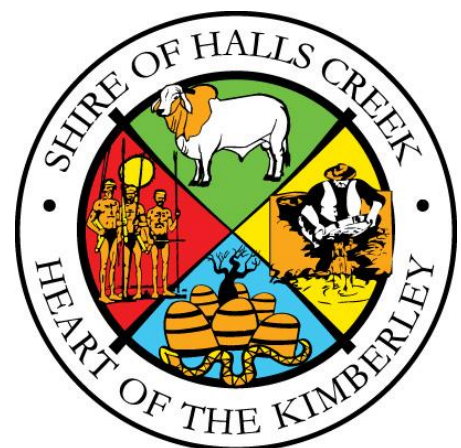




# Shire of Halls Creek **ANNUAL REPORT** 2020

The Shire of Halls Creek  
PO Box 21  
HALLS CREEK WA 6770  
Ph.: 08 9168 6007  
Fax: 08 9168 6235  
Email: [hcshire@hcshire.wa.gov.au](mailto:hcshire@hcshire.wa.gov.au)  
[www.hallscreek.wa.gov.au](http://www.hallscreek.wa.gov.au)





## Contents

1.0 SHIRE PRESIDENT’S MESSAGE.....	5
3. INTRODUCTION .....	9
3.1 WHAT IS THE ANNUAL REPORT? .....	9
3.2 Vision .....	9
3.3 Our Values .....	9
3.4 Community Aspirations and Values .....	10
4.1 Kimberley Aboriginal Language Groups .....	11
4.2 History .....	12
5.0 ABOUT OUR ORGANISATION .....	13
5.1 Role of Local Government .....	13
5.2 Shire Executive .....	13
5.3 Our Elected Members .....	14
5.4 The Role of the President and Councillors .....	14
5.5 Elected Member Conduct .....	15
5.6 Code of Conduct .....	15
5.7 Shire of Halls Creek Elected Members .....	16
5.8 Integrated Planning and Reporting Framework .....	17
5.8.1 Framework Aims .....	17
5.8.2 Key components of the framework .....	17
5.8.3 Framework Timelines .....	18
5.8.6 Corporate Business Plan .....	18
5.8.7 Workforce Plan .....	19
5.8.8 Asset Management Plans .....	19
5.8.9 Long Term Financial Plan .....	19
6.0 YEAR IN REVIEW .....	19
6.1 Health & Regulatory Services .....	19
6.2 Corporate Services .....	21
6.3 Assets and Infrastructure .....	22
6.4 Olabud Doogethu .....	24
6.5 Economic Development .....	25
STATUTORY REPORTS .....	26
7.0 Plan for the Future .....	26
7.1 Planned initiatives and projects .....	26
7.2 Freedom of Information Statement .....	27
7.3 Costs .....	28

7.4 Reviews .....	29
7.5 Summary of FOI Requests received in the Year Ended 30 June 2020.....	30
7.6 Register of Complaints .....	30
7.7 Annual Salaries .....	30
7.8 Staff Summary.....	31
7.10 Review of Local Laws.....	31
7.11 Disability Services Act .....	32
7.12 Council Meetings Held .....	33
7.13 Council Committees .....	34
7.14 Records Management and the State Records Act 2000 .....	34
8. Audited Annual Financial Report.....	35



## 1.0 SHIRE PRESIDENT'S MESSAGE



As President for the Shire of Halls Creek, I am proud to present the Shire of Halls Creek Annual report for 2019/2020, ending 30<sup>th</sup> June 2020. As you would remember - COVID-19 commenced in March, and what an end to the financial year it has been.

I would like to thank my fellow Councillors for their support and dedication to the Shire, during this "unprecedented" year and for their patience during the endless video conferences and Council meetings conducted during this period.

I am pleased to advise that all the additional work required in the Administration from 2018/19 has been completed, excepting for the elements of Integrated Planning (Strategic Community, Corporate Business, Long Term Financial and Workforce Plans) that the Shire has scheduled for 2020 reviews. The difficulties of 2017/18, appear past us and the Shire is working hard to reinstate its reputation in Local Government as an innovative leader that responds to the needs of its community.

Following visits to all Shire communities in 2019, the Strategic plan was completed and adopted.

The Shire has two primary objectives; expand the local economy by attracting more income into the region and expand local employment by increasing the number, quality and variety of employment and training opportunities for our community members. The Shire aim to attract additional grant funding and allocate funds to create and expand the local Shire workforce. This has been the Council's primary focus for the past 12 months and the advantages of this strategy are starting to show.

The public rightly requires the most cost-effective performance by its local government and during 2019/20 the Shire achieved many successes. The reliance on grant funding continues and during this period we attracted an additional \$900k of funding for various projects, which will be delivered in 2020. The savings established in Reserve funds in 2018/19 were used in 2019/20 to purchase the plant for the roads crew (\$6m), new road sweeper, and rubbish truck (\$.8m) and prepare for the more expansive expenditure in 20/21. All activities are aimed at improving the performance, efficiencies and capacity of the Shire to earn additional income and spend more of its funding by staff instead of contracts and to bolster the local economy. Financially, the Shire is well placed to attract works and grants. For example, Horizon Power commitment to investing in LED lights for all Halls Creek streetlights started as a result of the Shire wanting to spend an additional \$150k on lighting. Horizon will now do the major upgrade without the Shire financial contribution. The Shire commitment to footpath expansion \$150k in 2019/20 Budget resulted in an extra \$94k grant for footpaths from WA Government, the Shire commitment to spend \$100k on Youth Engagement Night Officers (YENO) resulted in a 3-year commitment from Lotteries WA for YENO's of \$152k per year.

The shift in thinking away from waiting for financial assistance from others, to just getting on and doing what we can with our financial resources is attracting others to help finance our aims. This approach has seen a greater focus on early results, a lot more business, and more staff.

Then along came COVID-19. March to June 30<sup>th</sup> in a combination of lockdown and restriction saw many things change. The Shire acted quickly to review its strategies and Budget (March 2019) and adjust, thinking that funding restrictions, unemployment and economic downturn were going to be results for the remainder of 2020. Adjustments were made that allowed us to bounce quite quickly back to operations as soon as the restrictive periods were over.

I would like to thank the Shire staff who worked tirelessly over the COVID-19 period, the Shire apart from a short period remained open and operational across the many months - and participated and supported all of the COVID-19 response activities in all Shire communities and across the Kimberley region. Fortunately, local COVID-19 cases did not result in community transmission, so the impact was minimal in terms of the physical health of our community, but the overall COVID impact has been substantive in the region and State in terms of economic activity, tourism, employment, community safety and the mental fabric and fatigue of the communities within the Shire. We look forward to a big bounce back in 2020/21.

Youth and Community Development work by Olabud Doogethu is still bearing fruit, the Youth Engagement Night Officers (YENO) focus has expanded to daytime support for families. The staff involved are training and building capacity. The Shire is seeking greater connection between youth, our programs and the many organisations who work in this space and is positioning to have the work of Olabud transition to the recently created aboriginal corporation of the same name.

In addition to Duncan Gordon Rd and Tanami programs in the past year, the Shire will invest even more in roadworks as a service delivery strategy. Our training crew program focuses on more local long-term jobs and recent graduates have now been accepted as Shire staff. This complements our overall strategic focus, local economic development, local jobs and greater local workforce participation. These targets alone will guide our actions in the years ahead.

I thank Council and staff in advance for what I know will be a very busy period ahead - and will finish by acknowledging the recent departure of Ms Kellie Gill from the Shire Administration. Kellie was an exceptional staff member who oversaw Governance processes and Human Resources in her role as Director of Executive Services. Kellie's dedication to a quality product when producing Council Agendas and Minutes will be missed and her never-ending willingness to assist all Councillors make the most of their roles was outstanding. I thank her for her efforts over the 5 years in Halls Creek.



**Cr Malcolm Edwards**

**Shire President**



## 2.0 MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



The WA State Treasurer announcing funding for the upgrade of the Duncan Gordon Road to Ringer Soak (\$50m over 4 years) and a planned year 4 start of contributions to the seal on the Tanami Rd in 2022 (\$42m) in May 2019 resulted in a 2019/20 year like no other. Add to that the arrival of COVID-19 in March 2020, and by June this Shire was still in restricted lockdown. What a financial year it has been!

These two events caused the staff and Council to seriously consider our strategic direction, and as a confirmation of the strategies adopted earlier in 2019, the Shire still agreed to remain focussed on the expansion of the local economy and developing more local jobs. The return to a Shire based road crew (10+ jobs), the establishment of a training crew for Cert III Civil (10 jobs) and expansion of the YENO and Olabud crew (10+ jobs) has seen a significant expansion of local employment within the community. It is expected the Shire will be directly involved in major roadwork for the next 6+ years, and the focus on civil construction as a pre-requisite to mining operations will complement Shire strategic aims of more local employment and faster economic development.

As a result of these strategic decisions, the early part of 2019/20 evolved around making the changes to make it happen, obtaining the road plant assets and developing staff capacities so the plans could unfold. MRWA has been absolute supporters and competent partners in assisting the Shire in our aims of developing a roads crew with the capacity to work alongside contractors on the Duncan Gordon Downs Roads Upgrade Project (DGDRUP). This and the Tanami Rd will be our major focus for many years to come.

The development of a Halls Creek Townsite Master Plan, which brings together all the development and expansion ideas for the next 10-15 years has been completed as has the Town Planning Scheme. The level of our Community Engagement continues, including an expansion into leadership meetings for Shire community leaders, so that the many ideas, activities, programs demands and requests can be accommodated in Shire based efforts and plans. None of the future ambitions will be possible without the continued connection to our community. The Shire aims to put the community, as our partner and contributor to future objectives.

We have shifted plans to include community-driven contributions, where the Shire facilitates the community as the partner of our joint aims. Without this approach, achievements will be hollow and short-lived. Shire employment and economic development strategies will be meaningless without high levels of community involvement and appropriate reward for our combined efforts.

This is the future the Shire seeks to unfold, and we thank you for your patience, as we too discover the difficulties of forging this direction.

And then there was COVID. It seems a bit like a dream, but at the time resulted in our year being turned on its head - even when the reality was that both the COVID response and the operations of the Shire HAD to continue. I acknowledge the many Shire staff who worked throughout this period, either locked away at home or still fronting to a changing world at the Office. It has been a prolonged and impactful series of events that have seen challenges in many areas of the Shire's operations. Without a doubt, staff have been affected by the

continuous stresses placed by uncertainty, it was a very torrid experience. The Shire was ably assisted by local Police and Mr. Dean Baily as OIC and Chairperson of the local emergency response team. The group had a major role to play and did so on your behalf very competently.

The WA Country Health Service at the Halls Creek Hospital and Yura Yungi (YY) aboriginal medical service both were exceptional contributors to efforts to keep the community healthy, informed and responding to the needs to address this pandemic. Vigilance is still required and I am sure that if the team is required again, they will respond with even more skill and capability than in March 2020.

A year goes by in a flash and this year more than most. I could not have assisted the Council to complete its strategic work this financial year without the competent and skilful staff assembled as your community Shire employees. Without them - little gets done. If any indicator of commitment to the cause is necessary, I recall Dean Graham as our EHO walking door to door handing out soap as COVID arrived making sure everyone understood how handwashing held a key to keeping transmission down; or the YENO's who worked unrested throughout the COVID onset, making sure the community was aware of the developing situation. I recall the staff who spent 28 days locked up doing Zoom meetings because contact tracing identified them as possible close contacts; it has been an absolute mixed up end to our not so normal year.

It is acknowledged that as CEO I operate reliant on the willingness, dedication, skill and competence of the staff. I thank them for their continued dedication to the cause in a most "unprecedented year".



**Noel Mason**

**Chief Executive Officer**





### 3. INTRODUCTION

#### 3.1 WHAT IS THE ANNUAL REPORT?

As required by the Local Government Act 1995 and associated regulations the Annual Report for 2019/20 provides an overview of the operations, activities and major projects undertaken by the Shire for that period, and includes major initiatives proposed to commence or continue in the next financial year. The performance of the Council is assessed against the vision, Mission, Strategic Goals, Outcomes and Strategies as set out in the Shire of Halls Creek Strategic Community Plan, and Corporate Business Plan. These plans provide strategic focus for elected members and the organisation and they affirm our commitments to the community.

#### 3.2 Vision

##### Our Vision

***The Shire of Halls Creek town and remote communities are economically diverse, caring, and proactive with a strong sense of responsibility and pride.***

#### 3.3 Our Values

Values of the organisation and the community are demonstrated through the way employees behave, interact and think. Defining values and clearly articulating what these values look and feel like is very important and are the building blocks to ensuring a consistent customer and staff experience is delivered at all times. Values and the behaviour they influence are also essential when creating a strong and well respected Corporate Brand both internally and externally.



Halls Creek

### 3.4 Community Aspirations and Values

Aspiration or Value	Benefits
<b>Respect for, and engagement with the traditional owners of the land.</b>	Ensuring pace and level of development impacting Indigenous communities is guided by the Traditional Owners.
<b>Social inclusiveness</b>	Promotes a future for all residents, actively strengthens the social fabric of the community, values diversity and responds to special needs and disadvantage.
<b>Community involvement</b>	Values the contributions of all groups and ages and generates opportunities for active participation by residents in planning and action.
<b>Positive Mindset</b>	Fosters community attitudes that embrace change, proactive 'can do' behaviours, optimism, hopefulness and the belief in the community being architects and builders of their social and economic future.
<b>Respect for the Environment, Cultures and Sustainable Practices</b>	Respects the natural environment, cultures, heritage and town character and commits to ensuring that the needs of the present are met without compromising the ability of future generations to meet their needs.
<b>Access and Equity</b>	Provides all residents with adequate health, educational, learning, housing and recreational opportunities, facilities and programs.
<b>Mutual Responsibility and Respect</b>	Encourages attitudes and behaviours that foster harmony, equity before the law, personal accountability and respect for the ideas, potential and contributions of all residents.
<b>Celebration</b>	Encourages pride and times of celebration relating to the town's heritage, uniqueness, cultures and achievements.
<b>Collaboration, Partnership and Networking</b>	Creating and strengthening stakeholder collaboration, coordination, networking and cross-promotion to ensure maximum positive outcomes for the residents of the town.
<b>Asset and Opportunity Focus</b>	Focussing upon local assets, opportunities and creativity, and building upon and strengthening existing initiatives and groups.
<b>Commitment to Excellence in Performance and Customer Service</b>	Ensuring strong dedication to quality experiences and outstanding customer service where everyone experiences respect, hospitality and friendliness.

