

ANNUAL REPORT 2020/2021



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Chapman Valley
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ELECTED MEMBERS

Local Government Act, 1995, Section 5.53(2)(g) & (i)
Local Government (Administration) Regulations, 1996, Clause 19B

	Name	Gender	Linguistic Background	Country of Birth	Term Ending
	PRESIDENT Anthony Farrell	M	English	Australia	October 2023
	DEPUTY PRESIDENT Kirrilee Warr	F	English	Australia	October 2021
	Nicole Batten	F	English	Australia	October 2021
	Beverley Davidson	F	English	Australia	October 2023
	Darrell Forth	M	English	Australia	October 2021
	Peter Humphrey	M	English	Australia	October 2023
	Trevor Royce	M	English	Australia	October 2023
	Ian Maluish (Resigned August 2020)	M	English	Australia	October 2021

Local Government (Administration) Regulations, 1996 – Clause 19B(h)

Elected Members Age Profile	
18 Years to 24 Years	0
25 Years to 34 Years	0
35 Years to 44 Years	2
45 Years to 54 Years	1
55 Years to 64 Years	1
Over 64 Years	4

Local Government (Administration) Regulations, 1996 – Clause 19B(j)

Number of Elected Members who identify as Aboriginal or Torres Strait Islander - Nil

Local Government (Administration) Regulations, 1996 – Clause 19B(f)

COUNCILLOR ATTENDANCE - ORDINARY COUNCIL MEETINGS 2020/2021

ORDINARY COUNCIL MEETINGS 2020/2021	Cr Farrell	Cr Batten	Cr Forth	Cr Humphrey	Cr Maluish	Cr Warr	Cr Royce	Cr Davidson	
15/07/2020	✓	x	✓	✓	✓	✓	✓	✓	
19/08/2020	✓	✓	✓	✓	✓	x	✓	✓	
16/09/2020	✓	✓	✓	✓	Not current councillor	✓	x	✓	
21/10/2020	✓	✓	✓	✓		✓	✓	✓	
18/11/2020	x	✓	✓	✓		✓	✓	✓	
16/12/2020	✓	✓	✓	✓		✓	✓	x	
January 2021 NO MEETING									
17/02/2021	✓	✓	x	✓		✓	✓	✓	✓
17/03/2021	✓	✓	✓	✓		✓	✓	✓	✓
21/04/2021	✓	✓	✓	x		✓	✓	✓	✓
19/05/2021	✓	✓	✓	✓		✓	✓	✓	✓
16/06/2021	✓	✓	✓	✓		✓	✓	✓	✓
Total Meetings	10 of 11	10 of 11	10 of 11	10 of 11	2 of 2	10 of 11	10 of 11	10 of 11	

	No Meeting/s Held
	Apology
	Approved Leave of Absence
	Not current councillor

COUNCILLOR ATTENDANCE - SPECIAL COUNCIL MEETINGS 2020/2021

SPECIAL COUNCIL MEETINGS 2020/2021	Cr Farrell	Cr Batten	Cr Forth	Cr Humphrey	Cr Maluish	Cr Warr	Cr Royce	Cr Davidson
31/07/2020 (Budget Adoption)	✓	✓	✓	✓	✓	✓	✓	✓

COUNCILLOR ATTENDANCE - COUNCIL COMMITTEE MEETINGS 2020/2021

COMMITTEE	Cr Farrell	Cr Batten	Cr Forth	Cr Humphrey	Cr Maluish	Cr Warr	Cr Royce	Cr Davidson
Finance Audit & Risk Management	2 of 2	NA	2 of 2	NA	NA	2 of 2	NA	2 of 2
Road Infrastructure	1 of 1	1 of 1	1 of 1	1 of 1	NA	1 of 1	1 of 1	1 of 1
Building & Disability Services	1 of 1	1 of 1	1 of 1	1 of 1	NA	NA	NA	NA

COUNCIL SENIOR STAFF



Maurice Battilana
CHIEF EXECUTIVE OFFICER



Simon Lancaster
DEPUTY CHIEF EXECUTIVE OFFICER



Dianne Raymond
MANAGER FINANCE & CORPORATE SERVICES



Esky Kelly
MANAGER WORKS & SERVICES



Anthony Abbott
BUILDING SURVEYOR/PROJECTS OFFICER

MINUTES OF PREVIOUS
ELECTORS
MEETING



UNCONFIRMED
MINUTES

ANNUAL GENERAL MEETING OF ELECTORS
THURSDAY 11 MARCH 2021
COUNCIL CHAMBERS NABAWA
6.00PM

DISCLAIMER



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No responsibility whatsoever is implied or accepted by the Shire of Chapman Valley for any act, omission or statement or intimation occurring during Council Meeting. The Shire of Chapman Valley disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee Meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council Meeting does so at that person's or legal entity's own risk.

The Shire of Chapman Valley warns that anyone who has any application or request with the Shire of Chapman Valley must obtain and should rely on WRITTEN CONFIRMATION of the outcome of the application or request of the decision made by the Shire of Chapman Valley.

A handwritten signature in black ink, appearing to read 'M. Battilana', written in a cursive style.

Maurice Battilana
CHIEF EXECUTIVE OFFICER

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ORDER OF BUSINESS

1.0 DECLARATION OF OPENING/ANNOUNCEMENTS OF VISITORS

The President, Cr Farrell welcomed Electors, Elected Members and Staff and declared the meeting open at 6:01pm.

2.0 ANNOUNCEMENTS FROM THE PRESIDING MEMBER

Nil

3.0 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

3.1 Attendees

Elected Members	In	Out
Cr Anthony Farrell (President)	6:01pm	6:23pm
Cr Kirrilee Warr (Deputy President)	6:01pm	6:23pm
Cr Beverley Davidson	6:01pm	6:23pm

Officers	In	Out
Maurice Battilana, Chief Executive Officer	6:01pm	6:23pm
Simon Lancaster, Deputy Chief Executive Officer	6:01pm	6:23pm
Dianne Raymond, Manager Finance & Corporate Services	6:01pm	6:23pm

Visitors	In	Out
John Collingwood (Elector)	6:01pm	6:23pm
Sue Collingwood (Elector)	6:01pm	6:23pm
Peter Williams (Elector)	6:12pm	6:23pm

3.2 Apologies

Elected Members
Cr Nicole Batten
Cr Forth
Cr Peter Humphrey
Cr Trevor Royce

4.0 PUBLIC QUESTION TIME

4.1 Response to previous public questions taken on notice

Nil

4.2 Public Question Time

4.2.1 John Collingwood

Is it possible for the Shire to improve the signage in and around the Parkfalls Estate area (including the Bill Hemsley Park Community Center) to inform people this area is in the Shire of Chapman Valley. Appears to currently be a lack of recognition of this being the case?

Answer – Crs Farrell & Warr indicated this was a valid request and is something which can be put to Council as part of future budget consideration.

Cr Warr also indicated the Shire's Tourism & Events Advisory Groups is about to undertake a tourism sign audit within the Shire and this could be considered as part of the process.

The CEO advised he would determine if the Shire of Chapman Valley boundary sign has been erected on David Road as this was to be done.

4.2.2 John Collingwood

Enquired into the legalities, procedures regarding landowners maintaining their verges on Shire road reserves.

Answer – The CEO advised the Shire does have a Management Procedure for this activity and would forward a copy to Mr. Collingwood

5.0 CONFIRMATION OF MINUTES FROM PREVIOUS ANNUAL ELECTORS MEETING 6 FEBRUARY 2020

MOVED: CR Warr

SECONDED: Cr Davidson

The Minutes of the Annual Electors Meeting held on Thursday 6th February 2020 be confirmed as true and accurate.

Voting F5/A0

CARRIED

Minute Reference: AEM 03/21-01

6.0 RECEIVING 2019/2020 ANNUAL REPORT

6.1 Receiving of the Annual Report 2019/2020 incorporates

- 2019/2020 annual financial Statements
- 2019/2020 Audit Report
- Presidents Report
- Chief Executive Officer Report

The 2019/2020 Annual Report including Annual Financial Statements, Audit Report, Management Report, Presidents Report and Chief Executive Officer Report be endorsed as presented without amendments.

RESOLUTION

MOVED: CR Warr

SECONDED: Cr Davidson

The 2019/2020 Annual Report including Annual Financial Statements, Audit Report, Management Report, Presidents Report and Chief Executive Officer Report be endorsed as presented without amendments.

Voting F5/A0

CARRIED

Minute Reference: AEM 03/21-02

7.0 GENERAL BUSINESS

7.1 President Comments

The President made comment on the difficulties associated with the COVID 19 Pandemic and how the Elected Members and Staff worked hard to deal with the many and varied challenges during these difficult times.

The President thanked staff for their efforts and commented on how the Work From Home arrangements works very well during the COVID pandemic period and this arrangement will continue into the future as necessary.

7.2 Peter Williams – Question

Road building material is being left on road verge overnight during current shoulder works in Parkfalls Estate, which could be a hazard. Can this be looked into?

Answer – The CEO advised the matter will be looked into to ensure there is no hazard.

7.3 Peter Williams – Question

Does the Shire have a policy in regards to the control of weeds (specifically Dongara Daisy) on private land?

Answer – The Shire President responded advising the Shire cannot enforce the control or eradication of undeclared weed on private land, yet does encourage landowners to do so, with very limited success unfortunately.

7.4 John Collingwood

Requested the Minutes of this meeting recorded the appreciation for the excellent work the Elected Members and Shire Staff do for our Shire. These efforts are not recognised enough within the community and the results of such efforts is we have a Shire we can all be very proud of.

Well done to you all!

8.0 CLOSURE

The Presiding Member thanked members, ratepayers, visitors and staff for attending and declared the electors meeting closed at 6:23pm



COUNCIL COMMITTEE, STEERING/WORKING/ADVISORY GROUP REPRESENTATIVES

Council Committees - Council Members Only – Local Government Act 1995 – Section 5.9(2)(a) (ABSOLUTE MAJORITY REQUIRED FOR COMMITTEE APPOINTMENTS) (Must be 3 or More Representatives)		
	Purpose/Delegations	Appointed Representatives
Building & Disability Services Committee	Purpose: Will meet at least annually to inspect all Shire Buildings/Properties and then subsequently to: <ul style="list-style-type: none"> ~ Review preliminary costings for proposed works for consideration in draft Council Budget. ~ Review the Capital & Building Works Program. ~ Disability Access & Inclusion Plan; and ~ Any other building/property items referred to the Committee by Council. Delegation – Nil	<u>5 x Councillors</u> <ul style="list-style-type: none"> • Cr Farrell • Cr Humphrey • Cr Batten • Cr Forth <u>Observers:</u> <ul style="list-style-type: none"> ~ CEO ~ Building Surveyor

Finance Audit & Risk Management Committee	<p>Purpose: To provide a review of Council’s ongoing financial situation, provide a forum for ongoing review of strategic management plan for Council operations and discuss the Audit System.</p> <p>Delegation – Nil</p>	<p><u>4 x Councillors</u></p> <ul style="list-style-type: none"> • Cr Farrell • Cr Forth • Cr Davidson • Cr Warr • Grant Middleton (External Independent Member) <p><u>Observers:</u></p> <p>~ CEO</p> <p>~ Manager Finance & Corporate Services</p>
Road Infrastructure Committee	<p>Purpose: Undertake an annual review the following:</p> <ul style="list-style-type: none"> ~ Road Works Program. ~ Road Hierarchy. ~ Heavy Haulage Vehicle Permit Roads; and ~ Any other works infrastructure item referred to the Committee by Council. ~ Review the plant replacement program <p>Delegation – Nil</p>	<p>All Councillors</p> <p><u>Observers:</u></p> <p>~ CEO</p> <p>~ Manager Works & Services</p> <p>~ Deputy CEO</p> <p>~ Works Leading Hand</p>

Groups - Steering, Advisory, Working, etc. (SIMPLE MAJORITY REQUIRED) (Number not legislated)		
Bush Fire Brigades Group Management Advisory Committee	Purpose: Meet at least annually to: ~ Elect Office Bearers. ~ Review previous year fire season. ~ Review the Shire's Fire Notice. ~ Liaise with external organisations (e.g. DFES, DBCA); ~ Review the DFES Capital & Operational Grants. ~ Any other bush fire related items referred to the Committee by Council. Delegation – Nil	<u>President (Presiding Member) and 2 x Councillor</u> <ul style="list-style-type: none"> • Cr Farrell (President) • Cr Royce • Cr Humphrey ~ CBFCO ~ DCBFCO ~ All Brigade FCOs ~ Chief Executive Officer ~ Senior Ranger <u>Observers</u> 1 x DFES Rep. 1 x DBCA Rep.
Batavia Local Emergency Management Committee (BLEMC)	Purpose: Meet as required in accordance with legislation and Council endorsed Local Emergency Management Arrangements (LEMA) to: ~ Review the LEMA & Recovery Plan. ~ Implement Emergency Exercises as required. ~ Any other emergency management related items referred to the Committee by Council.	<u>2 x Councillor</u> <ul style="list-style-type: none"> • Cr Humphrey (BLEMC Chair) • Cr Davidson • Chief Executive Officer;

	<p><i>(Note: The BLEMC Chairperson is rotated amongst the three LGAs involved. Shire of Chapman Valley will take on the Chair in October 2019.</i></p> <p><i>Appointment is recommended as being an Elected Member, yet is not legislated to be so)</i></p> <p>Delegation – Nil</p>	
<p>Landcare & Environmental Advisory Group</p>	<p>Purpose: To apply for grant funding from third party sources to finance appropriate projects within the Shire of Chapman Valley:</p> <p>a) Delegate authority to the Chief Executive Officer to endorse grant applications/projects if funding resources are available within the Council’s adopted budget.</p> <p>b) If funding resources are not available within the adopted Council Budget for specific grant applications/projects, present the application to Council for endorsement, if possible, prior to the closure dates for the grant funding programs. Otherwise retrospective Council endorsement to commit funding resources will be required.</p> <p>All applications submitted, which require Council endorsement for additional funding resources, will be subject Council endorsement (i.e. the Committee does not have delegated authority to commit Council funding resources).</p> <p>c) Provide advice and assistance to the Chief Executive Officer and Shire staff in the managing of the Landcare Grant funds.</p> <p>d) Provide recommendations to Council on any Landcare Contracts and Consultancy agreements.</p>	<p><u>2 x Councillors</u></p> <ul style="list-style-type: none"> • Cr Farrell • Cr Batten <p><u>Observers</u></p> <ul style="list-style-type: none"> ~ Chief Executive Officer ~ Deputy CEO ~ NACC Rep. ~ Landcare & Environment Consultant

