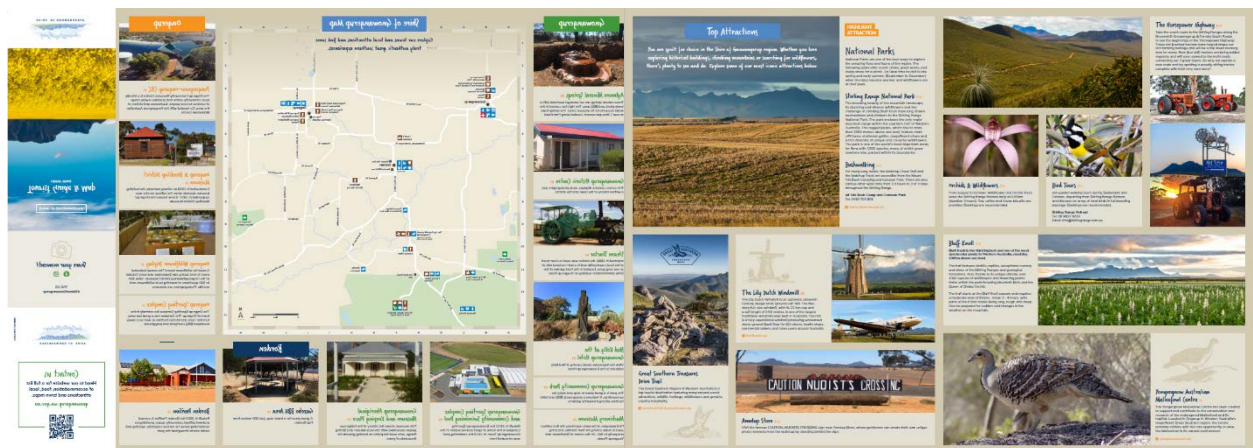
Information Bay Upgrades

The very old and tired information bays were updated in Gnowangerup, Borden and Ongerup. The new information bays will now allow visitors to access information about our Shire and see the amazing things to see and do.



New Shire Brochure

The long awaited and very much needed Shire of Gnowangerup brochure was updated in 2019/2020. Working with all of our tourism providers and community groups to ensure accuracy, we produced a new and refreshed brochure in line with our new information bays.



The Gnowangerup Star

The future of the Gnowangerup Star building has been a focus for the Shire with a group of retired printers visiting the site and looking at opportunities to get the equipment restored and a series of workshops organised to look at a proposal for the facility being used to prepare an annual Gnowangerup Star edition with stories generated by the community and printed in the building using restored equipment. It is hoped that this will be an annual event involving the whole community including the schools, and include a "Printers' Picnic" event. The group is part of the Trade Union History group and its members have strong connections to retired printers who used the same equipment as exists in the Star and would welcome the opportunity to reuse their skills in this way. The roof has been repaired, and a gap in the front wall made-good, to preserve the equipment and interior of the building. It is hoped that funding will be secured to advance the preservation of the equipment and the building in the first instance.



Gnowangerup Heritage Trail Extension (War Memorial to Alymore Spring)



Due to COVID-19 we were unable to consult with the Aboriginal community. Therefore we had to postpone this project until 2020/2021. In 2020/2021 we will be working with GSCORE (Great Southern Centre for Outdoor Recreation Excellence) to implement this trail within the Great Southern Treasures Recreation Circuit.

established a Water Strategy Working Group to look at the short term and long term water issues, and this group is made up of Shire staff and Councillors, DWER representatives, farmers and water contractors. This bringing together of stakeholders enabled plans to be put in place for future water projects including a new dam at the Gnowangerup Airstrip and the rehabilitation of existing dams. Watercorp provided significant water supplementation supplies to the No. 1 Dam in Gnowangerup and it would be fair to say that this action plus the supplies in the Toompup Dam enabled the Shire to get through this difficult time in better shape than what was envisaged at the beginning of the 2019/2020 summer. Actions taken to improve the catchment of the No. 1 Dam and the cleaning out of the silt trap at the Magitup Dam have already seen significant improvements in water harvesting from early rains in 2020. Federal funding will see further works done to the Toompup and Magitup Dams during the 2020/2021 spring and summer as well as water harvesting initiatives and greater tank storage capacity. The Water Strategy Working Group will continue to explore new initiatives and opportunities to enhance the long term water future of the Shire.

New tanks for Formby South and Highdenup Bores

Due to the drought conditions over the summer the Department of Water and Environmental Regulation provided the Shire with two new 250,000ltr tanks to be placed at Highdenup and Formby South bores. The Shire did the ground works and plumbing. This allowed farmers faster access to the bore water over the summer months.



Formby South Tanks



Highdenup Tanks

Upgrading recycling capability

The replacement of the small 240ltr recycling bins to large skip bins at the Shire Depot has increased the capacity for the collection of recycled items. Residents who don't have access to recycling bins due to their rural locations use these bins on a regular basis.

Moving forward we will continue to look at options for recycling bins to be placed at Borden and Ongerup refuse sites. Some of the difficulties is the availability of recycling collection from those areas.

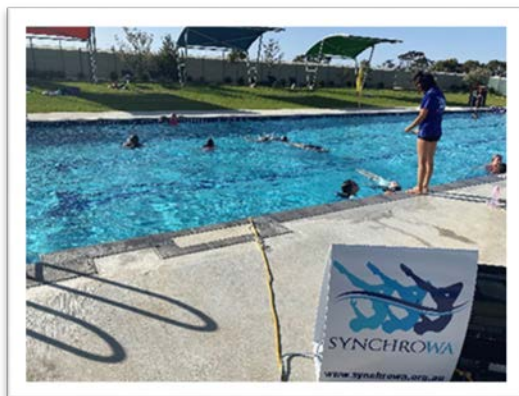
The three Refuse Sites have now been fenced and automatic gates are in place. The new swipe card system will be rolled out in 2020/2021 and this will help us to maintain the life of the refuse sites by controlling access to the sites.



Objective 2 Adapt to the effects of Climate change.	
Strategic Initiatives:	2.1 Implement Policy changes through planning, building, land management and infrastructure.

Power at the Gnowangerup Community Swimming Pool

(Reduce power consumption at the Pool Site & pool power plan)



A review of options to help reduce power consumption at the swimming pool site has been completed. Whilst there were no new options for power reduction identified, an issue with the performance of the solar PVC system was discovered. Work was undertaken on the inverter and the system performance is now as per specification.

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 2019/20 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 action has been cancelled, a review will be undertaken in the 2020-21 Community Strategic Plan review process
Roll out the recycling stations to the Borden and Ongerup landfills	This action has been cancelled, a review will be undertaken in the 2020-21 Community Strategic Plan review process

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

It has been a busy year on the Emergency Management front for the Shire. The 2019/2020 financial year will be remembered for two significant events that impacted the communities of the Shire of Gnowangerup.

Mt Success Complex Fire

The first significant event was the Stirling Ranges National Park and Camel Lake Nature Reserve fires (Mt Success Complex Fires) that started on Boxing Day of 2019. These fires were both caused by lightning strikes on the night of the 26th December 2019 and was later declared a Level 3 incident and managed by DFES.



On the morning of the 27th December 2019, a call was made by the Shire's Fire Chief, Darren Baum, for all available units in the Shire to respond to the above fires. No less than 81 local volunteer fire fighters reported for assistance.

Due to the size and worsening conditions on the 28th December 2020, residents within close proximity of the fire fronts were requested to evacuate their properties. Evacuation centres were opened by the Department of Communities in Albany and at the Gnowangerup Sporting Complex on the evening of the 28th December 2019.



Fires continued to burn and by the 31st December 2019 over 220 volunteer and career fire fighters, supported by aerial crews were fighting the fires. Approximately 100 support personnel including volunteers, WA Police, St John



Ambulance, Department of Communities, Main Roads WA, Western Power and local government employees were providing incident management and support. Support from volunteers from our three communities were outstanding, whether they were on the fire front, helping with food preparations or assisting in another capacity.

By the 2nd January 2020 the fire status was finally downgraded to an “Advice” level with firefighters who continued to strengthen containment lines, mopping up and patrolling the Parks.



Reported damage and impacts:

- **37,750ha** burnt within the Stirling Ranges National Park
- **2,560ha** burnt within Camel Lake Nature Reserve.
- An uninhabited Ranger’s house, a DBCA Ranger’s private vehicle and member of the public’s camping equipment were destroyed by the Moingup Springs fire.
- Park trail infrastructure associated with Bluff Knoll carpark and trail damaged/destroyed.
- Moir Hill Communications Tower damaged.
- One Western Power, power pole was damaged that affected 14 customers.
- Bluff Knoll Road damaged due to heat from the fire impact.
- Some significant impact for local tourism operators due to the closure of the Stirling Ranges National Park as a result of the fire.



Coronavirus Covid-19

The second significant event to impact the Shire during the 2019/2020 financial year was Covid-19 and the restrictions that were put in place by State and Federal Government as a result of the virus that was not only impacting and continuing to impact Australia, but also the whole world.



On 29 January 2020, 'Human coronavirus with pandemic potential' was declared an urgently notifiable disease under Part 9 of the Western Australian Public Health Act 2016.

During February-March 2020 we saw the forced closures of hospitality and beauty industries, schools and boarding facilities, public swimming pools, public playgrounds and BBQ facilities, libraries, cancellation of sporting and cultural events, etc. in an attempt to stop the spread of the Covid-19 virus.



Employees were requested to work from home where possible, limits were placed on purchases of toilet paper, tinned food, pasta, etc. as panic buying as a result of lockdown took over the country. Hand sanitiser, masks and disinfectants were near impossible to find. Regional borders within WA were established and limits

were placed on the amount of people who could be in an establishment at any one time.

The Shire of Gnowangerup's Local Emergency Management Committee (LEMC) held their first **Emergency Covid-19 LEMC Meeting** on the 24th March 2020 with more than 18 members of various agencies and stakeholders attending. Concerns were raised in terms of the availability of personal protective equipment (PPE) and plans were made to share the very limited resources at hand



amongst stakeholders and agencies. As the Shire Council Chambers was too small to host the meetings with the 4m² per person rule in place, the Gnowangerup Memorial (Town) Hall was utilised to hold the weekly Special Covid-19 LEMC meetings as required by the State Emergency Management Committee (SEMC).

Under normal circumstances only 4 quarterly LEMC meetings are required to be held during a financial year, but during the height of the pandemic in WA, a total of 10 Special Covid-19 LEMC meetings were held by the Shire of Gnowangerup between the period of 24th March 2020 and 30th June 2020.



LEMC was able to raise local concerns with the Great Southern COVID-19 Operational Area Support Group, who in return were able to raise it at State level (SEMC). One of the biggest issues raised during the height of the pandemic by most local governments was the availability of reliable and affordable internet services.

During April 2020 Council passed a motion to establish a Covid-19 Reserve fund for the purpose of funding any project, program or activity of any kind which contributes to the recovery of the Shire of Gnowangerup from the COVID-19 pandemic and in May 2020 Council adopted a Covid-19 Financial Hardship Policy as a response to assist ratepayers experiencing financial hardship as a direct result of the pandemic.

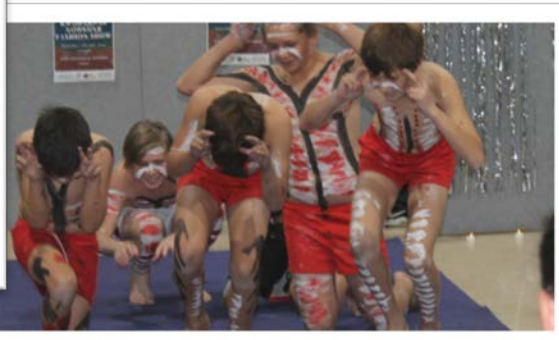
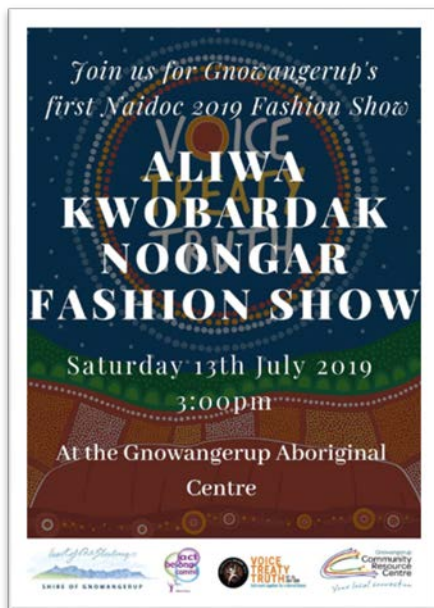
May 2020 saw some normalcy returning to WA, with restrictions slowly being lifted as infection rates continued to decrease and with zero community transmitted infections evidenced. Children were able to return to school and most of the Shire's services and that of other businesses were able to return to normal levels. Special Covid-19 LEMC Meetings were permitted to be held on a bi-monthly basis during May and by June 2020, monthly.



NAIDOC WEEK

For this year's NAIDOC week we worked with our young Aboriginal girls to create the Aliwa Kwobardak Noongar Fashion Show. Some young girls from the Gnowangerup District High School put together their outfits and the program for the day. Local Aboriginal boys performed Noongar dancing to the crowd to showcase their culture.

Aliwa Kwobardak Noongar means *"look out beautiful noongar"*.



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

Bloom Festival Closing Event

The SunSmart 2019 Bloom Festival was held in Gnowangerup at the Gnowangerup Aboriginal Museum and Keeping Place. A great evening was had by all, we had fantastic performances from local Aboriginal dancers and a didgeridoo performer. Local art was on display in the Museum and Keeping Place. Local Aboriginal elders got to tell their stories and express their memories of their time here growing up in Gnowangerup.



Australia Day Celebrations



This year’s Australia Day celebrations took place at the Gnowangerup Sporting Complex. It was a great day for all with an approximate attendance of 100 people. The Gnowangerup Police and Shire President assisted local community members to raise the flags and, as usual, Pleun and Phil provided fantastic music.

Citizen of the Year Awards 2020

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

John and Gail Vaux (Community Citizens of the Year)

- Having lived in the Ongerup community for over 50 years John and Gail have provided a lifetime of support and enthusiasm to many clubs and groups within this time. They are a great community double act and being long-time residents in Ongerup and bringing up their three children they have been involved in many groups along the way and given their wisdom and historic stories to newcomers and visitors.



Aaliyah Woods (Community Citizen of the Year, Youth)

- In 2019, Aaliyah was awarded a traineeship at the Shire of Gnowangerup to complete a Cert II in Business. With only 6 months left of school, she had to complete her traineeship in a very short time. Aaliyah worked exceptionally hard to get this completed in time, juggling her schoolwork and units every week to ensure they were completed in time.

Tractorfest Committee (Active Citizenship, Group or Event) –

To celebrate and announce the amazing BIG TRACTOR project that will be commencing in our community very soon, a small group of volunteers held a TractorFest event, which was held on 12th October at the Gnowangerup Sporting Complex. The night consisted of wine, beer and cider tastings along with live entertainment from Lake Grace’s Bale Out and Darren Reid and the Soul City Groove. The committee raised over \$11,000.00 in sponsorships before the event, these from both local and regional businesses. It was planned that all profits for this event will go towards the “world’s biggest tractor”. Unfortunately due to extensive Tenders received for the build of the BIG Tractor, the Gnowangerup Giant Tractor Group made the hard decision that the tractor (as specified by Trachmach) was unaffordable to build. The project has now been handed back to Trachmach in the hope that they can find another community to build the tractor of their dreams. The group will continue to operate and are committed to bring something special to Gnowangerup.



Citizenship Ceremonies

The Shire of Gnowangerup welcomed nine new citizens at Australian citizenship ceremonies in 2019/2020.

The Shire President Fiona Gaze offered the new citizens her warmest congratulations and welcomed them to our Australian Family.



Thank you for the contribution that you bring with you from your own backgrounds and for what you will contribute as you continue your life here.



FACILITIES / SERVICES

Library Services

This year the library was presented with some different challenges due to COVID-19 pandemic and our closure due to this for approximately eight weeks. We continued to provide items to our regular patrons with a 'mystery' bag the library put together specific to customer requests/interests.

This was the second year of the Ongerup Library being located in the Yongergnow-Ongerup CRC. Due to COVID-19 Restrictions the Library commenced a mystery box service where they would select a number of DVD's, fiction and non-fiction books and send them to residents who couldn't attend the Library. Again this year they planned to take part in the Scribblers festival, unfortunately this didn't go ahead due to Covid-19. They also pushed on advertising and came up with many themed weeks such as Easter, Valentines and Woman's Week.



This worked very well and we had fantastic positive feedback from patrons who were happy with the selections. Upon re-opening we have continued to follow guidelines set by State Library and the State Government with quarantining and cleaning books before returning them to circulation.

Due to these unprecedented circumstances we have initiated a 'COVID 19 Gnowangerup Time Capsule' project, of which we hope to collect items, photos, documents and ephemera pertaining to changes in our community during the pandemic. We hope to complete this project by the end of 2020 and have a physical site for the capsule in town as well as a digital one.

