



SHIRE OF
HARVEY
A Breath of Fresh Air

Shire of Harvey

Annual Report 2020 - 2021

Where to find us



Customer Service Centres

Harvey Administration Centre

102 Uduc Road,
Harvey WA 6220

P: 9729 0300

F: 9729 2053

E: shire@harvey.wa.gov.au

Australind Administration Centre

7 Mulgara Street,
Australind WA 6233

P: 9729 0300



Leisure Centres

Harvey Recreation and Cultural Centre

Tom Latch Drive,
Harvey WA 6220

P: 9729 3311

E: hrcr.reception@harvey.wa.gov.au

www.harveyrec.com

Leschenault Leisure Centre

Leisure Drive,
Australind WA 6233

P: 9797 4006

E: llc.admin@harvey.wa.gov.au

www.llc.com.au



Swimming Pool

Dr Peter Topham Memorial Swimming Pool

36 Hinge Road,
Harvey WA 6220

P: 9729 1711

E: Harvey.pool@outlook.com



Libraries

Harvey Library

Young Street,
Harvey WA 6220

P: 9729 0390

F: 9729 1138

E: hstaff@harvey.wa.gov.au

Australind Library

Community Centre,
Mulgara Street,
Australind WA 6233

P: 9797 4590

F: 9797 2483

E: astaff@harvey.wa.gov.au

Binningup Library

Driftwood Way,
Binningup 6223

P: 9720 2930

Yarloop Library

School Road,
Yarloop 6218

P: 9733 5240

E: ystaff@harvey.wa.gov.au

Find us at

www.harvey.wa.gov.au



This document is available
in alternative formats and
languages on request.



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/// Danjoo Koorliny (Artist: Cassie Jetta)

The Danjoo Koorliny Bridge crosses where the Brunswick and Collie rivers meet and links the Shires of Harvey and Dardanup. In Noongar language DANJOO KOORLINY means “Coming Together”. The site is where the Wardandi, Binjareb and the Wilman people would come together and meet. Plants and animals were plentiful and people would meet to connect, share, trade, camp and give birth, upholding the sustainability of the land.

Acknowledgement of Country

The Shire of Harvey acknowledges the traditional custodians of the land and their continuing connection to land, waters and community. We pay our respects to all members of the Aboriginal communities and their cultures; and to Elders both past and present.



VISION

*"Together,
towards an even
better lifestyle"*

**We are committed to being an
inclusive, enterprising and engaging
community that:**

Actively works together and respects each other

Acts with honesty, integrity and fairness

Is open-minded, approachable, tolerant
and responsive

Our Values

In March 2021, the Shire undertook an exercise with all staff to reflect on the organisation's culture and identify a new set of values to guide us into the future.

The importance of organisational values cannot be underestimated. They are the essence of our identity and are the unseen drivers of all decision-making within the Shire. Our values represent "who we are and how we do things around here".

Through a series of facilitated workshops, five core values that reflect the collective beliefs of all employees were developed. It is the Shire's promise to its community that its practices and behaviour going forward will be embedded in these core values.

Our Values

Team Work We are a united team who works together towards a common goal.

Integrity We are empowered and accountable when making decisions.

Leadership We are adaptable and responsive in our leadership.

Excellence We are committed to an exceptional customer experience.

Respect We are respectful of our history and work together to build our future.



Shire President's Report



I have great pleasure in presenting the Shire of Harvey's Annual Report for 2020-2021, a year of many milestones and achievements.

In January we marked five years since the devastating Yarloop bushfires. The community spirit during this long recovery has not wavered and I am looking forward to seeing the plans for the Yarloop Workshop and Men's Shed developments come to fruition. When we needed it most in the aftermath of the fires, people reached out and I was proud that we were able to pay this forward by providing financial assistance to those communities affected by Cyclone Seroja and the Wooroloo bushfires.

Another important milestone was the 100 year anniversary of women in local government, which I had the honour of celebrating with Maidee Smith, the first female president of the Shire of Harvey. As a pioneer for women in local government, I hope Maidee is proud to see that today, we have an almost equal number of men and women working in the Shire and sitting on Council.

Celebrating and encouraging diversity in our workplaces and communities is a priority for the Shire and we have set ourselves a goal to become the most accessible and inclusive regional community in WA. Great strides were made this year, with two standout achievements being the adoption of the Shire's inaugural youth strategy, Voices of Youth 2021-2025 and the hosting of the Access and Inclusion Summit, which was widely applauded by both participants and other stakeholders alike.