	<p>e) Provide a Draft Annual Budget for Landcare to Council for consideration as part of the Annual Budget process.</p> <p>Delegation – Nil</p>	
Community Growth Fund Advisory Group	<p>Purpose: Evaluate application received for funding under the Shire of Chapman Valley Community Growth Fund program in accordance with guideline, policies and procedures set by Council and make recommendations to Council to allocate funds</p> <p>Delegation – Nil</p>	<p><u>President (Presiding Member) & 3 x Councillors (Members)</u></p> <ul style="list-style-type: none"> • Cr Farrell (President) • Cr Warr • Cr Davidson <p>~ Chief Executive Officer</p> <p>~ Manager Finance & Corp Svc</p> <p>~ Community Development Officer</p>
Tourism & Events Advisory Group	<p>Purpose: Will meet on an ‘as needs’ basis only to:</p> <ul style="list-style-type: none"> ~ Evaluate annual Australia Day Award Nominations and submitting these to Council in readiness for presenting the awards at the Shire's annual Australia Day Function. ~ Assist with coordinating the annual Australia Day function(s); ~ Discuss all other item(s) in the areas of tourism and events. ~ Liaise with external organisations <p>Delegation – Nil</p>	<p><u>3 x Councillors</u></p> <ul style="list-style-type: none"> • Cr Batten • Cr Warr • Cr Forth <p>~ CEO</p> <p>~ Deputy CEO</p> <p>~ Comm. Development Officer</p> <p>~ 2 x Community Representatives for Australia Day award nominations (recommend past winner as one rep.)</p>

<p>Coronation Beach Masterplan Steering Group</p>	<p>Purpose: To review the Coronation Beach Masterplan.</p> <p>Delegation – Nil</p>	<p><u>1x Councillor</u></p> <ul style="list-style-type: none"> • Cr Forth (Chairperson) <p>~ DCEO</p> <p>~ Department of Sport & Recreations</p> <p>~ Neighbouring Landowners</p> <p>~ Community / User Group Representatives</p>
<p>Representatives on External Organisations (SIMPLE MAJORITY REQUIRED) (Numbers pre-determined)</p>		
<p>Northern Country Zone (WALGA)</p>	<p>Purpose: As determined by lead agency/organisation.</p> <p>Delegation – Nil</p>	<p><u>2 x Councillors</u></p> <ul style="list-style-type: none"> • Cr Farrell • Cr Warr <p>~ Chief Executive Officer (To act as Proxy in absence of Elected Members not attending)</p>
<p>Sub-Regional Road Group Committee</p>	<p>Purpose: As determined by lead agency/organisation.</p> <p>Delegation – Nil</p>	<p><u>2 x Councillors</u></p> <ul style="list-style-type: none"> • Cr Farrell • Cr Royce <p>~ Chief Executive Officer</p> <p>~ Manager Works & Services</p>
<p>Chapman Valley Agricultural Society</p>	<p>Purpose: As determined by lead agency/organisation.</p> <p>Delegation – Nil</p>	<p><u>1 x Councillor</u></p> <ul style="list-style-type: none"> • Cr Forth <p><u>1 x Proxy</u></p> <p>Cr Davidson</p>

<p>Mid West Development Assessment Panel (DAP)</p>	<p>Purpose: As determined by lead agency/organisation.</p> <p>Delegation – Nil</p> <p>Note: Mandatory training must be undertaken prior to serving on panel.</p>	<p><u>2 x Councillors (Members)</u></p> <ul style="list-style-type: none"> • Cr Farrell • Cr Humphrey <p><u>2 x Councillors (Proxies)</u></p> <p>~ Cr Davidson</p> <p>~ Cr Warr</p>
<p>Mid West Development Commission</p>	<p>Purpose: As determined by the lead agency/organisation</p> <p>Delegation – Nil</p>	<ul style="list-style-type: none"> • Cr Humphrey <p>Nominated – Decision yet to be made by Minister (Note: will be removed from list if nomination unsuccessful)</p>
<p>Moresby Range Conservation Park Visitor Plan Steering Group</p>	<p>Purpose: As determined by lead agency/organisation.</p> <p>Delegation – Nil</p>	<p>Anticipated representation to be:</p> <p><u>1 x Councillors</u></p> <ul style="list-style-type: none"> • Cr Batten <p>Chief Executive Officer Deputy Chief Executive Officer</p>

ANNUAL REPORT 2020/2021



REPORTS

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PRESIDENTS ANNUAL REPORT TO ELECTORS



Cr Anthony Farrell
SHIRE PRESIDENT

INTRODUCTION

The COVID-19 pandemic continues to be significant global and national issue, which continues to effect the Shire operation, specifically the State Government's imposition of a zero rate revenue increase across the whole to the local government sector for the 2020/2021 financial year.

To make life even more difficult the Shire and Midwest was hit by Severe Tropical Cyclone (STC) Seroja, which crossed the coast near Kalbarri on the 11th April 2021. Buildings and infrastructure within the Shire of Chapman Valley incurred significant damage and it will be a number of years for our community to recover from this natural disaster.

Damage in the Shire of Chapman was second only to the Shire of Northampton with an estimated total of 117 recorded residential and non-residential building incurring some form of damage i.e.

- Two (2) Entirely Damaged
- Twenty (20) Severely Damaged
- Thirty Six (36) Moderately Damaged
- Fifty Nine (59) Slightly Damaged

Thirty three (33) of the reported damaged properties were listed as being uninhabitable.

The past twelve months has thrown significant challenges at us all (e.g. COVID-19, STC Seroja) and I am so proud of the way the Shire Elected Members, Staff and the community has embraced the task of recovery from these challenges. We still have a long way to go to reach full recovery, yet I am confident we will get there and build a stronger, more resilient community along this journey.

COUNCIL MEMBERSHIPS

The make-up of the Council as at 30th June 2020 was:

- Cr Anthony Farrell (President)
- Cr Kirrilee Warr (Deputy President)
- Cr Nicole Batten
- Cr Beverley Davidson
- Cr Darrell Forth
- Cr Peter Humphrey
- Cr Trevor Royce
- Cr Ian Maluish (resigned August 2020)

I wish to extend my sincere appreciation to all Councillors (past & present) for their contribution to the Council and community.

I acknowledge and thank Cr Ian Maluish who resigned in August 2020 after approximately seven (7) years for his service as an Elected Member with the Shire.

COUNCIL MEETINGS

Council continued the practice of moving its Ordinary Monthly Council Meetings to locations within the Shire other than the traditional location of Nabawa. This year meetings were also held at the:

- Yuna Multipurpose Community Centre; and
- Bill Hemsley Park Community Centre

COMMUNITY GROWTH FUND

The Community Growth Fund (CGF) continued with the following projects being supported:

- Chapman Valley Agricultural Society – Nanson Showgrounds Dinning Hall Upgrades & Wi-Fi installation.
- Chapman Valley Men's Shed: Shed Extension
- Chapman Valley Football Club: Scoreboard Replacement
- Chapman Valley Historical Society – Museum Precinct Signage upgrades

I congratulate the recipients of CGF grants in 2020/2021 and hope the program can continue well into the future to the benefit of the community.

PROJECTS

The Shire has continued to undertake many and varied projects, all aimed at improving the amenities, infrastructure and service to the community. Some of the major projects in 2020/2021 included:

- Continued seal extension works on roads.
- Nanson Showgrounds new toilet building.
- Nabawa Community Centre upgrade to kitchen area.
- Nabawa Tennis Court upgrades.
- Relocation of Nabawa Library to Community Centre.
- Coronation Beach new Playground.
- Continued roll out of CCTV at strategic location.

VOLUNTEER BUSH FIRE BRIGADES

The work of the local bush fire brigades continues to provide the community with an assurance active and well-trained Brigades are available to assist in cases of emergency. These volunteers continue to do an excellent job and I commend them all for their efforts over the past twelve months and previous years.

I wish to again make specific mention of the commitment and efforts of Andrew Vlahov as Chief Bushfire Control Officer over many years. Well done and thank you Andrew for your continued service to the community

Council again called for nominations for the 2021 Australia Day Award with the following worthy nominations being successful:

- Australia Day Citizen of the Year Award – Mr Tom Davies
- Australia Day Community Group/Event of the Year Award – Chapman Valley Western Riding Club

I wish to congratulate all the award recipients in 2021 and encourage residents to continue to nominate the many worthy people in our community for these annual awards.

CONCLUSION

I wish to extend my appreciation to those members of the community who have co-operated with Council in the areas of supplying road building material, water, land resumption, contribution toward works, volunteer labour for community projects etc., as such co-operation is invaluable for Council to maintain and upgrade infrastructure to a more desirable standard, specifically to accommodate the ever increasing heavy haulage traffic we have on our roads today.

Finally, I wish to extend my appreciation to all Elected Members and Staff for their continued commitment to working for the Shire to help our community grow and prosper.



Anthony Farrell
SHIRE PRESIDENT

CHIEF EXECUTIVE OFFICER'S ANNUAL REPORT



Maurice Battilana
CHIEF EXECUTIVE OFFICER

INTRODUCTION

It is with pleasure I provide the following information to constituents of the Shire of Chapman Valley and include the statutory reporting requirements for the 2020/2021 financial year.

ROAD WORKS

Council continues to have an extensive road works program each year with works carried out on various roads including the following major construction works during 2020/2021:

- Valentine Road – Seal Extension.
- Dartmoor Road – Seal Extension.
- East Nabawa Road - Seal Extension.
- Northampton Nabawa Road – Reseal, Shoulder & Drainage Upgrades.
- Parkfalls Estate Drainage Upgrades

Roadwork projects remain Council's most significant area of expenditure and allocation of Shire resources. In the 2020/2021 year Council spent a total of approximately \$3.4m on road construction and maintenance works.

PLANT & EQUIPMENT

In accordance with the ten-year plant replacement programme Council continued to update items of plant and equipment in the 2020/2021 financial year to achieve greater efficiencies and minimise plant maintenance costs. This has seen the acquisition of the following replacement and additional major plant items:

- Prime Mover
- Side Tipper

STAFF

There have been minimal departures and arrivals of staff within the organisation. I wish departing staff all the very best for the future, welcome new staff to the organisation and take this opportunity to thank all staff for their dedication and loyalty to the Shire and the community.

DEVELOPMENT/BUILDING

The planning/building approvals issued by the Shire in 2020/2021 are as follows:

1 July 2020 – 30 June 2021		
Type	No. Approved	Value
Dwellings	19	\$6,966,826
Ancillary Dwellings	1	\$19,700
Dwelling (Class 1a inside Class 10a)	2	\$90,000
Outbuildings	17	\$702,336
Other Residential (patios, pools, granny flats etc.)	13	\$156,106
Industrial/Commercial	8	\$345,000
Events	6	N/A
Other (Relocation of Building Envelope)	2	N/A
Other (Telecommunications Mast)	1	\$50,000
TOTAL	69	\$8,329,968

Building Program

Scheduled building projects completed in 2020/2021 include the following:

- **Yuna Multi-Purpose Community Centre:**
 - Installed new carpet squares over existing vinyl floor to reduce hard surface echo.
- **Nabawa Shire Office / Council Chambers:**
 - Relocated Shire Office Public Library to free up additional office space.
- **Nabawa Community Centre/ New Shire Library:**
 - Renovated old Preschool section of building to create a conditioned space for the new Shire Library, works included;
 - Removed steel sheet roof cladding, installed a thermal break insulation product to seal the area to be conditioned including a timber framed ceiling cavity insulation curtains & reinstalled roof sheeting;
 - Removed old ceiling insulation and scrim and installed new sound reducing scrim & R3.5 insulation batts;
 - Remove old evaporative air conditioner from roof & ceiling cavity, reclad roof sheet as required;
 - Repainted all fascias, gutters & upper wall cladding;
 - Installed 2 x 8kw split system reverse cycle inverter drive air conditioner units & wiring to suit;
 - Removed old glass sliding door & installed disabled access timber framed swing door with glass side lights;
 - Constructed disabled access ramp to main entrance;
 - Demolished old children's toilet area & installed treated timber framed partition wall & full disabled access ablution area, bricked in a new accessible swing door;
 - Replaced all old; fluro lights with LED units & sweep fans with new tech units;
 - Installed new computer system, data & WIFI connectivity;
 - Repainted interior in neutral colour to suit.

- **Renovated Nabawa Community Centre Kitchen, works included;**
 - Removed existing cabinets & replaced with modern kitchen cabinets;
 - Installed new water pipes & drain wastes in walls & new stainless steel sinks & mixer taps to suit;
 - Installed new overhead cabinets & exhaust fan over existing stove / oven;
 - Installed new commercial grade vinyl floor covering;
 - Retiled all walls;
 - Removed old fluro lights replaced with LED's & ceiling sweep fans replaced with modern units;
 - Repainted walls & ceiling as required;
 - Purchased 20 new plastic trestle tables for Main Hall.