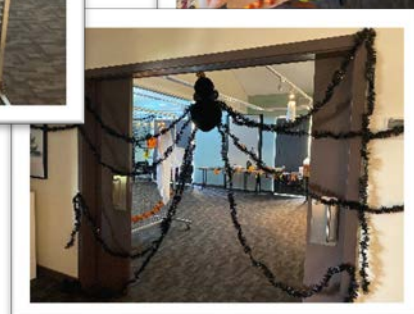
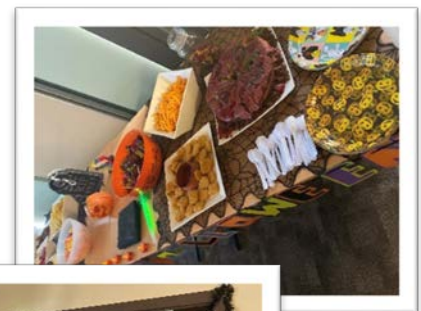
Earlier in the year we celebrated annual Children's Book Week with a visiting presenter from the Fremantle Literature Centre. The library hosted approximately 150 students from GDHS, Borden and Ongerup primary schools, in three sessions throughout the day. The children were very much engaged and involved and the teachers were appreciative of our library continuing to provide this great program every year for Children's Book Week.



As of July 2019 the Gnowangerup Library has moved to a new tiered model as part of the implementation of the WA Public Libraries Strategy. This strategy provides support for regional and remote libraries in WA and is facilitated by SLWA. Essentially, this has meant that we now have no restrictions for inter-library loans as was previously in place for libraries. We have also seen changes to our monthly incoming exchange with the option to have only new releases as opposed to old stock.

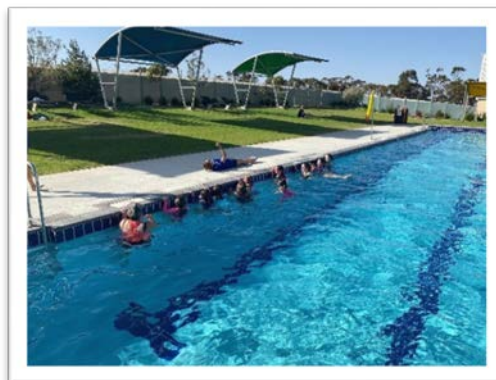
More locally we have become part of the Southern WA Library Consortium (15 libraries) and through our Spydus library program we are able to search/share catalogues as well as directly order materials and use one library card. This has been greatly beneficial in terms of shared resources and a support network. We also now have a public webpage.

Although the Gnowangerup Library has had a challenging year, we have continued to move forward and provide for our patrons where possible.



Gnowangerup Community Swimming Pool

The Gnowangerup Community Swimming Pool 2019/2020 season was cut short due to COVID-19. However, in the time of the pool being open from November to March we weren't short on activities or events for the community to get involved with.



Here is a short overview of the 2019/20 Gnowangerup Community Swimming Pool season:

- 12** Members of the Synchronised Swimming Club, running every week.
- 50** Members of the newly formed Swimming Club running two days per week.
- 80** Children attended Vacation Swimming Lessons.
- 195** Children attended Interim Swimming Lessons.
- 36** Family Season passes sold.
- 22** Early Morning Swimmers.



Unfortunately, due to COVID-19, the Interschool Carnival and Triathlon had to be cancelled.

Gnowangerup Community Swimming Pool Shade

Having received feedback from our community members regarding the lack of shade at the Gnowangerup Community Swimming Pool, especially near the toddlers/beach access pool, we have implemented a project to see two additional shade sails and additional shade placed in-between the three stand-alone shade sails. All to be revealed in the 2020/21 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 2019/2020

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 2019/2020.

Name of Organisation	Approved Amount	Name of Project
GNP Garden Hub and Vege Patch Vol	\$ 500.00	Vege Patch Establishment
Gnowangerup CRC	\$ 500.00	ARTGN Opening Night
Yongergnow Mallefowl Centre	\$ 5,000.00	Yongergnow Outdoor Play Area
Gnowangerup Heritage Group	\$ 1,069.20	Ram Pavilion Signage
St John Ambulance Gnowangerup	\$ 5,000.00	First Class First Aid
Yongergnow-Ongerup CRC	\$ 5,000.00	Oktoberfest
GNP Community Op Shop	\$ 2,506.60	Give a small place space
Gnowangerup CRC	\$ 5,000.00	Summer Fair
Borden Pavilion Committee	\$ 5,000.00	Borden X Games
A Smart Start	\$ 2,000.00	A smart start in the Shire of Gnowangerup
Ongerup Sporting Complex Committee	\$ 13,930.00	Energize Ongerup
GNP 360 Cooperative	\$ 20,000.00	Gnowangerup Shopping Hub
	\$ 65,505.80	



Council Operational Assistance 2019/2020

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. Due to COVID-19 and events/projects being cancelled this year, Council has funded 80% of the last year's utility costs.

Sporting Complex/Pavilion	Approved Allocated
Gnowangerup Sporting Complex	\$14,445
Ongerup Sporting Complex	\$1,787
Borden Pavilion	\$7,079
	\$23,311



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

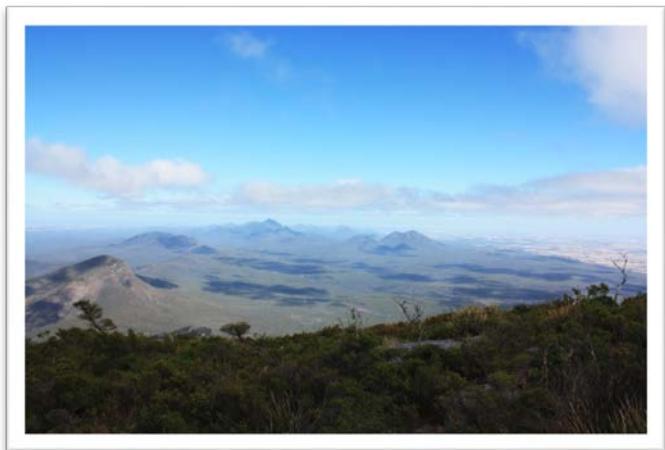
Environmental Health Officers have many tasks required to be performed during the course of their duties. The Environmental Health Service is a part time position of 2 days per week. These duties are principally related to managing environmental and public health risk. During the course of the 2019/2020 financial year, the following issues were addressed.

Public Health Plan

The new Public Health Plan 2016 requires every local government in Western Australia to prepare a public health plan. This plan will provide direction of the ways in which local government can assist the local community to maintain a good standard of health.

Council already provides a wide range of services in public health such as Council Officers, Community Development Coordinator & Environmental Health Officer [the EHO], provision of recreation facilities and aquatics, maintenance of roads and reserves and keeping Council playgrounds and halls and other buildings in good order.

During the next financial year, the public health plan will commence to be written and then information sessions will be provided in conjunction with the Community Development Coordinator.



COVID 19

Directions issued by the Commissioner of Police under Emergency Services legislation necessitated Council providing further advice to food licensees with space for dining and advice for clubs and associations on hand sanitising, calculation of floor area into 2 and 4 square metre areas and recording the contact details of patrons in attendance.

As the various stages of implementation varied between Australian states and were applied and rescinded continuously, the EHO provided advice when requested to do so. On several occasions, very little time was made available to prepare information in the advancement of the next direction.

Food

All food premises were asked to complete the **Notification of a Food Business** as a method to ensure that licensing was in accordance to the requirements of the Western Australian Food Act and duties were assessed accordingly to their risk, e.g. low risk being a supermarket or a high risk being a hotel or tavern. All food businesses were duly licensed.

Council introduced Food Safe Online on the website which is an **online training course for Food Handlers**. The course is available from the Environmental

Health Australia (WA). It is expected that all persons working in the food industry in the Shire of Gnowangerup will complete this course to demonstrate that they possess the skills and knowledge of food handling which is required under the Australian Food Standards Code of Practice.

When a product sold as a food item is found to be defective that may require the food item to be withdrawn from sale, the food business is required to notify their state regulatory body and issue a **Food Recall** Notice. The EHO of each local government is notified and in Gnowangerup, the EHO assesses the risk of the recall and whether the product is likely to be distributed to the Gnowangerup Shire and sold locally.

If the food product is required to be withdrawn in the Shire of Gnowangerup, Council will notify all food premises by email the day it is received and circulate advice to each of the electronic community newsletters for the widest circulation to local residents. Notifications are distributed only where products are sold locally.



During 2019/2020, there were 24 food recalls which included:

Number of	Product Recalled
3	Confectionary products
3	Fruit Juices & fruit
3	Herbs & vegetables
5	Packaged sauces and pesto
2	Packaged food products (e.g. noodles)
1	Cakes
4	Sparkling Waters & Wines & Beer
3	Cheese
Total 24	

All Food Premises and Market Stalls are inspected in the Shire of Gnowangerup in accordance to risk and the cleanliness of the premises. Food premises that are inspected according to risk:

Food Premises Classification	Number of Premises (includes market stalls)	Number of Inspections conducted
Low	1	1
Medium		
High	12 / 9	13 / 9
Total		

Where a food premises proprietor has completed a recognised food handler training course, the need for regular ongoing inspections for cleanliness is greatly reduced. All Food Handlers are encouraged to display their Certificate in a prominent location. Based on risk and time available, food premises should be inspected at least 2 times per year.

Food sampling of food premises is intended to be undertaken in the next financial year to determine the correct composition of foods in accordance with the Australian Food Standards Code. For example, sampling of sausages and pies to ensure that foods made locally have the minimum quantity of meat.



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 samples taken were:

For Bacteria	For Amoebae
7 x 4 (pools) = 28 samples	7 x 4 (pools) = 28 samples
12 x 5 (locations) = 60 drinking water	
1 x 2 (locations) = 2 samples of drinking water from private homes following an infectious disease.	
TOTAL = 90 samples	28 samples

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

Development Services (Health, Building and Town Planning)

During the course of the year, arrangements were put in place to establish a Development Control Unit. This means once application is made to Council and then assessed against health, building, town planning and engineering requirements. All plans submitted to the Health Department were assessed against statutory requirements.

Pesticides

The storage and use of Herbicides and Pesticides for agricultural purposes are included in the Health Regulations for Pesticides. It is a requirement that herbicides and pesticides are stored correctly; vehicles equipped with spraying devices are maintained for the correct use of herbicides and pesticides; and agricultural use of the application of pesticides are done so in accordance with the AgSafe Code of Practice. Where it comes to the attention of the Environmental Health Officer, all complaints must be investigated.



Environmental Noise

The investigation of Noise Complaints falls within the jurisdiction of the Police Department and the local government. One complaint was lodged and investigated.

Waste Management Facilities

Landfill tip sites (3) are checked periodically to ensure that nuisance caused by wind blown paper, fly breeding, mosquito breeding and odour are minimised and controlled.

Caravan Parks

There are 4 caravan parks in the Shire and each was inspected in accordance with the Caravan Parks and Camping Act and Regulations.

Accommodation

All dwellings and buildings used for accommodation are required to be inspected in accordance with the Lodging House requirements of the Shire of Gnowangerup Health Local Laws. A program to inspect all premises according to risk will be implemented.

Public Buildings



All buildings where the public may gather, other than a domestic residence or restaurant (without entertainment), are required to be inspected and Certified for use with a Maximum Accommodation Certificate.

All Public Buildings are required to be assessed for:

- Building structure & correct usage
- Functional exit signs and access ways and door latches
- Operating fire extinguishers
- An Evacuation Plan on a display near the main exit door.

A 'Certificate of Maximum Accommodation' will prescribe the minimum floor area required for appropriate activities. The certificate shall be issued by the Council and mounted in a prominent location.

The Purple Bench project

The Shire of Gnowangerup in partnership with the Women's Council for Domestic and Family Violence Services (WA) and Anglicare WA introduced a Purple Bench to Gnowangerup.

The commemorative Purple Bench at the Shire Administration Building acts as a strong reminder that domestic and family violence has a huge impact on the community.



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.

Support community driven preventative health initiatives and support the provision of services for community members impacted by mental health issues: The Shire has provided \$5000 funding to Southern Agcare to ensure there is a Councillor in Gnowangerup one day every week throughout the year.



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 new Policy Manual was adopted by Council in August 2019.



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 Council adopted a new Councillors Professional Development Policy 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.

REGISTER OF TRAINING OF COUNCILLORS

FINANCIAL YEAR 2019/2020

Local Government Act 1995

Local Government (Administrative Regulations) 1995

Section 5.122 Local Government Act 1995

Council Member	Election date	Description of course of training	Provider of Training	When completed	Council Member Essentials course?
Kate O'Keefe	19th October 19	Understanding Local Government	WA/GA E-learning	12th November 19	Yes
Kate O'Keefe	19th October 19	Meeting Procedures	WA/GA E-learning	31st October 19	Yes
Kate O'Keefe	19th October 19	Conflicts of Interest	WA/GA E-learning	27th November 19	Yes
Helen Gaze	19th October 19	Understanding Local Government	WA/GA E-learning	20th February 20	Yes
Helen Gaze	19th October 19	Meeting Procedures	WA/GA E-learning	1st February 20	Yes
Helen Gaze	19th October 19	Conflicts of Interest	WA/GA E-learning	7th January 20	Yes
Helen Gaze	19th October 19	Budget Council Training	DL Consulting	20th February 20	No
Richard House	October 17	Budget Council Training	DL Consulting	20th February 20	No
Mark Creagh	19th October 19	Budget Council Training	DL Consulting	20th February 20	No
Mark Creagh	19th October 19	Serving on Council	WA/GA E-learning	May 20	Yes

Objective 3

Improve the capability and capacity of the Shire.

Strategic Initiatives:

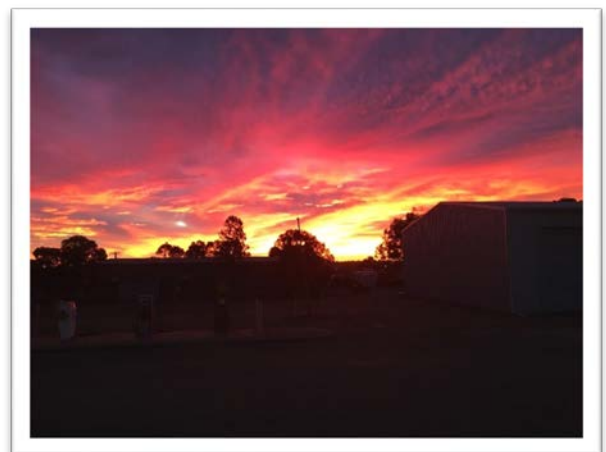
3.1 Improve organisational systems with a focus on innovative solutions.

3.2 Strengthen customer service.

3.3 Maintain a highly skilled and effective workforce.

ALTUS Financial Report System

During the 2019/2020 year, Power BI was implemented to provide supplementary financial reporting. With support from IT Vision (providers of the corporate software package SynergySoft), the Shire finance team is continuing to develop the reporting available from Power BI.



Review of Customer Service Charter

The Shire of Gnowangerup is committed to providing the highest standard of service to its' customers. Each year the Shire reviews the Customer Service Charter to ensure that the Charter aligns with this aim. No significant changes were made as a result of the 2019/2020 review.



Improvement of Services, Corporate Systems And Processes

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

The following improvement projects were undertaken in 2019/2020:

- Records Disaster Recovery Plan implemented
- Record Keeping Plan implemented
- Updated filing index register
- Medical Centre Records Procedure and Policy underway
- Medical Records Archiving plan implemented and set to commence in 2019/2020
- Plan to hire a full time records and research officer

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.

During the 2019/2020 financial year the Shire of Gnowangerup continued to utilise a contract Records Archivist. In addition to continuing the work of implementing recommendations from the Records Management Review, the contractor has also been assisting the Shire with the development of a new Recordkeeping Plan.

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.

A Disaster Management Plan was implemented in April 2020. The aim of disaster management is to have in place a well prepared disaster plan for reducing or avoiding potential threats, for promptly responding to situations immediately threatening records and information, and by identifying resources and strategies for recovery that will effectively assist in the protection and revival of essential and vital records for the Shire of Gnowangerup.

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 planned commencement for the new role being July 2020. The changes reflects the importance of record keeping and an increased commitment to recordkeeping compliance from the Shire. As part of this role, informal training (in-house) and information is provided to staff on an as needs basis and the regular maintenance of records. This can include practical training on how to navigate the Central Records Module of Synergysoft or information distributed to staff via emails or procedures

In May 2020, the Shire released a Request for Quotation for the Shire of Gnowangerup Medical Centre Medical Records Archiving. This process is to be completed during the 2020/2021 year.

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



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. The Shire has also provided feedback to WALGA and the Department on the proposed new Local Government Act, the proposed new Code of Conduct and various changes to the Local Government Regulations during the 2019/2020 year.

Deferred / Cancelled:

Activity	Deferred / Cancelled
Encourage better use of existing underutilised community spaces across the Shire.	Deferred for review during 2020/2021 as part of the Strategic Community Plan review.