## 4. About our Shire

Located in the Kimberley region, the Shire of Halls Creek is one of Australia's iconic outback regions with a unique cultural and heritage environment. Predominantly Aboriginal populations live in a number of remote communities around the district and the town site of Halls Creek.

The Shire of Halls Creek covers 142,908 square kilometres of the Kimberley is located approximately 2,850 kilometres to the North East of Perth and 362 kilometres south of Kununurra. The Northern Territory forms the Eastern boundary of the Shire with the Shire of Wyndham-East Kimberley to the North, the Shire of Derby West Kimberley to the West and the Shire East Pilbara to the South and West.

The remote communities of Balgo (Wirrimanu), Billiluna (Mindibungu), Mulan, Kundat Djaru (Ringer Soak), Warmun (Turkey Creek) and Yiyili are an integral part of the district with around 3,000 people residing outside of the Halls Creek town site. Throughout the Shire there are a number of smaller communities. The Region is connected by 391km of sealed roads and 1,449km of unsealed roads, which require extensive maintenance work due to seasonal flooding.

### 4.1 Kimberley Aboriginal Language Groups

The following map illustrates the distribution of Aboriginal Language Groups in the Kimberley. Languages play an important role in supporting Aboriginals in connecting with their culture and country. They are also an important consideration for non-Indigenous people and organisations that engage or work with Aboriginal people in the Kimberley region.



## 4.2 History

The land now known as Halls Creek has been occupied for thousands of years. The land is crossed by songlines and trading paths stretching from the coasts to the deserts, some passing near the modern town.

The story of that long occupation remains alive today and it is revealed in the culture of the Jaru, Kija, Kukatja, Walmajarri, Gooniyandi and other indigenous people who live in the Shire of Halls Creek.

That ancient world changed late in the 1800's with the arrival of Europeans, searching for minerals for wealth and land for cattle. On Christmas Day 1885 prospector Charlie Hall found a huge 28-ounce (nearly 1 kilogram) gold nugget at a site that would eventually be named after him.

News of the discovery drew more than 15,000 people to what is now Old Halls Creek to try their luck. It proved an inhospitable land for these people and the graves of some can be found in Old Town's small cemetery.

The gold rush lasted less than three months and Halls Creek became a trading centre for cattle stations, aboriginal communities and miners who stayed in the area. The post office with its telegraph line that terminated here, the police station, government office, racecourse and stores gave the town a purpose.

In 1918 the Australian Inland Mission built a hospital and the old town struggled on, short of inhabitants and water. In 1948 an airfield was built near the site of the present town and over the next decade the old town moved nearer to this new site. Except for the police station, which finally relocated in 1961, the old town was abandoned by 1954.

The new town of Halls Creek is one of the largest predominantly indigenous communities in Australia. It is a friendly, welcoming place and offers travelers an ideal stop on their journeys. The old town is worth a visit, nestled in spectacular country.

### Remote Aboriginal Communities

Community	Population	Languages Spoken
Balgo Hills	460	Kukatja, Ngardi, Northern Territory languages
Billiluna	144	Kukatja, Eastern Walmajarri, Jaru, Ngardi
Mulan	194	Kukatja, Eastern Walmajarri, Jaru, Ngardi
Ringer Soak	160	Jaru, Kukatja, Ngardi, Northern Territory languages
Warmun	196	Gija
Yiyili		Gooniyandi





Mulan community

## 5.0 ABOUT OUR ORGANISATION

### 5.1 Role of Local Government

The function of a local government organisation is to provide good governance for its community members, involving efficient and effective decision making, community participation, operational transparency and accountability.

All local governments in Western Australia are independent corporate bodies constituted under the Local Government Act 1995 (the Act). The Act requires each local government to meet the needs of current and future generations by integrating environmental protection, social advancement and economic prosperity.

### 5.2 Shire Executive

The role of the Chief Executive Officer is to advise the Council in relation to the functions of the local government; ensure advice and information is available for Council to make informed decisions; implement Council decisions; manage daily operations; liaise with the Shire President regarding performance and management of staff.

Mr Noel Mason joined the Shire in December 2018 as Chief Executive Officer.

The Shire' Executive consisted of Directors Mr Lloyd Barton (Corporate Services), Mr Musa Mono (Health & Regulatory Services), Mr Phil Burgess (Infrastructure Assets), and Ms Margaret Glass (Youth & Community Development).



### 5.3 Our Elected Members

The Council of the Shire of Halls Creek consists of seven (7) elected members. Council Ordinary Elections are held in October every second year, and Councillors are appointed for a four year term.

Following the Council Ordinary elections on the 19 October 2019, Cr Malcolm Edwards was returned to Council and Cr Trish McKay and Cr Darrylin Gordon were welcomed as our newest councillors. The election of the Shire President and Deputy Shire President was held on 24 October where Cr Malcolm Edwards was returned unopposed as Shire President and Cr Chris Loessl returned unopposed as Deputy Shire President.

The role of a Councillor is to represent the community, provide leadership and guidance, facilitate communication between community and Council, make decisions on matters before Council, determine Council policy, govern finances and provide forward planning and evaluation of progress.

The current Councillors are:

1. Cr Malcolm Edwards (President) - Term 2023
2. Cr Chris Loessl (Deputy President) - Term 2021
3. Cr Virginia O'Neil - Term 2021
4. Cr Bonnie Edwards - Term 2021
5. Cr Rosemary Stretch - Term 2021
6. Cr Trish McKay - Term 2023
7. Cr Darrilyn Gordon - Term 2023

For our retiring member Mr Brett Perkins and the sitting member Mr Trevor Bedford who contested the election, the Shire and community thanks you for your service over the past 4 years.

### 5.4 The Role of the President and Councillors

Council is the governing body of the Local Government and is made up of seven Elected Members (also called Councillors). The role of Council is defined in the *Local Government Act 1995* (the Act):

- To direct and control the local government's affairs; and
- To be responsible for the performance of the local government's functions

Each Elected Member is elected for a four year term, Local government elections take place every second year on the third Saturday in October, with half the Council retiring at each election. Retiring Council members are eligible for re-election. After each election Elected Members select a President and Deputy President from amongst themselves.

Councillors play a very important policy-making role, requiring the identification of community needs, setting objectives to meet those needs, establishing priorities between competing demands and allocating resources. Elected Members do not have authority to act or make decisions as individuals; they are members of an elected body (Council) that makes decisions on behalf of the local government through a formal meeting process.

### 5.5 Elected Member Conduct

Section 5.121 of the Local Government Act 1995 requires a local government to maintain a register of complaints that result in an action under section 5.110(6) (b) or (c) of the Local Government Act 1995. In the 2019/20 year there were no complaints lodged regarding elected members.

### 5.6 Code of Conduct

Section 5.103 of the *Local Government Act 1995* provides that every local government is to prepare a code of conduct which is to be observed by members of the Council and Shire employees, and provides consistent guidelines for an acceptable standard of professional conduct. The code of conduct was revised and updated in October 2019 and can be found on the Shire of Halls Creek website <https://www.hallscreek.wa.gov.au/documents/freedom-of-information>

Shire of Halls Creek Main Office



## 5.7 Shire of Halls Creek Elected Members

Shire of Halls Creek Elected Members current as at 19 October 2019, (7) elected members.



**Shire President**  
**Cr Malcolm Edwards**  
Phone: 0488 306 911



**Deputy Shire President**  
**Cr Chris Loessl**  
Phone: 0417 187 636



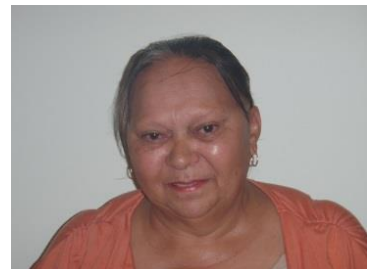
**Cr Virginia O'Neil**  
Phone: 0467 766 146



**Cr Bonnie Edwards**  
Phone: 0488 225 636



**Cr Rosemary Stretch**



**Cr Trish McKay**  
Phone: 0418 877 831



**Cr Darrylin Gordon**  
Phone: 0472 662 512





## 5.8 Integrated Planning and Reporting Framework

Local Government in WA is continuously improving the way it undertakes strategic planning processes. In 2011 the Integrated Planning and Reporting Requirement was legislated. The Shire of Halls Creek is continuing to develop an Integrated Planning and Reporting Framework that will allow us to sustainably and strategically meet the needs of our community.

### 5.8.1 Framework Aims

Integrated planning and reporting gives local governments a framework for establishing local priorities and to link this information to operational functions. Three major parties are involved in the development of an integrated plan: the local government administration, the Council and the community. Each party has a unique role and responsibilities for effective and sustainable integrated planning and reporting, with the Local Government (Administration) Regulations 1996 requiring each local government to adopt a Strategic Community Plan and a Corporate Business Plan.

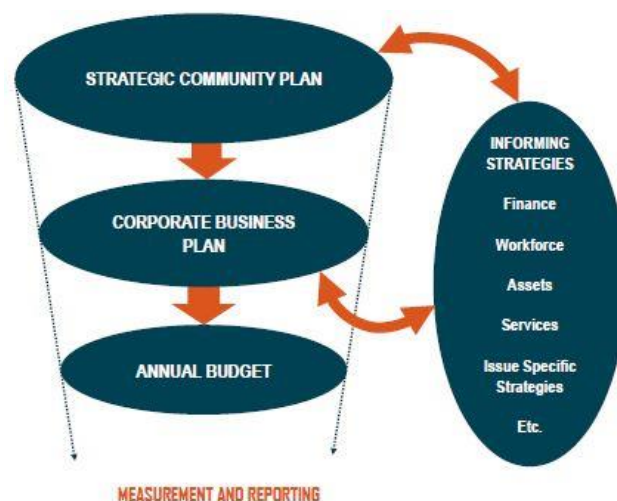
A successful integrated planning and reporting process will deliver the following outcomes:

- a Strategic Community Plan that clearly links the community's aspirations with the Council's vision and long term strategy
- a Corporate Business Plan that integrates resourcing plans and specific council plans with the Strategic Community Plan, and
- a clearly stated vision for the future viability of the local government area.

The Framework:

- recognises that planning for a local government is holistic in nature and driven by the community
- builds organisational and resource capability to meet community need
- optimises success by understanding the integration and interdependencies between the components, and
- emphasises performance monitoring so that local governments can adapt and respond to changes in community needs and the business environment.

### 5.8.2 Key components of the framework





### 5.8.3 Framework Timelines

<b>Strategic Community Plan</b>	<b>10 year horizon and informed by community consultation; (Level 1)</b>
<b>Corporate Business Plan</b>	4 year horizon; (Level 2)
<b>Annual Budget</b>	1 year horizon; (Level3)
<b>Supporting strategies</b>	Long Term Financial Plan, Asset Management Plan and Workforce Plan

### 5.8.4 Framework Roles and responsibilities

The Integrated Planning and Reporting Framework helps ensure Council's decisions look to the long- term future and consider the community's aspirations to deliver the best results possible with the resources available.

Before the legislative requirements to have an Integrated Planning and Reporting Framework the community had limited voice once Councillors were elected. The Framework is designed to put the community at the table through the Strategic Community Plan with the Council and CEO and ensure that the needs and aspirations of the community identified through the Strategic Community Plan are always considered. The framework helps to hold both Council and the CEO to account for delivering on the goals of the Strategic Community Plan.

### 5.8.5 Strategic Community Plan

The Strategic Community Plan is the long-term overarching document that sets out our community's vision and aspirations for the future. It also sets out the key strategies and actions required to achieve these aspirations. The Strategic Community Plan identifies how we will get from where we are now, to where we want to be.

Achieving the identified aspirations will rely on the collective commitment and combined actions of the Shire of Halls Creek, government agencies, Aboriginal Corporations, non-government agencies, residents, the business community and community groups.

The 'Halls Creek Community Strategy 2008-2018' was adopted by Council on 17 December 2008. The pathway taken in the development of this Plan for the Future was documented in the Shire's 2008-2009 Annual Report. The Shire of Halls Creek Strategic Community Plan (SCP) was revised and adopted on 24 April 2015 and again reviewed in September 2019 with facilitation by Mr Peter Kenyon. The revised/new Strategic Community Plan was adopted by Council in February 2020.

### 5.8.6 Corporate Business Plan

As part of this review the Shire will update the Corporate Business Plan and this work currently sits with Moore Australia. The plan outlines how new projects and operational services outlined in the Strategic Community Plan will be delivered and their associated budget allocation.



### 5.8.7 Workforce Plan

Workforce Planning is one of the four key components of the Integrated Planning and Reporting Framework and with the adopted strategy of more local jobs is critical to future plans. At the strategic level, the workforce plan takes into account the community aspirations, priorities and objectives identified in the Strategic Community Plan. The Strategic Community Plan sets out the longer term vision for the Shire and highlights workforce needs.

The Workforce Plan establishes the existing workforce resources and addresses the workforce strategies necessary to meet the future service needs of the local government outlined in the Strategic Community plan and to bridge any gaps in labour availability, human resource management, capacity and capability. The Shire of Halls Creek Workforce Plan was revised and adopted in August 2017, with a revised plan part of the work planned by Moore Australia.

### 5.8.8 Asset Management Plans

In early 2017 Assetivity consultants were engaged to undertake a review of the Asset Management Plans (AMP). The review was intended to ensure compliance and to make the plans more relevant to the Shire and useful to those managers with responsibility for asset management planning. Following this review, a full suite of Asset Management plans were produced and adopted by Council at the August 2017 Ordinary Council meeting. This plan is part of the review being undertaken by Moore Australia.

### 5.8.9 Long Term Financial Plan

The Long-Term Financial Plan will be updated and implemented in conjunction with the review of the Strategic Community Plan, Corporate Business Plan by Moore Australia.

#### Regular Review

The Integrated Planning and Reporting Framework require a part review of the Strategic Community Plan every two years and a full review of the Strategic Community Plan every four years.


## 6.0 YEAR IN REVIEW

This report summarises the Shire of Halls Creek progress during the 2019/20 financial year towards attaining the goals, strategies and outcomes from the Strategic Community Plan.

### 6.1 Health & Regulatory Services

#### Development Planning

The Shire of Halls Creek Local Planning Scheme No. 2 (LPS2) was gazetted and came into effect on 17 September 2019, after 2-3 years of work to review the Town Planning Scheme No.1. Town Planning Scheme No. 1 only covered areas within the boundaries of the Halls Creek Town site, whereas the Local Planning Scheme No.2 covers the whole Shire district. LPS2 is available on the Shire Website, Shire Library and the Department of Planning, Lands and Heritage website.