Our cultural identity was further enriched this year with 173 people from nations as diverse as Brazil and Taiwan being welcomed as Australian citizens across four ceremonies.

Despite the disappointment of some signature events like the Brunswick and Harvey Shows being cancelled due to COVID-19 restrictions, I was thankful that we still had many opportunities to get together during the year. The Harvey Gala Night, the Karagarup Play Space Kite Festival, NAIDOC Week and the Gen21 Day Out were some of the many fantastic local events that really shone a light on the best we have to offer. The Harvey Recreation and Cultural Centre also hosted a full calendar of truly inspiring local and national acts that were performed in front of sell-out crowds, highlighting how important it is for the Shire to invest in modern and fit for purpose public amenities.

It's estimated that the Shire of Harvey is one the fastest growing local government areas in the South West region and this gives us a unique opportunity to leverage our strategic advantages to create a thriving and safe community with state of the art facilities and infrastructure. There is an exciting array of plans and projects to be implemented over the coming year to support economic growth and to develop our social capital. Work will continue on attracting tourism and businesses to the region and on the planning and development of multi-purpose community precincts that will house expanded library services and provide spaces for community groups and creative industries.

My sincerest thanks are extended to our CEO Annie Riordan for her leadership and to all staff and my fellow Councillors for another successful year that was approached with commitment, compassion and humour. Together, we are creating an even better lifestyle and I believe we have a bright future ahead of us.

Cr Paul Gillett
Shire President

CEO Report



Despite ongoing challenges presented by the COVID-19 pandemic, this was another productive year where the Shire worked hard to deliver projects and initiatives to bring economic and social benefits to the communities we serve.

This was the year in which we completed a major review of our Strategic Community Plan to reaffirm our commitment to achieving our collective vision for the Shire. Through a number of consultations, we gained valuable insight into the priorities, goals and aspirations of the community and these have been translated into a roadmap for the future, ensuring that everything we do is strategically aligned and will meet the expectations of our community.

A high priority identified in the Strategic Community Plan was the need for the Shire to improve its communication and engagement practices. In response, we developed the Shire's first Communication and Engagement Plan to give us clear direction in this area. We made a number of practical improvements, including refreshing the Shire's website to be more interactive, user-friendly and accessible and establishing the Have Your Say platform to make it easier for people to have input into our plans and projects. Our Facebook sites for the Shire and its library services have been positively received and are proving to be a valuable tool for communicating with the wider community, although we do intend to continue with the more traditional, face to face methods of engagement.

By operating within a budget that was based on the prevailing economic conditions, the Shire was in a strong fiscal position during 2020-2021. We secured \$11,650,000 in grants and contributions and with healthy cash reserves, we were able to budget for major infrastructure projects that reflected the needs of our growing population and the many distinct communities in our Shire.

We allocated \$9,705,088 to roads, drains, bridges and footpaths, and a number of key projects, including \$422,000 for the expansion of the Harvey Recreation and Cultural Centre gymnasium and \$230,700 to complete the Urban Forest project in Clifton Park.

Importantly, we continued to offer general rate relief under our Hardship Relief Policy while ensuring service levels were maintained. The second COVID-19 economic stimulus package allowed us to complete a considerable amount of maintenance and upgrade work in every locality throughout the Shire and a further grant of \$66,000 from Lotterywest contributed to supporting local people and small businesses. I pass on my heartfelt thanks to the volunteers, community organisations and local businesses who again went above and beyond to support the more vulnerable members of our community.

After the organisational review in 2019, we have had a successful 12 months working under a more streamlined management structure. I am extremely proud of how the Shire's staff adapted to these changes while continuing to produce beneficial outcomes for the community. We also met as an organisation and developed our core values that will underpin everything that we do moving forward. I can be proud to lead an organisation that values team work, integrity, leadership, excellence and respect.

My thanks are extended to the Shire of Harvey Council and Administration for their support and commitment, but a special thanks to our community members who have again looked out for each other and shown strength and resilience during a sometimes difficult year.