- **Nabawa Stadium:**
 - Replaced aluminium security screens on external balcony windows with electronic remote control roller Shutters x 4;
 - Removed tiered seating from surrounds of Basketball Court to allow roller derby competitions to be held;
 - Ground down concrete on court surrounds & painted to suit;
 - Replaced all Basketball Court metal halide lights with modern LED high bay lights;
 - Removed damaged skylight roof panels & replaced with Trimdeck steel roof sheets;

- **Nabawa Tennis Club:**
 - Replaced two eastern court surfaces, removed damaged artificial turf & compromised asphalt base, regraded gravel substrate raised court levels for water runoff with compacted gravel, installed new asphalt, painted surface with court markings, installed new steel posts & tennis nets;

- **Nabawa Cemetery:**
 - Constructed new disabled access timber framed toilet block inc. 1 x disabled access unisex WC & 1x ambulant access unisex WC. Gravity fed water supply from 24,000L poly water tank;
 - Installed concrete accessible paths connecting existing gazebo & site map shelter with new ablution block;
 - Removed damaged chain mesh fence along south boundary;

- **Nanson Museum:**
 - Constructed disabled access ramp to Old Roads Board Building;

- **Nanson Showgrounds:**
 - Installed new disabled access transportable ablution block, facilities include, 1 x disabled unisex toilet & shower, 1 x female ambulant access toilet & shower, 1 x male toilet with urinal & shower;
 - Disabled access to ablution block via treated timber framed ramp & stairs with pitched roof over to protect timber.
 - Built new patio attached to east side of Dining Hall constructed using reconstituted limestone retaining walls with disabled access ramp, galvanised steel tube hand rails & stairs, timber framed verandah roof structure supported on jarrah bush poles;
 - Constructed large octagonal timber framed gazebo as a replacement for the demolished old bar.

REGIONAL COOPERATION

The Shire continued to provide a regular town planning service to several Mid-West local government authorities including the Shire of Mingenew, Shire of Perenjori, Shire of Three Springs as well as the Shire of Menzies.

Council utilises the services of the Environmental Health Officer from the Shire of Northampton as required.

The Shire continues to be part of a regional waste collection and management service with the City of Greater Geraldton and the Shires of Northampton, and Irwin.

Emergency Management continues to be dealt on a regional basis with the Shire of Chapman Valley participating in the Batavia Local Emergency Management Committee with the City of Greater Geraldton and the Shire of Northampton.

PUBLIC INTEREST DISCLOSURE ACT 2003

In the year under review, Council received no items for the reporting period under the *Public Interest Disclosure Act 2003*.

REPORT ON THE SHIRE OF CHAPMAN VALLEY PLAN FOR THE FUTURE – LOCAL GOVERNMENT ACT 1995 - SECTION 5.53(2)(E)

In accordance with legislation the Shire completed the process of full review of its Integrated Planning & Reporting (IPR) documents in 2017/2018 to complement the Plan for the Future requirements of the Local Government Act, 1995, (Section 5.53(2)(e)) and associated legislation.

Below is a *Progress Report* on how Council has performed with specific aspects of the adopted Integrated Strategic Plan at 30 June 2020:

INTEGRATED STRATEGIC PLANNING - PROGRESS REPORT AS AT 30 JUNE 2021
CORPORATE BUSINESS PLAN

Shire of Chapman Valley Corporate Business Plan & Progress Report - Council Endorsed March 2021 OCM 2021 (Minute Reference: 03/21-03)
Our Vision: "We are a thriving community, making the most of our coastline, ranges and rural settings to support us to grow and prosper."

[Link to Strategic Community Plan \(SCP\)](#)

SCP Ref	SCP Objectives	SCP Strategy	SCP Actions	Completed 2017 to 2020	Status Report 2021 - 2024 Items	Short-Term June 2022	Medium-Term 2023 and 2024	Long -Term 2024 and beyond	No Timeline (Ongoing)
1 Community and Lifestyle									
1.1	Nurture the sense of community	Development of plans relevant to population needs	Review existing plans and develop new plans as required	CDO to review all existing community plans, strategies, policies, procedures, etc., to determine gaps. BHP Master Plan, Nanson Showgrounds Master Plan endorsed by Council. Coronation Beach Master Plan under review. LP Strategy & TP Scheme reviews in progress.	Discussion on an Annual Community Event yet to be commenced Mills Lookout Plan still being worked on.	Work with Tourism Operators and Community organisations to develop annual community event(s) Develop (in-house) and commence implementation of a Mills Lookout Master Plan	Work with Tourism Operators and Community organisations to develop annual community event(s) Continue implementation of the Mills Lookout Master Plan	Work with Tourism Operators and Community organisations to develop annual community event(s) Continue implementation of the Mills Lookout Master Plan	Continue to promote a sense of community at every opportunity.
		Determine a whole of Shire community integration approach	Advocate a sense of community when opportunity arises.	Community Facebook established not controlled by the Shire to ensure independence exists.					
1.2	Strengthen our advocacy role and regional partnerships to support the provision of local services and facilities	Maintain close relationships with neighbouring shires and regional bodies	Participate in and advocate for regional resource sharing and cross-boundary cooperation.	Promote the most appropriate and beneficial Dongara to Northampton Transport Corridor for social, economical, cultural & heritage benefit of the Shire, regional, State & Nation. Negotiations have been undertaken & affected community members encouraged to participate in lobbying MRWA, MWDC & local parliamentarians on this matter. Regional approach successful with High Speed Fixed Wireless Project (i.e. Shires of CV & NR). MRWA has determined DNTC preferred route and is pending Main Roads public consultation process	Informal discussion continuing with regional LGAs on resource sharing. Discussion ongoing with MRWA on promoting upgrades to Chapman Valley Rd. Planning Services continue to be offered to a number of LGAs	Continue to explore and participate in regional resources sharing where this is of benefit to the Shire & community. Continue to work with Main Roads to improve Chapman Valley Road. Ongoing. Planning services proved by SoCV to several LGAs.	Continue to explore and participate in regional resources sharing where this is of benefit to the Shire & community. Continue to implement interpretive, Tourism & Heritage Signage (European and Aboriginal) throughout the Shire (e.g. digital, fixed, etc.).	Continue to explore and participate in regional resources sharing where this is of benefit to the Shire & community.	Continue to explore and participate in regional resources sharing where this is of benefit to the Shire & community. Continue to promote the need to acquire land and build the ONIC as an integral aspect to future development of the Oakajee Industrial Estate. Consider regional resource sharing opportunities with other Local Government Authorities. Continue to advocate for the Heavy Haulage route to be Option 6 (NWCH, ONIC, Moonyoonooka-Yuna Rd) Advocate for power consistency and engagement with Western Power on investigating options to restore power from outages faster.
1.3	Maintain and enhance safety and security for the community	Review safe roads and infrastructure	Continue annual review of Road Hierarchy, Road Works Program, Plant Replacement Program	Full Policy Review undertaken along with specific annual review of Road Hierarchy Procedure.					Annual Review of RW Program, Road Hierarchy & Plant Replacement Program
		Enhance community and property security	Encourage improved communications and security across the Shire	Investigated funding opportunities and Shire budget for installation of CCTV systems. Federal Government grant received. CCTV to be installed in 2019 at BHPCC, Nabawa Depot, Nabawa & Yuna Refuse Site & Mills Lookout.	Suggested sites to place additional CCTV included in Budget for consideration.	Continue to establishment of CCTV at specific sites across the Shire.			Encourage State Government to police ORV use on land under State control.
2 Economic Development and Business Attraction									
2.1	Build population and business activity through targeted strategies	Support business development	Ensure Planning is in place to encourage business development	Investigate usage opportunities for Yuna Memorial Hall for Council consideration. Community and Council representatives have meet with Staff to develop strategies and recommendations for Council consideration on future use of Yuna Hall. Policies & Procedures are reviewed at least annually.	Policies & Procedures are reviewed at least annually.	Review planning, policies, procedures, strategies etc., to ensure development is encouraged throughout the Shire.	Council to consider the possible establishment of an Economic Strategy with recommendations for business incentives.	Review planning, policies, procedures, strategies etc., to ensure development is encouraged throughout the Shire.	Review planning, policies, procedures, strategies etc., to ensure development is encouraged throughout the Shire.
2.2	Provide support for business development and local employment	Research mixed land use opportunities	Investigate possible planning improvements						TEWG Budget requests considered in Annual Budget Workshop Cycles.
		Consider business start-up incentives	Investigate possible planning improvements						
		Encourage digital network development in the Valley	Continue advocating for improvements to existing infrastructure and introduction of new infrastructure for digital communications	Continue to develop High Speed Fixed Wireless Internet Service or alternative technologies to improve business retention and growth to as much of the Shire as possible. Application by Logic IT (Shire of CV's preferred ISP/Carrier) with State Government was successful. Internet Service now established.	No further action to date for additional business Workshops. No further action taken to analysis High Speed Fixed Wireless service at this stage.	Promote business training and assistance opportunities, RSM Workshops. Farm business chat group & tourism business alliance. High Speed WiFi project review and analysis? Could the results be used as leverage and promotion of small business opportunities in CV			Continued investigate improvement of telecommunication within the Shire
2.3	Welcome local tourism and participation in regional strategy	Research and develop local tourism plan	Encourage Tourism Operators to establish an Alliance for them to develop and implement a Local Tourism Plan. This must be industry driven, not Shire driven.	CDO has made contact with Tourism Operators within Shire to bring them together for opportunity to network, explore options to support each other and determine where shire fits in a support role. The preferred model is for the Shire to assist and support tourism in CV and for tourism to be driven by businesses not the Shire. Survey compiled and distributed by CDO & Shire Tourist Working Group seeking feedback & data to assist with report & recommendations presented to Council for consideration. Moresby Range Eco Tourism Master Plan underway. Item in 20/21 Budget for Heritage Signage consideration (e.g. fixed, digital, etc.). Coronation Beach Master Plan Review underway. Mills Lookout Plan being developed. FABCV being established as another community group.	Moresby Range Master Plan still being developed by DBCA. SoCV has representation on the Steering Group. SoCV Tourism Committee currently investigating signage improvements, with line item to be considered in the Draft 21/22 Budget. Coronation Beach Plan still being developed. 21/22 Draft Budget includes items to continue implementation of BHPCC Plan.	Complete Moresby Range Master Plan for Eco Tourism at DBCA Reserve & commence implementation of the Plan. Investigate Heritage, Cultural Interpretive signage (fixed, digital, etc.) throughout the Shire (European & Aboriginal) Complete Coronation Beach & commence implementation of the Plan. Continue implementation of Plans (e.g. Bill Hemsley Park, Nanson Showgrounds, Mills Lookout).	Investigate a "Welcome To..." signs for CV Townsites. Continue Implement installation of European & Aboriginal Interpretive signage (fixed, digital, etc.) throughout the Shire Continue implementation of Plans (e.g. Coronation Beach, Bill Hemsley Park, Nanson Showgrounds, Mills Lookout). Work with Stakeholders to implement aspects of Moresby Range ECO Tourism Master Plan	Continue Implement installation of European & Aboriginal Interpretive signage (fixed, digital, etc.) throughout the Shire Continue implementation of Plans (e.g. Coronation Beach, Bill Hemsley Park, Nanson Showgrounds, Mills Lookout). Work with Stakeholders to implement aspects of Moresby Range ECO Tourism Master Plan	
		Explore support needed by local tourism industries	Encourage Tourism Operators to establish an Alliance for them to develop and implement a Local Tourism Plan. This must be industry driven, not Shire driven.	If Tourism Operators are interested in establishing an Alliance the CDO to work with this Group to develop a Local Tourism Plan. Survey compiled and distributed by CDO & Shire Tourist Working Group seeking feedback & data to assist with report & recommendations presented to Council for consideration. CVHS appoints Voluntary Caretaker at Museum during peak periods. Part of annual Budget cycle to consider items listed in the Master Plan. Tourism & Business organisation attended Shire organised business planning workshop at Nukarra in 2020.	Implementation of Plan is ongoing and subject to financial capability. Allocations placed in 21/22 Draft Budget. Significant works have been undertaken to date.	Implement aspects of Nanson Showgrounds Master Plan	Implement aspects of Nanson Showgrounds Master Plan	Implement aspects of Nanson Showgrounds Master Plan	
2.4	Ensure town planning complements economic development activities	Town Planning Review/Initiatives	Ensure Planning is in place to encourage economic development activities	Planning Schemes & Strategies Reviewed. BHP Master Plan, Nanson Showgrounds Master Plan, LP Strategy endorsed by Council. Coronation Beach Master Plan under review. TP Scheme and LPS review in progress.	Reviewed annually.	Review planning, policies, procedures, strategies etc., to ensure development is encouraged throughout the Shire.	Review planning, policies, procedures, strategies etc., to ensure development is encouraged throughout the Shire.	Review planning, policies, procedures, strategies etc., to ensure development is encouraged throughout the Shire.	Advocate and work with key stakeholders for the establishment of the Buller River Mouth as a day-use tourism precinct (not SoCV managed or controlled).
3 Environmental Protection and Sustainability									

CORPORATE BUSINESS PLAN

[Link to Strategic Community Plan \(SCP\)](#)