Following the gazettal of the Local Planning Scheme No.2, the Shire embarked on an exercise to establish a masterplan for Halls Creek Town. The Halls Creek Master Plan, which started with community consultations in October and November 2019 was finally completed and adopted by Council in July 2020. The master plan covers 4 major themes for Halls Creek town, these being, Enjoyable, safe access, Improve Livability, Celebrating Cultural Identity and Financial stability. The masterplan is available on the Shire of Halls Creek website and a copy is also available at the Shire Library. This is a live document and will be amended from time to time as necessary.

## **Environmental Health**

The Halls Creek waste management site has been operating under a management plan approved by Council in 2009. Following the establishment of the Kimberley Regional Waste Management Plan 2018-2023 and the Waste Avoidance and Resource Recovery Strategy 2030 by the WA Waste Authority, the Shire initiated a review of its waste management plan in November 2011. The Shire of Halls Creek Waste Management Plan 2020-2030 was adopted by Council July 2020. This plan includes an action plan to introduce resource recovery and includes waste management in rural communities. The Shire also introduced Cooee, new computer program for use at waste management sites to gather and collate information on the operation of the site.

The Shire also adopted a Waste Local Law 2019 as part of this process and this was operational on the 28<sup>th</sup> February 2020.

Halls Creek had 5 cases of COVID-19 early in the epidemic. Health services had prepared for this before the outbreak spread to the Southern Hemisphere. The Health team, working with the Youth Engagement Night Officers (YENOs) and Olabud Doogethu established regular disinfection of public places until the threat of the epidemic was reduced. The team carried out door to door visits to the community advising on how to keep safe from COVID-19 and ensuring that the community was well informed.

## **Ranger Services**

According to the Dogs Act 1976, households can have a maximum of 2 dogs only, unless if exemption is granted by Council. The uncontrolled breeding of dogs results in too many dogs being homeless. Ranger services successfully rehomed over 80 dogs in Halls Creek, Broome and Perth. The Shire is grateful to partners who have facilitated this by flying homeless dogs to Broome and Perth, where they got new homes and families.

## **Building Control**

### **Application for building permits for the 2019/20 financial year**

#### **Halls Creek**

Building permits by the Dept of Finance – BMW

- Single residential dwelling – Minyjaarra Way
- 1 Modular toilet at the Halls Creek High School Horse Paddock
- Telstra satellite small cell installation in Catholic Schools in 3 Communities



- 5 Bed Workers accommodation
- YY Clinic Expansion
- New prefabricated office complex

Total value – building development in Halls Creek Town \$3,939,000

### **Communities**

- Purnululu School – Frog Hollow Community
  - New School Kitchen
  - Early Learning Centre
  - Double Carport and Shade Sail
- Balgo Community – Boundary fence for the School and staff accommodation
- Warmun Community – 4 x Solar incentive scheme - Warmun Installation of a solar PV System at the Community Hall, Early Learning Centre, Overflow Shed, Wungkul Store and Yellow House
- Billiluna Community – School House extension
- Mimbi Community – Installation of a storage sea container

Total value – building development in rural communities \$1,991,000

**Total value of building development – Shire District \$5,930,000**

There was a significant reduction in applications during the first half of 2020 during COVID-19, with only 2 building permits issued.

## **6.2 Corporate Services**


### **Meetings/Policy/Procedures/Delegations**

Council adopted a new suite of policy, procedures and delegations as part of the required upgrade of practice in July 2019. This included a review of the Code of Conduct - and a lot of new Policy relating to staff practices. Council also adopted new policy during the year relating to Regional Price Preference and Indigenous Business Agenda that sets out how the Shire will engage with suppliers in terms of local price and indigenous content and ownership advantages now and into the future. The policy manual is available on the Shire website for viewing.

COVID-19 in March 2020 saw the Shire quickly shift to electronic Council meetings. With restrictions on attendance, the IT platforms used by the Shire accommodated non-attendance meetings and this occurred throughout the period of restriction. During COVID, planned community based meetings were also put on hold. Thankfully, things have now returned to normal and planned community based Council meetings will again happen next year.

### **Shire Face Book Page**

The Shire Face Book page, launched in December 2018 was reviewed in August 2019 as part of a commitment to Council that this form of communication can be managed successfully with



the community. The Shire will continue to use social media, its website and more traditional forms of media such as notice boards and print media to keep in touch with the community.

### **Water Attraction – Halls Creek Aquatic and Recreation Centre**

Procurement of a suitable water attraction to compliment the pools at the Aquatic and Recreation Centre has been delayed due to COVID-19. Originally planned to commence early in 2020, the planning, tenders and builders have all been delayed. The Shire received \$505k from Lotteries WA and has an overall Budget of approx. \$800k to install the feature. The project is still happening - just delayed.

### **Emergency Management**

The Shire continues to oversee the planning of Emergency Management through the Local Emergency Management Committee (LEMC), and in this year 2020, the process has worked well. Daily and weekly meeting occurred as COVID unfolded and thankfully the effort and commitment of participants stood the test. Emergency management arrangements have been refined at local, regional and State levels, and we remain confident that if needed, the LEMC will again spring into action.

### **Records Management and the State Records Act 2000**

The Shire of Halls Creek maintains a Recordkeeping Plan approved by the State Records Commission in 2014, as required under the State Records Act 2000. It is also a requirement of the Commission that the Shire includes information about the Shire's records management in its Annual Report.

A review of the Recordkeeping Plan was completed and submitted to the State Records Office in March 2019 along with a risk management plan. The review was approved by State Records in August 2019. The review sets out various improvements to be made to the management of the Shire's record, with the actions and to be implemented and reported back to State Records by April 2020, which resulted in an extension being approved (due to COVID). This allowed more time to undertake the work needed to achieve best practice in managing the Shire's records. It is anticipated that the new Recordkeeping Plan 2020 and Procedures will be approved by the State Records Commission in December 2020. Training of staff and monitoring of performance will follow.


### **Procurement training**

The need to ensure all relevant staff are knowledgeable about procurement policies and practice is ongoing. The multiple tender calls and major procurements undertaken by staff in 2019/20 has allowed personnel much practice in getting things accurate and correct. It is pleasing that recent audits have confirmed significant improvement in procurement practice.

## **6.3 Assets and Infrastructure**

### **The 2019 / 2020 Shire Road Works Programme**

The Shire of Halls Creek continues to implement the Shire of Halls Creek Strategic Road Plan which provides the proposed funding sources and road works planned over the next 5 years for the road network. Road Works Programme for the 2019/2020 period saw work completed on various roads.



The Tanami Road which is one the most important roads in the network has a continual programme of improvements, maintenance and upgrades/capital work. The Tanami Road not only provides a direct link with the Northern Territory but also services the three Remote Communities of Balgo, Mulan and Bililluna. The 2019/2020 programme was funded by the Shire and the Remote Access Roads and Road Project Grant funding. The main works the Tanami Road for 2019/2020 were to improve formation, gravel, reform, shape & sheet, improve off road drainage and repair damaged floodway.

The Duncan Road and the Gordon Downs Road through to Ringer Soak has been a major project this year. These roads are being upgraded as part of the funding from both Federal and State Governments under the management of Main Roads WA. This project is known as the Duncan Gordon Downs Roads Upgrade Project (DGDRUP). It is anticipated that \$20m will be spent on this job in 2020.

As a result, the Shire successfully lobbied for the road funding from these two roads to being transferred to the Tanami Road for 2019/20, therefore increasing the capacity of the Shire to further improve the Tanami Road.

The Duncan Gordon Downs Rd Upgrade Project totals \$51m over 3 years and is 100% funded by the State and Federal Governments and is being managed in a partnership arrangement between the Shire of Halls Creek and Main Roads WA. The Project comprises various upgrades to the route between the Halls Creek townsite and Ringer Soak with the aim of improving the serviceability and safety of key sections of the route.

The Shire road crew are working on the DGDR upgrade project under the supervision of Clive Lovell and the management of MRWA. Reports from Mr Kym Curtis Project Supervisor and Mr Silvano Todesco, Project Engineer for MRWA are very pleasing, with significant praise being directed towards Mr Clive Lovell Shire supervisor and the Shire road crew and the way things are coming together and improving with each work swing.


## **Civic Hall**

The Shire Civic Hall has had a lot of work over the past few years and remains an integral part of the fabric of the community. During 2019/20 the mains power board was completely renewed, with wiring and RCDs installed to ensure good power sources, lighting and most importantly the safety for our community members who regularly utilise this grand old building.

## **Shire Facilities – Safety and Security**

2019/20 saw a focus on security of Staff Housing and Shire carried out several practical upgrades to doors, screens and security lighting. This was further improved with the installation of sophisticated and reliable security camera systems at each residence.

The Shire Administration Office was also enhanced with new safety and security features with new doors and locking systems, screens and protection for all windows & glass. The entrance door was replaced with an automatic door for security and disabled access requirements. To complement this work, a very solid roller security door that covers the front of the automatic doors and office frontage was installed. Overall a successful project to enhance the security of the building assets costing approximately \$200k.



Aquatic Centre changeroom/toilet refurbishment - Shire undertook a substantial refurbishment \$100k of the male, female and disabled toilets and changerooms at the Aquatic centre during the 2019/20 year. It has been 15 years since any major work was done and was work was long overdue due as the corrosive aspect of the local water. It had seriously affected most fixtures and tiling. The end result has been worth the effort.

### **Shire Vehicles / Plant**

During 2019/20 the Shire procured roadworks plant, possibly leading to the largest purchases in Shire history. Approx. \$5.8m of roadworks plant including new and second hand items were procured, primarily by Requests for Tender. These items included a D7 Bulldozer, Graders (2), Loaders (2), vibrating rollers (4), trucks and 3 trailer roadtrains (3), a prime mover and water cart and quad float and a (5) caravans/trailers for a road crew Camp. The bulk of this equipment went straight to work for the DGDRUP, with some equipment held back for the training of new staff.

In addition to the road crew plant, a new road Sweeper and Rubbish Compactor unit were ordered in December 2019. The delivery of these items has been delayed by COVID-19 for many months as the NSW supplier closed for an extended period. The sweeper arrived in Halls Creek in March 2020, and that has transformed the appearance of the town streets. This is a very robust machine that is suited to harsh Kimberley conditions.

Several other light vehicles (LV's) were procured for the growing Shire staff numbers (2 Olabud, 2 Supervisor) and because of a need to upgrade due to OSH requirements; most notably the two (2) extremely good, fit for purpose Shire Ranger 4x4 vehicles. While they at first glance look like any other contractor LV, they are in fact purpose built to assist the Ranger to operate with great safety for their person and of course the animals they are likely to have to deal with on a day to day basis.

The expanding numbers of staff have been accommodated for fleet vehicles by upgrading all existing fleet vehicles. None were used for trade-in purposes in 2019/20, all were refitted with new undercarriages (springs shock absorbers) and converted suitable for need. In this way, cost has been kept to a minimum.


## **6.4 Olabud Doogethu**

### **Olabud Doogethu Project**

The Shire is extremely pleased to see the further development of the Halls Creek Olabud Doogethu (which translates to "Everyone Together" in Kriol) program and its adoption as the home of the first justice reinvestment site in WA. Strategically, Halls Creek Shire needs partners to progress our aims. As a local government we are way too small to expect that residents and ratepayers with support of government can successfully carry the cost, burden and effort to turn around the impacts of remoteness and disadvantage. We need more helpers and the move towards justice reinvestment supports and compliments our strategic aims, more partners sharing the load of program support and operations.

Olabud Doogethu is an Aboriginal designed and led project that works with 11 Aboriginal communities to create safer communities and healthier families and is sponsored by the Shire of Halls Creek. The justice reinvestment aspect, sits within Olabud for the time being.





This project is the result of 18 months of community co-design and it uses the models of Justice Reinvestment, Collective Impact, and Asset Based Community Development to deliver a comprehensive plan for change in each community. Olabud Doogethu's place-based community driven and culturally secure solution to reduce Aboriginal incarceration and promote better social and economic outcomes for the people of Halls Creek is receiving national interest and recognition and is something collectively all Shire residents should feel proud about.

Olabud Doogethu has successfully contributed to cutting juvenile crime, achieving a 58% reduction in burglaries; 35% reduction in stolen motor vehicles; 28% reduction in stealing offences while also fighting COVID-19 this year.

The Olabud Doogethu project now employs over 28 local Aboriginal people from many different family groups to provide early intervention and support at a family level. Over the next 12 months the Olabud Doogethu project will focus on education outcomes for young people at risk and design bespoke qualifications that meet the needs of our most vulnerable youth.

### **Youth Engagement Night Officers (YENO)**

An initiative born from Olabud Doogethu is the "Youth Engagement Night Officers" (YENO) initiative. YENO focuses on building community trust and respect through family support networks. Night Officers in Halls Creek seek to engage positively with children at risk that are out at night and identify the support these children need. With a 100% Indigenous employment rate and deep community and family ties in Halls Creek, Night Officers successfully work together with police, schools, and families to create holistic support systems for children at risk.


When COVID-19 reached the Kimberley region and with four recorded cases in Halls Creek, widespread concern bordering panic broke out in the communities. Through their own initiative, YENO staff launched a door-to-door education campaign to speak to families about COVID-19 and to combat myths and misinformation and collected evidence about the level of overcrowding happening in each household so that an understanding of the capacity to self-isolate in our remote communities was understood.

## **6.5 Economic Development**

### **Certificate III Civil Construction**

As part of the strategic plan of the Shire, a focus on higher skill and capacities in the Halls Creek workforce is needed. The Shire recognises that to break into the two tiered employment economy, local people require more skills. With the heavy program tilted towards roadworks for the Shire and the MRWA, it is complimentary to offer a program that will see staff completing the training being sufficiently qualified to on-board for MRWA.

COVID impacted the first training program prepared for 2019/20 - March to 30 June 2020, but this only delayed to inevitable. Happily, whilst not in the reporting period, the Cert III Civil commenced in July 2020 and has now been completed by 8 participants who were all employed by Shire as town crew. Hopefully their continued employment will give them exposure to plant operation, sufficient to allow them to commence with any roadworks program that arrives in 2021.



The Shire has a long term commitment to training, and will conduct this course twice yearly for the next 3 years.

### **Truck and Car Simulators for Certificate III Civil Construction**

As part of plans to innovate and cut cost in training, the Shire has purchased with partners 2 simulators that will be installed in the Shire library. With a 3 year commitment to training road construction workers, the cost of obtaining drivers licenses was seen as prohibitive. Simulators allow participants to have more time on machines at less cost. This \$120k investment started with a RED grant from the Kimberley Development Commission (KDC) in March 2020 and has grown now to the KDC supporting Shire twice for the two simulators (\$50k) and Horizon Power contributing a substantive cost of the C Class Driver's License simulator (\$30k).