Annie Riordan
Chief Executive Officer

Snapshot of the Shire

The Shire of Harvey is diverse in people, place and activity.
Here's a snapshot of your Shire over the last year



28,299[^]

People living in the
Shire of Harvey



38^{*}

Median age



2.2%^{*}

Aboriginal and
Torres Strait
Islanders



\$1,549^{*}

Median weekly
household
income



19%^{*}

Residents born
overseas



43%^{*}

Households with
a mortgage



11,705

Dwellings



16

Schools



4

Libraries



2

Leisure and
Recreation Centres



2

Swimming pools



65%

Waste diverted
from landfill



1,766 km²

Total area



42 km

Coastline



140 km

Distance from Perth



7.7%^{*}

Unemployment rate



1,587[^]

Local
businesses



\$369,000[#]

Median housing
value



12,669

Rateable properties



\$1,453m
(0.6% of WA's)+

Gross regional product



Manufacturing^{*}

Largest employer



\$22,209,515

Rates income

Sources

[^]ABS ERP 2020 ^{*}ABS Census 2016 ⁺.idcommunity [#]REIWA





Elected Members of Council

The Council of the Shire of Harvey is made up of 13 elected representatives, with the President and the Deputy President elected by the Council following each ordinary Local Government election.

The Council operates on an Agenda Briefing/ Ordinary Council Meeting structure to conduct its meetings. The Agenda Briefing Session is for Elected Members and interested residents to become more informed on matters prior to formal consideration and decision on the matter at the Ordinary Council Meeting.



Cr Paul Gillett
SHIRE PRESIDENT

Elected Members of Council



Cr Francis Burgoyne
DEPUTY PRESIDENT



Cr Bill Adams



Cr Paul Beech



Cr John Bromham



Cr Michelle Boylan



Cr Michelle
Campbell



Cr Craig Carbone



Cr Robyn Coleman



Cr Wendy Dickinson



Cr Tania Jackson



Cr Amanda Lovitt



Cr Derrick Simpson

Councillor Meeting Attendance

	Ordinary	Briefings	Special	Audit	Attendance Fee	Allowance*
NUMBER OF MEETINGS	12	12	2	3		
Cr Paul Gillett (President)	12	11	2	2^	\$31,149	\$56,465
Cr Francis Burgoyne (Deputy)	12	12	2	1	\$16,640	\$13,594
Cr Bill Adams	12	11	1	1	\$16,640	\$5,167
Cr Paul Beech	12	12	2	3^	\$16,640	\$2,726
Cr John Bromham	12	10	1	3^	\$16,640	\$3,703
Cr Michelle Boylan	11	6	2	0	\$16,640	\$1,385
Cr Michelle Campbell	11	11	1	3^	\$16,640	\$2,250
Cr Robyn Coleman	12	11	2	2	\$16,640	\$3,234
Cr Craig Carbone	10	3	2	1	\$16,640	\$1,576
Cr Wendy Dickinson	12	12	2	3^	\$16,640	\$4,119
Cr Tania Jackson	7	7	2	1	\$16,640	\$3,535
Cr Amanda Lovitt	12	11	1	1^	\$16,640	\$2,401
Cr Derrick Simpson	12	10	1	2^	\$16,640	\$1,385

^ Audit Committee Members in 2020 - 2021 *Allowance includes Communication, IT and Travel allowances

Council Committees

Under the *Local Government Act 1995*, local governments are required to have an Audit Committee that meets at least twice a year. The Audit Committee ensures the Shire of Harvey fulfills its governance responsibilities in areas such as financial and risk management, internal control structure, ethical accountability and legislative compliance. In the reporting period, three Audit Committee meetings were held.

Non-statutory Committees include the CEO Employment Committee, Bush Fire Advisory Committee and Local Emergency Management Committee.

Council Member Demographic Information

The Local Government (Administration) Regulations 1996, requires that if the information is available the Council should report the number of council members that are in specified age ranges along with the gender, linguistic background and country of birth of Elected Members. The details regarding this as supplied by Council Members is outlined below and on the following page.