SCP Ref	SCP Objectives	SCP Strategy	SCP Actions	Completed 2017 to 2020	Status Report 2021 - 2024 Items	Short-Term June 2022	Medium-Term 2023 and 2024	Long -Term 2024 and beyond	No Timeline (Ongoing)
3.1	Preserve the Natural Environment and address environmental risks as they arise.	Manage the impact of waste, water, weed and vermin control on the environment	Investigate option of manning the Nabawa Transfer Station.	Investigate the cost benefits and logistics of manning the Nabawa Transfer Station. This could form part of the Service Delivery Review project or done in isolation. Service Delivery Review discontinued- Mensed contracted to opened/close Nabawa Site. Ranger undertaking random inspections of site.	No further action to date. CCTV coverage appears to be addressing illegaling issues.	Continue investigating solutions to non-residents using Nabawa Refuse Site			
			Investigate option of improving monitoring of Nabawa Transfer Station (e.g. cameras)	Identify key hotspot locations within the Shire and investigate funding opportunities and Shire budget for installation of CCTV systems. Federal Government grant received. CCTV installed at Nabawa Refuse Site & Mills Lookout in July 2019	Additional site identified to install CCTV and placed into Draft 21/22 Budget for consideration (e.g. Fig Tree Camping Site, Yuna Golf Club, Coronation Beach).				Continue to investigate solutions to use of Refuse site by non-residents
			Continue to review resource allocation to control declared weeds on Shire owned/controlled land.	Ongoing weed control program continues on Shire owned and controlled land. Part of annual budget cycle.	Line item placed into Draft 21/22 Budget to look at dealing with nuisance weeds in Shire.				Continue to explore and participate in regional resources sharing where this is of benefit to the Shire & community.
			Lobby responsible agencies, departments and landowners to control weeds and vermin on their properties		Line item placed into Draft 21/22 Budget to look at dealing with nuisance weeds in Shire.				Encourage all landowners to control; nuisance weeds and pest on their land. Work with the NBG to control or eradicate pest (e.g. dogs, pigs, etc.).
			Monitor and manage water supply and quality	Advocate with Water Corporation to continue to manage and monitor water supply and quality	Budget consideration for installation of water to Cemetery BHP bore water supply Installed & Operational. Grants received for \$28,000 (BBF) and acquitted. Item included in 19/20 Adopted Budget for Cemetery water supply. Tank installed. Grant application submitted successful to upgrade Rockwell Bore water supply to Yuna Townsite gardens.				Ongoing dialogue with Water Corporation
		Install rainwater tanks on new and existing buildings	Encourage landowners to install rainwater tanks on new and existing buildings. Shire to lead by example by installing rainwater tanks in their buildings.	Brochure being obtained from Water Corp. for inclusion into Building Permits issued.				Encourage landowners to install rainwater tanks. Perhaps by a leaflet included with Building Permit returns.	
3.2	Maintain the rural identity of the Shire	Develop the western peri-urban environment in context to our rural lifestyle	Ensure Planning is in place to encourage peri-urban development activities.	TPS and LPS under review.					
			Ensure recreational, tourism activities on lifestyle blocks have minimal impact on sustainable farming	Ensure Planning is in place to encourage tourism activities or lifestyle blocks are developed, whilst recognising WAPC State Planning Policies and State direction on protecting prime agricultural land.	Moresby Range Eco Tourism Strategy underway. Being lead by DBCA.	No further action to date.	Investigate with DBCA possibility of eco tourism trails on Reserve Land (e.g. Bella Vista Reserve).	Work with DBCA on the possibility of eco tourism trails on Reserve Land (e.g. Bella Vista Reserve).	Work with DBCA on the possibility of eco tourism trails on Reserve Land (e.g. Bella Vista Reserve).
4 Physical and Digital Infrastructure									
4.1	Develop, manage and maintain built infrastructure	Asset Management Plan	Review Asset Management Plan regularly and maintain integration with other Strategic Plans within the Shire	BS/PO to investigate new half court at Yuna Playground for budget consideration. Item included in 19/20 Budget for Backboard & Pole only. Half Court not endorsed.	CBP reviewed at least annually. SCP will be reviewed in 2021/2022	Full Review of Strategic Community & Corporate Business Plans			Review Integrated Plans as required to ensure they are relevant and compliant.
				BS/PO to investigate upgrade to Rockwell Bore pump for budget consideration. Rockwell Bore upgrade works undertaken in 18/19. New bore established in January 2020. Ongoing discussions with Yuna community and Yuna School on the supply of water to the community gardens and school. Grant application successful to upgrade water line, solar panels & tanks.					
				BS/PO to investigate upgrade to Coronation Beach Playground for budget consideration. Project not included in Budgets. Minor works undertaken only. Coronation Beach Master Plan being reviewed in 19/20. New Playground for Coronation Beach included in the 20/21 Budget. Funded through the LRCIP Grant Program.					
4.2	Manage and maintain roads, drainage and other essential infrastructure	Capital Road Works Programs	Review Road Hierarchy and Ten Year Road Works Program	Reviewed Annually	Reviewed annually.	Reviewed annually.	Reviewed annually.	Reviewed annually.	Review Integrated Plans as required to ensure they are relevant and compliant.
		Plant Replacement Programs	Review Plant Replacement Program	MWS to investigate alterations to Traffic Calming infrastructure along Eliza Shaw Drive to improve safety for budget consideration. Traffic Calming alterations undertaken at Parkfalls Estate along Eliza Shaw Rd	Reviewed annually.	Reviewed annually.	Reviewed annually.	Reviewed annually.	Annual Review of RW Program, Road Hierarchy & Plant Replacement Program
4.3	Aspire to robust communication and digital infrastructure in the Shire	Engage with infrastructure and service providers	Continue advocating for improvements to existing infrastructure and introduction of new infrastructure for digital communications	Wi-Fi tower & equipment included in the 20/21 Budget. Funded through the LRCIP Grant Program. Free Wi-Fi supported at Coronation Beach.	Item to be considered in the 21/22 Draft Budget.	Investigate & implement improved Digital Online information on tourism & camping precincts (e.g. online internet advice on vacancies, wind conditions, etc. at Coronation Beach. Remotely controlled vacancies notice board on NWCH advising of vacancies at Coronation Beach).	Implement improved Digital Online information on tourism & camping precincts.	Implement improved Digital Online information on tourism & camping precincts.	Continue to consider efficiency improvements
		Lobby and advocate for the best possible services and solutions			No Further action on strategic approach to telecommunication infrastructure within Shire.		Council to work on an agreed pathway forward by adopting a strategic approach to telecommunication infrastructure within our Shire (Min Ref: 02/21-14)	Council to work on an agreed pathway forward by adopting a strategic approach to telecommunication infrastructure within our Shire (Min Ref: 02/21-14)	Council to work on an agreed pathway forward by adopting a strategic approach to telecommunication infrastructure within our Shire (Min Ref: 02/21-14)
5 Governance and Accountability									
5.1	Ensure governance and administration systems, policies and processes are current and relevant	Review policy categories and set ongoing accountability for review processes	Review current Council and Management policies and formalise update process and timelines	Complete current review of Council Policies and Procedures to ensure compliance and relevance. Full Review completed in 2018. All Policies & Procedures are reviewed at least annually.	Reviewed annually.	Full Review undertaken annually and periodical review undertaken of specific Policies/Procedures	Full Review undertaken annually and periodical review undertaken of specific Policies/Procedures	Full Review undertaken annually and periodical review undertaken of specific Policies/Procedures	Ongoing review of Council Policies and Procedures to ensure compliance and relevance.

CORPORATE BUSINESS PLAN

[Link to Strategic Community Plan \(SCP\)](#)

SCP Ref	SCP Objectives	SCP Strategy	SCP Actions	Completed 2017 to 2020	Status Report 2021 - 2024 Items	Short-Term June 2022	Medium-Term 2023 and 2024	Long -Term 2024 and beyond	No Timeline (Ongoing)	
5.2	Be accountable and transparent in managing resources	Asset Management Plan Long Term Financial Plan Workforce Planning	Review Asset Management Plan regularly and maintain integration with other Strategic Plans within the Shire	Establish a Master Plan for the CV Showgrounds Reserve & commence implementation of items in the Plan. Master Plan endorsed by Council.	Implementation of Plan is ongoing and subject to financial capability. Allocations placed in 21/22 Draft Budget. Significant works have been undertaken to date.	Continue implementation of CV Showgrounds Master Plan	Continue implementation of CV Showgrounds Master Plan	Continue implementation of CV Showgrounds Master Plan	Review Integrated Plans as required to ensure they are relevant and compliant.	
				Additional Toilets (LRCP) & Power Upgrades included in 20/21 Budget.	Plan is considered as part of annual budget cycle.	Continue implementation of Bill Hemsley Park Concept Plan	Continue implementation of Bill Hemsley Park Concept Plan	Continue implementation of Bill Hemsley Park Concept Plan		
				CEO residence has been removed from Building Capital Works program by resolution of Council. No further action.		No further action.	No further action.	No further action.		
				Review Long Term Financial Plan regularly and maintain integration with other Strategic Plans within the Shire	Reviewed Annually	Reviewed annually.	Reviewed annually.	Reviewed annually.		Reviewed annually.
				Review Workforce Plan regularly and maintain integration with other Strategic Plans within the Shire		Review to be undertaken in 2021/2022.	Undertake Full Review			
	Effectively Engage and communicate with the community	<ul style="list-style-type: none"> - Annual Report - Website - Community Hub - Facebook 	Community Communication Procedure endorsed at May 2019 OCM.					Continued investigate improvement of communication mediums between Council and the community		
5.3	Make informed decisions within resources and areas of responsibility	Council and Shire process formally incorporate integrated plans as references for decision making	Reference Strategic Community Plan, Corporate Business Plan, Asset Management Plan, Long Term Financial Plan and Workforce Plan regularly as part of decision making process	Desktop copies not practicable. Reverted to providing CBP with Status comments in the monthly Staff Report for Council information.					Ongoing reference to IPR as part of decision making process. Continue to provide Councillors with a CBP Progress Report as part of the Staff Information Reports.	
		Regular and relevant briefings to Elected Members	Continue with Staff Information Reports and Concept Forum Sessions with Council	List for discussion with Councillors & Senior Staff options for to improve communication. Monthly Staff Information Reports provide Elected members with updated information on various internal and external matters.					Ongoing process of Councillor Briefing with improvements introduces as required.	
5.4	Ensure robust process for economic and infrastructure development	Town Planning Review/Initiatives	Ensure Planning is in place to encourage economic development activities	BHP Master Plan, Nanson Showgrounds Master Plan, BHPCC Master Plan & LP Strategy endorsed by Council. Local Planning Policies currently awaiting WAPC approval.	Reviewed annually.	Review planning, policies, procedures, strategies etc., to ensure development is encouraged throughout the Shire.	Review planning, policies, procedures, strategies etc., to ensure development is encouraged throughout the Shire.	Review planning, policies, procedures, strategies etc., to ensure development is encouraged throughout the Shire.	Review planning, policies, procedures, strategies etc., to ensure development is encouraged throughout the Shire.	

Note: Resource requirements for this Corporate Business Plan are incorporated in the Shire's Long Term Financial Plan which can be accessed through this link --

[Link to Long Term Financial Plan](#)

Any modification that was made to the Strategic Community Plan during the financial year			
Nil.			
Any significant modification made to the Corporate Business Plan during the financial year			
	Short Term	Medium/Long Term	Comment
	\$000	\$000	
Buildings			
No Changes			
Infrastructure			
No Changes			
Operating			
No Changes			

**ELECTED MEMBERS REMUNERATION AND ALLOWANCES – SCHEDULE 5.1 (Clause 9)
LOCAL GOVERNMENT ACT, 1995**

Cr Farrell

<i>President's annual allowance</i>	10,082
<i>Meeting attendance fees</i>	9,487
<i>Annual allowance for ICT expenses</i>	504
<i>Annual allowance for travel and accommodation expenses</i>	51
	20,124

Cr Warr

<i>Deputy President's annual allowance</i>	2,520
<i>Meeting attendance fees</i>	9,487
<i>Annual allowance for ICT expenses</i>	504
<i>Annual allowance for travel and accommodation expenses</i>	51
	12,562

Cr Batten

<i>Meeting attendance fees</i>	9,487
<i>Annual allowance for ICT expenses</i>	504
<i>Annual allowance for travel and accommodation expenses</i>	51
	10,042

Cr Davidson/Cr Forrester (Part Year 2020)

<i>Meeting attendance fees</i>	9,487
<i>Annual allowance for ICT expenses</i>	504
<i>Annual allowance for travel and accommodation expenses</i>	51
	10,042

Cr Forth

<i>Meeting attendance fees</i>	9,487
<i>Annual allowance for ICT expenses</i>	504
<i>Annual allowance for travel and accommodation expenses</i>	51
	10,042

Cr Humphrey

<i>Meeting attendance fees</i>	9,487
<i>Annual allowance for ICT expenses</i>	504
<i>Annual allowance for travel and accommodation expenses</i>	51
	10,042

Cr Royce	
Meeting attendance fees	9,487
Annual allowance for ICT expenses	504
Annual allowance for travel and accommodation expenses	51
	10,042
Councillor Position Vacant/Cr Maluish (Part Year 2021)	
Meeting attendance fees	1,341
Annual allowance for ICT expenses	71
Annual allowance for travel and accommodation expenses	7
	1,419

PAYMENTS TO EMPLOYEES - SECTION 5.53(2)(g) LOCAL GOVERNMENT ACT 1995

In accordance with section 5.53(2)(g) & (i) of the *Local Government Act 1995* and Clause 19B of the *Local Government (Administration) Regulations 1996*, employee’s payments equal to, or more than \$130,000.00 (annual salary) are required to be recognised in the Shire’s Annual Report i.e.

Range – In Increments of \$10,000	Number of employees within each Range
200,000 to 210,000	1
190,000 to 200,000	
180,000 to 190,000	
170,000 to 180,000	
160,000 to 170,000	
150,000 to 160,000	1
140,000 to 150,000	1
130,000 to 140,000	
120,000 to 130,000	1
110,000 to 120,000	1

For the purpose of reporting in accordance with Local Government (Administration) Regulation 19B(e) the remuneration paid to the Chief Executive Officer in 2020/2021 was \$ 200,192.

DEALING WITH COMPLAINT OF MINOR BREACH - SECTION 5.110 (6)(b)(iv) LOCAL GOVERNMENT ACT 1995

The breach is to be dealt with by:

- (b) ordering that:
 - (iv) the person against whom the complaint was made pay to the local government specified in the order an amount equal to the amount of remuneration and allowances payable by the local government in relation to the complaint under Schedule 5.1 clause 9:

Amount reportable in 2020/2021 - Nil

NATIONAL COMPETITION POLICY

Clause 7 Statement - LR3

The Shire of Chapman Valley completed a full review of all Local Laws in 2016/2017 and all new local laws maintained full compliance with the requirements of the National Competition Policy.

Clause 7 Statement – Competitive Neutrality

As none of the Shire of Chapman Valley activities derived an annual income more than \$200,000, it has not been necessary for Council to implement the Competitive Neutrality Principals of the National Competition Policy.

DISABILITY SERVICES

In accordance with section 29(2) of the *Disability Service Act 1993*, it is a requirement for the Shire of Chapman Valley to report on outcome-based activities highlighted in the Disability Service Plan (now known as the Disability Access and Inclusion Plan-DAIP) in this report.

Council undertook a full review of its Disability Service Plan in 2017/18 and a desktop review in 2018/2019 and 2020/2021.