The Shire has long argued that without a driver's license, people in remote communities are at a distinct disadvantage in finding employment. Our aim is to expand our economic capacity by finding innovative ways to improve opportunity for local employment, so one compliments the other. The Shire appreciates our partners in this project.

## **STATUTORY REPORTS**

### **7.0 Plan for the Future**

Section 5.53(e) of the Local Government Act 1995 prescribes that a Local Government in its Annual Report is to contain an overview of the plan for the future of the district made in accordance with section 5.56; including major initiatives that are proposed to commence or continue in the next financial year.

#### **7.1 Planned initiatives and projects**

The Shire of Halls Creek has a number of Capital projects and initiatives planned for the coming year, these initiatives have been adopted in the budget for 2019/20.


<b>Priority Projects</b>	<b>Funded</b>	<b>Benefits to the community</b>
<b>LAW, ORDER AND PUBLIC SAFETY</b>		
<b>Dog Pound</b>	Reserve	Improved community facility
<b>COMMUNITY AMENITIES</b>		
<b>Pet Cemetery</b>	Reserve	Service to community for pet burials
<b>Grave Pegs - Phase two</b>	Reserve	Improved order and cemetery layout with additional burial option for

community		
<b>RECREATION &amp; CULTURE</b>		
<b>Hydro Slide</b>	Council and Grant Funded	Upgrade to aquatic facility, increase attendance at the pool and the number of children bathing in chlorinated water leading improved community health.
<b>TRANSPORT</b>		
<b>Tanami Road</b>	Part Funded	Improved access and safer roads
<b>Gordon Downs Road</b>	Funded	DGDRUP with MRWA
<b>Duncan Road</b>	Funded	
<b>Footpath improvements</b>	Council and grant funded	Improved community access \$200k
<b>Street Lighting</b>	Funded Horizon Power	Improved Road safety through New LED smart street lights -
<b>AIRPORT</b>		
<b>Airport Upgrades</b>		Improved tie downs for aircraft
<b>PLANT PURCHASES</b>		
<b>Road Sweeper</b>	Plant Reserve	Continual vehicle upgrade programme to replace aging vehicles in the fleet. This will also reduce servicing, maintenance and fuel consumption, thus saving the Shire in operating costs.
<b>Rubbish Compactor Truck</b>		

## 7.2 Freedom of Information Statement

The Western Australian *Freedom of Information Act 1992* (the FOI Act) gives you the right to apply for access to documents held by State Public Sector agencies which includes: Government Departments; Local Authorities; Statutory Authorities and Ministers.

Agencies are required to assist the public obtain access to documents at the lowest reasonable cost, and to ensure that personal information held is accurate, complete, up to date and not



misleading. Your right to apply is not affected by any reasons you have for wishing to obtain access, or the agency's belief as to what your reasons are for applying.

### **Information Statement**

The Information Statement published by the Shire of Halls Creek in accordance with the requirements of the Freedom of Information Act 1992. It is a requirement that the Shire prepare and publish an annual Information Statement outlining the means to access information, the types of information held by the Shire and if that information:

- Is Open Access information that is readily available? If it is, the statement will advise where and how you can source the information;
- Can be disclosed to you through 'informal release'. For example, where no third party personal information is involved; or
- Requires a 'formal access application'. For Example, when consultation with a third party is required.

The Information Statement includes information regarding the Shire's mission, structure, decision making functions and legislation administered, as well as documents held by the Shire and outlines the procedure for Freedom of Information (FOI) applications.

How to make a Freedom of Information Application to the Shire of Halls Creek:

- Apply in writing to the Chief Executive Officer, who acts as the FOI Coordinator.
- The FOI Coordinator will assist you if necessary. No special forms are required - a letter will do.
- Identify or describe the documents concerned, or if you apply for amendment of personal information about yourself you must provide details to show how or why the agency's records are inaccurate, incomplete, out of date or misleading. If you ask for 'everything' on a particular subject, the Shire may help you narrow the scope of your application to ensure that the work involved is reasonable.
- Provide an address in Australia where notices can be sent. If possible, include your telephone number/fax number/email address as this will help Shire staff to contact you if necessary, to assist in your application being dealt with efficiently.
- Pay an application fee of \$30 if the documents contain non-personal information. No fee is payable for access to personal information about yourself.

### **7.3 Costs**

No fees or charges apply for information relating to personal information or the amendment of personal information. All other applications are subject to the prescribed application fee.

- A prescribed fee of \$30 will be applicable upon submission of the application in order for the Information Coordinator to begin the document assessment process. The identified documents will then be reviewed to determine if any exemptions apply. The response to the original application must be provided to the applicant in the shortest possible time (or within 45 days) at the lowest reasonable cost.

## Schedule of Fees

<b>Application fee for personal information</b>	<b>No Fee</b>
<b>Application fee for non-personal information (Mandatory)</b>	\$30.00
<b>Charge for time dealing with the application (per hour, or pro rata)</b>	\$30.00
<b>Access time supervised by staff (per hour, or pro rata)</b>	\$30.00
<b>Photocopying staff time</b>	\$30.00
<b>Photocopying per page</b>	\$0.20
<b>Transcribing from tape, film or computer (per hour, or pro rata)</b>	\$30.00
<b>Duplicating a tape, film or computer information</b>	Actual Cost
<b>Delivery, packaging and postage</b>	Actual Cost

An estimate of charges will be provided if the cost is expected to exceed \$25.00. For financially disadvantaged applicants of those issued with prescribed pensioner concession cards, (apart from the application fee) the charge payable is reduced by 50%.

### Deposits

- An advance deposit may be required in respect of the estimate charges of 25%
- Further advance deposit may be required to meet the charges for dealing with the application of 75%

## 7.4 Reviews

If you disagree with a decision made on your FOI application, you can ask for that decision to be reviewed by someone else in the Shire. You must apply within 30 days of receiving the notice of decision from the Shire.

Within 15 days the Shire will advise you in writing of the outcome of the review, as well as your right to lodge a complaint with the Information Commissioner for an external review of the Shire's decision.

After internal review, if you still disagree with the Shire's decision, you can lodge a complaint with the Information Commissioner. If you make a complaint to the Information Commissioner, the complaint must:

- Be in writing and include your address.



- Give particulars of the decision to be reviewed including details of the part, or parts, of the decision you want the Commissioner to review.

Include a copy of the notice of decision sent to you by the Shire - this is the written notice of decision provided to you following the Shire's internal review.

#### 7.5 Summary of FOI Requests received in the Year Ended 30 June 2020

For the year ended 30 June 2020, the Shire of Halls Creek had (1) one FOI application which was responded to and information required within the required time.

Date: 9 September 2019

**Name:** Tiffany Sparkes

Request: Pound statistics for Shire all pounds including pounds run by subcontractors for the years 2015/16, 2016/17, 2017/18 and 2018/19.

#### 7.6 Register of Complaints

The Local Government Act 1995 s5.121 requires the complaints officer of the Local Government to maintain a register of complaints which records all complaints that result in action under the Local Government Act. The CEO must publish an up-to-date version of the register of complaints on the Local Government's official website.

#### 7.7 Annual Salaries

It is a requirement of the Local Government Act 1995, and related Administration Regulations, that the number of employees entitled to an annual salary of \$100,000 or more per annum, are disclosed in the Annual Report in bands of \$10,000. This information is set out below.

Salary Range \$	2017/18	2018/19	2019/20
<b>100,000 - 110,000</b>	1	2	0
<b>110,000 - 120,000</b>	3	1	0
<b>120,000 - 130,000</b>	0	2	3
<b>130,000 - 140,000</b>	3	2	1
<b>140,000 - 150,000</b>	0	0	0
<b>190,000 - 200,000</b>	0	1	0
<b>200,000 - 220,000</b>	0	0	1
<b>230,000 - 240,000</b>	1	0	0

## 7.8 Staff Summary

	2018/19		2019/20	
<b>Number of Full Time Staff (employed)</b>	39		53	
<b>Total Number of Staff</b>	74		77	
<b>% Male</b>	48	65%	58	75%
<b>% Female</b>	26	35%	19	25%
<b>% Indigenous Staff</b>	36	49%	48	62%

The National Competition Policy is a set of competition enhancing principles agreed to by the State and Federal Governments in 1995.

The intention of the policy is to promote competition for the benefit of businesses, consumers and the economy by eliminating any advantage received by government as a result of public sector ownership. The result should be a more 'level playing field' between the public and private sectors.


All governments with business activities that generate in excess of \$200,000 per annum of user-pays income must assess these activities and, if necessary, introduce measures to eliminate any net advantages that may have arisen because of the public ownership of the activities.

During 2018-2019 financial year, the Shire of Halls Creek did not have any significant business activities that met this criterion, and is not required to complete this assessment. The Shire is committed to ensuring full compliance with the principles of the National Competition Policy, and therefore monitors its business activities accordingly.

## 7.10 Review of Local Laws

The Local Government Act 1995 requires that the Local Laws be reviewed every 8 years. All the Shire local laws, except the health local law, have been reviewed in the past 3 years. These include the Cemeteries Local Law 2015, the Dogs Local Law 2015 and the Public Places and Local Government Property Local Law 2017. The Shire also gazetted two new local laws, these being the Standing Orders Local Law 2015 and the Fencing Local Law 2017. The review of the Health Local Law is awaiting the 5th Stage of implementation for the New Public Health Act 2016. Shire local laws can be accessed at the Shire of Halls Creek website.

Local Law Reviewed	Action (unchanged, re-pealed or amended)
<b>Cemeteries Local Law 2015</b>	Unchanged
<b>Dogs Local Law 2015</b>	Unchanged



<b>Standing Orders Local Law 2015</b>	Unchanged
<b>Local Government Act Local Law 2002</b>	Repealed
<b>Local Government Property Local Law 2017</b>	Unchanged
<b>Fencing Local Law 2017</b>	Unchanged
<b>Health Local Law 2002</b>	Unchanged and due for review
<b>Waste Local Law 2019</b>	New

## 7.11 Disability Services Act

It is a requirement of the WA Disability Services Act that all local government authorities develop and implement a Disability Access and Inclusion Plan (DAIP) that outlines the ways in which the authority will ensure that people with disabilities have equal access to its facilities and services.

The Shire adopted its first Disability Service Plan (DSP) in December 1995 to address the barriers within the community for people with disabilities and to address its statutory requirements under the WA Disability Services Act (1993).

An updated DAIP was developed in 2004 following consultation with the community. In 2008, the Shire undertook to review its DAIP, consult with stakeholders and draft a new Disability Access and Inclusion Plan to guide further improvements to access and inclusion and meet the requirements of the amended WA Disability Services Act.


The Shire contracted an independent disability consultancy firm, E-QUAL, to review existing documentation, conduct the consultation and draft a DAIP for the Shire. The Disability Access and Inclusion Draft Plan received input from individuals and groups in the community.

As required by the WA Disability Services Act, the Shire is required to review the progress of the DAIP, to compare proposed outcomes to achievements. A review was completed and submitted to the Disability Services Commission before being endorsed by Council at the Ordinary Council Meeting in February 2018.

The following 7 are outcomes are the focus of the SoHC Disability Access and Inclusion Plan.

**Outcome 1:** 'People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.'

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



**Outcome 3:** 'People with disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it'.

**Outcome 4:** 'People with disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority'.

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

**Outcome 6:** 'People with disability have the same opportunities as other people to participate in any public consultation by a public authority'.

**Outcome 7:** 'People with disability have the same opportunities as other people to obtain and maintain employment with a public authority'.

### **Outcomes Completed**

Disability Access and Inclusion initiatives planned and undertaken during 2019/20 linked to Outcomes:

<b>Outcome Area</b>	<b>No. of Initiatives</b>	<b>Initiatives Progresses</b>
<b>General Services and events</b>	6	2
<b>Building and facilities</b> <b>Auto Doors Admin building</b>	5	1
<b>Information and Communication</b>	6	2
<b>Level and quality of service</b>	3	2
<b>Complaints</b>	4	0
<b>Consultation</b>	3	3
<b>Employment</b>	4	2

### **7.12 Council Meetings Held**

In 2019/20, Council held 11 Ordinary Council meetings, 0 Special Council Meeting, 1 General Electors meeting and 1 Audit Committee meeting.

<b>Elected member</b>	<b>Ordinary Council Meeting</b>	<b>Special Council Meeting</b>	<b>General Electors Meeting</b>	<b>Audit Committee</b>	<b>Works Committee</b>
-----------------------	---------------------------------	--------------------------------	---------------------------------	------------------------	------------------------



	(11)	(0)	(1)	(1)	(4)
<b>Cr Edwards</b> <b>(President)</b>	11	0	1	1	4
<b>Cr Loessl</b> <b>(Deputy)</b>	11	0	1	1	2/2
<b>Cr Bedford</b>	2/3	0	*NA		
<b>Cr B.</b> <b>Edwards</b>	9/11*	0			
<b>Cr O'Neil</b>	11	0	1	1	3/4
<b>Cr Perkins</b>	1/3	0	*NA	1	
<b>Cr Stretch</b>	11	0	1		3/4
<b>Cr Gordon</b>	5/8	0	1		
<b>Cr McKay</b>	7/8*	0	1		2/2

\*NA – Councillor no longer a representative

\* One Leave of Absence for Cr B Edwards

### 7.13 Council Committees


Other than the Audit Committee which has been delegated by the Council to meet annually with the Shire of Halls Creek's Auditors, all remaining Committees have no standing delegations and decision-making authority. Their meetings are therefore closed to the public, with decision being made by the Council.

In 2019/20, due to the expanding portfolio and operational responsibilities of Works, the Shire established a Works Committee to assist in the governance of this subject matter.

### 7.14 Records Management and the State Records Act 2000

The Shire of Halls Creek maintains a Recordkeeping Plan approved by the State Records Commission in 2014, as required under the State Records Act, 2000. It is also a requirement of the Commission that the Shire includes information about the Shire's records management in its Annual Report.

A review of the Recordkeeping Plan was completed and submitted to the State Records Office in March 2019 along with a risk management plan. The review was approved by State Records in August 2019. The review sets out various improvements to be made to the management of the Shire's record, with the actions and to be implemented and reported back to State Records by April 2020 with an extension given due to COVID. A new Recordkeeping Plan 2020 and Procedures are anticipated to be approved by the State Records Commission in December,



2020. This will ensure best practice is followed in managing the Shire's records and ongoing compliance with the State Records Act, 2000.

## **8. Audited Annual Financial Report**

The following pages constitute the Shire of Halls Creek Financial Reporting for the year ending 30 June 2020. The Audited Annual Financial report is provided as (Appendix 1) to this report.