Council Member Age Ranges	Number of Members in Range
Between 18 and 24	0
Between 25 and 34	0
Between 35 and 44	0
Between 45 and 54	3
Between 55 and 64	7
Over 64	3

Council Member Diversity Details	Gender	Linguistic Background	Country of Birth	Identify as Aboriginal or Torres Strait Islander Y/N
Cr Paul Gillett (President)	M	English	Australia	N
Cr Francis Burgoyne (Deputy)	M	English	Australia	N
Cr Bill Adams	M			
Cr Paul Beech	M			
Cr John Bromham	M	English	England	N
Cr Michelle Boylan	F	English	Australia	N
Cr Michelle Campbell	F	English	Australia	N
Cr Robyn Coleman	F	English	Australia	N
Cr Craig Carbone	M			
Cr Wendy Dickinson	F	English	Australia	N
Cr Tania Jackson	F			
Cr Amanda Lovitt	F	English/Slovak	Australia	N
Cr Derrick Simpson	M			

Council Member Essentials Training

In accordance with the *Local Government Act 1995* and Local Government (Administration) Regulations 1996, elected Councillors are required to attend mandatory training within 12 months of being elected to ensure they have the skills and knowledge required to perform their role. The Shire holds an Elected Member training budget for this purpose.

Elections were held on the 19 October 2019, requiring Elected Members to complete their mandatory training by 19 October 2020.

	Serving on Council	Understanding Financial Reports and Budgets	Meeting Procedures	Understanding Local Government	Conflicts of Interest
Cr Paul Gillett (President)	NA	NA	NA	NA	NA
Cr Francis Burgoyne	•	•	•	•	•
Cr Bill Adams	NA	NA	NA	NA	NA
Cr Paul Beech	•	•	•	•	•
Cr John Bromham	•	•	•	•	•
Cr Michelle Boylan	NA	NA	NA	NA	NA
Cr Michelle Campbell	NA	NA	NA	NA	NA
Cr Robyn Coleman	•	•	•	•	•
Cr Craig Carbone	•	•	•	•	•
Cr Wendy Dickinson	NA	NA	NA	NA	NA
Cr Tania Jackson	*	*	*	*	*
Cr Amanda Lovitt	NA	NA	NA	NA	NA
Cr Derrick Simpson	NA	NA	NA	NA	NA

• Completed

* Incomplete



Organisational Structure

The Shire of Harvey has five Directorates, each with a responsibility for delivering services to the community across a number of different service areas.



Annie Riordan

CEO	
Advocacy	Marketing and Communications
Governance and Strategy	Special Projects
Council Support	Civic Ceremonies



Dean Winter



Kirstie Davis



Simon Hall



Rick Lotznicker

Director	Director	Director	Director
Corporate Services	Community & Lifestyle	Sustainable Development	Infrastructure Services
Finance	Community Development	Environmental Health Services	Engineering
Rates	Libraries	Building Services	Design and Development
Customer Services	Leisure and Recreation	Planning Services	Parks
Information Management	Aquatic Services	Environment	Rangers
Information Technology		Economic Development	Waste
			Emergency Services

COVID-19 Response

In response to the COVID-19 pandemic, on 16 March 2020 the West Australian Government declared a state of emergency under Section 56 of the *Emergency Management Act 2005*.

Local governments were called upon to do what they could to stimulate their local economies, with the State Government assisting by amending the Local Government (Financial Management) Regulations 1996. These amendments removed some of the red tape associated with the quick implementation of budgeted and non-budgeted works.

The Shire of Harvey gave a commitment to provide the best possible care for its community and employees. A number of budgetary and policy decisions were made in an effort to reduce the economic burden of the pandemic on local businesses, community groups and ratepayers, including the freezing of rates, fees and charges and the authorisation of two COVID-19 economic stimulus packages from General Revenue and Reserves.

Throughout 2020-2021, the Shire continued to focus on providing social and economic support to the community. This support ranged from adapting services to comply with social distancing restrictions to delivering the capital projects under Package 2 of the Shire's economic stimulus program.

Package 1

\$727,000 was allocated for major maintenance works to the Leschenault Leisure Centre and the Harvey Recreation and Cultural Centre during 2019-2020. While the majority of work was undertaken prior to 30 June 2020, some projects were carried over to 2020 – 2021.

Package 2

\$748,000 to fund a number of projects to be undertaken in 2020 – 2021.



Making a Difference Awards

The Shire's effort to respond to community needs during the pandemic was recognised by being nominated as a semi-finalist for the Department of Local Government, Sport and Cultural Industries' Making a Difference Awards.

Rhymetime in the Park

In a great show of initiative, Library Services hosted the ever popular weekly Rhymetime sessions in local parks instead of inside the library. This allowed staff and the children and their parents to maintain social distancing while still enjoying a fun and interactive morning of story-telling.