Under the *Disability Services Act 1993*, and as a part of the DAIP, each Local Government Authority has an annual reporting responsibility. The following progress report was presented to the Disability Services Commission:

1. Below is a report on the Outcome Areas of our DAIP for 2020/2021:

	Number of strategies planned of 2020/2021 (Strategies planned whether implemented or not).	Number of strategies completed in 2020/2021 (Strategies that were completed. Include on-going strategies).	Number of strategies progressed through contractors in 2020/2021 (Strategies implemented by contractors. Not the number of contractors).
Outcome 1	0	0	0
Outcome 2	0	0	0
Outcome 3	0	0	0
Outcome 4	0	0	0
Outcome 5	0	0	0
Outcome 6	0	0	0
Outcome 7	0	0	0

2. Below is a report on how we informed agents and contractors of your Disability Access and Inclusion Plan for 2020/2021

Provided a copy of your agency DAIP	✓
Provided a link to the DAIP	✓
Sent a letter	
Referenced in a contract(s)	✓
Referenced in a contract variation(s)	

3. Below is a brief description of any significant DAIP initiatives undertaken by, or on behalf of your organisation by agents and contractors, in 2020/2021.

- Disabled Access the Nanson Old Road Board Office.
- Installation of Disabled Access Toilet at Nanson Showgrounds.
- Continued Website Improvements.
- Established a COVID-19 Outreach Group.
- Continued and ongoing recognition of Strategies within the DAIP.

STATE RECORDS ACT 2000 - STANDARD 2/PRINCIPAL 6

In accordance with the requirements of Standard 2, Principal 6 of the *State Records Act 2000*, I hereby report on how the Shire of Chapman Valley employees are complying with the Shire's Records Keeping Plan:

Item 6.1 - Staff Training, Information Sessions, Publications

Activities to ensure staff awareness and compliance are being implemented in accordance with Council's endorsed Record Keeping Plan and will be an ongoing requirement of the organisation.

Ongoing staff training, and awareness was

continued in 2020/2021. Item 6.2 – Performance

Indicators in place

The following performance indicators have been developed to measure the efficiency and effectiveness of the Shire of Chapman Valley's record keeping system: -
A register is to be maintained by the Administration staff responsible for filing all records of:

- ~ Records that cannot be located
- ~ Files that are missing and

unable to be located Item 6.3 – Agency

Evaluation

The Shire of Chapman Valley's record keeping system will be continually reviewed and improved where possible to pursue best practise for the organisation. The current record keeping systems are assessed as being efficient and effective for the requirements of the organisation.

An electronic filing system, Synergy Soft Records, continues to meet the needs of the organisation and I am pleased to report administration staff receive ongoing training on the efficient use of this system.

REGISTER OF COMPLAINTS

In accordance with section 5.121 and of the *Local Government Act 1995* states the following:

- 5.121. Register of certain complaints of minor breaches**
- (1) *The complaints officer for each local government is required to maintain a register of complaints which records all complaints that result in action under section 5.110(6)(b) or (c).*
 - (2) *The register of complaints is to include, for each recorded complaint —*
 - (a) *the name of the council member about whom the complaint is made;*
 - (b) *the name of the person who makes the complaint;*
 - (c) *a description of the minor breach that the standards panel finds has occurred; and*
 - (d) *details of the action taken under section 5.110(6)(b) or (c).*

Section 5.53 (2) (hb) of the Local Government, 1995, stipulates the following details needs to be reported:

Number of complaints recorded in the register	How complaints were dealt with	Other details that the regulations require
22	All dealt with and resolved internally	Nil

CONCLUSION

The Shire continues to review its strategic direction plans, operational policies and procedures, resource levels and assets to service the community in the most efficiency manner possible.

I look forward to working with the Elected Members, Staff and the community to meet the many challenges of the future at the Shire of Chapman Valley.

Stay safe and diligent during these extremely challenging COVID-19 pandemic times.



Maurice Battilana
CHIEF EXECUTIVE OFFICER

ANNUAL REPORT 2020/2021



**ANNUAL FINANCIAL STATEMENTS
INDEPENDENT AUDIT REPORT AND
MANAGEMENT REPORT**



SHIRE OF

Chapman Valley

love the rural life!

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SHIRE OF CHAPMAN VALLEY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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COMMUNITY VISION

A thriving community, making the most of our coastline, ranges and rural settings to support us to grow and prosper.

Principal place of business:
3270 Chapman Valley Road
Nabawa WA 6532



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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 6th day of December 2021:



Chief Executive Officer

Maurice Battilana

Name of Chief Executive Officer



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	26(a)	2,854,496	2,817,841	2,857,970
Operating grants, subsidies and contributions	2(a)	2,079,750	1,914,592	1,495,070
Fees and charges	2(a)	371,177	274,936	302,524
Interest earnings	2(a)	16,053	19,750	53,588
Other revenue	2(a)	36,359	20,835	19,531
		<u>5,357,835</u>	<u>5,047,954</u>	<u>4,728,683</u>
Expenses				
Employee costs		(1,745,316)	(2,087,811)	(1,803,506)
Materials and contracts		(1,885,391)	(2,475,729)	(1,105,426)
Utility charges		(52,741)	(53,368)	(47,320)
Depreciation on non-current assets	11(b)	(2,051,812)	(1,949,221)	(1,970,940)
Interest expenses	2(b)	(3,620)	(7,003)	(6,323)
Insurance expenses		(160,363)	(158,910)	(163,318)
Other expenditure		(113,445)	(132,112)	(99,830)
		<u>(6,012,688)</u>	<u>(6,864,154)</u>	<u>(5,196,663)</u>
		(654,853)	(1,816,200)	(467,980)
Non-operating grants, subsidies and contributions	2(a)	1,228,260	1,228,260	1,514,620
Profit on asset disposals	11(a)	72,554	26,397	3,569
(Loss) on asset disposals	11(a)	0	(2,191)	(22,715)
Fair value adjustments to financial assets at fair value through profit or loss		2,804	0	52,551
		<u>1,303,618</u>	<u>1,252,466</u>	<u>1,548,025</u>
Net result for the period		648,765	(563,734)	1,080,045
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		0	0	0
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		648,765	(563,734)	1,080,045

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



Nexia Perth Audit Services Pty Ltd

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance	2(a)	20,503	1,200	20,136
General purpose funding		3,856,818	3,265,241	3,986,461
Law, order, public safety		100,430	181,086	74,257
Health		9,808	2,719	3,685
Community amenities		247,839	194,755	207,999
Recreation and culture		331,522	480,761	195,156
Transport		687,206	847,387	144,170
Economic services		43,179	16,305	17,452
Other property and services		60,530	58,500	79,367
		<u>5,357,835</u>	<u>5,047,954</u>	<u>4,728,683</u>
Expenses				
Governance	2(b)	(332,086)	(399,029)	(314,153)
General purpose funding		(99,349)	(122,091)	(106,229)
Law, order, public safety		(326,419)	(366,086)	(220,851)
Health		(24,583)	(30,105)	(14,455)
Education and welfare		0	(2,000)	(80)
Housing		0	0	(974)
Community amenities		(608,127)	(767,390)	(604,216)
Recreation and culture		(777,839)	(910,379)	(800,959)
Transport		(3,479,110)	(3,845,888)	(2,757,637)
Economic services		(284,979)	(355,942)	(284,450)
Other property and services		(76,576)	(58,241)	(86,336)
		<u>(6,009,068)</u>	<u>(6,857,151)</u>	<u>(5,190,340)</u>
Finance Costs				
General purpose funding	2(b)	(1,602)	(4,500)	(1,843)
Recreation and culture		(2,018)	(2,503)	(4,176)
Transport		0	0	(304)
		<u>(3,620)</u>	<u>(7,003)</u>	<u>(6,323)</u>
		<u>(654,853)</u>	<u>(1,816,200)</u>	<u>(467,980)</u>
Non-operating grants, subsidies and contributions	2(a)	1,228,260	1,228,260	1,514,620
Profit on disposal of assets	11(a)	72,554	26,397	3,569
(Loss) on disposal of assets	11(a)	0	(2,191)	(22,715)
Fair value adjustments to financial assets at fair value through profit or loss		2,804	0	52,551
		<u>1,303,618</u>	<u>1,252,466</u>	<u>1,548,025</u>
Net result for the period		648,765	(563,734)	1,080,045
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		0	0	0
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		648,765	(563,734)	1,080,045

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



SHIRE OF CHAPMAN VALLEY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	3,786,799	3,015,526
Trade and other receivables	6	180,789	94,694
Inventories	7	5,140	1,170
Other assets	8	8,382	8,382
TOTAL CURRENT ASSETS		3,981,110	3,119,772
NON-CURRENT ASSETS			
Trade and other receivables	6	4,938	5,052
Other financial assets	5	55,355	52,551
Property, plant and equipment	9(a)	17,809,587	17,758,680
Infrastructure	10(a)	130,237,784	129,788,908
Right-of-use assets	12(a)	56,636	65,507
TOTAL NON-CURRENT ASSETS		148,164,300	147,670,698
TOTAL ASSETS		152,145,410	150,790,470
CURRENT LIABILITIES			
Trade and other payables	14	855,603	239,479
Other liabilities	15	185,456	0
Lease liabilities	16(a)	7,686	8,124
Borrowings	17(a)	42,125	45,996
Employee related provisions	18	394,118	435,584
TOTAL CURRENT LIABILITIES		1,484,988	729,183
NON-CURRENT LIABILITIES			
Other liabilities	15	159,515	158,961
Lease liabilities	16(a)	50,494	58,180
Borrowings	17(a)	0	42,125
Employee related provisions	18	16,310	16,683
TOTAL NON-CURRENT LIABILITIES		226,319	275,949
TOTAL LIABILITIES		1,711,307	1,005,132
NET ASSETS		150,434,103	149,785,338
EQUITY			
Retained surplus		32,712,467	32,384,738
Reserves - cash backed	4	1,160,487	839,451
Revaluation surplus	13	116,561,149	116,561,149
TOTAL EQUITY		150,434,103	149,785,338

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



Nexia Perth Audit Services Pty Ltd

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		31,311,527	832,617	116,561,149	148,705,293
Comprehensive income					
Net result for the period		1,080,045	0	0	1,080,045
Total comprehensive income		1,080,045	0	0	1,080,045
Transfers from reserves	4	62,895	(62,895)	0	0
Transfers to reserves	4	(69,729)	69,729	0	0
Balance as at 30 June 2020		32,384,738	839,451	116,561,149	149,785,338
Comprehensive income					
Net result for the period		648,765	0	0	648,765
Total comprehensive income		648,765	0	0	648,765
Transfers from reserves	4	34,500	(34,500)	0	0
Transfers to reserves	4	(355,536)	355,536	0	0
Balance as at 30 June 2021		32,712,467	1,160,487	116,561,149	150,434,103

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



Nexia Perth Audit Services Pty Ltd

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

NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates	2,858,463	2,817,841	2,871,825	
Operating grants, subsidies and contributions	2,237,360	1,180,009	1,613,516	
Fees and charges	371,177	274,936	302,524	
Interest received	16,053	19,750	53,588	
Goods and services tax received	(50,169)	0	0	
Other revenue	36,359	20,835	19,531	
	<u>5,469,243</u>	<u>4,313,371</u>	<u>4,860,984</u>	
Payments				
Employee costs	(1,794,378)	(1,963,615)	(1,770,965)	
Materials and contracts	(1,277,393)	(2,169,442)	(1,035,924)	
Utility charges	(52,741)	(53,368)	(47,320)	
Interest expenses	(3,620)	(7,003)	(6,323)	
Insurance paid	(160,363)	(158,910)	(163,318)	
Other expenditure	(113,446)	(132,112)	(99,830)	
	<u>(3,401,941)</u>	<u>(4,484,450)</u>	<u>(3,123,680)</u>	
Net cash provided by (used in) operating activities	19	<u>2,067,302</u>	<u>(171,079)</u>	<u>1,737,304</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(898,212)	(997,449)	(653,049)
Payments for construction of infrastructure	10(a)	(1,674,230)	(1,798,587)	(1,933,835)
Non-operating grants, subsidies and contributions	2(a)	1,228,260	1,228,260	1,514,620
Proceeds from sale of property, plant & equipment	11(a)	102,273	80,000	82,943
Net cash provided by (used in) investment activities		<u>(1,241,909)</u>	<u>(1,487,776)</u>	<u>(989,321)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(45,996)	(45,996)	(68,625)
Payments for principal portion of lease liabilities	16(b)	(8,124)	(8,124)	(11,059)
Net cash provided by (used in) financing activities		<u>(54,120)</u>	<u>(54,120)</u>	<u>(79,684)</u>
Net increase (decrease) in cash held		771,273	(1,712,975)	668,299
Cash at beginning of year		3,015,526	3,015,526	2,347,227
Cash and cash equivalents at the end of the year	19	<u><u>3,786,799</u></u>	<u><u>1,302,551</u></u>	<u><u>3,015,526</u></u>