The State WA adopted new Regulations applicable to Local Government valuation of assets on the 5<sup>th</sup> November 2020, which had to be applied retrospectively to the 2019/20 annual local government accounts. This delay had significant impact on the 2019/20 Audit. Whilst the Audit was physically completed in September 2020, Shire Auditors continued to seek additional information from the Shire up until the 3<sup>rd</sup> December 2020 to meet and comply with new instructions from the Office of Auditor General (OAG). The Audit exit interview was held by Shire, the Shire Auditor and OAG on the 8<sup>th</sup> December 2020.

For this reason, adoption of the 2019/20 Audit and Annual report at Council was delayed to the December Council meeting, thereby due to advertising requirements delaying any possibility of the annual meeting of electors until 2021.



Our Ref: 8314

7th Floor, Albert Facey House  
469 Wellington Street, Perth

Mr Malcolm Edwards  
President  
Shire of Halls Creek  
PO Box 21  
HALLS CREEK WA 6770

**Mail to:** Perth BC  
PO Box 8489  
PERTH WA 6849

**Tel:** 08 6557 7500  
**Fax:** 08 6557 7600  
**Email:** [info@audit.wa.gov.au](mailto:info@audit.wa.gov.au)

Dear President

### **AUDIT OF SHIRE OF HALLS CREEK'S 2019-20 ANNUAL FINANCIAL REPORT COMPLETED**

The Office has completed the audit of the annual financial report for your local government. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the CEO and the Minister, as required by the Act. The CEO is required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

Matters of regulatory non-compliance and adverse trends in the financial position are reported on page 2 of the auditor's report.

#### **Management Control Issues**

While the result of the audit was generally satisfactory, I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachment. Also attached is a copy of my interim management letter issued on 8 June 2020 at the completion of the interim audit.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Feel free to contact me on 6557 7714 if you would like to discuss these matters further.

Yours faithfully

NAYNA RANIGA  
DIRECTOR FINANCIAL AUDIT  
16 December 2020

Attach



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

#### To the Councillors of the Shire of Halls Creek

#### Report on the Audit of the Financial Report

##### **Opinion**

I have audited the annual financial report of the Shire of Halls Creek 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 Halls Creek:

- (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 Note 1 to the annual financial report, which describes 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](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 Operating Surplus Ratio has been below the Department of Local Government, Sports and Cultural Industries (DLGSCI) standard for the past three years.
  - b. The Asset Sustainability Ratio has been below the Department of Local Government, Sports and Cultural Industries (DLGSCI) standard for the past three years.
  - c. The Own Source Revenue Coverage Ratio has been below the Department of Local Government, Sports and Cultural Industries (DLGSCI) standard for the past three years.
- (ii) The following material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
  - a. We noted 1 instance from a sample of 3 employees tested where the letter of employment had not been signed by the employee until after the employee's commencement date. This resulted in an incorrect pay rate until rectified a month later.
  - b. During the audit period there were instances where manual accounting entries had been prepared and posted without any evidence of review by a second officer. Accounting journals can represent significant adjustments to previously approved accounting transactions, and therefore should be appropriately reviewed and approved.
  - c. During the audit the Shire did not comply with its credit card policy. The Shire did not exercise timely review and posting of credit card reconciliations and transactions. There was 2 instances where early payment of the monthly credit card were made effectively increasing the credit card monthly limit. There was 1 instance where a credit card holder had not signed the credit card acknowledgement form prior to committing expenditure.
  - d. Reconciliation of the fixed asset register to the corresponding general ledger had not been performed in a timely manner. Reconciliations are a key control for ensuring the completeness and accuracy of financial data within the general ledger.



- e. During the audit long outstanding reconciling items were noted on the municipal bank reconciliation.
  - f. During sample testing of payments made throughout the year, we noted 2 instances of expenditure not supported by an authorised purchase order. This practice increases the risk of unauthorised purchases occurring. In both instances the expenditure was supported by a valid tender contract.
  - g. The Shire has not reported the Asset Renewal Funding Ratio as required by section 50(1)(c) of the Local Government (Financial Management) Regulations 1996 as information on planned capital renewals and required capital expenditure over a 10 year period was not available.
- (iii) All required information and explanations were obtained by me.
  - (iv) All audit procedures were satisfactorily completed.
  - (v) In my opinion, the Asset Consumption Ratio included in the annual financial report was supported by verifiable information and reasonable assumptions.

**Other Matter**

The financial ratios for 2018 in Note 32 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 Halls Creek 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.



ALOHA MORRISSEY  
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
16 December 2020

**SHIRE OF HALLS CREEK**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**TABLE OF CONTENTS**

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

**COMMUNITY VISION**

*"The Shire of Halls Creeks town and remote communities are economically diverse, caring and proactive with a strong sense of responsibility and pride."*

Principal place of business:  
7 Thomas Street  
Halls Creek  
WA 6770

**SHIRE OF HALLS CREEK  
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 Halls Creek 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 Halls Creek 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

10<sup>TH</sup>

day of

December

2020



Chief Executive Officer

Noel Mason

Name of Chief Executive Officer



**SHIRE OF HALLS CREEK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
Rates	23(a)	2,638,468	2,567,442	2,515,642
Operating grants, subsidies and contributions	2(a)	11,954,975	4,236,835	8,732,764
Fees and charges	2(a)	1,058,835	1,349,296	1,567,753
Service charges	23(b)	4,160	3,950	4,160
Interest earnings	2(a)	162,125	102,500	258,563
Other revenue	2(a)	87,274	54,574	208,772
		<b>15,905,837</b>	<b>8,314,597</b>	<b>13,287,654</b>
<b>Expenses</b>				
Employee costs		(4,803,902)	(4,692,374)	(4,271,552)
Materials and contracts		(9,061,353)	(3,248,472)	(4,860,111)
Utility charges		(622,705)	(505,090)	(554,271)
Depreciation on non-current assets	11(c)	(5,328,439)	(5,023,350)	(5,001,553)
Interest expenses	2(b)	(111,479)	(113,914)	(65,078)
Insurance expenses		(344,725)	(343,461)	(339,257)
Other expenditure		(864,085)	(599,351)	(448,447)
		<b>(21,136,688)</b>	<b>(14,526,012)</b>	<b>(15,540,269)</b>
		<b>(5,230,851)</b>	<b>(6,211,415)</b>	<b>(2,252,615)</b>
Non-operating grants, subsidies and contributions	2(a)	2,355,575	1,445,101	1,386,491
Loss on assets expensed	11(a)	0	0	(111,821)
		<b>2,355,575</b>	<b>1,445,101</b>	<b>1,274,670</b>
<b>Net result for the period</b>		<b>(2,875,276)</b>	<b>(4,766,314)</b>	<b>(977,945)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	0	0	246,586
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>246,586</b>
<b>Total comprehensive income for the period</b>		<b>(2,875,276)</b>	<b>(4,766,314)</b>	<b>(731,359)</b>

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



**SHIRE OF HALLS CREEK**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>Revenue</b>				
General purpose funding	2(a)	6,531,499	4,684,762	7,097,993
Law, order, public safety		5,887	11,000	5,243
Health		265,415	283,969	286,696
Education and welfare		1,201,617	1,149,069	1,396,344
Housing		24,544	190,713	197,633
Community amenities		432,188	495,000	602,230
Recreation and culture		167,970	160,118	244,264
Transport		229,635	541,996	2,024,893
Economic services		839,654	780,800	992,560
Other property and services		6,207,428	17,170	439,798
		<u>15,905,837</u>	<u>8,314,597</u>	<u>13,287,654</u>
<b>Expenses</b>				
Governance	2(b)	(682,210)	(751,763)	(740,399)
General purpose funding		(131,593)	(321,808)	(350,455)
Law, order, public safety		(434,794)	(409,828)	(515,464)
Health		(506,268)	(559,583)	(522,971)
Education and welfare		(1,351,001)	(1,364,137)	(1,087,555)
Housing		(334,033)	(143,412)	(155,430)
Community amenities		(945,169)	(1,177,300)	(1,172,156)
Recreation and culture		(2,138,091)	(1,946,905)	(1,958,039)
Transport		(5,639,907)	(5,255,514)	(6,527,277)
Economic services		(1,746,993)	(1,905,162)	(1,723,105)
Other property and services		(7,115,150)	(576,686)	(722,340)
		<u>(21,025,209)</u>	<u>(14,412,098)</u>	<u>(15,475,191)</u>
<b>Finance Costs</b>				
Housing	2(b)	(69,329)	(56,411)	(65,078)
Transport		(42,150)	(57,503)	0
		<u>(111,479)</u>	<u>(113,914)</u>	<u>(65,078)</u>
		<u>(5,230,851)</u>	<u>(6,211,415)</u>	<u>(2,252,615)</u>
Non-operating grants, subsidies and contributions	2(a)	2,355,575	1,445,101	1,386,491
Loss on assets expensed	11(a)	0	0	(111,821)
		<u>2,355,575</u>	<u>1,445,101</u>	<u>1,274,670</u>
<b>Net result for the period</b>		<b>(2,875,276)</b>	<b>(4,766,314)</b>	<b>(977,945)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	0	0	246,586
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>246,586</b>
<b>Total comprehensive income for the period</b>		<b>(2,875,276)</b>	<b>(4,766,314)</b>	<b>(731,359)</b>

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



**SHIRE OF HALLS CREEK**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	NOTE	2020 \$	2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	7,595,917	6,310,714
Trade and other receivables	6	939,755	587,161
Other financial assets	5(a)	0	5,000,000
Inventories	7	80,906	88,419
Other assets	8	244,626	67,559
<b>TOTAL CURRENT ASSETS</b>		<b>8,861,204</b>	<b>12,053,853</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6	8,858	11,168
Property, plant and equipment	9	38,791,495	33,433,634
Infrastructure	10	84,737,561	86,575,704
<b>TOTAL NON-CURRENT ASSETS</b>		<b>123,537,914</b>	<b>120,020,506</b>
<b>TOTAL ASSETS</b>		<b>132,399,118</b>	<b>132,074,359</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	1,416,198	1,278,437
Contract liabilities	15	76,833	0
Borrowings	16(a)	876,387	107,719
Employee related provisions	17	494,507	469,246
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,863,925</b>	<b>1,855,402</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	16(a)	3,539,515	805,131
Employee related provisions	17	94,278	118,495
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,633,793</b>	<b>923,626</b>
<b>TOTAL LIABILITIES</b>		<b>6,497,718</b>	<b>2,779,028</b>
<b>NET ASSETS</b>		<b>125,901,400</b>	<b>129,295,331</b>
<b>EQUITY</b>			
Retained surplus		26,867,438	27,605,418
Reserves - cash/financial asset backed	4	5,776,313	8,432,264
Revaluation surplus	13	93,257,649	93,257,649
<b>TOTAL EQUITY</b>		<b>125,901,400</b>	<b>129,295,331</b>

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



SHIRE OF HALLS CREEK  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/FINANCIAL ASSET BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2018</b>		<b>31,473,000</b>	<b>5,542,627</b>	<b>93,011,063</b>	<b>130,026,690</b>
Comprehensive income					
Net result for the period		(977,945)	0	0	(977,945)
Other comprehensive income	13	0	0	246,586	246,586
Total comprehensive income		(977,945)	0	246,586	(731,359)
Transfers from reserves	4	10,000	(10,000)	0	0
Transfers to reserves	4	(2,899,637)	2,899,637	0	0
<b>Balance as at 30 June 2019</b>		<b>27,605,418</b>	<b>8,432,264</b>	<b>93,257,649</b>	<b>129,295,331</b>
Change in accounting policy	28(b)	(518,655)	0	0	(518,655)
<b>Restated total equity at 1 July 2019</b>		<b>27,086,763</b>	<b>8,432,264</b>	<b>93,257,649</b>	<b>128,776,676</b>
Comprehensive income					
Net result for the period		(2,875,276)	0	0	(2,875,276)
Other comprehensive income	13	0	0	0	0
Total comprehensive income		(2,875,276)	0	0	(2,875,276)
Transfers from reserves	4	2,760,712	(2,760,712)	0	0
Transfers to reserves	4	(104,761)	104,761	0	0
<b>Balance as at 30 June 2020</b>		<b>26,867,438</b>	<b>5,776,313</b>	<b>93,257,649</b>	<b>125,901,400</b>

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

**SHIRE OF HALLS CREEK  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,690,925	3,017,442	2,407,630
Operating grants, subsidies and contributions		11,148,006	4,436,835	9,103,026
Fees and charges		1,058,835	1,349,296	1,567,753
Service charges		4,160	3,950	4,160
Interest received		162,125	102,500	258,563
Goods and services tax received		1,826,432	0	260,617
Other revenue		87,274	54,574	208,772
		16,977,757	8,964,597	13,810,521
<b>Payments</b>				
Employee costs		(4,947,725)	(4,692,374)	(4,478,111)
Materials and contracts		(8,999,579)	(2,729,883)	(4,119,113)
Utility charges		(622,705)	(505,090)	(554,271)
Interest expenses		(111,479)	(113,914)	(78,133)
Insurance paid		(344,725)	(343,461)	(339,257)
Goods and services tax paid		(1,812,726)	0	(168,969)
Other expenditure		(864,085)	(599,351)	(448,447)
		(17,703,024)	(8,984,073)	(10,186,301)
<b>Net cash provided by (used in) operating activities</b>	18	(725,267)	(19,476)	3,624,220
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	9(a)	(6,806,119)	(7,159,000)	(131,175)
Payments for construction of infrastructure	10(a)	(2,042,038)	(1,956,801)	(2,148,102)
Non-operating grants, subsidies and contributions	2(a)	2,355,575	1,445,101	1,386,491
Proceeds from financial assets at amortised cost - term deposits	5	5,000,000	0	(5,000,000)
<b>Net cash provided by (used in) investment activities</b>		(1,492,582)	(7,670,700)	(5,892,786)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	16(b)	(496,948)	(794,179)	(78,253)
Proceeds from new borrowings	16(b)	4,000,000	4,000,000	0
<b>Net cash provided by (used in) financing activities</b>		3,503,052	3,205,821	(78,253)
<b>Net increase (decrease) in cash held</b>		1,285,203	(4,484,355)	(2,346,819)
Cash at beginning of year		6,310,714	9,073,699	8,657,533
<b>Cash and cash equivalents at the end of the year</b>	18	7,595,917	4,589,344	6,310,714