Economic Stimulus Package 2

Package 2 was used to fast-track a number of capital projects across a range of asset classes, including buildings, parks and playgrounds, roads and footpaths. One of the larger projects was the refurbishment of the Harvey Recreation and Cultural Centre's gym area, which was increased in size by 40%. Maintenance and upgrade of roads, footpaths and buildings took place, along with the installation of four new barbeques at Ridley Place foreshore.

Overall, 85% of nominated projects under Package 2 were completed on time and within budget, with the remainder carried forward to 2021-2022.

COVID-19 Response Grants

A Lotterywest grant of \$66,000 for crisis relief was disseminated to five community organisations to support vulnerable people. In December, a Shire grant was opened up to local businesses, with \$11,000 allocated across the Shire's small business sector.



Planning for the Future

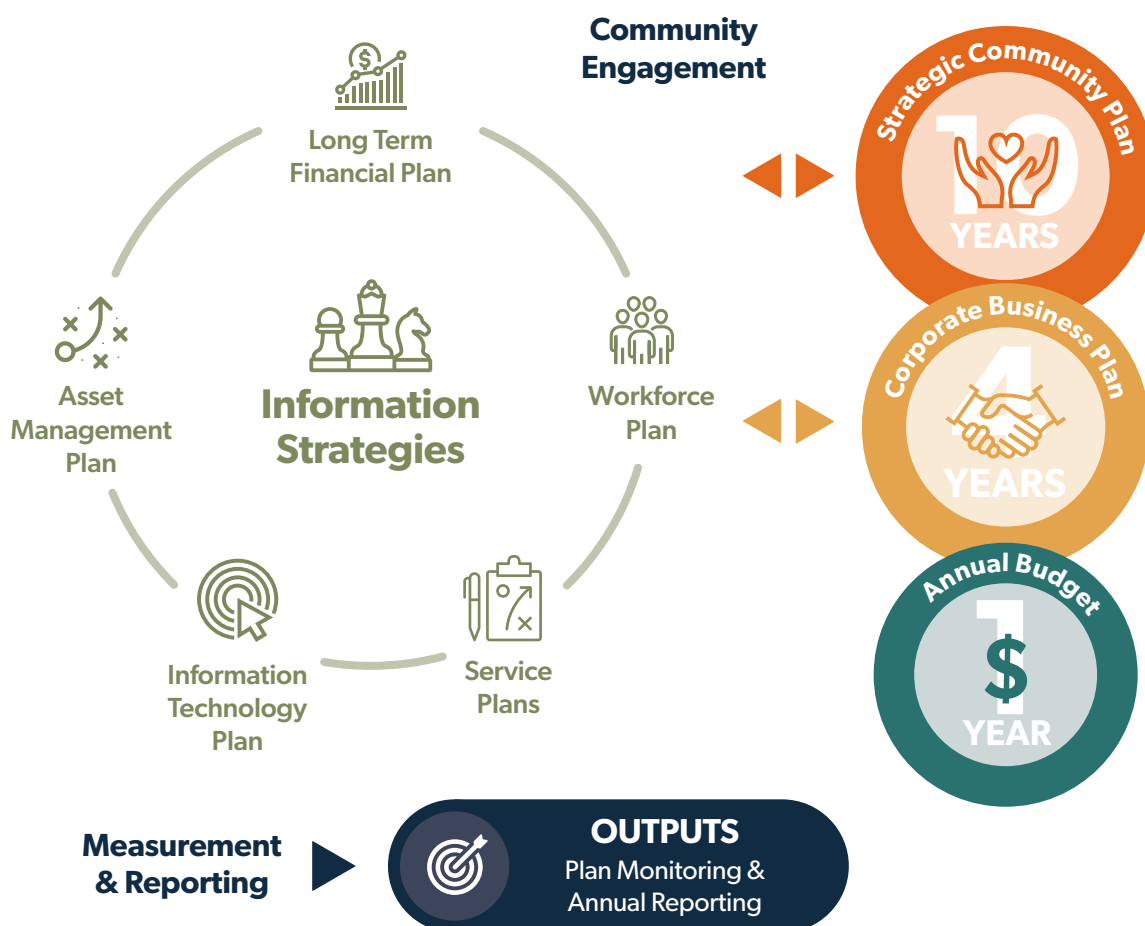
The Shire of Harvey's Plan for the Future is comprised of two key documents – the Strategic Community Plan and the Corporate Business Plan.