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



Nexia Perth Audit Services Pty Ltd

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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	27 (b)	1,919,752	1,760,791	1,346,240
		<u>1,919,752</u>	<u>1,760,791</u>	<u>1,346,240</u>
Revenue from operating activities (excluding rates)				
Governance		23,307	1,200	20,136
General purpose funding		1,002,322	408,001	1,089,089
Law, order, public safety		100,430	181,086	74,257
Health		9,808	2,719	3,685
Community amenities		247,839	194,755	207,999
Recreation and culture		331,522	480,761	195,156
Transport		759,760	873,784	147,739
Economic services		43,179	16,305	17,452
Other property and services		60,530	58,500	79,367
		<u>2,578,697</u>	<u>2,217,111</u>	<u>1,834,880</u>
Expenditure from operating activities				
Governance		(332,086)	(399,029)	(314,153)
General purpose funding		(100,951)	(126,591)	(108,072)
Law, order, public safety		(326,419)	(366,086)	(220,851)
Health		(24,583)	(30,105)	(14,455)
Education and welfare		0	(2,000)	(80)
Housing		0	0	(15,748)
Community amenities		(608,127)	(767,390)	(604,216)
Recreation and culture		(779,857)	(912,882)	(805,135)
Transport		(3,479,110)	(3,848,079)	(2,765,882)
Economic services		(284,979)	(355,942)	(284,450)
Other property and services		(76,576)	(58,241)	(86,336)
		<u>(6,012,688)</u>	<u>(6,866,345)</u>	<u>(5,219,378)</u>
Non-cash amounts excluded from operating activities	27(a)	2,056,373	1,914,497	2,136,481
Amount attributable to operating activities		<u>542,134</u>	<u>(973,946)</u>	<u>98,223</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,228,260	1,228,260	1,514,620
Proceeds from disposal of assets	11(a)	102,273	80,000	82,943
Purchase of property, plant and equipment	9(a)	(898,212)	(997,449)	(653,049)
Purchase and construction of infrastructure	10(a)	(1,674,230)	(1,798,587)	(1,933,835)
		<u>(1,241,909)</u>	<u>(1,487,776)</u>	<u>(989,321)</u>
FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(45,996)	(45,996)	(68,625)
Payments for principal portion of lease liabilities	16(b)	(8,124)	(8,124)	(11,059)
Transfers to reserves (restricted assets)	4	(355,536)	(381,098)	(69,729)
Transfers from reserves (restricted assets)	4	34,500	39,700	62,895
Amount attributable to financing activities		<u>(375,156)</u>	<u>(395,518)</u>	<u>(86,519)</u>
Surplus/(deficit) before imposition of general rates		<u>(1,074,931)</u>	<u>(2,857,240)</u>	<u>(977,617)</u>
Total amount raised from general rates	26(a)	2,854,496	2,857,240	2,897,369
Surplus/(deficit) after imposition of general rates	27(b)	<u>1,779,565</u>	<u>0</u>	<u>1,919,752</u>

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



Nexia Perth Audit Services Pty Ltd

SHIRE OF CHAPMAN VALLEY
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FOR THE YEAR ENDED 30 JUNE 2021

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1. BASIS OF PREPARATION

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

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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 30 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

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

- Employee expenses
- Property, Plant and Equipment
- Infrastructure
- Right-of-use assets
- Lease liabilities
- Borrowing liabilities
- Provisions

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

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	13,935	1,200	19,990
General purpose funding	976,310	424,070	1,066,538
Law, order, public safety	83,078	169,686	63,113
Community amenities	32,725	28,160	26,453
Recreation and culture	244,782	407,589	109,477
Transport	680,593	843,887	139,583
Other property and services	48,327	40,000	69,916
	2,079,750	1,914,592	1,495,070
Non-operating grants, subsidies and contributions			
Transport	1,228,260	1,228,260	1,514,620
	1,228,260	1,228,260	1,514,620
Total grants, subsidies and contributions	3,308,010	3,142,852	3,009,690
Fees and charges			
General purpose funding	9,959	3,580	8,365
Law, order, public safety	17,352	11,400	11,144
Health	9,808	2,719	3,686
Community amenities	204,864	166,595	181,545
Recreation and culture	86,739	73,172	85,680
Economic services	33,630	9,470	9,867
Other property and services	8,825	8,000	2,237
	371,177	274,936	302,524

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

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
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:			
Operating grants, subsidies and contributions	2,079,750	1,914,592	1,495,070
Fees and charges	334,040	266,186	294,992
Other revenue	36,359	20,835	19,531
Non-operating grants, subsidies and contributions	1,228,260	1,228,260	1,514,620
	3,678,409	3,429,873	3,324,213
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:			
Revenue from contracts with customers recognised during the year	2,450,149	2,201,613	1,809,593
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	1,228,260	1,228,260	1,514,620
	3,678,409	3,429,873	3,324,213
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:			
Contract liabilities from contracts with customers	15 (344,971)		(158,961)

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 CHAPMAN VALLEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue from statutory requirements			
Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:			
General rates	2,854,496	2,857,240	2,897,369
Statutory permits and licences	29,838	6,000	6,032
Fines	7,299	2,750	1,500
	2,891,633	2,865,990	2,904,901
Other revenue			
Other	36,359	20,835	19,531
	36,359	20,835	19,531
Interest earnings			
Interest on reserve funds	266	750	921
Rates instalment and penalty interest (refer Note 26(c))	14,741	14,000	23,071
Other interest earnings	1,046	5,000	29,596
	16,053	19,750	53,588

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.

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
Auditors remuneration				
Office of the Auditor General		42,800	47,000	42,000
		42,800	47,000	42,000
Interest expenses (finance costs)				
Borrowings	17(b)	2,018	2,503	4,480
Lease liabilities	16(b)	1,602	1,602	1,843
		3,620	4,105	6,323

SHIRE OF CHAPMAN VALLEY
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FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general rates	General rates	Over time	Payment dates adopted by council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Rates - specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
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 nonfinancial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the funding body	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones and/or completion date matched to performance obligations
Grants, subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence	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 of the licence, registration or approval
Fees and charges - 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
Fees and charges - 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
Fees and charges - waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collecti	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Fees and charges - property hire and entry	Use of halls and facilities	Single point in time	Payment 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	On entry or at conclusion of hire
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
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by council through local law	When taxable event occurs	Not applicable	When fine notice is issued
Other revenue - 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
Other revenue - 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

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3. CASH AND CASH EQUIVALENTS

	NOTE	2021 \$	2020 \$
Cash at bank and on hand		3,786,799	3,015,526
Total cash and cash equivalents		3,786,799	3,015,526
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		1,447,958	1,044,922
		1,447,958	1,044,922
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	1,160,487	839,451
Contract liabilities from contracts with customers	15	243,717	158,961
Bonds and deposits	14	43,754	46,510
Total restricted assets		1,447,958	1,044,922

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.

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 CHAPMAN VALLEY
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4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Leave Reserve	115,678	38	0	115,716	115,678	25,458	0	141,136	115,552	126	0	115,678
(b) Water Strategy Reserve	14,240	5	0	14,245	14,240	15	0	14,255	14,225	15	0	14,240
(c) Plant/Light Vehicle Reserve	256,877	290,334	0	547,211	256,877	290,250	0	547,127	256,599	278	0	256,877
(d) Unspent Grant Reserve	9,500	0	(9,500)	0	9,500	0	(9,500)	0	47,013	9,534	(47,047)	9,500
(e) Computer & Office Equipment Reserve	39,751	12	0	39,763	39,751	40	(5,200)	34,591	39,708	43	0	39,751
(f) Legal Reserve	40,024	13	0	40,037	40,024	40	0	40,064	39,981	43	0	40,024
(g) Land Development Reserve	52,085	17	0	52,102	52,085	45	0	52,130	52,029	56	0	52,085
(h) Infrastructure Reserve	102,170	65,053	0	167,223	102,170	65,100	0	167,270	102,059	111	0	102,170
(i) Building Reserve	209,126	64	(25,000)	184,190	209,126	150	(25,000)	184,276	149,617	59,509	0	209,126
(j) Landcare Reserve	0	0	0	0	0	0	0	0	15,834	14	(15,848)	0
	839,451	355,536	(34,500)	1,160,487	839,451	381,098	(39,700)	1,180,849	832,617	69,729	(62,895)	839,451

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	30/06/2022	To be used to fund annual and long service leave requirements.
(b) Water Strategy Reserve	N/A	To be used for the construction and operational costs of facilities for fire fighting purposes.
(c) Plant/Light Vehicle Reserve	30/06/2022	To be used for the purchase of and/or major repair of major plant and light vehicles.
(d) Unspent Grant Reserve	N/A	To be used to quarantine unspent grant and loans.
(e) Computer & Office Equipment Reserve	N/A	To be used to replace Information and Communications Technology equipment.
(f) Legal Reserve	N/A	To be used to fund legal expenses incurred as a result of tribunals, hearings, litigation etc.
(g) Land Development Reserve	30/06/2022	To be used for further subdivisional development in the Shire of Chapman Valley.
(h) Infrastructure Reserve	30/06/2022	To be used to fund road and building infrastructure projects, including yet not limited to, natural disasters upfront or insurance excess costs, annual roadworks maintenance and construction works.
(i) Building Reserve	30/06/2022	To be used for the construction of shire buildings or capital upgrades of existing buildings, including yet not limited to, covering insurance excess component of claims for repair/replace buildings.
(j) Landcare Reserve	N/A	To be used for landcare related purposes. This reserve was closed as per 2019/2020 budget.

5. OTHER FINANCIAL ASSETS

Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2021	2020
	\$	\$
	55,355	52,551
	55,355	52,551
	55,355	52,551
	55,355	52,551

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit and loss

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

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

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
GST receivable	
Emergency services levy	
Interfund transfer	

Non-current

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

	2021	2020
	\$	\$
	97,209	89,683
	29,837	1,804
	50,219	0
	3,524	3,157
	0	50
	<u>180,789</u>	<u>94,694</u>
	4,938	5,052
	<u>4,938</u>	<u>5,052</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 28.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

7. INVENTORIES

Current

Fuel and materials

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

	2021	2020
	\$	\$
	5,140	1,170
	5,140	1,170
	1,170	4,221
	(101,626)	(160,788)
	105,596	157,737
	5,140	1,170

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

8. OTHER ASSETS

	2021	2020
	\$	\$
Other assets - current		
Prepayments	8,382	8,382
	8,382	8,382

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 CHAPMAN VALLEY
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9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Tools and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	2,357,113	109,345	11,421,462	13,887,920	189,749	3,860,367	56,540	17,994,576
Additions	0	0	134,561	134,561	0	518,488	0	653,049
(Disposals)	(15,000)	(59,081)	0	(74,081)	0	(28,008)	0	(102,089)
Depreciation (expense)	0	(2,919)	(240,118)	(243,037)	(3,853)	(532,734)	(7,232)	(786,856)
Transfers	0	(47,345)	47,345	0	0	0	0	0
Balance at 30 June 2020	2,342,113	0	11,363,250	13,705,363	185,896	3,818,113	49,308	17,758,680
Comprises:								
Gross balance amount at 30 June 2020	2,342,113	0	12,038,915	14,381,028	189,749	4,344,856	56,540	18,972,173
Accumulated depreciation at 30 June 2020	0	0	(675,665)	(675,665)	(3,853)	(526,743)	(7,232)	(1,213,493)
Balance at 30 June 2020	2,342,113	0	11,363,250	13,705,363	185,896	3,818,113	49,308	17,758,680
Additions	0	0	376,199	376,199	9,252	489,116	23,645	898,212
(Disposals)	0	0	0	0	0	(29,719)	0	(29,719)
Depreciation (expense)	0	0	(239,221)	(239,221)	(4,233)	(565,630)	(8,502)	(817,586)
Transfers	0	0	0	0	0	0	0	0
Balance at 30 June 2021	2,342,113	0	11,500,228	13,842,341	190,915	3,711,880	64,451	17,809,587
Comprises:								
Gross balance amount at 30 June 2021	2,342,113	0	12,415,114	14,757,227	199,001	4,732,972	80,185	19,769,385
Accumulated depreciation at 30 June 2021	0	0	(914,886)	(914,886)	(8,086)	(1,021,092)	(15,734)	(1,959,798)
Balance at 30 June 2021	2,342,113	0	11,500,228	13,842,341	190,915	3,711,880	64,451	17,809,587

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

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties	Independent Registered Valuers	June 2017	Price per square metre
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent Registered Valuers	June 2017	Price per square metre
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2017	Residual value, useful life, pattern of consumption and asset condition in relation to level of remaining service potential of the depreciable amount, valuers professional judgement.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 inputs are based on assumptions with regard 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

(ii) Cost

Furniture and equipment	2	Market approach using recent observable market data for similar assets	Management Valuation and Independent Registered Valuers	June 2019	Price per item
Plant and equipment	2	Market approach using recent observable market data for similar assets	Management Valuation and Independent Registered Valuers	June 2019	Price per item
Tools and equipment	2	Market approach using recent observable market data for similar assets	Management Valuation and Independent Registered Valuers	June 2019	Price per item

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

10. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Carparks	Total Infrastructure
	\$	\$	\$	\$	\$
Balance at 1 July 2019	119,987,594	167,687	8,648,928	223,091	129,027,300
Additions	1,842,837	0	90,998	0	1,933,835
Depreciation (expense)	(1,002,795)	(5,777)	(151,992)	(11,663)	(1,172,227)
Balance at 30 June 2020	120,827,636	161,910	8,587,934	211,428	129,788,908
Comprises:					
Gross balance at 30 June 2020	122,798,584	173,463	8,890,841	233,266	132,096,154
Accumulated depreciation at 30 June 2020	(1,970,948)	(11,553)	(302,907)	(21,838)	(2,307,246)
Balance at 30 June 2020	120,827,636	161,910	8,587,934	211,428	129,788,908
Additions	1,458,537	0	215,693	0	1,674,230
Depreciation (expense)	(1,054,659)	(5,776)	(153,256)	(11,663)	(1,225,354)
Balance at 30 June 2021	121,231,514	156,134	8,650,371	199,765	130,237,784
Comprises:					
Gross balance at 30 June 2021	124,257,121	173,463	9,106,534	233,266	133,770,384
Accumulated depreciation at 30 June 2021	(3,025,607)	(17,329)	(456,163)	(33,501)	(3,532,600)
Balance at 30 June 2021	121,231,514	156,134	8,650,371	199,765	130,237,784

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10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management Value based around Independent Registered Valuer Report	June 2018	Construction costs, current conditions, residual values and remaining useful life assessments.
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Management Value based around Independent Registered Valuer Report	June 2018	Construction costs, current conditions, residual values and remaining useful life assessments.
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Management Value based around Independent Registered Valuer Report	June 2018	Construction costs, current conditions, residual values and remaining useful life assessments.
Infrastructure - Carparks	3	Cost approach using depreciated replacement cost	Management Value based on costs	June 2018	Actual construction costs, residual values, asset conditions and remaining useful life assessments

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

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.

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 zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

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

Revaluation (Continued)

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

Refer to Note 12 that details the significant accounting policies applying to leases (including right-of-use assets).