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

**SHIRE OF HALLS CREEK  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2020**

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	24 (b)	1,824,497	4,012,780	3,616,042
		1,824,497	4,012,780	3,616,042
<b>Revenue from operating activities (excluding rates)</b>				
General purpose funding		3,893,031	2,117,320	4,582,351
Law, order, public safety		5,887	11,000	5,243
Health		265,415	283,969	286,696
Education and welfare		1,201,617	1,149,069	1,396,344
Housing		24,544	190,713	197,633
Community amenities		432,188	495,000	602,230
Recreation and culture		167,970	160,118	244,264
Transport		229,635	541,996	2,024,893
Economic services		839,654	780,800	992,560
Other property and services		6,207,428	17,170	439,798
		13,267,369	5,747,155	10,772,012
<b>Expenditure from operating activities</b>				
Governance		(682,210)	(751,763)	(740,399)
General purpose funding		(131,593)	(321,808)	(350,455)
Law, order, public safety		(434,794)	(409,828)	(515,464)
Health		(506,268)	(559,583)	(522,971)
Education and welfare		(1,351,001)	(1,364,137)	(1,087,555)
Housing		(403,362)	(199,823)	(220,508)
Community amenities		(945,169)	(1,177,300)	(1,172,156)
Recreation and culture		(2,138,091)	(1,946,905)	(1,958,039)
Transport		(5,682,057)	(5,313,017)	(6,527,277)
Economic services		(1,746,993)	(1,905,162)	(1,723,105)
Other property and services		(7,115,150)	(576,686)	(834,161)
		(21,136,688)	(14,526,012)	(15,652,090)
Non-cash amounts excluded from operating activities	24(a)	5,331,793	5,023,350	4,952,222
<b>Amount attributable to operating activities</b>		(713,029)	257,273	3,688,186
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	2,355,575	1,445,101	1,386,491
Purchase of property, plant and equipment	9(a)	(6,806,119)	(7,159,000)	(131,175)
Purchase and construction of infrastructure	10(a)	(2,042,038)	(1,956,801)	(2,148,102)
<b>Amount attributable to investing activities</b>		(6,492,582)	(7,670,700)	(892,786)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	16(b)	(496,948)	(794,179)	(78,253)
Proceeds from borrowings	16(b)	4,000,000	4,000,000	0
Transfers to reserves (restricted assets)	4	(104,761)	(667,407)	(2,899,637)
Transfers from reserves (restricted assets)	4	2,760,712	2,311,602	10,000
<b>Amount attributable to financing activities</b>		6,159,003	4,850,016	(2,967,890)
<b>Surplus/(deficit) before imposition of general rates</b>		(1,046,608)	(2,563,411)	(172,490)
<b>Total amount raised from general rates</b>	23(a)	2,638,468	2,567,442	2,515,642
<b>Surplus/(deficit) after imposition of general rates</b>	24(b)	1,591,860	4,031	2,343,152

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

**SHIRE OF HALLS CREEK**  
**INDEX OF NOTES TO THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

Note 1	Basis of Preparation	10
Note 2	Revenue and Expenses	11
Note 3	Cash and Cash Equivalents	15
Note 4	Reserves - Cash backed	16
Note 5	Other Financial Assets	17
Note 6	Trade and Other Receivables	18
Note 7	Inventories	19
Note 8	Other Assets	20
Note 9	Property, Plant and Equipment	21
Note 10	Infrastructure	23
Note 11	Fixed Assets	25
Note 12	Leases	28
Note 13	Revaluation Surplus	29
Note 14	Trade and Other Payables	30
Note 15	Contract Liabilities	31
Note 16	Information on Borrowings	32
Note 17	Employee Provisions	34
Note 18	Notes to the Statement of Cash Flows	35
Note 19	Total Assets Classified by Function and Activity	36
Note 20	Contingent Liabilities	37
Note 21	Commitments	38
Note 22	Related Party Transactions	39
Note 23	Rating Information	41
Note 24	Rate Setting Statement Information	44
Note 25	Financial Risk Management	45
Note 26	Events occurring after the end of the Reporting Period	48
Note 27	Initial Application of Australian Accounting Standards	49
Note 28	Change in Accounting Policies	51
Note 29	Trust Funds	52
Note 30	Other Significant Accounting Policies	53
Note 31	Activites/Programs	54
Note 32	Financial Ratios	56

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

## **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, 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 July 1 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 101 and AASB 16 in respect of the comparatives for the year ended 30 June 2019 remains.

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 29 to these financial statements.



# SHIRE OF HALLS CREEK

## 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	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	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/Registrations/Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming. Compliance safety check	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal sites at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price of terms	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price of terms	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price of terms	Output method based on goods
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	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

**SHIRE OF HALLS CREEK**  
**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 \$
<b>Operating grants, subsidies and contributions</b>			
General purpose funding	3,680,175	1,964,216	4,262,841
Health	259,189	252,669	254,019
Education and welfare	1,201,617	1,149,069	1,389,583
Recreation and culture	59,485	46,618	51,320
Transport	194,740	511,263	1,991,010
Economic services	428,032	313,000	533,111
Other property and services	6,131,737	0	250,880
	<b>11,954,975</b>	<b>4,236,835</b>	<b>8,732,764</b>
<b>Non-operating grants, subsidies and contributions</b>			
Recreation and culture	139,899	0	0
Transport	2,210,676	1,445,101	1,386,491
Economic services	5,000	0	0
	<b>2,355,575</b>	<b>1,445,101</b>	<b>1,386,491</b>
<b>Total grants, subsidies and contributions</b>	<b>14,310,550</b>	<b>5,681,936</b>	<b>10,119,255</b>
<b>Fees and charges</b>			
General purpose funding	27,260	24,000	2,896
Law, order, public safety	5,822	10,700	4,913
Health	6,226	31,300	32,677
Education and welfare	0	0	73
Housing	24,544	190,713	197,633
Community amenities	432,188	495,000	594,731
Recreation and culture	104,325	109,550	132,140
Transport	34,895	30,733	33,883
Economic services	396,000	457,300	432,786
Other property and services	27,575	0	136,021
	<b>1,058,835</b>	<b>1,349,296</b>	<b>1,567,753</b>

**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 HALLS CREEK**  
**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:

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Fees and charges	1,038,879	1,299,446	1,508,014
Other revenue	4,084	0	64,786
Non-operating grants, subsidies and contributions	2,355,575	1,445,101	1,386,491
	<b>3,398,538</b>	<b>2,744,547</b>	<b>2,959,291</b>

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

	518,655	518,655	0
Performance obligations satisfied in the previous year	(451,822)	0	0
Other revenue from contracts with customers recognised during the year	1,042,963	1,299,446	0
Other revenue from performance obligations satisfied during the year	2,288,742	926,446	0
	<b>3,398,538</b>	<b>2,744,547</b>	<b>0</b>

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	520,656	0	0
Contract liabilities from contracts with customers	(76,833)	0	0

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 HALLS CREEK**  
**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:

	2020 Actual \$	2020 Budget \$	2019 Actual \$
General rates	2,638,468	2,567,442	2,515,642
Specified area rates	0	0	0
Service charges	4,160	3,950	4,160
Statutory permits and licences	1,228	8,050	3,312
Fines	18,728	41,800	56,427
	<b>2,662,584</b>	<b>2,621,242</b>	<b>2,579,541</b>

**Other revenue**

Reimbursements and recoveries	83,190	54,574	143,986
Other	4,084	0	64,786
	<b>87,274</b>	<b>54,574</b>	<b>208,772</b>

**Interest earnings**

Interest on reserve funds	59,884	40,000	136,106
Rates instalment and penalty interest (refer Note 23(c))	81,736	42,000	75,341
Other interest earnings	20,505	20,500	47,116
	<b>162,125</b>	<b>102,500</b>	<b>258,563</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

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

**Interest earnings (continued)**

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

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report
- Other services

**Interest expenses (finance costs)**

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Borrowings	111,479	113,914	65,078
	<b>111,479</b>	<b>113,914</b>	<b>65,078</b>

Note	2020 Actual \$	2020 Budget \$	2019 Actual \$
	57,900	25,000	45,500
	6,955	15,000	0
	<b>64,855</b>	<b>40,000</b>	<b>45,500</b>
16(b)	111,479	113,914	65,078
	<b>111,479</b>	<b>113,914</b>	<b>65,078</b>

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

### 3. CASH AND CASH EQUIVALENTS

NOTE	2020	2019
	\$	\$
Cash at bank and on hand	7,595,917	4,810,714
Term deposits	0	1,500,000
<b>Total cash and cash equivalents</b>	<b>7,595,917</b>	<b>6,310,714</b>

#### Restrictions

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

- Cash and cash equivalents	6,191,370	4,277,227
- Financial assets at amortised cost	0	5,000,000
	<b>6,191,370</b>	<b>9,277,227</b>

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

Reserves - cash/financial asset backed	4	5,776,313	8,432,264
Contract liabilities from contracts with customers	15	76,833	0
Bonds and Deposits	14	338,224	326,308
Unspent grants, subsidies and contributions		0	518,655
<b>Total restricted assets</b>		<b>6,191,370</b>	<b>9,277,227</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Cash and cash equivalents

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

##### Restricted assets

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



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

**4. RESERVES - CASH/FINANCIAL ASSET**

	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) Employee Leave Reserve	\$ 729,344	\$ 12,614	\$ (26,823)	\$ 715,135	\$ 677,603	\$ 13,552	\$ 0	\$ 691,155	\$ 667,368	\$ 61,976	\$ 0	\$ 729,344
(b) Computer Upgrade	240,626	2,572	(12,000)	231,198	238,184	4,764	0	242,948	136,097	104,529	0	240,626
(c) Office Redevelopment	909,521	15,031	0	924,552	807,447	16,149	0	823,596	795,251	114,270	0	909,521
(d) Refuse Site Rehabilitation	62,097	770	0	62,867	61,366	31,227	0	92,593	40,741	21,356	0	62,097
(e) Airport Works	494,249	9,177	0	503,426	492,982	9,860	0	502,842	485,536	8,713	0	494,249
(f) Plant Replacement	3,249,011	45,046	(2,120,000)	1,174,057	2,513,716	408,379	(2,000,000)	922,095	2,273,354	975,657	0	3,249,011
(g) Staff Housing	854,285	9,735	(200,000)	664,020	522,942	66,459	(200,000)	389,401	515,043	339,242	0	854,285
(h) Re-broadcasting	64,774	1,203	0	65,977	64,608	1,292	0	65,900	63,632	1,142	0	64,774
(i) Aquatic Reserve	547,528	6,906	(150,000)	404,434	520,972	110,419	0	631,391	365,369	182,159	0	547,528
(j) Energy Developments	101,940	1,707	0	103,647	32,504	1,034	0	33,538	90,319	11,621	0	101,940
(k) Yarliyl Surplus	101,889	0	(101,889)	0	111,603	2,232	(111,602)	2,233	109,917	1,972	(10,000)	101,889
(l) Mosquito Reserve	2,000	0	0	2,000	2,000	2,040	0	4,040	0	2,000	0	2,000
(m) Town Planning Development	1,075,000	0	(150,000)	925,000	175,000	0	0	175,000	5,542,627	1,075,000	0	1,075,000
	8,432,264	104,761	(2,760,712)	5,776,313	6,220,927	667,407	(2,311,602)	4,576,732	2,899,637	(10,000)	0	8,432,264

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Employee Leave Reserve	Ongoing	To be used to fund long service leave and/or other significant payments that may be required upon termination of an employee.
(b) Computer Upgrade	Ongoing	To be used to fund the upgrade and/or replacement of the Shire's electronic and network operating system or any of the administrative or financial management computer operating systems.
(c) Office Redevelopment	Ongoing	To be used for the extension/major re-development of the Administration Office building and associated buildings.
(d) Refuse Site Rehabilitation	Ongoing	Funds to be set aside for the rehabilitation of the refuse site upon closure.
(e) Airport Works	Ongoing	To be used to fund major operational or major capital works required at the Shire of Halls Creek airport.
(f) Plant Replacement	Ongoing	To be used for the purchase of major capital upgrade of plant items.
(g) Staff Housing	Ongoing	To be used to fund the construction, renovation, development or purchase of residential housing and land utilised by the Shire of Halls Creek for the provision of staff housing.
(h) Re-broadcasting	Ongoing	To be used to fund the upgrade, new purchase or replacement of re-broadcasting equipment, for both television and radio, as per the Shire's re-broadcasting commitments.
(i) Aquatic Reserve	Ongoing	To be used to fund any major repairs, upgrade, replacement or capital requirements of the Shire of Halls Creek Aquatic and Recreation Centre.
(j) Energy Developments	Ongoing	To distribute monies to members or organisations in the Shire of Halls Creek (other than the Shire itself) to be used solely for not-for-profit projects or activities that benefit the Shire of Halls Creek and EDL NGD (WA) PTY LTD.
(k) Yarliyl Surplus	Ongoing	To be used for Yarliyl expenditure requirements.
(l) Mosquito Reserve	Ongoing	To have access to extra funds in years where mosquito-borne disease/nuisance is greater than normal.
(m) Town Planning Development	Ongoing	To be used for town planning and development.



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

**5. OTHER FINANCIAL ASSETS**

**(a) Current assets**

**Financial assets at amortised cost**

	2020	2019
	\$	\$
	0	5,000,000
	0	5,000,000
	0	5,000,000
	0	5,000,000

**Other financial assets at amortised cost**

**Term deposits**

**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.

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 25.