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 Programme (\$1Mio Grant’)

On the 28th January 2020, the Commonwealth Government announced the Extension of the Drought Communities Programme which provided an opportunity for the Shire of Gnowangerup to apply for funding assistance to support local community infrastructure and other drought relief projects. The Shire worked with the community to develop a list of suitable projects, which were endorsed by Council. Projects submitted included town scape projects (Borden, Ongerup and Gnowangerup, including water collection and reticulation for street scape gardens, new and refurbished public toilets, painting of historic buildings, upgrades to significant water assets including dams and tanks, playground construction and tourism promotion). The Shire was successful in receiving funding of \$1m under the Drought Communities Programme Extension. The projects are to be completed during the 2020/2021 financial year.



Airport Grant

The Shire of Gnowangerup was successful in securing grant funding for an RNAV GNSS navigation system for the Gnowangerup Airport under the Commonwealth Government Remote Airstrip Upgrade Program Funding (RAUP). The project is 50% co-funded by the local community. The new navigation system will be a beneficial upgrade for the Royal Flying Doctor Service and other airport users. The navigation system will be installed and the project completed during the 2020/2021 financial year.



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 2020-2021, to be developed in conjunction with new IT Managed Services provider.



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 2019/2020 works program was a diverse program with both urban and rural works. The work included gravel sheeting, resealing, kerbing and drainage works. One of the issues we encountered was the lack of water available for road construction. Water for the final stage of Ongerup Pingrup Road widening had to be carted from Formby South Tanks due to the lack of water in the area.

Rabbit Proof Fence Road gravel sheeting, a Roads to Recovery Federal funded project, was moved back 12 months and Nightwell Road gravel sheeting bought forward 12 months so we could use the salt water from Nightwell creek to complete the works. The 2019/2020 Capital Works Program was fully completed.



The final section of widening on Ongerup Pingrup Road was completed in 2019/2020. This was the completion of a five year project to repair and widen the road to a 6.4m seal width. The entire 21.7km is now complete from the Broomehill Jerramungup Road to the Shire of Kent boundary.





Capital Works Program


The 2019/2020 Capital Works Program was completed as follows:

Road Name	Described works and Funding Source
Road Maintenance	<ul style="list-style-type: none">A total of \$1,380,544 was spent on road maintenance across the Shire road network in 2019/2020.
Strathaven Road	<ul style="list-style-type: none">Cement stabilise 260m failed section and reseal.Total cost \$40,039Fully funded by Roads to Recovery

Broomehill-Jerramungup Road Prior to works starting

Broomehill-Jerramungup Road work completed

Nightwell Road	<ul style="list-style-type: none"> Gravel sheeting – this funding was reallocated from Rabbit Proof Fence Road due to the lack of available water for road works. Rabbit Proof Fence Rd gravel sheeting has been shifted to the 2020/2021 year. Total cost \$124,696 Fully funded by Roads to Recovery
Hinkley Road	<ul style="list-style-type: none"> Reseal 2.75km to protect pavement integrity Total cost \$52,754 Fully funded by Roads to Recovery
Old Ongerup Road	<ul style="list-style-type: none"> Reseal 2.15km to protect pavement integrity Total cost \$75,938 Fully funded by Roads to Recovery
Boxwood Hill Ongerup Road	<ul style="list-style-type: none"> Reseal 5km to protect pavement integrity Total cost \$99,464 Fully funded by Roads to Recovery
Tieline Road	 <ul style="list-style-type: none"> Widen shoulders for 800m to 7m (finish at Kwobrup Rd) Reseal further 7km (west of Kwobrup North Rd) to 6.4m Total cost \$252,534 Regional Road Group state contribution \$92,000 Shire contribution \$160,534
Borden Bremer Bay Road	<ul style="list-style-type: none"> Reseal 7km to protect pavement integrity Total cost \$245,801 Regional Road Group state contribution \$86,667 Shire contribution \$159,134 
Ongerup Pingrup Road	<ul style="list-style-type: none"> Rebuild shoulders and widen 4.46km seal to 6.4m. This was the final stage of this program. The entire 21.7km section of road widening from the intersection of Gnowangerup Jerramungup Road to the Shire boundary is now complete. Total cost \$211,894 Regional Road Group state contribution \$128,000 Shire \$83,894 <div style="display: flex; justify-content: space-around; align-items: flex-end;">   </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 5px;"> <i>Before</i> <i>After</i> </div>

Bell Street	<ul style="list-style-type: none"> • Upgrade drainage, widen, reseal and kerb from Hams Street to CBH end. • Total cost \$46,694 – Council funded
Stone Street	<ul style="list-style-type: none"> • Reseal to protect pavement integrity • Total cost \$6,649 – Council funded
Corbett Street	<ul style="list-style-type: none"> • Cement stabilise and reseal failed section • Total cost 17,457 – Council funded
Bowling Club Car Park	<ul style="list-style-type: none"> • Repair and reseal car park • Total cost 12,077 – Council funded 
Hams Street	<ul style="list-style-type: none"> • Upgrade drainage, reseal and kerbing • Total cost \$16,714 – Council funded
Moir Street	<ul style="list-style-type: none"> • Cement stabilise patch outside shop. Reseal and kerbing from John Street to Windmar Street • Total cost \$24,122 – Council funded 
John Street	<ul style="list-style-type: none"> • Kerb and seal entrance to Borden School car park • Total cost \$2,078 – Council funded 
Lamont Street	<ul style="list-style-type: none"> • Reseal to protect pavement integrity • Total cost \$16,822
Tieline Road	<ul style="list-style-type: none"> • Gravel sheeting sections of Tieline road • Total cost \$127,780 – Council funded

Road Maintenance

Stabilising patches on various roads



Cement stabilisation using profiler on skid steer to mix cement



The finished product ready for sealing



Major items planned for 2020/2021

The Capital Works Program for 2020/2021 will continue with preservation of ageing bitumen by resealing the following roads:

- Nightwell Road 6km
- The final section of Tieline Road at the west end
- Borden Bremer Bay Road from Chester Pass intersection
- Boxwood Hill Ongerup Road

Three kilometres of Kwobrup Road from Gnowangerup end is to be widened and rebuilt to a 7m bitumen seal with new shoulders.

Garnett Road entrances to CBH will have asphalt intersections and a new chip seal from Whitehead Road to the railway crossing.

RAV access to the industrial area will be improved with the widening of intersections to allow heavy vehicles better access to industries.

The gravel sheeting program will include the following roads;

- Rabbit Proof Fence Road
- Old Ongerup Road
- Cowalellup Road

Headwall repair on Holden Road



<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.

WANDRRA

New disaster recovery funding arrangements (Disaster Recovery Funding Arrangements WA, or DRFAWA), commenced as of 1 November 2018. Since the major flood damage and restoration work undertaken in the 2018/19 year, the Shire of Gnowangerup has initiated a continuous program of documenting the condition of all roads and associated infrastructure to ensure that pre-disaster evidence is maintained to the required level, should there be damage to essential public assets from a natural disaster and a requirement to claim under the DRFAWA arrangements at any time in the future.

Extra Road Grant Funding

The Gnowangerup Shire has received extra funding from the Local Roads and Community Infrastructure Program and this will be used to seal the 2.46km of Chillinup Road which is currently unsealed and widening the 390m of seal to 7m finishing at the Shire boundary. Some extra preservation bitumen resealing on Boxwood Hill Ongerup Road will also be achieved with the remaining funding.



The Depot Staff participated in various training throughout the year including Senior First Aid and Traffic Management requalification.

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 2019/2020 financial year the following building approvals were issued by the Shire of Gnowangerup.

Approvals Issued	16
Uncertified Building Permits:	9
Certified Building Permits:	7
Occupancy Permits:	3
Notices of Completion:	5



Types of Building Project

Houses	4
Other Residential Buildings (Sheds, Garages etc.)	6
Civil	1
Industrial & Agricultural	4
Other	2

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.

Construct two houses on grouped housing Block -> Staff Housing

During 2019/20, the Shire of Gnowangerup completed the construction of two 3 x 2 houses in Quinn Street, Gnowangerup. The houses were funded through the Commonwealth Government Building Better Regions Fund (BBRF). The construction of the 2 x houses was part of a regional project for the construction of up to 31 regional employee housing units and 21 independent seniors units in the Shires of Gnowangerup, Katanning, Kojonup, Broomehill-Tambellup, Jerramungup, Kent, and Cranbrook, funded through the BBRF. The houses have provided a much needed boost in quality housing in Gnowangerup and are occupied by Shire staff and their families.



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

Following the completion and adoption of a new Asset Management Strategy during the 2018/19 year, the Shire of Gnowangerup commenced a review of its 10 year Asset Management Plan (AMP) during 2019/2020. A new AMP is expected to be completed and adopted by Council by the 31st December 2020.

Gnowangerup Cemetery

Shire officers digitised a total of 1413 old paper cemetery records and recorded old cemetery maps.

New created entry signs and the now printable maps make it easier for interested parties to find graves.



The planned shade facility is now completed. The niche wall was updated and rendered in a team building event of Councillors and Shire staff. More work will be done in 2020/2021.



Niche wall before



Niche wall after



The majority of new selection identification signs are installed.

A Stillborn memorial was constructed for the stillborn babies delivered at the Gnowangerup hospital.



Decommissioning of the old underground fuel tanks at the Gnowangerup Depot

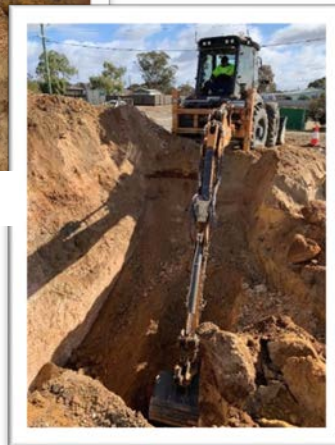
A Decommissioning of the old underground fuel tanks at the Gnowangerup Depot was undertaken with two diesel and one unleaded tanks removed plus the three old bowsers. The area was backfilled with sand and gravel and compacted.



Before work started



Removing the tanks



Depot yard after the tanks have been removed

OUR FINANCES

Financial Health Overview

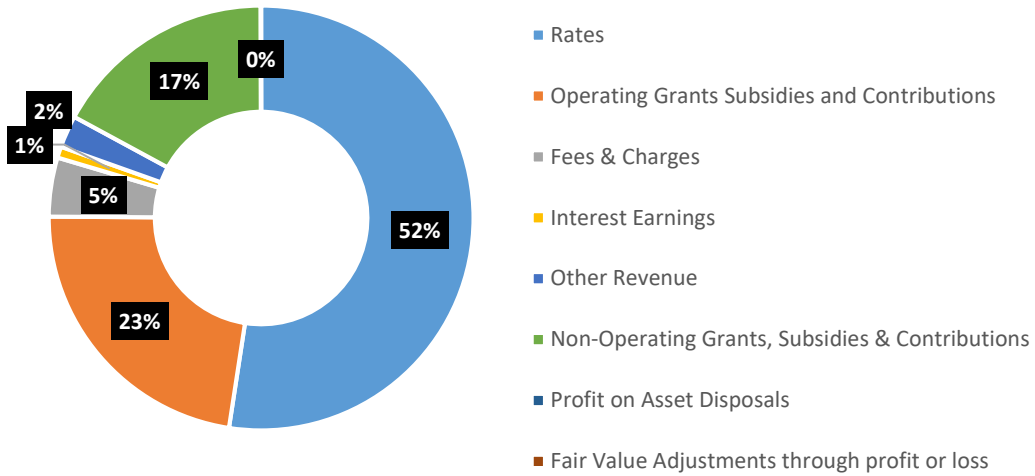
2019/20 RESULTS OVERVIEW	2018/19 ACTUAL \$	2019/20 ACTUAL \$	VARIANCE TO 2018/19 %
Total Revenue	9,701,697	7,864,087	(19%)
Total Expenses	10,291,035	7,107,651	(31%)
Net Result from Operations	(589,338)	756,436	228%
Total Assets	124,059,492	125,072,266	1%
Total Liabilities	1,477,602	1,754,554	19%
Net Assets	122,581,890	123,317,712	1%
Total Cash & Investments	3,401,475	4,531,189	33%

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:

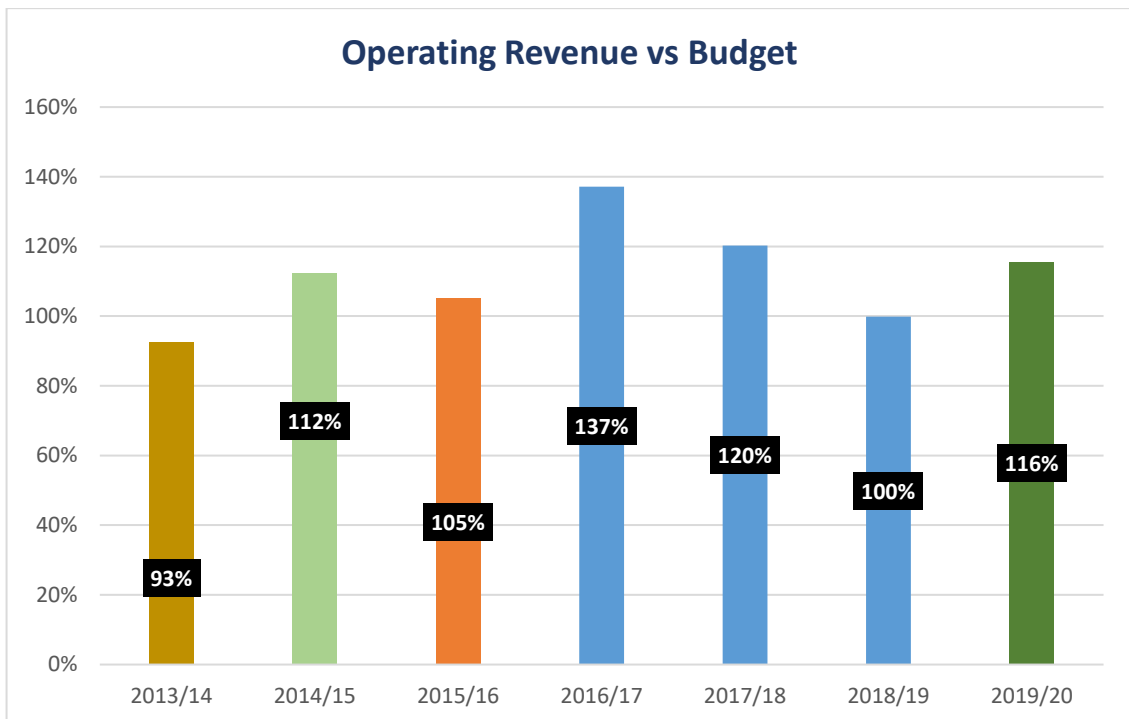
Operating Revenue By Nature	2017/18 \$	2018/19 \$	2019/20 \$
Rates	3,858,184	4,039,331	4,122,519
Operating Grants, Subsidies & Contributions	1,466,396	1,602,206	1,783,768
Fees & Charges	223,463	215,564	352,896
Interest Earnings	102,785	109,367	67,166
Other Revenue	7,941,351	2,840,960	192,720
Non-Operating Grants, Subsidies, Contributions	654,212	810,852	1,343,239
Profit on Asset Disposals	0	19,535	626
Fair value adjustments through profit or loss	0	63,882	1,153
Total	14,246,391	9,701,697	7,864,087

Actual Operating Revenue by Nature/Type



Operating Revenue Actual vs Budget	2017/18 \$	2018/19 \$	2019/20 \$
Total Actual Revenue	14,246,391	9,701,697	7,864,087
Total Budget Revenue	11,843,103	9,714,873	6,806,342