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11. FIXED ASSETS (Continued)

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	0	0	0	0	15,000	8,000	0	(7,000)
Buildings - non-specialised	0	0	0	0	0	0	0	0	59,081	51,307	0	(7,774)
Buildings - specialised	0	0	0	0	0	0	0	0	0	0	0	0
Furniture and equipment	0	0	0	0	0	0	0	0	0	0	0	0
Plant and equipment	29,719	102,273	72,554	0	55,794	80,000	26,397	(2,191)	28,008	23,636	3,569	(7,941)
Tools and equipment	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - roads	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Footpaths	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Drainage	0	0	0	0	0	0	0	0	0	0	0	0
Infrastructure - Carparks	0	0	0	0	0	0	0	0	0	0	0	0
	29,719	102,273	72,554	0	55,794	80,000	26,397	(2,191)	102,089	82,943	3,569	(22,715)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Plant and Equipment				
Transport				
362 - Iveco Powerstar	9,636	65,000	55,364	0
MV15 - Toyota Prado GXL	20,083	37,273	17,190	0
	29,719	102,273	72,554	0

11. FIXED ASSETS (Continued)

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	0	0	2,919
Buildings - specialised	239,221	247,893	240,118
Furniture and equipment	4,233	3,820	3,853
Plant and equipment	565,630	528,166	532,734
Tools and equipment	8,502	7,170	7,232
Infrastructure - roads	1,054,660	986,440	1,002,795
Infrastructure - Footpaths	5,776	5,727	5,777
Infrastructure - Drainage	153,256	150,520	151,992
Infrastructure - Carparks	11,663	10,950	11,663
Right-of-use assets - buildings	8,234	7,910	8,103
Right-of-use assets - plant and equipment	637	625	3,754
	2,051,812	1,949,221	1,970,940

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	25 to 100 years
Furniture and equipment	2 to 10 years
Plant and equipment	2 to 15 years
Sealed roads and streets	
Formation	not depreciated
Pavement	100 years
Seal	
- Bituminous seals	15 to 25 years
- Asphalt surfaces	15 to 25 years
Formation	not depreciated
Footpaths - slab	30 years
Carparks	20 years
Sewerage piping	65 years
Water supply piping and drainage systems	50 to 65 years
Right of use (buildings)	Based on the remaining lease
Right of use (plant and equipment)	Based on the remaining lease

Depreciation on revaluation

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

- (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.

12. LEASES

(a) Right-of-Use Assets

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

	Right-of-use assets - buildings \$	Right-of-use assets - plant and equipment \$	Right-of-use assets Total
Balance at 1 July 2019	72,973	4,391	77,364
Depreciation (expense)	(8,103)	(3,754)	(11,857)
Balance at 30 June 2020	64,870	637	65,507
Additions	0	0	0
Depreciation (expense)	(8,234)	(637)	(8,871)
Balance at 30 June 2021	56,636	0	56,636

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

	2021 Actual \$	2020 Actual \$
Depreciation expense on lease liabilities	(8,871)	(11,857)
Interest expense on lease liabilities	(1,602)	(1,843)
Total amount recognised in the statement of comprehensive income	(10,473)	(13,700)
Total cash outflow from leases	(9,726)	(12,902)

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.

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13. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	8,626,533	0	0	0	8,626,533	8,626,533	0	0	0	8,626,533
Revaluation surplus - Plant and equipment	496,127	0	0	0	496,127	496,127	0	0	0	496,127
Revaluation surplus - Infrastructure - roads	107,438,489	0	0	0	107,438,489	107,438,489	0	0	0	107,438,489
	116,561,149	0	0	0	116,561,149	116,561,149	0	0	0	116,561,149

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.

14. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued salaries and wages
 ATO liabilities
 Bonds and deposits held
 Accrued expenditure

	2021	2020
	\$	\$
	651,151	91,975
	50,778	39,399
	48,878	38,139
	0	17,962
	43,754	46,510
	61,042	5,494
	855,603	239,479

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. OTHER LIABILITIES

Current

Contract liabilities
 Grant Liabilities

Non-current

Contract liabilities

2021	2020
\$	\$
84,202	0
101,254	0
185,456	0
159,515	158,961
159,515	158,961
344,971	158,961

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

Less than 1 year
 1 to 2 years
 2 to 3 years
 3 to 4 years
 4 to 5 years
 > 5 years

Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
\$	\$
84,202	101,254
0	0
0	0
0	0
0	0
159,515	0
243,717	101,254

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

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

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

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

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16. LEASE LIABILITIES

(a) Lease Liabilities

	2021	2020
	\$	\$
Current	7,686	8,124
Non-current	50,494	58,180
	58,180	66,304

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020
					Lease Principal 1 July 2020	Actual New Leases	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments	Lease Principal 1 July 2020	Budget New Leases	Budget Lease Principal Repayments	Budget Lease Principal Outstanding	Budget Lease Interest Repayments	Lease Principal 1 July 2019	Actual New Leases	Actual Lease Principal Repayments	Actual Lease Principal Outstanding	Actual Lease Interest Repayments
Governance					\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Konica Minolta Printer	LE13	De Lage Landen Pty Limited	2.00%	48 Months	633	0	(633)	0	(2)	633	0	(633)	0	(2)	4,391	0	(3,798)	633	(93)
Community amenities																			
Nabawa Fuel Station	LE01	Nevill & Co Pty Ltd	2.60%	120 Months	65,671	0	(7,491)	58,180	(1,600)	65,671	0	(7,491)	58,180	(1,600)	72,972	0	(7,301)	65,671	(1,790)
					66,304	0	(8,124)	58,180	(1,602)	66,304	0	(8,124)	58,180	(1,602)	77,363	0	(11,059)	66,304	(1,843)

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17. INFORMATION ON BORROWINGS

	2021	2020
	\$	\$
Current	42,125	45,996
Non-current	0	42,125
	42,125	88,121

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Budget	30 June 2021	30 June 2021	30 June 2021	30 June 2021	Actual	30 June 2020	30 June 2020	30 June 2020	30 June 2020
				Principal	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Principal	Actual	Actual	Actual	Actual	Principal	Actual
				1 July 2020	New Loans	Principal repayments	Interest repayments	Principal outstanding	1 July 2020	New Loans	Principal repayments	Interest repayments	Principal outstanding	1 July 2019	New Loans	Principal repayments	Interest repayments	Principal outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and culture																		
Upgrade Community Centre	89	WA Treasury	5.99%	4,961	0	(4,961)	(1,867)	0	4,961	0	(4,961)	(2,000)	0	14,452	0	(9,491)	(778)	4,961
Bill Hemsley Park	98	WA Treasury	2.64%	83,160	0	(41,035)	(151)	42,125	83,160	0	(41,035)	(503)	42,125	123,132	0	(39,972)	(3,398)	83,160
Transport																		
Plant	97	WA Treasury	2.49%	0	0	0	0	0	0	0	0	0	0	19,163	0	(19,163)	(304)	0
				88,121	0	(45,996)	(2,018)	42,125	88,121	0	(45,996)	(2,503)	42,125	156,747	0	(68,626)	(4,480)	88,121

* WA Treasury Corporation

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17. INFORMATION ON BORROWINGS (Continued)

	2021	2020
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	250,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	10,000	10,000
Credit card balance at balance date	(299)	(184)
Total amount of credit unused	259,701	509,816
Loan facilities		
Loan facilities - current	42,125	45,996
Loan facilities - non-current	0	42,125
Lease liabilities - current	7,686	8,124
Lease liabilities - non-current	50,494	58,180
Total facilities in use at balance date	100,305	154,425
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.

Risk

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

18. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions
Non-current provisions

Additional provision
Amounts used

Balance at 30 June 2021

Comprises

Current
Non-current

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 2020			
Current provisions	223,865	211,719	435,584
Non-current provisions	0	16,683	16,683
	223,865	228,402	452,267
Additional provision	117,602	31,822	149,424
Amounts used	(132,956)	(58,307)	(191,263)
Balance at 30 June 2021	208,511	201,917	410,428
Comprises			
Current	208,511	185,607	394,118
Non-current	0	16,310	16,310
	208,511	201,917	410,428

	2021	2020
	\$	\$
Less than 12 months after the reporting date	83,641	195,000
More than 12 months from reporting date	313,951	251,886
Expected reimbursements from other WA local governments	12,836	5,381
	410,428	452,267

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

19. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	3,786,799	1,302,551	3,015,526
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	648,765	(563,734)	1,080,045
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(2,804)	0	(52,551)
Depreciation on non-current assets	2,051,812	1,949,221	1,970,940
(Profit)/loss on sale of asset	(72,554)	(24,206)	19,146
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(85,981)	(24,206)	7,089
(Increase)/decrease in other assets	0	0	(7,038)
(Increase)/decrease in inventories	(3,970)	(5,780)	3,050
Increase/(decrease) in payables	616,124	(51,100)	120,075
Increase/(decrease) in employee provisions	(41,840)	(44,100)	(780)
Increase/(decrease) in other liabilities	186,010	(178,914)	111,949
Non-operating grants, subsidies and contributions	(1,228,260)	(1,228,260)	(1,514,620)
Net cash from operating activities	2,067,302	(171,079)	1,737,304

20. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	1,118,327	1,107,540
Law, order, public safety	812,736	877,484
Community amenities	545,000	505,321
Recreation and culture	11,154,514	11,032,753
Transport	131,157,311	130,744,053
Economic services	21,021	33,510
Other property and services	3,295,098	3,312,435
Unallocated	4,041,403	3,177,374
	152,145,410	150,790,470

21. CONTINGENT LIABILITIES

The Shire did not have any contingent liabilities during the financial year.

22. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cr Farrell			
President's annual allowance	10,082	10,000	10,000
Meeting attendance fees	9,487	9,410	9,410
Annual allowance for ICT expenses	504	500	500
Annual allowance for travel and accommodation expenses	51	50	50
	20,124	19,960	19,960
Cr Warr			
Deputy President's annual allowance	2,520	2,500	2,500
Meeting attendance fees	9,487	9,410	9,410
Annual allowance for ICT expenses	504	500	500
Annual allowance for travel and accommodation expenses	51	50	50
	12,562	12,460	12,460
Cr Batten			
Meeting attendance fees	9,487	9,410	9,410
Annual allowance for ICT expenses	504	500	500
Annual allowance for travel and accommodation expenses	51	50	50
	10,042	9,960	9,960
Cr Davidson			
Meeting attendance fees	9,487	9,410	5,749
Annual allowance for ICT expenses	504	500	305
Annual allowance for travel and accommodation expenses	51	50	31
	10,042	9,960	6,085
Cr Forth			
Meeting attendance fees	9,487	9,410	9,410
Annual allowance for ICT expenses	504	500	500
Annual allowance for travel and accommodation expenses	51	50	50
	10,042	9,960	9,960
Cr Humphrey			
Meeting attendance fees	9,487	9,410	9,410
Annual allowance for ICT expenses	504	500	500
Annual allowance for travel and accommodation expenses	51	50	50
	10,042	9,960	9,960

22. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cr Royce			
Meeting attendance fees	9,487	9,410	6,497
Annual allowance for ICT expenses	504	500	345
Annual allowance for travel and accommodation expenses	51	50	35
	10,042	9,960	6,877
Cr Maluish			
Meeting attendance fees	1,341	9,410	9,410
Annual allowance for ICT expenses	71	500	500
Annual allowance for travel and accommodation expenses	7	50	50
	1,419	9,960	9,960
Cr Forrester			
Meeting attendance fees	0	0	2,862
Annual allowance for ICT expenses	0	0	152
Annual allowance for travel and accommodation expenses	0	0	15
	0	0	3,029
	84,315	92,180	88,251
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	10,082	10,000	10,000
Deputy President's allowance	2,520	2,500	2,500
Meeting attendance fees	67,750	75,280	71,568
Annual allowance for ICT expenses	3,599	4,000	3,803
Annual allowance for travel and accommodation expenses	364	400	380
	84,315	92,180	88,251

23. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
The total of remuneration paid to KMP of the Shire during the year are as follows:	\$	\$
Short-term employee benefits	720,227	700,769
Post-employment benefits	79,255	77,448
Other long-term benefits	19,005	38,070
Termination benefits	0	0
	818,487	816,287

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 and annual leave accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP.

23. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:

	2021 Actual	2020 Actual
	\$	\$
Sale of goods and services	0	0
Purchase of goods and services	4,707	18,009
Short term employee benefits -other related parties	0	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

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

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

iii. Entities subject to significant influence by the Shire

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

24. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS

The Shire did not have any investments in associates or joint arrangements during the financial year.

25. MAJOR LAND TRANSACTIONS

The Shire did not undertake any major land transactions during the financial year.

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26. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2020/21 Actual Rateable Value \$	2020/21 Actual Rate Revenue \$	2020/21 Actual Interim Rates \$	2020/21 Actual Back Rates \$	2020/21 Actual Total Revenue \$	2020/21 Budget Rate Revenue \$	2020/21 Budget Interim Rate \$	2020/21 Budget Back Rate \$	2020/21 Budget Total Revenue \$	2019/20 Actual Total Revenue \$
Differential general rate / general rate												
Gross rental valuations												
GRV	0.094315	287	4,756,020	448,564	(7,078)	(5,602)	435,884	448,564	0	0	448,564	466,612
Unimproved valuations												
UV Rural	0.011087	410	187,380,675	2,077,490	7,544	2,392	2,087,426	2,077,490	0	0	2,077,490	2,085,342
UV Oakajee Industrial Estate Buffer Zone	0.022000	2	8,813,000	193,886	0	0	193,886	193,886	0	0	193,886	201,415
Sub-Total		699	200,949,695	2,719,940	466	(3,210)	2,717,196	2,719,940	0	0	2,719,940	2,753,369
Minimum payment												
Gross rental valuations												
GRV	700	187	816,030	130,900	0	0	130,900	130,900	0	0	130,900	137,200
Unimproved valuations												
UV Rural	400	16	126,280	6,400	0	0	6,400	6,400	0	0	6,400	6,800
Sub-Total		203	942,310	137,300	0	0	137,300	137,300	0	0	137,300	144,000
Total amount raised from general rate							2,854,496				2,857,240	2,897,369
Prepaid rates							0				(39,399)	(39,399)
Totals							2,854,496				2,817,841	2,857,970

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

26. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$	Circumstances in which Discount is Granted
Rates	100.00%	400	0	0	0	Council has granted a waiver of rates to the Yuna CWA for the 2020/2021 rating year on the basis it is a non-profit community organisation.
Administration charge on instalment	100.00%	2,160	0	0	0	Council has granted a waiver of instalment charges (\$9) for any pensioner wishing to take advantage of making payment of current rates by instalments.
			0	0	0	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$
Venue Hire; Photocopy, Charges & Private Works	Fee	100.00%	0	0	0	0
Pool Inspections & Water Testing Charges	Fee	100.00%	0	0	0	0
Venue Hire Recreation Facilities	Fee	100.00%	0	0	0	0
				0	0	0

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

26. RATING INFORMATION (Continued)

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession
Venue Hire; Photocopy, Charges & Private Works	Council may grant a waiver to community groups who reside in the shire who wish to use the facilities in association with a community event.	Council considers support of these groups necessary for the overall benefit of the community.
Pool Inspections & Water Testing Charges	Council will grant a waiver to Yuna Primary School for pool inspection and water testing at the Yuna Primary School pool under the condition the school has the pool open outside of school hours during summer.	Council considers support of these groups necessary for the overall benefit of the community.
Venue Hire Recreation Facilities	*Council will grant a waiver to Yuna and Nabawa Parents and Citizens Association for the use of recreation facilities within the Shire.	Council considers support of these groups necessary for the overall benefit of the community.

26. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	11/09/2021	0.00	0.00%	8.00%
Option Two				
First instalment	11/09/2021	0.00	0.00%	8.00%
Second instalment	11/11/2021	0.00	3.00%	8.00%
Option Three				
First instalment	11/09/2021	0.00	3.00%	8.00%
Second instalment	11/11/2021	0.00	3.00%	8.00%
Third instalment	11/01/2021	0.00	3.00%	8.00%
Fourth instalment	12/03/2021	0.00	3.00%	8.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	10,473	7,000	16,356
Interest on instalment plan	4,268	7,000	6,715
Charges on instalment plan	0	0	4,455
	14,741	14,000	27,526

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

27. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget	2020/21	2019/20		
	2020/21 (30 June 2021 Carried Forward)	(30 June 2021 Carried Forward)	(1 July 2020 Brought Forward)	(30 June 2020 Carried Forward)		
Note	\$	\$	\$	\$		
(a) Non-cash amounts excluded from operating activities						
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .						
Adjustments to operating activities						
	Less: Profit on asset disposals	11(a)	(72,554)	(26,397)	(3,569)	(3,569)
	Less: Fair value adjustments to financial assets at fair value through profit and loss		(2,804)	0	0	0
	Movement in pensioner deferred rates (non-current)		114	0	749	749
	Movement in employee benefit provisions (non-current)		79,251	(10,518)	(13,315)	(13,315)
	Movement in contract liabilities (non-current)		554	0	158,961	158,961
	Add: Loss on disposal of assets	11(a)	0	2,191	22,715	22,715
	Add: Depreciation on non-current assets	11(b)	2,051,812	1,949,221	1,970,940	1,970,940
	Non cash amounts excluded from operating activities		2,056,373	1,914,497	2,136,481	2,136,481
(b) Surplus/(deficit) after imposition of general rates						
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.						
Adjustments to net current assets						
	Less: Reserves - cash backed	4	(1,160,486)	(1,180,849)	(839,451)	(839,451)
	Add: Current liabilities not expected to be cleared at end of year					
	- Current portion of borrowings	17(a)	42,125	42,125	45,996	45,996
	- Current portion of lease liabilities		7,686	7,686	8,124	8,124
	- Employee benefit provisions		394,118	314,494	314,494	314,494
	Total adjustments to net current assets		(716,557)	(816,544)	(470,837)	(470,837)
Net current assets used in the Rate Setting Statement						
	Total current assets		3,981,110	1,490,097	3,119,772	3,119,772
	Less: Total current liabilities		(1,484,988)	(673,553)	(729,183)	(729,183)
	Less: Total adjustments to net current assets		(716,557)	(816,544)	(470,837)	(470,837)
	Net current assets used in the Rate Setting Statement		1,779,565	0	1,919,752	1,919,752

28. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2021					
Cash and cash equivalents	0.01%	3,786,799	0	3,786,799	0
2020					
Cash and cash equivalents	0.07%	3,015,526	0	3,015,526	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.

	2021	2020
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	37,868	30,155

* 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 17(b).

28. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	2,099	54,823	14,760	30,465	102,147
Loss allowance	0	0	0	0	0
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	49,328	17,359	9,662	18,386	94,735
Loss allowance	0	0	0	0	0

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	7,122	85	330	22,300	29,837
Loss allowance	0	0	0	0	0
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,764	0	0	40	1,804
Loss allowance	0	0	0	0	0

28. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 17(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2021</u>					
Payables	855,603	0	0	855,603	855,603
Borrowings	42,125	0	0	42,125	42,125
Lease liabilities	9,091	36,364	12,725	58,180	58,180
	906,819	36,364	12,725	955,908	955,908
<u>2020</u>					
Payables	192,969	0	0	192,969	239,479
Borrowings	48,034	42,125	0	90,995	88,121
Lease Liabilities	8,124	58,180	0	66,304	66,304
	249,127	100,305	0	350,268	393,904

29. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

30. 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 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Bonds - Venue Hire	3,320	15,010	(14,000)	4,330
Post Office Box Deposits	1,580	64	(63)	1,581
Building Services Levy	897	16,728	(13,939)	3,686
Constructions Traing Fund Levy	231	18,963	(14,844)	4,350
Refundable Deposits - Sundry	9,550	5,630	(3,600)	11,580
Cash in Lieu of Public Open Spaces	149,733	1,178	(554)	150,357
Unclaimed Monies	250	200	(200)	250
Standpipe Bond	100	0	0	100
	165,661	57,773	(47,200)	176,234

SHIRE OF CHAPMAN VALLEY
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31. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

SHIRE OF CHAPMAN VALLEY
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FOR THE YEAR ENDED 30 JUNE 2021

32. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.</p>
<p>GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.</p>	<p>Revenue from rates levied, interest and fees on instalment arrangements and arrears, government subsidy for entitled pensioners and rates deferred, less discounts and concessions relating to rates levied. Expenditures incurred in administration and maintaining rate records, rating valuations, serving notices, postage, stationery, advertising, debt collection, printing, indirect administration costs etc. Income receivable from the WA Grants Commission and any other Government Grant of a general purpose nature. Interest earnings from deposits and investments, including reserve accounts. General overdraft expenses.</p>
<p>LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Administration and operations on fire prevention services, including volunteer fire brigades, outlays on roadside clearing operations and other protective burning. Revenues include fines and penalties imposed under relevant Acts and fines, fees or charges for clearing fire breaks. Administration enforcement and operations relating to the control of animals. Costs of impounding, destroying and disposal of stray animals. Revenues include dog registration fees, fines and penalties relating to straying animals, impounding and destruction fees. Ranger's expenses are collected here and apportioned throughout the various programs to which they relate.</p>
<p>HEALTH To provide an operational framework for environmental and community health.</p>	<p>Food quality and pest control, inspections of eating houses, lodging and boarding houses, itinerant food vendors, offensive trade, and any other outlays concerned with general health inspections and administration services provided by the Council.</p>
<p>EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>Operation, improvements and maintenance of pre-school facilities; assistance to playgroups and other voluntary services. Annual awards and prizes to Nabawa and Yuna Primary Schools.</p>
<p>HOUSING To provide and maintain elderly residents housing.</p>	<p>Collection of revenue and expenditure in respect of the administration and operation of residential housing for council staff. The expenditure is reallocated to the relevant programmes using staff duties as a basis.</p>
<p>COMMUNITY AMENITIES To provide services required by the community.</p>	<p>Administration and operation of domestic refuse collection and disposal services, including delivery to a regional disposal site. Provision and maintenance of rubbish disposal sites. Collection and disposal of public litter bins, special rubbish clean ups, special litter enforcement and control. Includes administration and operation of foreshore protection project. Administration and operation of town planning and regional development services. These include planning control, the preparation of town planning development schemes, zoning and rezoning. Costs associated with resumption of land for recreational purposes. Accommodating a Natural Resource Management Officer to assist community groups and landowners.</p>
<p>RECREATION AND CULTURE To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.</p>	<p>Maintenance of public halls, civic centres, aquatic centre, beaches. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.</p>
<p>TRANSPORT To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets and maintenance of depots. Purchase of plant used predominantly for the construction and maintenance of streets, roads, bridges etc. Operations relating to the licensing or regulating of traffic under the control of the local government.</p>
<p>ECONOMIC SERVICES To help promote the shire and its economic wellbeing.</p>	<p>Attempt to control and contain weeds and vermin. The development, promotion, support etc. of tourism and area promotion to cater for tourists. Administration, inspection and operations concerned with application of the building standards including examination, processing and inspections services.</p>
<p>OTHER PROPERTY AND SERVICES To monitor and control Shire's overheads operating accounts.</p>	<p>Administration, inspection, and operation of work carried out on property or services not under the care, control and management of the Council. These include road works on private property. Public Works Overheads - Overheads incurred as the result of the use of direct labour, which is subsequently apportioned to the appropriate works and services absorbing the total expenditure. Includes expenditure incurred in the maintenance and operation of plant, Council's hire rate absorbing the total expenditure of plant running costs and usage. The total salaries and wages incurred during the year is recorded here and allocated over the various works and services to which it relates.</p>

33. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	2.23	3.38	3.35
Asset consumption ratio	0.96	0.98	0.84
Asset renewal funding ratio	1.00	1.00	1.00
Asset sustainability ratio	1.20	0.94	1.00
Debt service cover ratio	30.74	21.10	11.18
Operating surplus ratio	(0.18)	(0.14)	(0.22)
Own source revenue coverage ratio	0.55	0.62	0.58

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



Our Ref: 8653

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

Mr Maurice Battilana
Chief Executive Officer
Shire of Chapman Valley
PO Box 1
NABAWA WA 6532

Mail to: Perth BC
PO Box 8489
PERTH WA 6849

Tel: 08 6557 7500
Email: info@audit.wa.gov.au

Dear Mr Battilana

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

The Office has completed the audit of the annual financial report for your Shire. 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 President and the Minister for Local Government, as required by the Act. You are 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.

A significant adverse trend in the Shire's financial position is reported on page 2 of the auditor's report.

Management Control Issues

While the result of the audit was generally satisfactory, we 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.

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.

We 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 the undersigned on 6557 7574 if you would like to discuss these matters further.

Yours faithfully

Renuka.v

Renuka Venkatraman
Director
Financial Audit
7 December 2021

Attach

SHIRE OF CHAPMAN VALLEY

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. IT Disaster Recovery Plan		✓	
2. Excess leave management		✓	

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating may be reported as a matter of non-compliance in the audit report in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit report, it should be addressed promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

SHIRE OF CHAPMAN VALLEY
PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021
FINDINGS IDENTIFIED DURING THE FINAL AUDIT

1. IT Disaster Recovery Plan

Finding

We noted from our review of IT General Controls that the Shire's IT Disaster Recovery Plan (the plan) dated back to July 2016 and has not been reviewed or updated since then.

This plan is important to maintain essential services through the disaster recovery period and re-establish services and operations as quickly as possible to minimise the effect on the community, staff and Council. Regular review and update of the plan is essential to make sure that it is current and fit for purpose.

Rating: Moderate

Implication

Without a Disaster Recovery Plan that is updated and current, new and emerging risks to electronic data may not be identified and/or safeguards in place may not be adequate to minimise the risks. This could potentially result in loss of electronic data through cyber threats, damage to backed up data, equipment etc. This also increases the risk of significant delays and business interruptions in the event of unforeseen circumstances.

Recommendation

We recommend that the Shire regularly review and update the disaster recovery plan, to reflect current changes to the IT environment and new/emerging threats.

Management Comment

The IT Disaster Recovery Plan was tested and proved effective during the April 2021 TC Seroja event. The IT Disaster Recovery document has just been reviewed in November 2021, with the service provider testing the IT environments with a failover and fail back without major issues. A documented process will be supplied by the service provider and the IT Disaster Recovery Plan document updated from this testing.

Responsible Person: Manager Finance & Corporate Services

Completion Date: 30 June 2022

SHIRE OF CHAPMAN VALLEY**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****2. Excess leave management****Finding**

During our audit we noted that three employees had annual leave balances ranging from 350 to 850 hours. This represents 41% of the Shire's total employee leave balance and 50% of its annual leave liability at 30 June 2021.

Rating: Moderate**Implication**

Excess annual leave entitlements may have adverse effects on the Shire, including:

- Health and safety concerns with staff members not taking their leave entitlements
- Increase the Shire's costs given salary rises and increments over time and
- Key staff not being rotated, a preventative control against fraud

The build-up of large balances could create financial pressures, should large amounts of leave be taken at the same time or in close proximity. There is also a management risk to Council of having key personnel on leave for long periods of time.

Recommendation

We recommend that management regularly reviews excessive employee leave balances and takes appropriate measures (eg. leave management plans) to minimise the implications of excessive leave.

Management Comment

Council resolved to allow the Senior Ranger to defer an accrued 717 hours of annual leave which is a significant portion of excess annual leave. The current Corporate Management Procedure for Annual Leave will be reviewed to examine risk of excess leave and ensure this complies with current award and fair work legislation.

Responsible Person: Manager Finance & Corporate Services**Completion Date: 30 June 2022**



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Chapman Valley

To the Councillors of the Shire of Chapman Valley

Report on the audit of the annual financial report

Opinion

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

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

In my opinion the financial report of the Shire of Chapman Valley:

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

Basis for opinion

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

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

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

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

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
 - a. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the past 3 years. The financial ratios are reported at Note 33 to the financial report.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other matter

The financial ratios for 2019 in Note 33 of the financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2019. The auditor expressed an unmodified opinion on the financial report for that year.

Other information

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

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

Matters relating to the electronic publication of the audited financial report

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



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
7 December 2021