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

**6. TRADE AND OTHER RECEIVABLES**

**Current**

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

**Non-current**

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

2020	2019
\$	\$
609,129	607,099
520,656	238,016
16,995	30,701
(207,025)	(288,655)
939,755	587,161
8,858	11,168
8,858	11,168

**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.

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

## 7. INVENTORIES

### Current

Fuel and materials

	2020	2019
	\$	\$
	80,906	88,419
	80,906	88,419
	88,419	132,074
	(244,026)	(208,274)
	236,513	164,619
	80,906	88,419

The following movements in inventories occurred during the year:

### Carrying amount at beginning of period

Inventories expensed during the year

Additions to inventory

### Carrying amount at end of period

## SIGNIFICANT ACCOUNTING POLICIES

### General

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

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

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

**8. OTHER ASSETS**

**Other assets - current**

Prepayments

Accrued income

	2020	2019
	\$	\$
Prepayments	0	13,923
Accrued income	244,626	53,636
	<b>244,626</b>	<b>67,559</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

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

**9. 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	WIP	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	5,110,000	5,110,000	9,172,801	17,851,086	27,023,887	32,133,887	285,775	1,602,329	325,673	34,347,664
Additions	0	0	0	90,000	90,000	90,000	0	33,500	7,675	131,175
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	1,770	244,816	0	246,586
Impairment (losses) / reversals	0	0	0	(23,137)	(23,137)	(23,137)	(12,703)	(19,331)	(1,983)	(57,154)
Depreciation (expense)	0	0	(235,199)	(632,974)	(868,173)	(868,173)	(70,950)	(295,514)	0	(1,234,637)
<b>Carrying amount at 30 June 2019</b>	5,110,000	5,110,000	8,937,602	17,284,975	26,222,577	31,332,577	203,892	1,565,800	331,365	33,433,634
<b>Comprises:</b>										
Gross carrying amount at 30 June 2019	5,110,000	5,110,000	9,408,000	18,531,668	27,939,668	33,049,668	232,592	1,578,500	331,365	35,192,125
Accumulated depreciation at 30 June 2019	0	0	(470,398)	(1,246,693)	(1,717,091)	(1,717,091)	(28,700)	(12,700)	0	(1,758,491)
<b>Carrying amount at 30 June 2019</b>	5,110,000	5,110,000	8,937,602	17,284,975	26,222,577	31,332,577	203,892	1,565,800	331,365	33,433,634
Additions	0	0	0	328,882	328,882	328,882	38,169	6,439,068	0	6,806,119
Depreciation (expense)	0	0	(235,199)	(650,235)	(885,434)	(885,434)	(29,779)	(515,876)	0	(1,431,089)
Transfers	0	0	0	314,196	314,196	314,196	0	0	(331,365)	(17,169)
<b>Carrying amount at 30 June 2020</b>	5,110,000	5,110,000	8,702,403	17,277,818	25,980,221	31,090,221	212,282	7,488,992	0	38,791,495
<b>Comprises:</b>										
Gross carrying amount at 30 June 2020	5,110,000	5,110,000	9,408,000	19,174,745	28,582,745	33,692,745	270,761	8,017,568	0	41,981,074
Accumulated depreciation at 30 June 2020	0	0	(705,597)	(1,896,927)	(2,602,524)	(2,602,524)	(58,479)	(528,576)	0	(3,189,579)
<b>Carrying amount at 30 June 2020</b>	5,110,000	5,110,000	8,702,403	17,277,818	25,980,221	31,090,221	212,282	7,488,992	0	38,791,495

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

**9. 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
<b>Land and buildings</b>					
Land - Freehold Land	2 & 3	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2017	Price per hectare with reference to current zonings of land. Market values were used unless there were some restrictions or other factors associated with the land.
Buildings - non-specialised	2	Market approach using recent observable market data for similar assets	Independent registered valuer	June 2017	Constructions costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2017	Constructions costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
<b>Furniture and equipment</b>	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2019	Purchase costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
<b>Plant and equipment</b>	2 & 3	2 - Market approach using recent observable market data for similar assets. 3 - Cost approach using depreciated replacement cost	Independent registered valuer	June 2019	Purchase costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.

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

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

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



## 10. 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 - other	WIP	Total Infrastructure
	\$	\$	\$	\$
<b>Balance at 1 July 2018</b>	82,501,105	5,704,100	43,980	88,249,185
Additions	2,027,237	107,949	12,916	2,148,102
Impairment (losses) / reversals	0	(54,097)	(570)	(54,667)
Depreciation (expense)	(3,299,380)	(467,536)	0	(3,766,916)
Transfers	0	41,138	(41,138)	0
<b>Carrying amount at 30 June 2019</b>	<b>81,228,962</b>	<b>5,331,554</b>	<b>15,188</b>	<b>86,575,704</b>
<b>Comprises:</b>				
Gross carrying amount at 30 June 2019	84,528,342	5,784,087	15,188	90,327,617
Accumulated depreciation at 30 June 2019	(3,299,380)	(452,533)	0	(3,751,913)
<b>Carrying amount at 30 June 2019</b>	<b>81,228,962</b>	<b>5,331,554</b>	<b>15,188</b>	<b>86,575,704</b>
Additions	2,005,908	36,130	0	2,042,038
Depreciation (expense)	(3,460,926)	(436,424)	0	(3,897,350)
Transfers	(927)	33,284	(15,188)	17,169
<b>Carrying amount at 30 June 2020</b>	<b>79,773,017</b>	<b>4,964,544</b>	<b>0</b>	<b>84,737,561</b>
<b>Comprises:</b>				
Gross carrying amount at 30 June 2020	86,533,323	5,853,501	0	92,386,824
Accumulated depreciation at 30 June 2020	(6,760,306)	(888,957)	0	(7,649,263)
<b>Carrying amount at 30 June 2020</b>	<b>79,773,017</b>	<b>4,964,544</b>	<b>0</b>	<b>84,737,561</b>

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

**10. INFRASTRUCTURE (Continued)**

**(b) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>Infrastructure - roads</b>	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	Construction and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs
<b>Infrastructure - other</b>	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2018	Construction and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs

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

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

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

**11. 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 no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the 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 once every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were preexisting 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 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)* prohibits 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 is 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 is still not included in the statement of financial position.

The Shire has accounted for the removal of the vested land values associated with vest land previously recognised by removing 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 12 that details the significant accounting policies applying to leases (including right-of-use assets).

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

**11. FIXED ASSETS**

**(a) Disposals of Assets**

No assets were disposed in the year or the previous year.

**(b) Fully Depreciated Assets in Use**

The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.

	2020	2019
	\$	\$
Furniture and equipment	24,700	28,700
Plant and equipment	11,100	12,700
Infrastructure - other	68,800	33,800
	<u>104,600</u>	<u>75,200</u>

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

**11. FIXED ASSETS**

**(c) Depreciation**

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - non-specialised	235,199	353,544	235,199
Buildings - specialised	650,235	519,000	632,974
Furniture and equipment	29,779	70,000	70,950
Plant and equipment	515,876	300,000	295,514
Infrastructure - roads	3,460,926	3,315,806	3,299,380
Infrastructure - other	436,424	465,000	467,536
	5,328,439	5,023,350	5,001,553

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

The useful lives of the plant and equipment have been reviewed by management and minor adjustments made where appropriate.

**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	8 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	4 to 20 years
Roads and streets	
subgrade	not depreciated
basecourse unsealed	10 years
basecourse sealed	40 years
reseal	15 years
asphalt	25 years
sand seal	5 years
culverts	80 years
stock grids	80 years
drainage	25-75 years
Footpaths - concrete	40 years
Footpaths - slabs	30 years
Footpaths - gravel	10 years
Floodways - Unsealed	10 years
Floodways - Sealed	30 years
Floodways - Concrete	80 years

**Asset Class (Continued)**

**Useful life**

<i>Infrastructure Other</i>	
Airport	
Airport Runway	5-40 years
Airport Apron & Taxiway	5-40 years
Airport Runway Sub Base	5-40 years
Airport Runway Seal	5-40 years
Airport Gravel Formation	2-16 years
Airport Other	2-16 years
Waste Sites	2-10 years
Waste Sites Other	10-15 years
Recreation	10-15 years
Car Park Formation	5-40 years
Car Park Seal	10-15 years
Car Park Other	10-15 years
Other	5-20 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.



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

**12. LEASES**

**(a) Right of Use Assets**

The Council does not have any leases relating to plant and equipment.

**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 11 for details on the significant accounting policies applying to vested improvements.

**Right-of-use assets - depreciation**

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



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

**13. REVALUATION SURPLUS**

	2020			2020			2020			2019		
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance		Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance	
	\$	\$	\$	\$	\$		\$	\$	\$	\$	\$	
Revaluation surplus - Land - Freehold Land	8,755,135	0	0	0	8,755,135		8,755,135	0	0	0	8,755,135	
Revaluation surplus - Furniture and equipment	21,395	0	0	0	21,395		19,625	1,770	0	1,770	21,395	
Revaluation surplus - Plant and equipment	866,220	0	0	0	866,220		621,404	244,816	0	244,816	866,220	
Revaluation surplus - Infrastructure - roads	79,271,111	0	0	0	79,271,111		79,271,111	0	0	0	79,271,111	
Revaluation surplus - Infrastructure - other	4,343,788	0	0	0	4,343,788		4,343,788	0	0	0	4,343,788	
	93,257,649	0	0	0	93,257,649		93,011,063	246,586	0	246,586	93,257,649	

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

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

**14. TRADE AND OTHER PAYABLES**

**Current**

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

2020	2019
\$	\$
437,400	455,519
60,106	8,806
3,386	148,253
338,224	326,308
17,663	30,305
559,419	309,246
1,416,198	1,278,437

**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.

## 15. CONTRACT LIABILITIES

### Current

Contract liabilities from contracts with customers

2020	2019
\$	\$
76,833	0
76,833	0
76,833	0

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

Less than 1 year

76,833
76,833

## 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.

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

## SHIRE OF HALLS CREEK

## 16. INFORMATION ON BORROWINGS

	2020	2019
(a) Borrowings	\$	\$
Current	876,387	107,719
Non-current	3,539,515	805,131
	4,415,902	912,850

**(b) Repayments - Borrowings**

[illegible]

**All loan repayments were financed by general purpose revenue.**

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

**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		
Road Plant and Equipment	*WATC	General	5	1.70%	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 178,741	\$ 0
* WA Treasury Corporation					4,000,000	4,000,000	4,000,000	4,000,000	178,741	0

**(d) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

	2020	2019
	\$	\$
Bank overdraft limit	1,000,000	1,000,000
Bank overdraft at balance date	0	0
Credit card limit	200,000	200,000
Credit card balance at balance date	0	0
<b>Total amount of credit unused</b>	<b>1,200,000</b>	<b>1,200,000</b>

**Loan facilities**

Loan facilities - current	876,387	107,719
Loan facilities - non-current	3,539,515	805,131
<b>Total facilities in use at balance date</b>	<b>4,415,902</b>	<b>912,850</b>

**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.

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

17. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2019

Current provisions

Non-current provisions

Additional provision

Amounts used

Balance at 30 June 2020

Comprises

Current

Non-current

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

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2019	344,726	124,520	469,246
Current provisions	0	118,495	118,495
Non-current provisions	344,726	243,015	587,741
Additional provision	387,902	3,847	391,749
Amounts used	(333,688)	(57,017)	(390,705)
Balance at 30 June 2020	398,940	189,845	588,785
Comprises			
Current	398,940	95,567	494,507
Non-current	0	94,278	94,278
	398,940	189,845	588,785
	2020	2019	
	\$	\$	
Less than 12 months after the reporting date	394,347	493,880	
More than 12 months from reporting date	194,438	118,495	
Expected reimbursements from other WA local governments	0	(24,634)	
	588,785	587,741	

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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



## 18. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, 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	7,595,917	4,589,344	6,310,714
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	(2,875,276)	(4,766,314)	(977,945)
Non-cash flows in Net result:			
Depreciation on non-current assets	5,328,439	5,023,350	5,001,553
Loss on revaluation of fixed assets	0	0	111,821
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(350,284)	650,000	353,898
(Increase)/decrease in other assets	(177,067)	0	(59,329)
(Increase)/decrease in inventories	7,513	0	43,655
Increase/(decrease) in payables	137,761	500,000	697,012
Increase/(decrease) in provisions	1,044	0	(159,954)
Increase/(decrease) in contract liabilities	(441,822)	0	0
Non-operating grants, subsidies and contributions	(2,355,575)	(1,445,101)	(1,386,491)
Net cash from operating activities	(725,267)	(38,065)	3,624,220

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

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
General purpose funding	559,400	487,096
Law, order, public safety	174,951	210,645
Health	56,070	7,700
Education and welfare	9,678	131,000
Housing	11,768,586	11,347,378
Community amenities	2,135,394	1,295,482
Recreation and culture	13,306,479	13,255,979
Transport	85,862,653	87,067,062
Economic services	3,565,744	4,738,667
Other property and services	12,425,813	3,194,523
Unallocated	2,534,350	10,338,827
	132,399,118	132,074,359

## **20. CONTINGENT LIABILITIES**

In February 2019, a tree branch fell and injured a resident. This incident may result in a public liability claim against the Shire, for which an estimate of the amount cannot currently be made.

### **CONTAMINATED SITES**

Under the Contaminated Sites Act 2003, the Shire is required to report known and suspected sites to the Department of Water and Environment Regulation (DWER). In accordance with the Act, DWER classifies these sites as contaminated-remediation required or possibly contaminated-investigation required, the Shire may have a liability in respect of investigation or remediation expenses.

During the year, the Shire reported no contaminated sites to DWER.

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

## 21. CAPITAL COMMITMENTS

### (a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

0

1,812,000

742,661

0

742,661

1,812,000

Payable:

- not later than one year

742,661

1,812,000

The commitment for 2019 is road construction commitments.

The commitment for 2020 is for Street Sweeper (\$388,003) and Compactor Rubbish Truck (\$354,658)

## 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	70,024	63,246	66,046
President's allowance	10,003	9,035	9,435
Deputy President's allowance	2,501	2,259	2,359
Travelling expenses	17,713	357	1,021
Telecommunications allowance	23,814	24,460	22,944
	124,055	99,357	101,805

### 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	971,286	318,887
Post-employment benefits	58,656	31,684
Other long-term benefits	87,692	48,400
Termination benefits	25,007	48,787
	1,142,641	447,758

#### Short-term employee benefits

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

#### Post-employment benefits

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

#### Other long-term benefits

These amounts represent long service benefits accruing during the year.

#### Termination benefits

These amounts represent termination benefits paid to KMP.