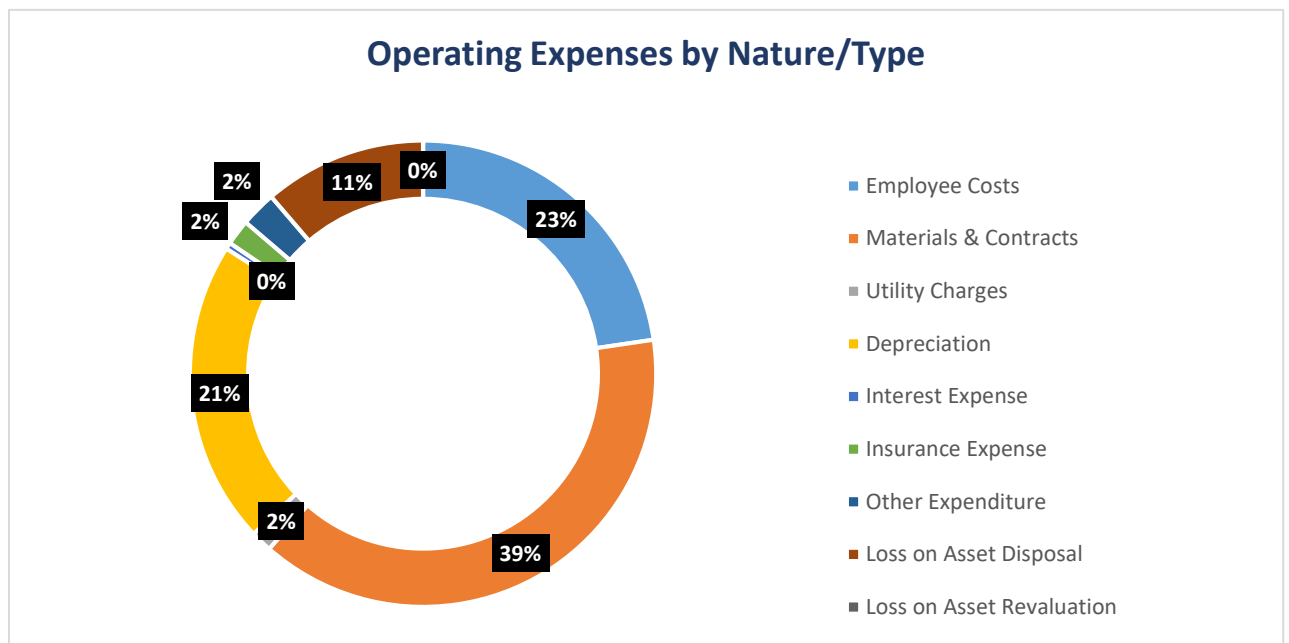
Operating Revenue vs Budget



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:

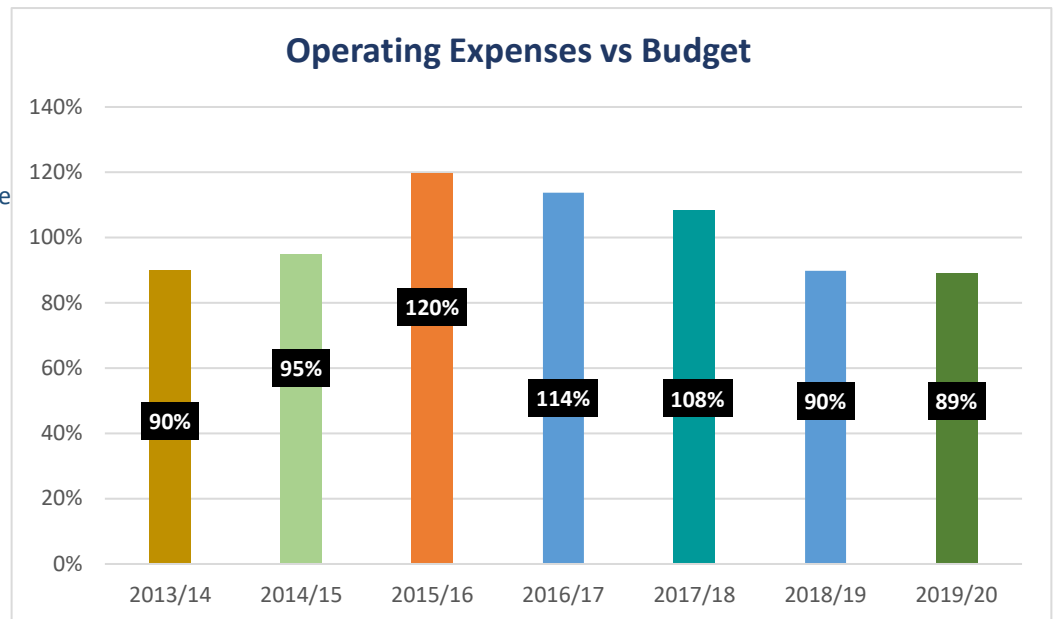
Operating Expenses By Nature	2017/18 \$	2018/19 \$	2019/20 \$
Employee Costs	2,405,761	2,333,010	2,513,509
Materials & Contracts	9,228,386	3,993,665	1,511,525
Utility Charges	152,816	151,422	168,150
Depreciation	2,594,679	2,168,243	2,313,016
Interest Expense	49,491	46,526	33,711
Insurance Expense	169,375	183,191	194,975
Other Expenses	191,101	254,093	300,242
Loss on Asset Disposal	25,074	1,160,885	72,523
Loss on Asset Revaluation	58,361	0	0
Total	14,875,044	10,291,035	7,107,651



Operating Expense vs Budget

Actual vs Budget	2017/18 \$	2018/19 \$	2019/20 \$
Total Actual Expenses	14,875,044	10,291,035	7,107,651
Total Budget Expenses	13,735,907	11,459,159	7,991,228

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	2017/18 \$	2018/19 \$	2019/20 \$
Net Result from Operations	(628,653)	(589,338)	756,436

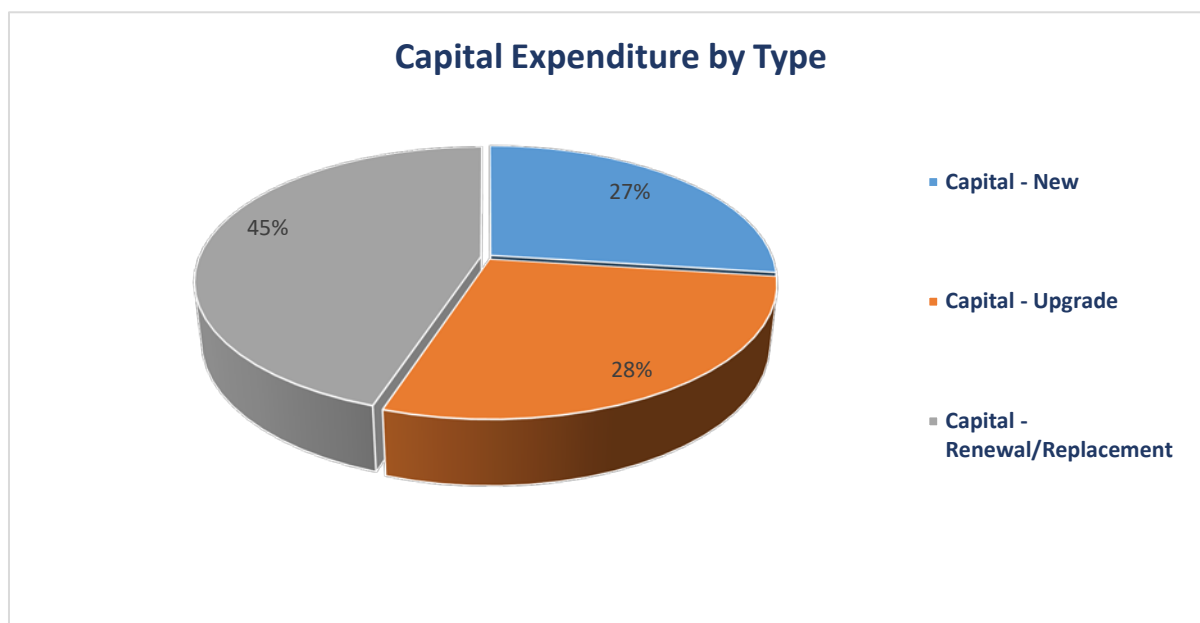
The figures for 2017/18 and 2018/19 show a negative result, which is attributable to a significant increase in depreciation since 2015. The increase in depreciation expenses was generated by the increase of asset values stemming from Fair Value valuations.

Capital Expenditure

Effectively implementing capital projects is essential to achieve the Shire's vision. A total of \$3.017m of capital projects was delivered during 2019/20.

A summary of projects is shown by Function below:

Operating Expenses By Nature	2019/20 Original Budget \$	2019/20 Revised Budget \$	2019/20 Actual \$
Housing	792,996	828,267	793,126
Community Amenities	345,000	318,000	274,136
Recreation & Culture	61,138	61,138	29,416
Transport	2,058,156	1,881,532	1,767,634
Economic Services	8,000	46,365	52,636
Other Property & Services	131,556	105,025	99,764
Total	3,396,846	3,240,327	3,016,712



Capital Expenditure by Type	2017/18 Actual \$	2018/19 Actual \$	2019/20 Actual \$
Capital - New	250,688	528,277	816,085
Capital - Upgrade	27,879	586,672	845,696
Capital - Renewal	1,683,422	1,680,897	1,354,931
Total	1,961,989	2,795,846	3,016,712

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 2019/2020.

Total Operating Revenue	2019/20 Actual \$	2019/20 Revised Budget \$	Variance \$	Variance %
Rates	4,122,519	4,090,214	32,305	0.8%
Operating Grants, Subsidies & Contributions	1,783,768	967,745	816,023	84.3%
Fees & Charges	352,896	355,083	(2,187)	(0.6%)
Interest Earnings	67,166	58,961	8,205	13.9%
Other Revenue	192,720	101,118	91,602	90.6%
Non-Operating Grants, Subsidies, Contributions	1,343,239	1,367,058	(23,819)	(1.7%)
Profit on Asset Disposals	626	7,521	(6,895)	(91.7%)
Fair Value Adjustments through profit or loss	1,153	0	1,153	N/A
Total	7,864,087	6,947,700	916,387	13.2%

Total Operating Expenses	2019/20 Actual \$	2019/20 Revised Budget \$	Variance \$	Variance %
Employee Costs	2,513,509	2,522,001	(8,492)	(0.3%)
Materials & Contracts	1,511,525	2,031,483	(519,958)	(25.6%)
Utility Charges	168,150	185,905	(17,755)	(9.6%)
Depreciation	2,313,016	2,182,615	130,401	6.0%
Interest Expense	33,711	50,054	(16,343)	(32.7%)
Insurance Expense	194,975	238,622	(43,647)	(18.3%)
Other Expenses	300,242	416,447	(116,205)	(27.9%)
Loss on Disposal of Assets	72,523	115,943	(43,420)	(37.4%)
Loss on Asset Revaluation	0	0	0	0.0%
Total	7,107,651	7,743,070	(635,419)	(8.2%)

Total Capital Expenditure	2019/20 Actual \$	2019/20 Revised Budget \$	Variance \$	Variance %
Total	3,016,712	3,240,327	(223,615)	(6.9%)

Financial Position

Assets	2017/18 \$	2018/19 \$	2019/20 \$
Cash & Cash Equivalents	2,579,916	3,401,475	4,531,189
Trade & Other Receivables	2,576,454	898,597	419,004
WA Local Govt. House Unit Trust	6,186	70,068	71,221
Other Financial Assets	116,667	89,235	60,677
Inventories	29,548	20,994	15,194
Property, Plant & Equipment	30,246,527	29,808,487	29,771,122
Infrastructure	89,736,973	89,770,636	90,187,158
Right of Use Assets	0	0	16,701
Total	125,292,271	124,059,492	125,072,266

Total assets for 2019/20 increased by \$1,012,774 (0.8%) compared to 2018/19.

Liabilities	2017/18 \$	2018/19 \$	2019/20 \$
Trade & Other Payables	233,001	226,039	320,375
Current Provisions	324,814	447,391	380,729
Non-Current Provisions	104,800	54,321	63,229
Long Term Borrowings	1,913,388	749,851	990,221
Total	2,576,003	1,477,602	1,754,554

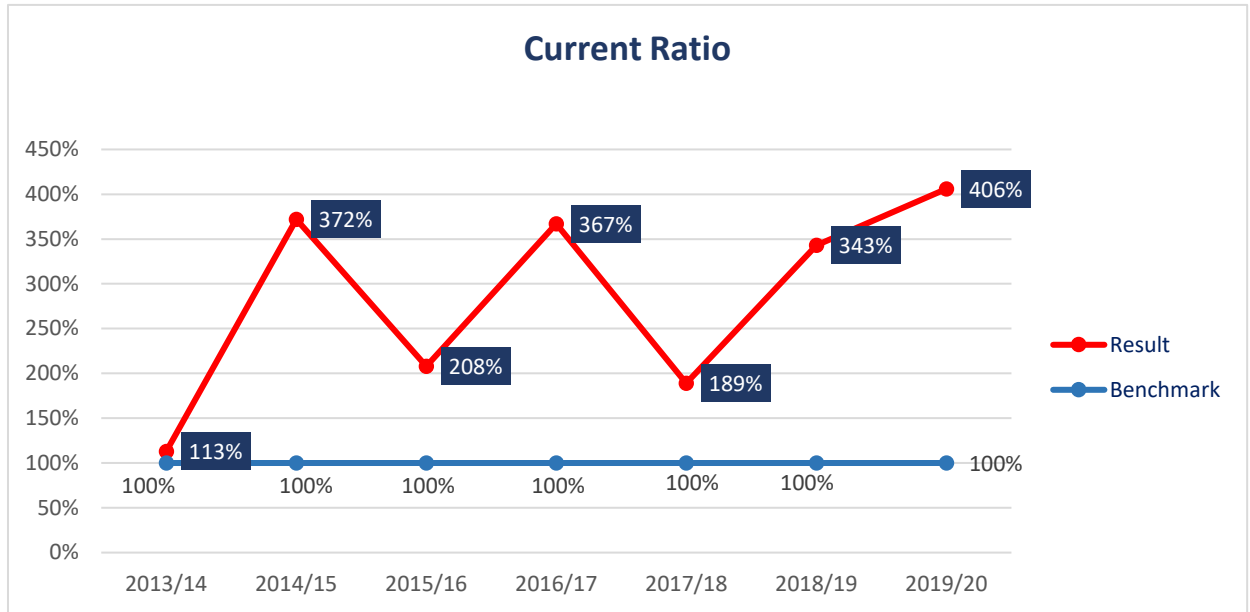
Total liabilities for 2019/20 increased by \$276,952 (18.7%) compared to 2018/19, with the increase in loan borrowings being the largest contributor.

Net Community Assets	2017/18 \$	2018/19 \$	2019/20 \$
Total	122,716,268	122,581,890	123,317,712

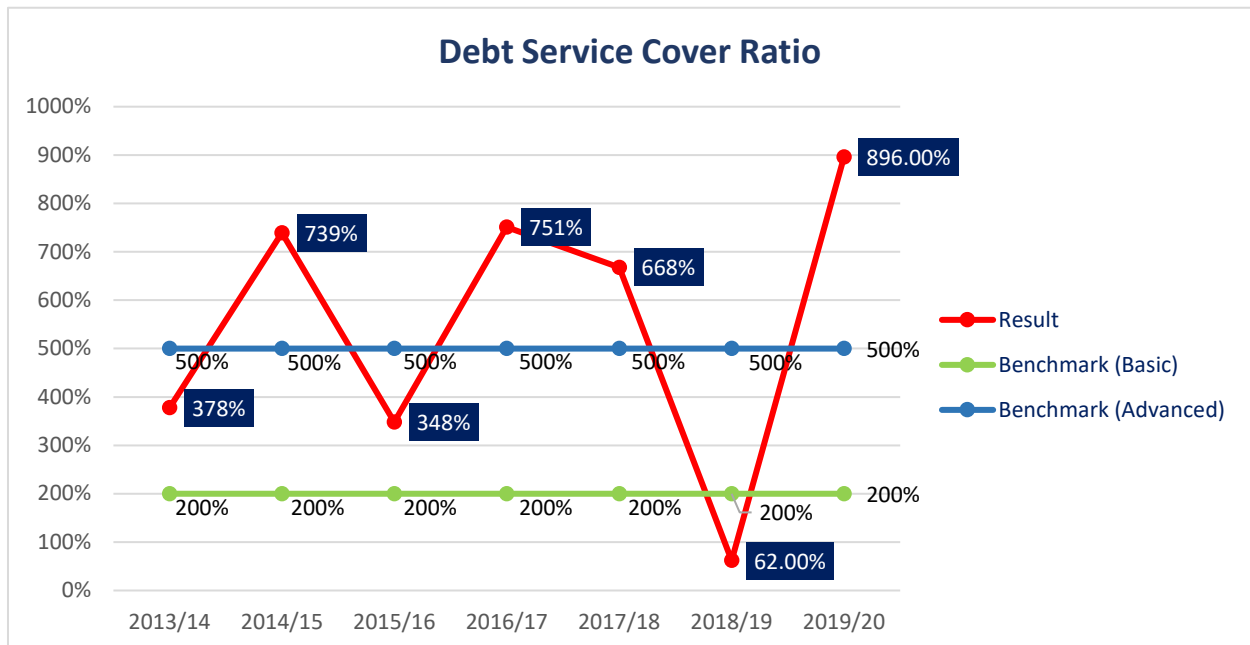
Community Equity	2017/18 \$	2018/19 \$	2019/20 \$
Retained Surplus	42,631,778	42,305,941	42,788,388
Reserves – Cash backed	1,990,309	1,726,808	1,980,183
Reserves – Asset Revaluation	78,094,181	78,549,141	78,549,141
Total	122,716,268	122,581,890	123,317,712

Cash Flows	2017/18 \$	2018/19 \$	2019/20 \$
Cash Flows from Operating Activities	(91,034)	3,597,068	2,281,335
Cash Flows from Investing Activities	(1,266,332)	(1,639,404)	(1,408,314)
Cash Flows from Financing Activities	863,243	(1,136,105)	256,693
Net Increase/(Decrease) in Cash Held	(494,123)	821,559	1,129,714