The Strategic Community Plan 2017-2027 expresses the community's vision, aspirations and goals for a 10 year period, with four main themes – Economic, Environment, Social and Civic Leadership. Under each theme is a clear objective with desired outcomes. The Corporate Business Plan details the projects, actions, targets and responsibilities under each objective.

The Annual Report describes the Shire's performance against its Strategic Community Plan

and the Corporate Business Plan. It's an essential tool to inform the community and key stakeholders about the Shire's achievements and future plans.

In the following pages, major highlights and key achievements under each of the four objectives of the Corporate Business Plan 2020-2024 will be showcased to demonstrate the Shire's progress towards meeting the vision and aspirations set for us by the community.



Strategic Community Plan

2021 - 2031

The Strategic Community Plan is the Shire's highest level strategic document. It describes the vision and aspirations of the community and is the key document that guides the Shire's planning and decision-making.

At a minimum, the Plan is reviewed every two years, alternating between a minor (desktop) review and a major review that consists of comprehensive community engagement using a variety of methods and platforms.

In December 2020, the Shire undertook a major review of its Strategic Community Plan, with community engagement taking place primarily through the MARKYT® Community Scorecard survey. Results from the survey, coupled with information obtained through face-to-face discussions with local people at various pop-up stalls and through the

Place Advisory Group meetings assisted the Shire to identify the community's priorities and goals for the short to medium term.

A major change to the previous Plan was the renaming of the Themes into more descriptive Strategic Directions. Two new Strategic Directions were also created - Sustainable Built Environment and Protected Natural Environment - to better distinguish between our goals for the natural environment and those for our human-made surrounds.

Based on community feedback and taking into account existing Council priorities, five strategic goals and a series of measurable objectives have been developed and incorporated into the new Strategic Community Plan 2021-2031.

PREVIOUS PLAN Themes and Outcomes

Economic

To be a diverse and innovative economy supporting a range of employment opportunities

Environment

We have a balanced respect for our natural assets and built environment, retaining our lifestyle values and community spirit

Social

Provide a safe and welcoming community which embraces its diversity and heritage where everyone is valued and has the opportunity to contribute and belong

Civic

Strong civic leadership representing the whole of the Shire which engages in effective partnerships and reflects the aspirations of an engaged community

NEW PLAN Strategic Directions and Goals



Diversified Economy

A diversified and thriving economy that offers a wide range of business and work opportunities as well as consumer choice



Connected Communities

A safe, accessible and connected community where everyone has the opportunity to contribute and belong



Protected Natural Environment

A natural environment that is highly valued, protected and enjoyed



Sustainable Built Environment

A livable, sustainable and well-designed built environment that is accessible to all



Effective Civic Leadership

A representative leadership that is future thinking, transparent and accountable

Objective 1

Economic

To be a diverse and innovative economy supporting a range of local employment opportunities.

Highlight

In April 2021, the CEO signed the Small Business Friendly Local Governments Charter and committed to the Small Business Local Government Friendly initiatives. The Shire also created a Business, Economy and Tourism section on our website. Further business information will be added over the coming year.



Desired Outcomes Key Achievements

1.1 Increased planning and opportunities for diverse socially and environmentally responsible commercial, agricultural and industrial enterprises and residential development

- Drafting of the new Local Planning Scheme has been progressed and was referred to the Environmental Protection Authority (EPA) for comment. The Shire is hoping to advertise the draft new Scheme during the first half of 2022.
- The Bunbury Geographe Sub Regional Strategy was advertised by the Western Australian Planning Commission and a submission was made by the Shire advocating for sustained urban growth in Treendale.
- Discussions were held with Development WA and the Minister for Housing with regards to the future development of Korijekup Heights. Written correspondence advocating for these stages to be progressed will be provided.
- Discussions were held with Development WA, Main Roads, Harvey Water and the South West Development Commission to ensure adequate infrastructure facilities, including water access and the upgrade of Marriott Road to allow for increased truck movements.
- The Shire of Harvey Economic Development Strategy 2020 - 2025 was released in 2020. An Economic Development Officer has been employed by the Shire to progress the actions in the Economic Development Strategy.