## 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.

	2020 Actual	2019 Actual
The following transactions occurred with related parties:	\$	\$
Purchase of goods and services	15,290	85,197
<b>Amounts payable to related parties:</b>		
Trade and other payables	226	0

### 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.



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

**23. RATING INFORMATION**

**(a) Rates**

<b>RATE TYPE</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>2019/20 Actual Rateable Value \$</b>	<b>2019/20 Actual Rate Revenue \$</b>	<b>2019/20 Actual Interim Rates \$</b>	<b>2019/20 Actual Back Rates \$</b>	<b>2019/20 Actual Total Revenue \$</b>	<b>2019/20 Budget Interim Rate \$</b>	<b>2019/20 Budget Back Rate \$</b>	<b>2019/20 Budget Total Revenue \$</b>	<b>2018/19 Actual Total Revenue \$</b>
<b>Differential general rate / general rate</b>											
<b>Gross rental valuations</b>											
Town	0.08412	339	12,813,688	1,077,887	0	0	1,077,887	1,077,887	0	1,077,887	1,059,603
Town vacant	0.14185	2	40,090	5,687	0	0	5,687	5,687	0	5,687	5,581
<b>Unimproved valuations</b>											
Rural/Pastoral	0.04740	27	7,956,420	377,134	0	0	377,134	377,134	0	377,134	370,133
Mining	0.38269	33	1,730,495	662,243	0	0	662,243	623,647	0	623,647	731,342
Prospecting/Exploration	0.23338	126	1,747,605	407,856	31,105	0	438,961	407,093	0	407,093	276,643
<b>Sub-Total</b>		527	24,288,298	2,530,807	31,105	0	2,561,912	2,491,448	0	2,491,448	2,443,302
<b>Minimum payment</b>	<b>\$</b>										
<b>Gross rental valuations</b>											
Town	822	4	14,735	3,288	0	0	3,288	3,288	0	3,288	3,224
Town vacant	1,643	8	21,430	13,144	0	0	13,144	13,144	0	13,144	12,896
<b>Unimproved valuations</b>											
Rural/Pastoral	821	20	61,600	16,420	0	0	16,420	16,420	0	16,420	16,120
Mining	821	6	6,356	4,926	0	0	4,926	4,926	0	4,926	4,836
Prospecting/Exploration	562	69	99,112	38,778	0	0	38,778	38,216	0	38,216	35,264
<b>Sub-Total</b>		107	203,233	76,556	0	0	76,556	75,994	0	75,994	72,340
<b>Total amount raised from general rate</b>		634	24,491,531	2,607,363	31,105	0	2,638,468	2,567,442	0	2,567,442	2,515,642
<b>Prepaid rates</b>							2,638,468			2,567,442	2,515,642
<b>Totals</b>							0			0	0
							2,638,468			2,567,442	2,515,642

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

**23. RATING INFORMATION (Continued)**

**(b) Service Charges**

Service Charges	Amount of Charge	2019/20		2019/20		2019/20		2019/20		2019/20		2019/20		2019/20		2019/20		2019/20		2018/19	
		Actual Revenue Raised	Actual Charges Applied to Costs	Actual Charges Set Aside to Reserve	Actual Reserve Applied to Costs	Actual Revenue	Actual Charges Applied to Costs	Actual Charges Set Aside to Reserve	Actual Reserve Applied to Costs	Budget Revenue	Budget Charges Applied to Costs	Budget Charges Set Aside to Reserve	Budget Reserve Applied to Costs	Budget Revenue	Budget Charges Applied to Costs	Budget Charges Set Aside to Reserve	Budget Reserve Applied to Costs	Total Actual Revenue	Total Actual Revenue	Total Actual Revenue	
Television and Rebroadcasting Services	10	\$ 4,160	\$ (4,160)	\$ 0	\$ 0	\$ 4,160	\$ (4,160)	\$ 0	\$ 0	\$ 3,950	\$ (3,950)	\$ 0	\$ 0	\$ 3,950	\$ (3,950)	\$ 0	\$ 0	\$ 4,160	\$ 4,160	\$ 4,160	
		4,160	(4,160)	0	0					3,950	(3,950)	0	0	3,950	(3,950)	0	0				
																			</		

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

23. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	06-Sep-19	0.00	0.0%	11.0%
<b>Option Two</b>				
First instalment	06-Sep-19	0.00	0.0%	11.0%
Second instalment	11-Nov-19	20.00	5.5%	11.0%
Third instalment	19-Feb-20	20.00	5.5%	11.0%
Fourth instalment	25-Apr-20	20.00	5.5%	11.0%

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Interest on unpaid rates	78,838	35,000	69,644
Interest on instalment plan	2,898	7,000	5,697
Charges on instalment plan	2,420	3,000	2,280
	84,156	45,000	77,621

## 24. RATE SETTING STATEMENT INFORMATION

| 44

## 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 \$
<b>2020</b>					
Cash and cash equivalents	0.00%	7,595,917	0	7,595,182	735
<b>2019</b>					
Cash and cash equivalents	2.25%	6,310,714	1,500,000	4,367,598	443,116
Financial assets at amortised cost	2.80%	5,000,000	5,000,000	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.

	2020 \$	2019 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	75,959	63,107

\* Holding all other variables constant

#### Borrowings

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

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

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.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices, the current pandemic and unemployment rates have been identified as the most relevant factors in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2020 and 30 June 2019 were determined as follows for rates receivable.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss	0.00%	18.07%	33.79%	34.16%	
Gross carrying amount	156,534	94,042	140,453	226,958	617,987
Loss allowance	0	16,995	47,455	77,521	141,971
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.00%	22.49%	42.05%	42.51%	
Gross carrying amount	156,604	94,085	140,517	227,061	618,267
Loss allowance	0	21,162	59,090	96,529	176,781

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
<b>30 June 2020</b>					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	53.79%	
Gross carrying amount	389,702	8,024	2,000	120,930	520,656
Loss allowance	0	0	0	65,054	65,054
<b>30 June 2019</b>					
Trade and other receivables					
Expected credit loss	3.38%	0.00%	0.00%	74.30%	
Gross carrying amount	73,943	16,861	0	147,212	238,016
Loss allowance	2,500	0	0	109,374	111,874



## 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.

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2020</b>					
Payables	1,416,198	0	0	1,416,198	1,416,198
Borrowings	983,514	3,287,402	431,387	4,702,303	4,415,902
Contract liabilities	76,833	0	0	76,833	76,833
	<u>2,476,545</u>	<u>3,287,402</u>	<u>431,387</u>	<u>6,195,334</u>	<u>5,908,933</u>
<b>2019</b>					
Payables	1,278,437	0	0	1,278,437	1,278,437
Borrowings	142,692	616,142	619,273	1,378,107	912,850
	<u>1,421,129</u>	<u>616,142</u>	<u>619,273</u>	<u>2,656,544</u>	<u>2,191,287</u>

## 26. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No post balance day events occurred which would have impacted on the end of year report.

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

**27. 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):

		<b>AASB 118</b> <b>carrying amount</b>		<b>AASB 15</b> <b>carrying amount</b>
	<b>Note</b>	<b>30 June 2019</b>	<b>Reclassification</b>	<b>01 July 2019</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Contract liabilities - current</b>				
Contract liabilities from contracts with customers	15	0	(518,655)	(518,655)
Adjustment to retained surplus from adoption of AASB 15	28(a)		(518,655)	

**(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 changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes occurred to the following financial statement line items by application of AASB 1058 as compared to AASB 1004:  
Contributions before the change:

		<b>AASB 1004</b> <b>carrying amount</b>		<b>AASB 1058</b> <b>carrying amount</b>
	<b>Note</b>	<b>30 June 2019</b>	<b>Reclassification</b>	<b>01 July 2019</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Contract liabilities - current</b>				
Trade and other payables	14	1,278,437	0	1,278,437
Adjustment to retained surplus from adoption of AASB 1058	28(a)		0	

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance gave rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the Shire. When the taxable event occurred, the financial liability was extinguished and the Shire recognised income for the prepaid rates that have not been refunded.

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

**27. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)**

The table below provides details of the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 118 and 1004 and related Interpretations that were in effect before the change.

		2020 \$		2020 \$
	Note	As reported under AASB 15 and AASB 1058	Adjustment due to application of AASB 15 and AASB 1058	Compared to AASB 118 and AASB 1004
<b>Statement of Comprehensive Income</b>				
<b>Revenue</b>				
Rates	23(a)	2,638,468	60,106	2,698,574
Operating grants, subsidies and contributions	2(a)	11,954,975	76,833	12,031,808
Fees and charges	2(a)	1,058,835	0	1,058,835
Non-operating grants, subsidies and contributions	2(a)	2,355,575	0	2,355,575
Net result		(2,875,276)	136,939	(2,738,337)
<b>Statement of Financial Position</b>				
Trade and other payables	14	1,416,198	(60,106)	1,356,092
Contract liabilities	15	76,833	(76,833)	0
Net assets		125,901,400	136,939	126,038,339
<b>Statement of Changes in Equity</b>				
Net result		(2,875,276)	136,939	(2,738,337)
Retained surplus		26,867,438	136,939	27,004,377

Refer to Note 2(a) for new revenue recognition accounting policies as a result of the application of AASB 15 and AASB 1058.

**(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.

As at 30th June 2019, the Shire had no operating leases and therefore the impact of this standard was nil.

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

**28. CHANGE IN ACCOUNTING POLICIES**

**(a) Change in Accounting Policies due to regulation changes**

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 City 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. These assets have been measured as concessionary lease right-of-use assets at zero cost in accordance with AASB 16. For further details relating to these changes, refer to Note 11.

In summary the following adjustments were made to the amounts recognised in the statement of financial position at the date of initial application (1 July 2019) - Nil.

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.

**(b) Changes in equity due to change in accounting policies**

The impact on the Shire's opening retained surplus due to the adoption of AASB 15 and AASB 1058 as at 1 July 2019 was nil.

	Note	Adjustments	2019
			\$
Retained surplus - 30 June 2019			27,605,418
Adjustment to retained surplus from adoption of AASB 15	27(a)	(518,655)	(518,655)
Adjustment to retained surplus from adoption of AASB 16	27(c)	0	0
Adjustment to retained surplus from adoption of AASB 1058	27(b)	0	0
Retained surplus - 1 July 2019			27,086,763

The impact on the Shire's opening revaluation surplus resulting from *Local Government (Financial Management) Regulation 16* being deleted and the amendments to *Local Government (Financial Management) Regulation 17A* as at 1 July 2019 was nil.

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

**29. TRUST FUNDS**

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

	1 July 2019	Amounts Received	Amounts Paid	Reclassified as Restricted Cash	30 June 2020
	\$	\$	\$	\$	\$
Staff housing bonds	2,930	7,577	(8,611)	0	1,896
Facility bond hire	16,155	1,874	(9,129)	(8,900)	0
BCITF	27,051	5,019	(3,349)	0	28,721
Tourism operators	59,377	168,186	(218,990)	(8,573)	0
DPI vehicle licensing	8,796	267,967	(273,529)	0	3,234
Refuse kerb deposits	2,500	500	(2,000)	(1,000)	0
Election nominations	0	400	(400)	0	0
	116,809	451,523	(516,008)	(18,473)	33,851



# SHIRE OF HALLS CREEK

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### FOR THE YEAR ENDED 30 JUNE 2020

#### 30. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

##### b) Current and non-current classification

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

##### c) Rounding off figures

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

##### d) Comparative figures

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

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

##### e) Budget comparative figures

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

##### f) Superannuation

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

##### g) Fair value of assets and liabilities

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

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

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

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

##### h) Fair value hierarchy

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

##### Level 1

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

##### Level 2

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

##### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

##### Valuation techniques

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

##### Market approach

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

##### Income approach

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

##### Cost approach

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

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

##### i) Impairment of assets

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

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

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

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

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

**31. ACTIVITIES/PROGRAMS**

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

**PROGRAM NAME AND OBJECTIVES**

**GOVERNANCE**

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

**GENERAL PURPOSE FUNDING**

To provide adequate funding for the Shire's operation by maximising income from rates, general purpose government grants, interest and other sources of revenue.

**LAW, ORDER, PUBLIC SAFETY**

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

**HEALTH**

To provide an operational framework for good community health.

**EDUCATION AND WELFARE**

The Shire of Halls Creek Olabud Doogethu service is a collaborative partnership with the Department of Prime Minister and Cabinet that focuses on ensuring Indigenous Australians grow up and live their lives in a safe home and community, Department of Corrective Services and the Department of Child Protection and Family Support.

**HOUSING**

Provision of adequate housing for Shire staff.

**COMMUNITY AMENITIES**

Provides services required by the community.

**RECREATION AND CULTURE**

To establish and manage efficiently infrastructure and resources which will help the social development and well being of the community.

**TRANSPORT**

To provide safe, effective transport services to the community.

**ECONOMIC SERVICES**

To help promote the Shire and improve its economic well being.

**ACTIVITIES**

Administration and operation of facilities and services to members of Council, other costs relating to tasks of assisting elected members and ratepayers on matters which do not concern specific services.

Raising of rates, collection of debts, general purpose funding and other funding activities.

Supervision of various by-laws, fire prevention, emergency services and animal control.

**Aboriginal Environmental Health Program** - This scheme is part funded by the Health Department of WA with the main aim being to ensure the delivery of environmental health services to Aboriginal communities, addressing specific needs and requirements of such communities.

**Health Admin & Inspection** - Expenditure related to the general administration and delivery of environmental services such as food inspections, issuing of licences such as stall-holder and hawkker licences and the general administration role as required by the Shire in accordance with the Health Act.

**Pest Control and Analytical** - Allocation to enable the Environmental Health Officer to undertake food sampling and other testing with relevant testing authorities in Perth. Allocation also for actions required for mosquito control.

Focuses on "breaking the cycle" for at-risk Aboriginal young people - ensuring they have a safe environment in which to make positive life choices.

Maintenance and operations of staff housing, capital repairs and maintenance as well as new construction.

Refuse collection service and refuse site maintenance, administration of the Shire's town planning function, maintenance and management of the Shire's cemetery, public conveniences and certain community development projects.

Maintenance and operation of civic halls, sports courts, oval, aquatic & recreation centre, library, rebroadcasting services and the cultural background of Halls Creek as the Trackers Hut.

Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets and the operation of the airport.

Travel, tourism and area promotion, building control, post office services and economic development.

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

31. ACTIVITIES/PROGRAMS

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

**PROGRAM NAME AND OBJECTIVES**

**OTHER PROPERTY AND SERVICES**

Pooled costs and activities not included in other functions.

**ACTIVITIES**

**Public works overheads** - All costs associated with the employment of works staff are this sub-program and are then reallocated to the relevant programme during the course of overheads recovery.

**Plant operations costs** - All costs associated with the operation of Councils plant fleet are assigned to this sub program and throughout the year are reallocated to relevant work jobs on which the plant worked, to obtain accurate costs of that job, items of plant which determine actual costs. Costs include fuels, oils, repairs and depreciation.

**Salaries and wages** - The sub programme identifies the total salaries and wages costs expected for the year and these are also reallocated throughout all sub programmes during the financial year to reflect true costs.

**Integrated planning** - The framework ensures all of the Shires strategic planning policies are aligned and conform with the requirements of the Local Government Act. The five strategies which form the framework must be regularly reviewed and the outcomes monitored annually.

**Miscellaneous/Unclassified** - This sub programme records both income and expense for goods/services that cannot be allocated to a particular job or program.

**Administration** - All costs associated with the Shires administration including staff, are assigned to this program. They are then reallocated to the relevant programs to represent the administrative cost of that program/sub program.

## 32. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	1.37	2.62	6.18
Asset consumption ratio	0.92	0.69	0.99
Asset renewal funding ratio <sup>(Note 1)</sup>	N/A	N/A	1.04
Asset sustainability ratio	0.03	0.43	0.40
Debt service cover ratio	0.34	18.85	10.84
Operating surplus ratio	(1.33)	(0.53)	(1.19)
Own source revenue coverage ratio	0.19	0.29	0.24

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

Note 1: The Shire's Long Term Financial Plan and Asset Management Plan does not have the required information and as a result this ratio could not be calculated.