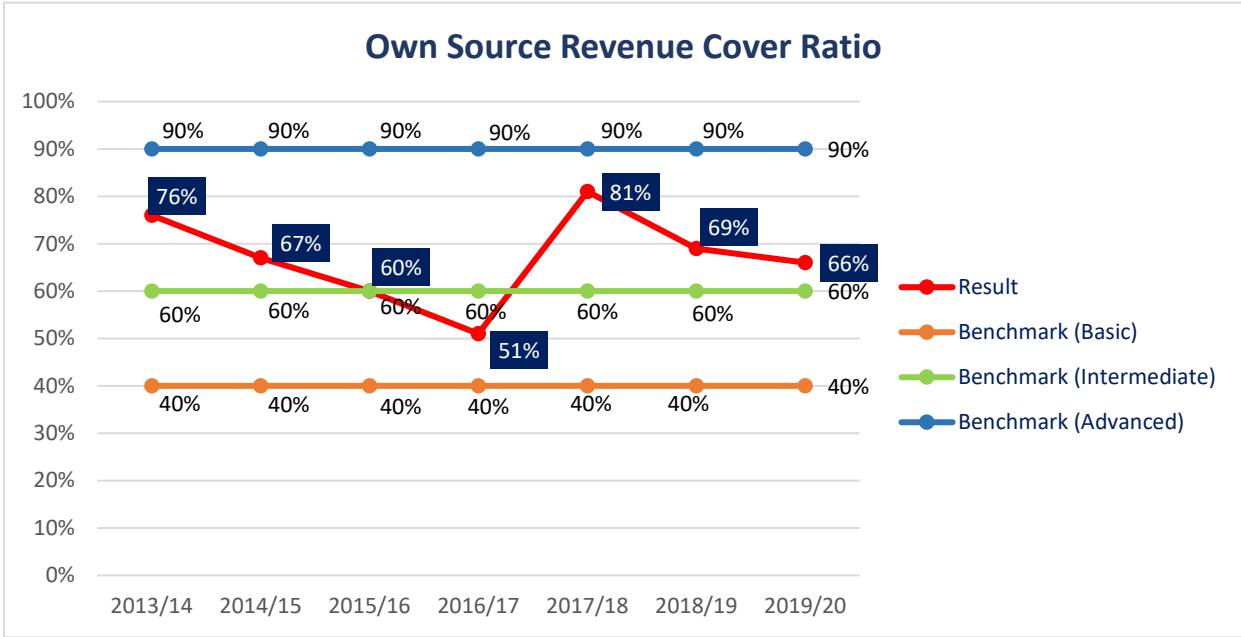
Financial Ratios



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.

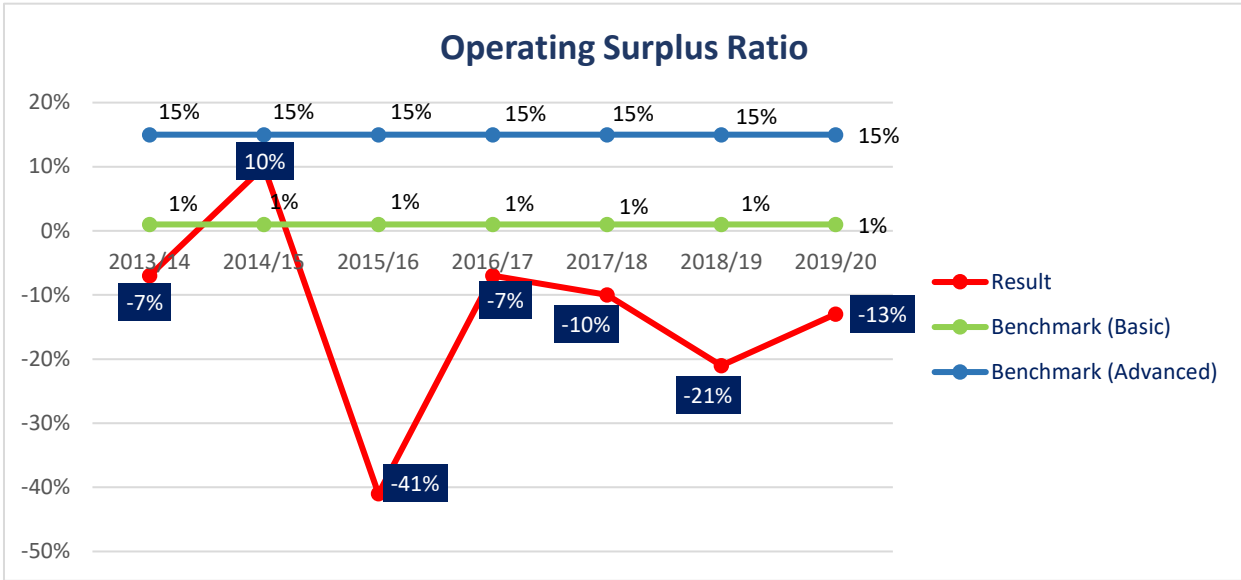


This ratio is a measurement of the Shire's ability to repay its debt obligations including lease payments. An advanced standard has been achieved.



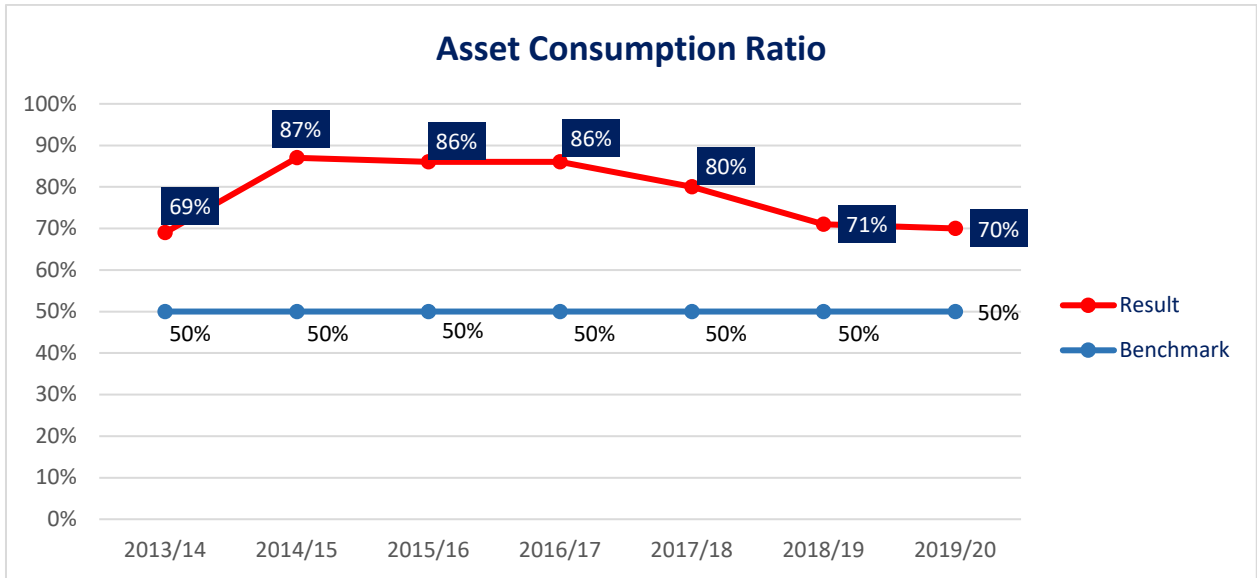
This ratio is a measurement of the Shire’s ability to cover its costs through its own revenue efforts.

An intermediate standard has been achieved, as the ratio is greater than 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.

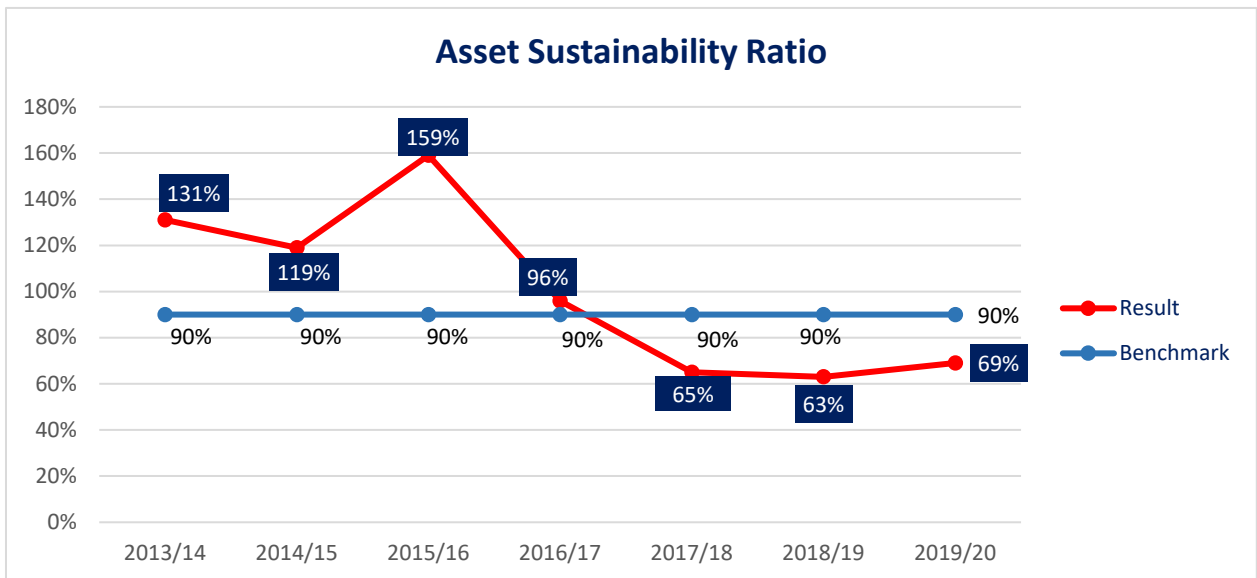
The standard has not been met, as the ratio is less than 1%.



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.

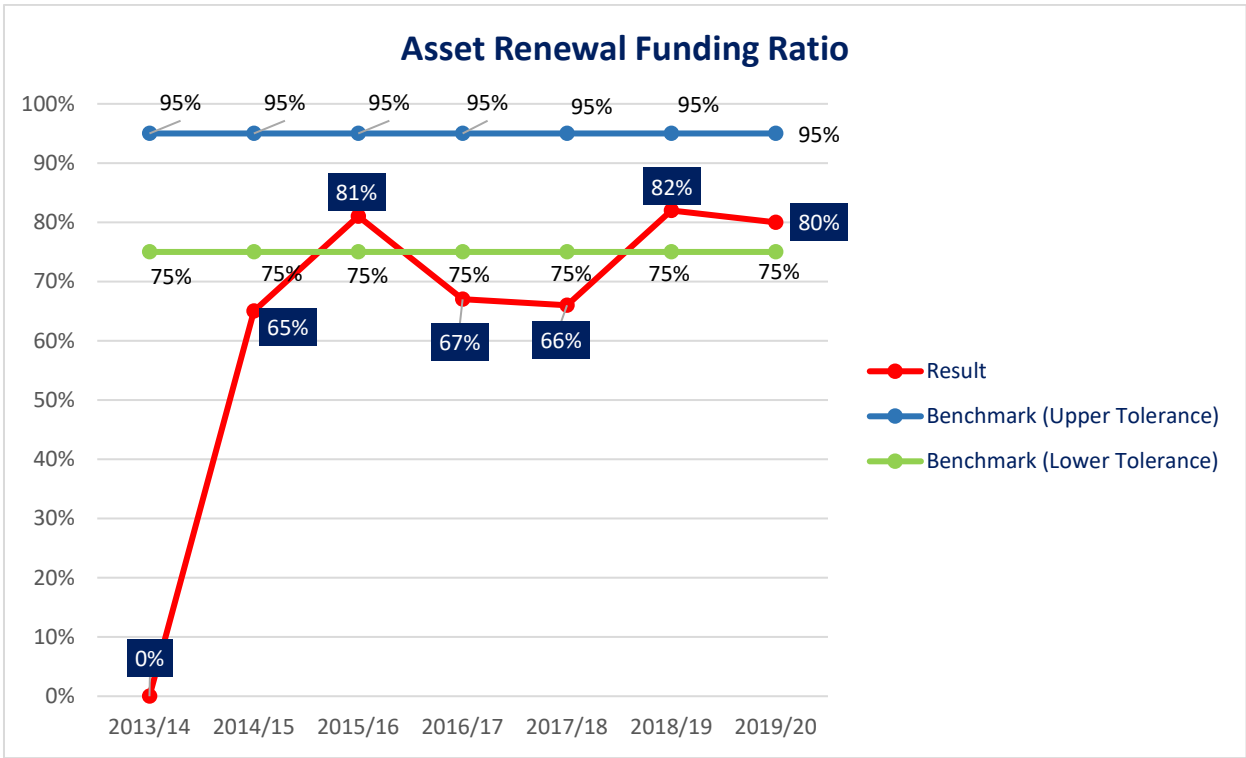
The standard has been met, as the ratio is greater than 50%.



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 not been met, as the ratio is less 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 been met, as the ratio is greater than 75%.



SHIRE OF GNOWANGERUP
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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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 2020**

*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 2020 is based on proper accounts and records to present fairly the financial position of the Shire of Gnowangerup at 30 June 2020 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 9th day of DECEMBER 2020



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 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
Rates	23(a)	4,122,519	4,085,295	4,039,331
Operating grants, subsidies and contributions	2(a)	1,783,768	852,667	1,602,206
Fees and charges	2(a)	352,896	337,229	215,564
Interest earnings	2(a)	67,166	68,470	109,367
Other revenue	2(a)	192,720	88,102	2,840,960
		6,519,069	5,431,763	8,807,428
Expenses				
Employee costs		(2,513,509)	(2,597,413)	(2,333,010)
Materials and contracts		(1,511,525)	(2,222,641)	(3,993,665)
Utility charges		(168,150)	(180,080)	(151,422)
Depreciation on non-current assets	10(b)	(2,313,016)	(2,182,615)	(2,168,243)
Interest expenses	2(b)	(33,711)	(50,054)	(46,526)
Insurance expenses		(194,975)	(232,304)	(183,191)
Other expenditure		(300,242)	(410,178)	(254,093)
		(7,035,128)	(7,875,285)	(9,130,150)
		(516,059)	(2,443,522)	(322,722)
Non-operating grants, subsidies and contributions	2(a)	1,343,239	1,367,058	810,852
Profit on asset disposals	10(a)	626	7,521	19,535
(Loss) on asset disposals	10(a)	(72,523)	(115,943)	(1,160,885)
Fair value adjustments to financial assets at fair value through profit or loss	5(b)	1,153	0	63,882
		1,272,495	1,258,636	(266,616)
Net result for the period		756,436	(1,184,886)	(589,338)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	454,960
Total other comprehensive income for the period		0	0	454,960
Total comprehensive income for the period		756,436	(1,184,886)	(134,378)

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 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
	2(a)			
Governance		1,038	0	5,362
General purpose funding		5,573,125	4,649,831	5,378,659
Law, order, public safety		91,624	69,260	72,765
Health		1,798	300	551
Education and welfare		12,226	11,800	11,972
Housing		92,323	86,598	86,442
Community amenities		300,195	283,139	302,620
Recreation and culture		22,728	17,999	27,987
Transport		152,860	140,886	2,676,058
Economic services		66,181	52,340	15,275
Other property and services		204,971	119,610	229,737
		6,519,069	5,431,763	8,807,428
Expenses				
	2(b)			
Governance		(778,262)	(937,524)	(744,464)
General purpose funding		(121,390)	(81,604)	(193,825)
Law, order, public safety		(333,473)	(377,637)	(301,896)
Health		(307,790)	(372,745)	(238,120)
Education and welfare		(29,200)	(47,261)	(16,109)
Housing		(55,480)	(54,508)	(51,081)
Community amenities		(500,717)	(570,367)	(465,759)
Recreation and culture		(1,437,810)	(1,407,164)	(1,328,126)
Transport		(2,733,633)	(3,112,232)	(5,146,305)
Economic services		(128,474)	(278,899)	(117,169)
Other property and services		(575,188)	(585,290)	(480,770)
		(7,001,417)	(7,825,231)	(9,083,624)
Finance Costs				
	2(b)			
Housing		(10,941)	(24,568)	(12,778)
Community amenities		0	0	(182)
Recreation and culture		(21,954)	(23,471)	(25,511)
Transport		0	0	(8,055)
Economic services		0	0	0
Other property and services		(816)	(2,015)	0
		(33,711)	(50,054)	(46,526)
		(516,059)	(2,443,522)	(322,722)
Non-operating grants, subsidies and contributions	2(a)	1,343,239	1,367,058	810,852
Profit on disposal of assets	10(a)	626	7,521	19,535
(Loss) on disposal of assets	10(a)	(72,523)	(115,943)	(1,160,885)
Fair value adjustments to financial assets at fair value through profit or loss		1,153	0	63,882
		1,272,495	1,258,636	(266,616)
Net result for the period		756,436	(1,184,886)	(589,338)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	454,960
Total other comprehensive income for the period		0	0	454,960
Total comprehensive income for the period		756,436	(1,184,886)	(134,378)