1.2 Develop the Shire as a tourist destination based on its distinct characteristics and natural assets and qualities

- The Bunbury Geographe Tourism Partnership Memorandum of Understanding with the Shires of Dardanup, Collie, Harvey, Capel, Donnybrook-Balingup and Boyup Brook and the City of Bunbury was signed.
- Leading tourism and place making agency, We Are Best, reviewed visitor servicing and presented the Harvey Region Tourism Strategic Report to Council in June. The Strategic Report recommended changes to the Shire's visitor servicing approach and a feasibility study considering bringing tourism in-house.
- After community consultation and a tourism survey, Council endorsed the Harvey Region Tourism Strategic Report and requested a Harvey Region Tourism Implementation Plan by December 2021.
- Working with State Government and investors to attract and develop tourism accommodation. The Shire successfully advocated for election promise funding for the development of a Harvey Region Trails and Adventure Master Plan. Funding to be provided through Department of Primary Industries and Regional Development (DPIRD) in 2022.
- The official opening of the Karagarup Playspace was held with a kite festival. The Playspace is as part of the Ridley Place Foreshore Development Strategy.



\$112,940,469

1,071 Building Permits



\$31,642,575

240 Planning Applications

Desired Outcomes Key Achievements

1.3 A range of employment, education and training opportunities that will attract a diverse workforce

- Traineeships and workplace training opportunities continue to be offered within the Shire. It is also a long-term supporter of the Leeuwin Sail Training Ship scholarships, which offers local young people the chance to learn leadership skills in a unique environment.
- In partnership with the newly incorporated Harvey Aboriginal Corporation, the Shire was successful in obtaining a WA Hiking Participation Grant from the State Government to establish a training and employment pathway for Aboriginal people to become hiking and cultural tour leaders.

1.4 Essential services and infrastructure are available to support the growing community and local economy

- The Shire worked with Nation Broadband Network (NBN) and private ISP's to identify gaps in delivery and encourage premises to access fixed wireless.
- Ongoing meetings were conducted with government agencies in Department of Planning, Main Roads WA (BORR), DFES (SW DEMC).

1.5 Irrigation areas and water supply are protected, preserved and strategically enhanced

- Irrigation areas and water supply are an integral part of the Shire's natural resources and its critical they are protected and preserved. The Shire has continued lobbying service providers to ensure a quality water supply that is fit for purpose for the local agricultural industry. Community water supply points have been negotiated and provided by Harvey Water at Yarloop, Harvey and Wellesley Road North for those communities to use on ovals and for firefighting.
- Water pressure in Australind is still on the agenda, and the Shire continues to liaise with the Water Corporation to connect Australind to the integrated water supply scheme.



“ A \$19,000 grant from the Department of Local Government, Sport and Cultural Industries will be used to develop a hiking and cultural tours program that will enable local Aboriginal people to obtain a Certificate II in Leadership, as well as qualifications in Tourism and Land and Conservation. The program aims to create tourism and employment opportunities and will be supported by the Department of Biodiversity, Conservation and Attractions.

Objective 2

Environment

We have a balanced respect for our natural assets and built environment, retaining our lifestyle values and community spirit.

Highlight

An audit of the Shire's Food Organic, Garden Organic (FOGO) Bins revealed a contamination rate of only 0.4% .

Since the introduction of the FOGO system in August 2019, 9,645 tonnes of compostable waste has been diverted from landfill.



Desired Outcomes Key Achievements

2.1 Heritage buildings and places are utilised, preserved and maintained

- A number of heritage walk trails were opened, including the Yarloop and Myalup Heritage Walk Trails, the Noongar Kaartdijin Bidee Walk and the Eaton Australind Waterfront Historical Trail. Trails have interpretive signage placed at key sites to explain the cultural and historical significance of the area.

2.2 Town Centres are welcoming, well presented and their development enhances their character and value

- Community organisations from throughout the Shire are represented on the Place Advisory Groups.

2.3 Land use provisions within the rural, industrial and urban areas reflect current and future needs

- Annual audits are provided as required by current approvals and undertaken by officers periodically.

2.4 Natural assets and public open spaces are accessible, well utilised and managed

- The Placespace Strategy 2021 - 2026 was adopted by Council in May 2021.
- A self-cleaning and accessible toilet was installed at the Clifton Park play area to improve the public amenities at the park.
- The 2021 - 2031 Local Path Renewal and Improvement Plan was approved by Council in May 2021 and path improvement works were undertaken throughout the shire.