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



SHIRE OF GNOWANGERUP
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	NOTE	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	3	4,531,189	3,401,475
Trade and other receivables	6	300,450	777,663
Other financial assets	5(a)	29,729	28,558
Inventories	7	15,194	20,994
TOTAL CURRENT ASSETS		4,876,562	4,228,690
NON-CURRENT ASSETS			
Trade and other receivables	6	118,554	120,934
Other financial assets	5(b)	102,169	130,745
Property, plant and equipment	8	29,771,122	29,808,487
Infrastructure	9	90,187,158	89,770,636
Right of use assets	11(a)	16,701	0
TOTAL NON-CURRENT ASSETS		120,195,704	119,830,802
TOTAL ASSETS		125,072,266	124,059,492
CURRENT LIABILITIES			
Trade and other payables	13	283,969	226,039
Contract liabilities	14	19,423	0
Lease liabilities	15(a)	12,664	0
Borrowings	16(a)	208,606	163,630
Employee related provisions	17	380,729	447,391
TOTAL CURRENT LIABILITIES		905,391	837,060
NON-CURRENT LIABILITIES			
Lease liabilities	15(a)	4,319	0
Borrowings	16(a)	781,615	586,221
Employee related provisions	17	63,229	54,321
TOTAL NON-CURRENT LIABILITIES		849,163	640,542
TOTAL LIABILITIES		1,754,554	1,477,602
NET ASSETS		123,317,712	122,581,890
EQUITY			
Retained surplus		42,788,388	42,305,941
Reserves - cash backed	4	1,980,183	1,726,808
Revaluation surplus	12	78,549,141	78,549,141
TOTAL EQUITY		123,317,712	122,581,890

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 2020

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2018		42,631,778	1,990,309	78,094,181	122,716,268
Comprehensive income					
Net result for the period		(589,338)	0	0	(589,338)
Other comprehensive income	12	0	0	454,960	454,960
Total comprehensive income		(589,338)	0	454,960	(134,378)
Transfers to/from reserves	4	263,501	(263,501)	0	0
Balance as at 30 June 2019		42,305,941	1,726,808	78,549,141	122,581,890
Change in accounting policy	26(d)	(20,614)	0	0	(20,614)
Restated total equity 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	0	0	756,436
Total comprehensive income		756,436	0	0	756,436
Transfers from reserves	4	249,500	(249,500)	0	0
Transfers to reserves	4	(502,875)	502,875	0	0
Balance as at 30 June 2020		42,788,388	1,980,183	78,549,141	123,317,712

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 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		4,106,031	4,085,295	4,048,217
Operating grants, subsidies and contributions		1,791,499	860,189	1,604,053
Fees and charges		352,896	337,229	215,564
Interest received		66,741	68,470	109,675
Goods and services tax received		334,896	(1,591)	440,702
Other revenue		684,936	88,102	4,359,619
		7,336,999	5,437,694	10,777,830
Payments				
Employee costs		(2,561,603)	(2,546,649)	(2,259,499)
Materials and contracts		(1,459,976)	(2,021,821)	(4,014,350)
Utility charges		(168,150)	(180,080)	(151,422)
Interest expenses		(33,711)	(50,054)	(51,308)
Insurance paid		(194,975)	(232,304)	(183,191)
Goods and services tax paid		(337,007)	0	(330,000)
Other expenditure		(300,242)	(410,178)	(190,992)
		(5,055,664)	(5,441,086)	(7,180,762)
Net cash provided by (used in) operating activities	18	2,281,335	(3,392)	3,597,068
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(1,275,355)	(1,626,840)	(1,257,455)
Payments for construction of infrastructure	9(a)	(1,741,353)	(1,770,006)	(1,538,392)
Non-operating grants, subsidies and contributions	2(a)	1,343,239	1,367,058	810,852
Proceeds from sale of property, plant & equipment	10(a)	265,155	256,500	345,591
Net cash provided by (used in) investment activities		(1,408,314)	(1,773,288)	(1,639,404)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(163,630)	(194,184)	(1,163,537)
Payments for principal portion of lease liabilities	15(b)	(12,235)	0	0
Proceeds from financial assets at amortised cost - self supporting loans		28,558	28,557	27,432
Proceeds from new borrowings	16(b)	404,000	404,520	0
Net cash provided by (used in) financing activities		256,693	238,893	(1,136,105)
Net increase (decrease) in cash held		1,129,714	(1,537,787)	821,559
Cash at beginning of year		3,401,475	3,391,999	2,579,916
Cash and cash equivalents at the end of the year	18	4,531,189	1,854,212	3,401,475

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

SHIRE OF GNOWANGERUP
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	24 (b)	1,779,280	1,811,529	2,510,233
		1,779,280	1,811,529	2,510,233
Revenue from operating activities (excluding rates)				
Governance		1,038	0	5,362
General purpose funding		1,684,226	764,107	1,581,123
Law, order, public safety		91,624	69,260	72,765
Health		1,798	300	551
Education and welfare		12,226	11,800	11,972
Housing		92,323	86,598	86,442
Community amenities		300,195	283,139	302,620
Recreation and culture		22,728	17,999	27,987
Transport		153,486	148,407	2,695,593
Economic services		66,181	52,340	15,275
Other property and services		206,124	119,610	293,619
		2,631,949	1,553,560	5,093,309
Expenditure from operating activities				
Governance		(778,262)	(937,524)	(744,464)
General purpose funding		(121,390)	(81,604)	(193,825)
Law, order, public safety		(333,473)	(377,637)	(301,896)
Health		(307,790)	(372,745)	(238,120)
Education and welfare		(29,200)	(47,261)	(16,109)
Housing		(108,421)	(79,076)	(75,901)
Community amenities		(525,717)	(570,367)	(468,032)
Recreation and culture		(1,459,764)	(1,430,635)	(1,793,422)
Transport		(2,739,156)	(3,228,175)	(5,240,920)
Economic services		(128,474)	(278,899)	(117,169)
Other property and services		(576,004)	(587,305)	(1,101,177)
		(7,107,651)	(7,991,228)	(10,291,035)
Non-cash amounts excluded from operating activities	24(a)	2,395,048	2,341,801	3,201,859
Amount attributable to operating activities		(301,374)	(2,284,338)	514,366
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,343,239	1,367,058	810,852
Proceeds from disposal of assets	10(a)	265,155	256,500	345,591
Purchase of property, plant and equipment	8(a)	(1,275,355)	(1,626,840)	(1,257,455)
Purchase and construction of infrastructure	9(a)	(1,741,353)	(1,770,006)	(1,538,392)
Amount attributable to investing activities		(1,408,314)	(1,773,288)	(1,639,404)
FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(163,630)	(194,184)	(1,163,537)
Proceeds from borrowings	16(c)	404,000	404,520	0
Payments for principal portion of lease liabilities	15(b)	(12,235)	0	0
Proceeds from financial assets at amortised cost - self supporting loans		28,558	28,557	27,432
Transfers to reserves (restricted assets)	4	(502,875)	(396,991)	(531,740)
Transfers from reserves (restricted assets)	4	249,500	330,000	795,241
Amount attributable to financing activities		3,318	171,902	(872,604)
Surplus/(deficit) before imposition of general rates		(1,706,370)	(3,885,724)	(1,997,642)
Total amount raised from general rates	23(a)	3,888,899	3,885,724	3,797,536
Surplus/(deficit) after imposition of general rates	24(b)	2,182,529	0	1,799,894

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

SHIRE OF GNOWANGERUP
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FOR THE YEAR ENDED 30 JUNE 2020

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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.

AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Prior to 1 July 2019, *Financial Management Regulation 16* arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the Shire. This was not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

From 1 July 2019, the Shire has applied AASB 16 Leases which requires leases to be included by lessees in the statement of financial position. Also, the *Local Government (Financial Management) Regulations 1996* have been amended to 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 (i.e. not included in the statement of financial position) 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.

The Shire has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparative year amounts have been retained as AASB 16 does not require comparatives to be restated in the year of transition.

Therefore the departure from AASB 1051 and AASB 16 in respect of the comparatives for the year ended 30 June 2019

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 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.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

On 1 July 2020 the following new accounting standards are to be adopted:

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

AASB 1059 *Service Concession Arrangements: Grantors* is not expected to impact the financial report.

Specific impacts of AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*, have not been identified.

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 LOCAL GOVERNMENT REPORTING ENTITY

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

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

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

SHIRE OF GNOWANGERUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no 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, 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	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 n payment and issue of the licence, registration or approval
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	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 expense is incurred	Not applicable	When claim is agreed or when expense is incurred

SHIRE OF GNOWANGERUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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:

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	0	0	1,814
General purpose funding	1,531,634	612,542	1,383,864
Law, order, public safety	75,690	65,080	66,651
Recreation and culture	0	1,099	0
Transport	152,701	140,786	140,786
Economic services	23,743	33,160	0
Other property and services	0	0	9,091
	1,783,768	852,667	1,602,206
Non-operating grants, subsidies and contributions			
Law, order, public safety	0	0	124,170
Housing	367,500	367,500	0
Community amenities	276,181	300,000	0
Transport	699,558	699,558	686,682
	1,343,239	1,367,058	810,852
Total grants, subsidies and contributions	3,127,007	2,219,725	2,413,058
Fees and charges			
Governance	27	0	164
General purpose funding	12,720	46,724	15,740
Law, order, public safety	8,434	4,180	6,113
Health	1,300	0	50
Education and welfare	12,226	11,800	11,972
Housing	88,677	86,598	0
Community amenities	127,294	103,252	128,427
Recreation and culture	16,845	16,900	17,474
Transport	109	100	217
Economic services	42,265	19,105	15,183
Other property and services	42,999	48,570	20,224
	352,896	337,229	215,564

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

SHIRE OF GNOWANGERUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

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:

Non-operating grants, subsidies and contributions

	2020 Actual \$	2020 Budget \$	2019 Actual \$
	1,343,239	1,367,058	810,852
	<u>1,343,239</u>	<u>1,367,058</u>	<u>810,852</u>

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

Contracts with customers included as a contract liability at the start of the period

Other revenue from performance obligations satisfied during the year

	(20,614)	0	0
	1,363,853	1,367,058	810,852
	<u>1,343,239</u>	<u>1,367,058</u>	<u>810,852</u>

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

Trade and other receivables from contracts with customers

Contract liabilities from contracts with customers

	153,804		646,020
	(19,423)		0

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

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

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

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

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

SHIRE OF GNOWANGERUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

General rates
 Specified area rates

Other revenue

Reimbursements and recoveries
 Other

Interest earnings

Financial assets at amortised cost - self supporting loans
 Interest on reserve funds
 Rates instalment and penalty interest (refer Note 23(e))
 Other interest earnings

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
	3,888,899	3,885,724	3,806,237
	75,701	75,247	75,142
	3,964,600	3,960,971	3,881,379
	151,534	32,865	2,665,045
	41,186	55,237	175,915
	192,720	88,102	2,840,960
	3,761	0	4,155
	18,505	28,050	39,112
	35,089	25,420	33,630
	9,811	15,000	32,470
	67,166	68,470	109,367

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.

(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	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
	23,000	30,000	30,000
	1,120	18,744	12,400
	24,120	48,744	42,400
16(b)	32,895	48,039	46,526
15(b)	816		
	33,711	48,039	46,526
	55,544		
	244,698	410,178	254,093
	300,242	410,178	254,093

SHIRE OF GNOWANGERUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

3. CASH AND CASH EQUIVALENTS

<u>NOTE</u>	<u>2020</u>	<u>2019</u>
	\$	\$
Cash at bank and on hand	4,531,189	3,401,475
Total cash and cash equivalents	4,531,189	3,401,475

Restrictions

requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	1,999,606	1,756,898
	1,999,606	1,756,898

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

Reserves - cash backed	4	1,980,183	1,726,808
Contract liabilities from contracts with customers	14	19,423	0
Unspent grants, subsidies and contributions		0	20,614
Bonds and deposits held		0	9,476
Total restricted assets		1,999,606	1,756,898

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

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

SHIRE OF GNOWANGERUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

4. RESERVES - CASH BACKED

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reserves cash backed - Leave	115,741	51,241	0	166,982	115,741	51,880	0	167,621	84,089	31,652	0	115,741
(b) Reserves cash backed - Plant & Equipment	851,666	109,127	(219,500)	741,293	851,666	113,834	(300,000)	665,500	884,288	267,378	(300,000)	851,666
(c) Reserves cash backed - Ongerup Effluent	26,774	10,286	0	37,060	26,773	10,435	0	37,208	54,629	11,074	(38,929)	26,774
(d) Reserves cash backed - Area Promotion	30,201	324	0	30,525	30,202	490	0	30,692	29,619	582	0	30,201
(e) Reserves cash backed - Swimming Pool	209,174	58,242	(30,000)	237,416	209,174	59,398	(30,000)	238,572	150,222	58,952	0	209,174
(f) Reserves cash backed - Land Development	190,512	2,042	0	192,554	190,512	3,095	0	193,607	501,969	144,855	(456,312)	190,512
(g) Reserves cash backed - Computer Replacement	7,973	40,085	0	48,058	7,973	40,130	0	48,103	7,819	154	0	7,973
(h) Reserves cash backed - Waste Disposal	247,178	2,649	0	249,827	247,178	4,016	0	251,194	240,319	6,859	0	247,178
(i) Reserves cash backed - Future Funds	16,230	128,543	0	144,773	16,230	113,204	0	129,434	15,917	313	0	16,230
(j) Reserves cash backed - Liquid Waste Facility	31,359	336	0	31,695	31,359	509	0	31,868	21,438	9,921	0	31,359
(k) Reserves cash backed - COVID-19	0	100,000	0	100,000	0	0	0	0	0	0	0	0
	1,726,808	502,875	(249,500)	1,980,183	1,726,808	396,991	(330,000)	1,793,799	1,990,309	531,740	(795,241)	1,726,808

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) Reserves cash backed - Leave	Ongoing	to be used to fund annual and long service leave requirements
(b) Reserves cash backed - Plant & Equipment	Ongoing	to be used for the purchase of major plant
(c) Reserves cash backed - Ongerup Effluent	Ongoing	to be used for the maintenance of the Ongerup Effluent System
(d) Reserves cash backed - Area Promotion	Ongoing	to be used for the promotion of the Gnowangerup Shire
(e) Reserves cash backed - Swimming Pool	Ongoing	To be used to assist with upgrade of the Gnowangerup Swimming Pool
(f) Reserves cash backed - Land Development	Ongoing	to be used to fund the purchase or development of land and buildings and building renewal
(g) Reserves cash backed - Computer Replacement	Ongoing	to be used to fund the maintenance and replacement of the administration computer system
(h) Reserves cash backed - Waste Disposal	Ongoing	to be used to fund waste disposal in the Shire, including rehabilitation, transfer stations and post closure of sites
(i) Reserves cash backed - Future Funds	Ongoing	to be used for contributions towards major externally grant funded projects and programs within the Shire of Gnowangerup
(j) Reserves cash backed - Liquid Waste Facility	Ongoing	to be used to fund the maintenance, renewal and upgrade of the liquid waste facility
(k) Reserves cash backed - COVID-19	30-06-21	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.

SHIRE OF GNOWANGERUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

5. OTHER FINANCIAL ASSETS

	2020	2019
	\$	\$
(a) Current assets		
Financial assets at amortised cost	29,729	28,558
	<u>29,729</u>	<u>28,558</u>
Other financial assets at amortised cost		
Self supporting loans	29,729	28,558
	<u>29,729</u>	<u>28,558</u>
(b) Non-current assets		
Financial assets at amortised cost	30,948	60,677
Financial assets at fair value through profit and loss	71,221	70,068
	<u>102,169</u>	<u>130,745</u>
Financial assets at amortised cost		
Self supporting loans	30,948	60,677
	<u>30,948</u>	<u>60,677</u>
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	71,221	70,068
	<u>71,221</u>	<u>70,068</u>

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 25.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	200,319
Trade and other receivables	153,804
GST receivable	1,662
Allowance for impairment of receivables	(55,544)
Accrued interest on loans	209

Non-current

Pensioner's rates and ESL deferred	118,554
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	2020	2019
	\$	\$
Rates receivable	200,319	178,930
Trade and other receivables	153,804	646,020
GST receivable	1,662	(449)
Allowance for impairment of receivables	(55,544)	(46,622)
Accrued interest on loans	209	(216)
	300,450	777,663
Pensioner's rates and ESL deferred	118,554	120,934
	118,554	120,934

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 25.

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:

Carrying amount at beginning of period

Additions to inventory

Carrying amount at end of period

	2020	2019
	\$	\$
	15,194	20,994
	15,194	20,994
	20,994	29,548
	(5,800)	(8,554)
	15,194	20,994

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	1,283,188	1,283,188	1,551,147	23,910,869	25,462,016	26,745,204	78,601	3,422,722	30,246,527
Additions	456,312	456,312	7,190	123,149	130,339	586,651	0	670,804	1,257,455
(Disposals)	(723,176)	(723,176)	0	(278,745)	(278,745)	(1,001,921)	0	(277,616)	(1,279,537)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	13,037	441,923	454,960
Depreciation (expense)	0	0	(39,773)	(504,434)	(544,207)	(544,207)	(30,078)	(314,133)	(888,418)
Transfers	0	0	0	0	0	0	0	17,500	17,500
Carrying amount at 30 June 2019	1,016,324	1,016,324	1,518,564	23,250,839	24,769,403	25,785,727	61,560	3,961,200	29,808,487
Comprises:									
Gross carrying amount at 30 June 2019	1,016,324	1,016,324	1,598,110	24,248,618	25,846,728	26,863,052	61,560	3,961,200	30,885,812
Accumulated depreciation at 30 June 2019	0	0	(79,546)	(997,779)	(1,077,325)	(1,077,325)	0	0	(1,077,325)
Carrying amount at 30 June 2019	1,016,324	1,016,324	1,518,564	23,250,839	24,769,403	25,785,727	61,560	3,961,200	29,808,487
Additions	15,297	15,297	777,828	0	777,828	793,125	11,594	470,636	1,275,355
(Disposals)	(25,000)	(25,000)	(222,000)	0	(222,000)	(247,000)	0	(90,052)	(337,052)
Depreciation (expense)	0	0	(39,952)	(502,605)	(542,557)	(542,557)	(23,034)	(410,077)	(975,668)
Carrying amount at 30 June 2020	1,006,621	1,006,621	2,034,440	22,748,234	24,782,674	25,789,295	50,120	3,931,707	29,771,122
Comprises:									
Gross carrying amount at 30 June 2020	1,006,621	1,006,621	2,135,938	24,248,618	26,384,556	27,391,177	73,154	4,336,836	31,801,167
Accumulated depreciation at 30 June 2020	0	0	(101,498)	(1,500,384)	(1,601,882)	(1,601,882)	(23,034)	(405,129)	(2,030,045)
Carrying amount at 30 June 2020	1,006,621	1,006,621	2,034,440	22,748,234	24,782,674	25,789,295	50,120	3,931,707	29,771,122

SHIRE OF GNOWANGERUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	Level 2	Income approach using discounted cashflow methodology; Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Price per hectare/market borrowing rate
Land - freehold land	Level 3	Income approach using discounted cashflow methodology; Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Price per hectare/market borrowing rate
Buildings - non-specialised	Level 2	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuer	June 2017	Improvements to land using construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Buildings - specialised	Level 3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuer	June 2017	Improvements to land using construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2019	Current condition, residual values and remaining useful life assessments (Level 3) inputs.
Plant and equipment					
- Independent valuation 2019	Level 2	Cost approach using depreciated replacement cost	Independent registered valuers	June 2019	Current condition, residual values and remaining useful life assessments (Level 3) inputs.
- Independent valuation 2019	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2019	Current condition, residual values and remaining useful life assessments (Level 3) inputs.

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

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

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy.

Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the time of change.

SHIRE OF GNOWANGERUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

9. INFRASTRUCTURE

(a) Movements in Carrying Amounts

Movement in the carrying amounts 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	74,692,757	743,644	3,672,772	6,534,200	541,300	3,282,900	200,600	68,800	89,736,973
Additions	1,251,720	0	45,510	71,949	130,284	0	38,929	0	1,538,392
(Disposals)	0	0	0	(207,404)	0	0	0	0	(207,404)
Depreciation (expense)	(778,550)	(14,873)	(73,455)	(274,994)	(21,374)	(110,331)	(4,196)	(2,052)	(1,279,825)
Transfers	0	0	0	0	(17,500)	0	0	0	(17,500)
Carrying amount at 30 June 2019	75,165,927	728,771	3,644,827	6,123,751	632,710	3,172,569	235,333	66,748	89,770,636
Comprises:									
Gross carrying amount 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)
Carrying amount at 30 June 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	0	0	29,416	63,999	0	0	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)
Carrying amount 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 carrying amount 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)
Carrying amount 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

SHIRE OF GNOWANGERUP
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9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - roads	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - footpaths	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - drainage	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - parks and ovals	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - other	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - airports	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - sewer	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - solid waste	Level 3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs (Level 2); current condition, residual values and remaining useful life assessments (Level 3) inputs

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

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

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

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 control prior to 1 July 2019

In accordance with the then *Local Government (Financial Management) Regulation 16(a)(ii)*, the Shire was previously required to include as an asset (by 30 June 2013), vested Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land.

Land under roads prior to 1 July 2019

In Western Australia, most land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 Land Under Roads* and the then *Local Government (Financial Management) Regulation 16(a)(i)* which arbitrarily prohibited local governments from recognising such land as an asset. This regulation has now been deleted.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then *Local Government (Financial Management) Regulation 16(a)(i)* prohibited local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail. Consequently, any land under roads acquired on or after 1 July 2008 was not included as an asset of the Shire.

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, are 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.

The Shire has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

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 2020

10. FIXED ASSETS

(a) Disposals of Assets

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss	2020 Budget Net Book Value	2020 Budget Sale Proceeds	2020 Budget Profit	2020 Budget Loss	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Land - freehold land	\$ 25,000	\$ 0	\$ 0	\$ (25,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 723,176	\$ 88,636	\$ 0	\$ (634,540)
Buildings - non-specialised	222,000	180,000	0	(42,000)	0	0	0	0	0	0	0	0
Buildings - specialised					0	0	0	0	278,745	46,364	0	(232,381)
Plant and equipment	90,052	85,155	626	(5,523)	364,922	256,500	7,521	(115,943)	277,616	210,591	19,535	(86,560)
Infrastructure - parks and ovals	0	0	0	0	0	0	0	0	207,404	0	0	(207,404)
	337,052	265,155	626	(72,523)	364,922	256,500	7,521	(115,943)	1,486,941	345,591	19,535	(1,160,885)

The following assets were disposed of during the year.

	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
Plant and Equipment				
Transport				
Toyota Prado	44,231	40,000	0	(4,231)
Corolla Hatch	19,983	20,609	626	0
Isuzu D-Max	25,838	24,546	0	(1,292)
	90,052	85,155	626	(5,523)
Land				
Other Property and Services				
Lot 9 Yougenup Rd	25,000	0	0	(25,000)
	25,000	0	0	(25,000)
Buildings				
Program				
Property 9/11 Yougenup	222,000	180,000	0	(42,000)
	222,000	180,000	0	(42,000)
	337,052	265,155	626	(72,523)

SHIRE OF GNOWANGERUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

10. FIXED ASSETS

(b) Depreciation

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - non-specialised	39,952	40,119	39,773
Buildings - specialised	502,605	507,207	504,434
Furniture and equipment	23,034	31,438	30,078
Plant and equipment	410,077	317,436	314,133
Infrastructure - roads	803,584	782,558	778,550
Infrastructure - footpaths	14,873	14,949	14,873
Infrastructure - drainage	74,366	73,833	73,455
Infrastructure - parks and ovals	270,816	276,410	274,994
Infrastructure - other	42,662	21,485	21,374
Infrastructure - airports	110,332	110,899	110,331
Infrastructure - sewer	4,974	4,218	4,196
Infrastructure - solid waste	3,224	2,063	2,052
Right of use assets - plant and equipment	12,517	0	0
	2,313,016	2,182,615	2,168,243

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 pavement seal	not depreciated
- bituminous seals	50 years
- asphalt surfaces	20 years
Gravel roads formation pavement	25 years
Footpaths - slab	not depreciated
Sewerage piping	50 years
Water supply piping and drainage systems	50 years
Right of use (plant and equipment)	Based on the remaining lease
Airport infrastructure	13 to 100 years
Parks & 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, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

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

Amortisation

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

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

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

11. LEASES

(a) Right of Use Assets

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

	Right of use assets - plant and equipment \$	Right of use assets Total
Carrying amount at 30 June 2019	0	0
Recognised on initial application of AASB 16	29,218	29,218
Restated total equity at the beginning of the financial year	29,218	29,218
Depreciation (expense)	(12,517)	(12,517)
Carrying amount at 30 June 2020	16,701	16,701
(b) Cash outflow from leases		
Interest expense on lease liabilities	(816)	(816)
Lease principal expense	(12,234)	(12,234)
Total cash outflow from leases	(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.

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12. REVALUATION SURPLUS

	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	Total Movement on Revaluation	2019 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	814,452	0	0	0	814,452	814,452	0	0	0	814,452
Revaluation surplus - Buildings - non-specialised	9,113	0	0	0	9,113	9,113	0	0	0	9,113
Revaluation surplus - Buildings - specialised	18,463,939	0	0	0	18,463,939	18,463,939	0	0	0	18,463,939
Revaluation surplus - Furniture and equipment	13,037	0	0	0	13,037	0	13,037	0	13,037	13,037
Revaluation surplus - Plant and equipment	945,000	0	0	0	945,000	503,077	441,923	0	441,923	945,000
Revaluation surplus - Infrastructure - roads	48,816,887	0	0	0	48,816,887	48,816,887	0	0	0	48,816,887
Revaluation surplus - Infrastructure - footpaths	417,913	0	0	0	417,913	417,913	0	0	0	417,913
Revaluation surplus - Infrastructure - drainage	3,408,530	0	0	0	3,408,530	3,408,530	0	0	0	3,408,530
Revaluation surplus - Infrastructure - parks and ovals	1,903,113	0	0	0	1,903,113	1,903,113	0	0	0	1,903,113
Revaluation surplus - Infrastructure - other	439,715	0	0	0	439,715	439,715	0	0	0	439,715
Revaluation surplus - Infrastructure - airports	3,317,442	0	0	0	3,317,442	3,317,442	0	0	0	3,317,442
	78,549,141	0	0	0	78,549,141	78,094,181	454,960	0	454,960	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.

13. TRADE AND OTHER PAYABLES

Current

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

2020	2019
\$	\$
215,450	152,813
15,442	12,921
23,293	13,633
0	9,476
5,664	5,348
24,120	31,848
283,969	226,039

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 from contracts with customers

2020	2019
\$	\$
19,423	0
<u>19,423</u>	<u>0</u>

Performance obligations from contracts with customers are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

<u>19,423</u>
19,423

SIGNIFICANT ACCOUNTING POLICIES

Contract Liabilities

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

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

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

SHIRE OF GNOWANGERUP
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15. LEASE LIABILITIES

(a) Lease Liabilities	2020	2019
	\$	\$
Current	12,664	0
Non-current	4,319	0
	<u>16,983</u>	<u>0</u>

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual	30 June 2020	30 June 2020	30 June 2020	Budget	30 June 2020	30 June 2020	30 June 2020	Actual	30 June 2019	30 June 2019	30 June 2019	
					Lease Principal 1 July 2019	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments	Lease Principal 1 July 2019	Budget Lease Principal Repayments	Budget Lease Principal Outstanding	Budget Lease Interest Repayments	Lease Principal 1 July 2018	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments	
					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Other property and services																	
Photocopier Lease	AN000596890	LeaselT	3.50%	4 yrs	29,218	12,235	16,983	816	0	0	0	0	0	0	0	0	0
					<u>29,218</u>	<u>12,235</u>	<u>16,983</u>	<u>816</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

SHIRE OF GNOWANGERUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

16. INFORMATION ON BORROWINGS

	2020	2019
	\$	\$
Current	208,606	163,630
Non-current	781,615	586,221
	990,221	749,851

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020	Budget	30 June 2020	30 June 2020	30 June 2020	30 June 2020	Actual	30 June 2019	30 June 2019	30 June 2019
				Principal	Actual	Actual	Actual	Principal	Budget	Budget	Budget	Budget	Principal	Actual	Actual	Actual	Principal
				1 July 2019	New	Principal	Interest	Principal	Principal	New	Principal	Interest	Principal	1 July 2018	Principal	Interest	Principal
				\$	Loans	repayments	repayments	repayments	repayments	Loans	repayments	repayments	repayments	\$	\$	\$	\$
Housing																	
GROH Housing	277	WATC	4.20%	262,956	0	84,035	9,322	178,921	262,956	0	84,035	10,170	178,921	343,570	80,614	12,778	262,956
Staff Housing	281	WATC	1.52%	0	404,000	0	1,619	404,000	0	404,520	30,553	14,398	373,967	0	0	0	0
Community amenities																	
Yongergnow Centre	270	WATC	6.34%	0	0	0	0	0	0	0	0	0	0	6,865	6,865	182	0
Recreation and culture																	
Gnp Community Centre	273	WATC	6.18%	144,869	0	17,115	8,566	127,754	144,871	0	17,115	8,693	127,756	160,973	16,104	9,584	144,869
Borden Pavilion	278	WATC	4.29%	73,140	0	17,137	2,779	56,003	73,138	0	17,138	3,668	56,000	89,565	16,425	3,499	73,140
Gnp Complex Synthetic Turf	279	WATC	4.23%	179,650	0	16,786	7,371	162,864	179,653	0	16,786	7,425	162,867	195,747	16,097	8,061	179,650
Transport																	
WANDRRA Flood Damage	280	WATC	2.41%	0	0	0	0	0	0	0	0	0	0	1,000,000	1,000,000	8,055	0
				660,615	404,000	135,073	29,657	929,542	660,618	404,520	165,627	44,354	899,511	1,796,720	1,136,105	42,159	660,615
Self Supporting Loans																	
Recreation and culture																	
Gnp Sporting Complex	275	WATC	406.00%	61,779	0	19,770	2,242	42,009	61,778	0	19,770	2,310	42,008	80,770	18,991	3,023	61,779
Borden Pavilion	276	WATC	406.00%	27,457	0	8,787	996	18,670	27,457	0	8,787	1,375	18,670	35,898	8,441	1,344	27,457
				89,236	0	28,557	3,238	60,679	89,235	0	28,557	3,685	60,678	116,668	27,432	4,367	89,236
				749,851	404,000	163,630	32,895	990,221	749,853	404,520	194,184	48,039	960,189	1,913,388	1,163,537	46,526	749,851

* 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
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16. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2019/20

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2020 Actual	2020 Budget	2020 Actual	2020 Budget		
Housing	*WATC	Debenture	10	1.52%	\$ 404,000	\$ 404,520	\$ 404,000	\$ 404,520	\$ 33,012	\$ 0
* WA Treasury Corporation					404,000	404,520	404,000	404,520	33,012	0

(d) Undrawn Borrowing Facilities

	2020	2019
Credit Standby Arrangements	\$	\$
Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	10,000	10,000
Credit card balance at balance date	(1,768)	(87)
Total amount of credit unused	508,232	509,913

Loan facilities

Loan facilities - current	208,606	163,630
Loan facilities - non-current	781,615	586,221
Lease liabilities - current	12,664	0
Lease liabilities - non-current	4,319	0
Total facilities in use at balance date	1,007,204	749,851

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 25.

17. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual & Sick Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2019			
Current provisions	291,588	155,803	447,391
Non-current provisions	0	54,321	54,321
	291,588	210,124	501,712
Additional provision	168,182	64,656	232,838
Amounts used	(207,694)	(82,898)	(290,592)
Balance at 30 June 2020	252,076	191,882	443,958
Comprises			
Current	252,076	128,653	380,729
Non-current	0	63,229	63,229
	252,076	191,882	443,958

	2020	2019
	\$	\$
Less than 12 months after the reporting date	180,701	268,982
More than 12 months from reporting date	255,561	232,730
Expected reimbursements from other WA local governments	7,696	0
	443,958	501,712

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

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

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

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

Other long-term employee benefits (Continued)

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, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Cash and cash equivalents	4,531,189	1,854,212	3,401,475

Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	756,436	(1,184,886)	(589,338)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(1,153)	0	(63,882)
Depreciation on non-current assets	2,313,016	2,182,615	2,168,243
(Profit)/loss on sale of asset	71,897	108,422	1,141,350
Changes in assets and liabilities:			
(Increase)/decrease in receivables	479,593	5,931	1,677,857
(Increase)/decrease in inventories	5,800	0	8,554
Increase/(decrease) in payables	57,930	200,820	(6,962)
Increase/(decrease) in provisions	(57,754)	50,764	72,098
Increase/(decrease) in contract liabilities	(1,191)	0	0
Non-operating grants, subsidies and contributions	(1,343,239)	(1,367,058)	(810,852)
Net cash from operating activities	2,281,335	(3,392)	3,597,068

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
General purpose funding	427,715	253,242
Law, order, public safety	1,774,365	1,943,917
Health	520,289	541,266
Education and welfare	151,300	15,000
Housing	2,245,437	1,739,263
Community amenities	1,748,593	1,479,540
Recreation and culture	25,966,415	26,785,826
Transport	87,365,851	87,054,921
Economic services	358,503	315,830
Other property and services	1,644,497	1,247,988
Unallocated	2,869,301	2,682,699
	125,072,266	124,059,492

20. CONTINGENT LIABILITIES

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. As at the date of this report the value and timing of remediation has not been ascertained.

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

21. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

	2020	2019
	\$	\$
	0	762,000
	0	762,000
Payable:		
- not later than one year	0	762,000

The capital expenditure commitments for 2019 relate to the construction of housing.

(b) Operating Lease Commitments

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

Payable:

- not later than one year

- later than one year but not later than five years

	2020	2019
	\$	\$
	0	13,050
	0	17,400
	0	30,450

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

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

22. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

The following fees, expenses and allowances were paid to council members and/or the President.

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Meeting fees	80,016	80,000	72,000
President's allowance	15,331	15,000	15,000
Deputy President's allowance	3,033	3,000	3,000
Travelling expenses	4,036	6,640	3,037
Telecommunications allowance	6,057	6,060	5,610
	<u>108,473</u>	<u>110,700</u>	<u>98,647</u>

Key Management Personnel (KMP) Compensation Disclosure

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

	2020 Actual	2019 Actual
	\$	\$
Short-term employee benefits	271,936	306,508
Post-employment benefits	36,433	44,512
Other long-term benefits	5,332	6,681
	<u>313,701</u>	<u>357,701</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

22. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

The following transactions occurred with related parties:	2020 Actual	2019 Actual
	\$	\$
Purchase of goods and services	0	780

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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.

iv. Joint venture entities accounted for under the proportionate consolidation method

The Shire has a one-third interest in an environmental health and building service. The interest in the joint venture entity is accounted for in these financial statements using the proportionate consolidation method of accounting.

SHIRE OF GNOWANGERUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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23. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2019/20 Actual Rateable Value \$	2019/20 Actual Rate Revenue \$	2019/20 Actual Interim Rates \$	2019/20 Actual Back Rates \$	2019/20 Actual Total Revenue \$	2019/20 Budget Rate Revenue \$	2019/20 Budget Interim Rate \$	2019/20 Budget Back Rate \$	2019/20 Budget Total Revenue \$	2018/19 Actual Total Revenue \$
Uniform general rate												
Gross rental valuations												
GRV Townsites	0.154804	364	3,340,145	517,068	7,018	0	524,086	517,068	0	0	517,068	505,432
GRV Amelup Tourism	0.154804	4	114,660	17,750	0	0	17,750	17,750	0	0	17,750	17,402
Unimproved valuations												
UV Rural	0.010189	349	317,087,512	3,230,805	(415)	(2,654)	3,227,736	3,230,801	0	0	3,230,801	3,167,153
UV Mining	0.010189	0	0	0	0	0	0	0	0	0	0	0
Sub-Total		717	320,542,317	3,765,623	6,603	(2,654)	3,769,572	3,765,619	0	0	3,765,619	3,689,987
Minimum payment												
			Minimum \$									
Gross rental valuations												
GRV Townsites	765	129	231,101	98,685	0	0	98,685	98,685	0	0	98,685	96,750
GRV Amelup Tourism	765	1	4,160	765	0	0	765	765	0	0	765	750
Unimproved valuations												
UV Rural	765	23	933,088	17,595	0	0	17,595	17,595	0	0	17,595	15,750
UV Mining	765	4	77,046	3,060	(778)	0	2,282	3,060	0	0	3,060	3,000
Sub-Total		157	1,245,395	120,105	(778)	0	119,327	120,105	0	0	120,105	116,250
Total amount raised from general rate		874	321,787,712	3,885,728	5,825	(2,654)	3,888,899	3,885,724	0	0	3,885,724	3,806,237
Concessions (Note 23(d))							(8,875)				(8,875)	(8,701)
Specified Area Rate (Note 23(b))							75,701				75,247	75,142
Ex-gratia rates							35,295				35,295	33,454
Waste Collection Rate							131,499				133,200	133,200
Totals							4,122,519				4,120,591	4,039,332

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 2020

23. RATING INFORMATION (Continued)

(b) Specified Area Rate

Specified Area Rate	Basis of Valuation	Rate in \$	2019/20 Rateable Value	2019/20 Rate Revenue	2019/20 Interim Rate Revenue	2019/20 Back Rate Revenue	2019/20 Total Specified Area Rate Revenue	2019/20 Budget Rate Revenue	2019/20 Budget Back Rate Revenue	2019/20 Budget Interim Rate Revenue	2019/20 Total Budget Revenue	2018/19 Total Actual Revenue
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gnp Sporting Complex	GRV	0.00379	2,769,807	10,503	147	0	10,650	10,503	0	0	10,503	10,551
Gnp Sporting Complex	UV	0.00014	141,861,600	19,435	(6)	0	19,429	19,500	0	0	19,500	19,514
Borden Pavilion	GRV	0.00227	225,694	512	0	0	512	512	0	0	512	506
Borden Pavilion	UV	0.00009	113,165,800	9,732	0	0	9,732	9,732	0	0	9,732	9,571
Ongerup Effluent	GRV	0.07654	457,274	35,378	0	0	35,378	35,000	0	0	35,000	35,000
			258,480,175	75,560	141	0	75,701	75,247	0	0	75,247	75,142

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	2019/20 Actual Rate Applied to Costs	2019/20 Actual Rate Set Aside to Reserve	2019/20 Actual Reserve Applied to Costs	2019/20 Budget Rate Applied to Costs	2019/20 Budget Rate Set Aside to Reserve	2019/20 Budget Reserve Applied to Costs
			\$	\$	\$	\$	\$	\$
Gnp 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.	10,650	0	0	10,503	0	0
Gnp 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.	19,429	0	0	19,500	0	0
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.	512	0	0	512	0	0
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.	9,732	0	0	9,732	0	0
Ongerup Effluent	To contribute towards the maintenance, renewal and replacement of the Ongerup Effluent System.	Applied to all properties in the Ongerup Townsite.	35,378	0	0	35,000	0	0
			75,701	0	0	75,247	0	0

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23. RATING INFORMATION (Continued)

(c) Waste Collection Rate

Waste Collection Rate	Basis of Valuation	Rate In \$	Minimum Rate \$	Rateable Properties \$	Rateable Value \$	2019/20 Rate Revenue \$	2019/20 Budget Revenue \$	2018/19 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	386	288,643,210	75,499	77,200	77,200
				666	292,309,221	131,499	133,200	133,200

(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 \$	2020 Actual \$	2020 Budget \$	2019 Actual \$
Assess A213	Concession 50%		2,415	2,415	2,368
Assess A293	Concession 50%		4,548	4,548	4,459
Assess A314	Concession 50%		825	825	809
Assess A556	Concession 50%		1,087	1,087	1,065
			8,875	8,875	8,701
Total discounts/concessions (Note 23(a))			8,875	8,875	8,701

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.
Assess A293	General rates on Assessment A293	To assist promote the tourist industry in the Amelup Tourism Precinct.
Assess A314	General rates on Assessment A314	To assist promote the tourist industry in the Amelup Tourism Precinct.
Assess A556	General rates on Assessment A556	To assist promote the tourist industry in the Amelup Tourism Precinct.

23. 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	21-10-19	0.00	0.00%	11.00%
Option Two				
First instalment	21-10-19	0.00	0.00%	11.00%
Second instalment	23-12-19	5.00	5.50%	11.00%
Third instalment	24-02-20	5.00	5.50%	11.00%
Fourth instalment	24-04-20	5.00	5.50%	11.00%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Interest on unpaid rates	20,917	13,920	18,680
Interest on instalment plan	12,234	11,500	12,794
Interest on Deferred Pensioner rates	1,938	0	2,156
Charges on instalment plan	5,220	4,500	4,980
	40,309	29,920	38,610

SHIRE OF GNOWANGERUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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24. RATE SETTING STATEMENT INFORMATION

		2019/20 Budget	2019/20	2018/19
	Note	(30 June 2020 Carried Forward)	(30 June 2020 Carried Forward)	(1 July 2019 Brought Forward)
		\$	\$	\$
(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)	(626)	(7,521)	(19,535)
Less: Reversal of prior year loss on revaluation of fixed assets		0	0	0
Less: Non-cash grants and contributions for assets				
Less: Movement in liabilities associated with restricted cash				
Less: Fair value adjustments to financial assets at fair value through profit and loss		(1,153)	0	(63,882)
Less: Share of net profit of associates and joint ventures accounted for using the equity method		0	0	0
Movement in investment property (non-current)	12	0	0	0
Movement in pensioner deferred rates (non-current)		2,380	0	6,627
Movement in employee benefit provisions (non-current)		8,908	50,764	(50,479)
Movement in other provisions (non-current)		0		
Movement of inventory (non-current)		0		
Add: Loss on disposal of assets	10(a)	72,523	115,943	1,160,885
Add: Loss on revaluation of fixed assets	9(a)	0	0	0
Add: Depreciation on non-current assets	10(b)	2,313,016	2,182,615	2,168,243
Non cash amounts excluded from operating activities		2,395,048	2,341,801	3,201,859
(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	(1,980,183)	(1,793,799)	(1,726,808)
Less: Financial assets at amortised cost - self supporting loans	5(a)	(29,729)	(334)	(28,558)
Less: Current assets not expected to be received at end of year				
- Land held for resale	7			
- User defined				
- User defined				
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	16(a)	208,606	0	163,630
- Current portion of contract liability held in reserve				
- Current portion of lease liabilities		12,664	0	0
- Employee benefit provisions				
Total adjustments to net current assets		(1,788,642)	(1,794,133)	(1,591,736)
Net current assets used in the Rate Setting Statement				
Total current assets		4,876,562	2,692,751	4,228,690
Less: Total current liabilities		(905,391)	(898,618)	(837,060)
Less: Total adjustments to net current assets		(1,788,642)	(1,794,133)	(1,591,736)
Net current assets used in the Rate Setting Statement		2,182,529	0	1,799,894
(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards				
Total current assets at 30 June 2019				
- Contract assets	26(a)			4,228,690
Total current assets at 1 July 2019				0
				4,228,690
Total current liabilities at 30 June 2019				
- Contract liabilities from contracts with customers	26(a)			(837,060)
- Contract liabilities from transfers for recognisable non financial assets	26(a)			(20,614)
- Rates paid in advance	26(b)			0
- Lease liabilities	26(c)			0
Total current liabilities at 1 July 2019				(857,674)

25. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2020					
Cash and cash equivalents	0.6249%	4,531,189	4,540,665	(9,476)	0
2019					
Cash and cash equivalents	2.1044%	3,401,475	3,401,475	0	0

Sensitivity

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

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

* Holding all other variables constant

	2020	2019
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	45,312	34,015

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).

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25. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

No expected credit loss was forecast on 1 July 2019 or 30 June 2020 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2020					
Rates receivable					
Gross carrying amount	1,882	100,439	49,230	165,480	317,031
30 June 2019					
Rates receivable					
Gross carrying amount	3,240	89,587	47,145	159,892	299,864

The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 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
30 June 2019					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	604,160	28,524	12,165	1,171	646,020

25. 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
	\$	\$	\$	\$	\$
2020					
Payables	283,969	0	0	283,969	283,969
Borrowings	204,221	661,907	199,670	1,065,798	990,221
Contract liabilities	19,423	0	0	19,423	19,423
Lease liabilities	12,664	4,319	0	16,983	16,983
	520,277	666,226	199,670	1,386,173	1,310,596
2019					
Payables	226,039	0	0	226,039	226,039
Borrowings	211,306	795,628	270,170	1,277,104	749,851
	437,345	795,628	270,170	1,503,143	975,890

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26. INITIAL APPLICATION OF AUSTRALIAN 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.

(a) AASB 15: Revenue from Contracts with Customers

The Shire adopted AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 July 2019):

	Note	AASB 118 carrying amount 30 June 2019 \$	Reclassification \$	AASB 15 carrying amount 01 July 2019 \$
Contract liabilities - current				
Contract liabilities from contracts with customers	14	0	20,614	20,614
Adjustment to retained surplus from adoption of AASB 15	26(d)		(20,614)	

(b) AASB 1058: Income For Not-For-Profit Entities

The Shire adopted AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in no changes in accounting policies as the Shire already recognises prepaid rates as a financial liability.

(c) AASB 16: Leases

The Shire adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

	Note	2020 \$
Operating lease commitments at 30 June 2019 applying AAS 117		30,450
Discount applied using incremental borrowing rate		(1,232)
Lease liability recognised as 1 July 2019 discounted using the Shire's incremental borrowing rate of 3.5%	15(b)	29,218
Lease liability - current		12,234
Lease liability - non-current		16,984
Right-of-use assets recognised at 1 July 2019		29,218

In applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.
- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

(d) Impact of New Accounting Standards on Retained Surplus

The impact on the Shire's retained surplus due to the adoption of AASB 15, AASB 1058 and AASB 16 as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			42,305,941
Adjustment to retained surplus from adoption of AASB 15	26(a)	(20,614)	
Adjustment to retained surplus from adoption of AASB 1058	26(b)	0	(20,614)
Retained surplus - 1 July 2019			42,285,327

27. CHANGE IN ACCOUNTING POLICIES

Effective 6 November 2020, *Local Government (Financial Management) Regulation 16* was deleted and *Local Government (Financial Management) Regulation 17A* was amended with retrospective application. The changes were effective for financial years ending on or after 30 June 2020 so are required to be applied retrospectively with cumulative effect applied initially on 1 July 2019.

In accordance with the changes, the Shire was required to remove the values attributable to certain crown land assets previously required to be recognised, as well as the associated revaluation surplus at 1 July 2019. The shire had no value attributable to crown land assets in its Statement of Financial Position as at 1 July 2019 or 30 June 2020.

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

28. TRUST FUNDS

The Shire held no funds at balance date which are required to be held in trust and which are not included in the financial statements.

SHIRE OF GNOWANGERUP

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2020

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 regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

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30. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources</p>	<p>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.</p>
<p>GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services</p>	<p>To collect revenue in the form of rates, interest and general purpose Government grants to allow for the provision of services.</p>
<p>LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services</p>
<p>HEALTH To provide an operational framework for environmental and community health</p>	<p>Inspection of food outlets and their control, noise control and waste disposal compliance</p>
<p>EDUCATION AND WELFARE To provide services to the elderly, children and youth</p>	<p>The provision of pre-school facilities to relevant community groups and the support of youth in the community.</p>
<p>HOUSING To provide and maintain staff and other housing</p>	<p>Provision and maintenance of staff and other housing</p>
<p>COMMUNITY AMENITIES To provide services required by the community</p>	<p>Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences</p>
<p>RECREATION AND CULTURE To establish and effectively manage infrastructure and resource which will help the social well being of the community</p>	<p>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</p>
<p>TRANSPORT To provide safe, effective and efficient transport services to the community</p>	<p>Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.</p>
<p>ECONOMIC SERVICES To help promote the shire and its economic wellbeing</p>	<p>Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control</p>
<p>OTHER PROPERTY AND SERVICES To monitor and control Shire's overheads operating accounts</p>	<p>Private works operation, plant repair and operation costs and engineering operation costs, administration costs allocated and other unclassified works and services</p>

31. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	4.06	3.43	1.89
Asset consumption ratio	0.70	0.71	0.80
Asset renewal funding ratio	0.80	0.82	0.66
Asset sustainability ratio	0.69	0.63	0.65
Debt service cover ratio	8.96	0.62	6.68
Operating surplus ratio	(0.13)	(0.21)	(0.10)
Own source revenue coverage ratio	0.66	0.69	0.81

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

To the Councillors of the Shire of Gnowangerup

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the Shire of Gnowangerup which comprises the Statement of Financial Position as at 30 June 2020, and 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, as well as notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

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

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2020 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 for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the annual 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.

Emphasis of Matter – Basis of Accounting

I draw attention to Notes 1 and 10 to the annual financial report, which describe the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act, including the Local Government (Financial Management) Regulations 1996 (Regulations). My opinion is not modified in respect of these matters:

- (i) Regulation 17A requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a departure from AASB 16 *Leases* which would have required the entity to measure the vested improvements also at zero cost.
- (ii) In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 did not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report.

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 annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of the annual financial report that is free from material misstatement, whether due to fraud or error

In preparing the annual 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

The objectives of my audit are to obtain reasonable assurance about whether the annual 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 annual financial report.

A further description of my responsibilities for the audit of the annual financial report is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This includes the identification and assessment of the risk of material misstatement due to fraud arising from management override of controls. This description forms part of my auditor's report.

Report on Other Legal and Regulatory Requirements

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

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
 - a. The Asset Sustainability Ratio as reported in Note 31 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries standard for the past three financial years; and
 - b. The Operating Surplus Ratio as reported in Note 31 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries standard for the past three financial years.
- (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 annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The financial ratios for 2018 in Note 31 of the annual financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2018. The auditor expressed an unmodified opinion on the annual financial report for that year.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the Shire of Gnowangerup for the year ended 30 June 2020 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 annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual 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 annual financial report to confirm the information contained in this website version of the annual financial report.



KELLIE TONICH
SENIOR DIRECTOR FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
9 December 2020