Trails have interpretive signage placed at key sites to explain the cultural and historical significance of the area. This sign can be found along the Noongar Kaartdijin Bidee Walk in Harvey.

Desired Outcomes Key Achievements

2.5 Waste recovery will minimise environmental impacts

- The Shire entered into a funding agreement with the Waste Authority under its Better Bins Plus: Go FOGO Kerbside Collection Program. As part of this funding agreement, bin tagging was completed in April and May 2021 and additional compostable bags purchased.
- The Shire supported the Regional Options Paper and Strategic Recommendations document delivered as part of the South West Regional Waste Group to guide ongoing work in finding regional solutions that divert waste from landfills.
- An Expression of Interest was progressed for South West Regional Waste Management Services.
- The Shire has employed a Waste Management Officer who is undertaking waste education within the Shire.

2.6 Local heritage, lifestyle and eco-systems are protected and promoted

- A review of Shire's Biodiversity Strategy commenced, planning precedence of Council natural areas works are in accordance with the conservation objectives and the determination of significant natural areas as per the Draft Biodiversity Strategy. Works in additional bushland areas take into consideration the Biodiversity Strategy Action Plan and objectives to retain/protect natural areas.
- The Shire in partnership with the Binningup and Coastcare Group were successful in a Coastwest grant of \$8,000 to rehabilitate sand dunes and construct sand fencing, north and south of the Binningup Main Beach area.
- The Shire in partnership with Trees4change continued dune rehabilitation at Myalup with five schools, metro and regional, participating in 2020 - 2021 season.
- In partnership with the Australind Bushcare Council and the Leschenault Catchment Council the Shire undertook a community planting day and two preservation days (litter and weed removal and seed collection); funded by the Federal Government's National Landcare Program.
- The Shire, in partnership with the Friends of Barnes Avenue and Leschenault Catchment Council, undertook community planting and weed control in the Shire's Barnes Avenue Bushland Reserves, and the Leschenault Progress Association with support from the Shire, began the rehabilitation of Shire Reserves on Halyard Parade.
- Shire representatives met with members of the Brunswick River Restoration Action Group (BRRAG) to overview up and coming opportunities for BRRAGs environmental program into the future.
- Two community planting days were also held in Clifton Park along the Collie River foreshore.

Desired Outcomes Key Achievements

2.7 Forests, rivers, coastline, wetlands and estuary are valued, protected and managed

- In collaboration with the Harvey River Restoration Taskforce (HRRT), petitioning the Department of Water and the Water Corporation for an improvement of environmental flows in the Harvey River resulted in an increased water release in the Spring of 2020, which improved riverine habitat for native species.
- The 2021 - 2022 Budget was approved with the Department of Health (DoH) making their 50% contribution. The Leschenault Contiguous Local Authorities Group (CLAG) shared resources, with Harvey continuing to coordinate surveillance, aerial treatments and monitor chemical stock. The CLAG in collaboration with the Geographe CLAG continued education campaigns for the South West.
- The Shire and the Department of Biodiversity, Conservation and Attractions (DBCA), Regional Parks Team have worked in close collaboration to undertake the control of declared, Weeds of National Significance (WONS) and environmental weeds throughout the Kalgulup Regional Park within the Shire boundary. The Shire has liaised, on behalf of local community members, with the Peel Harvey Biosecurity Group to improve weed and pest control within the Shire and compiled an annual list of cottonbush infested locations for the Department of Primary Industry and Regional Development compliance program.

2.8 Activities to mitigate the impacts of climate change are supported

- Current projects with the Peron Naturaliste Partnership (PNP) include the Collie River Coastal Hazard Risk Map Adaption Plans (CHRMAP) together with Shires of Capel and Dardanup, the City of Bunbury, the Department of Environmental Regulation and Water and Department of Biodiversity, Conservation and Attractions (DBCA), and the CoastSnap Project: Real-time community coastal social values funded by the Department of Transport and in partnership with the University of Western Australia.
- Monthly beach profile monitoring is on-going with results uploaded to PNP database.



// The Shire's Single Use Plastics Policy was developed with the purpose of providing controls and behavioural changes that minimise potential adverse impacts of single use plastics on the community and the environment.

Whilst events and activities not managed by Shire Officers are not included in the mandatory scope of this Policy, organisers will be encouraged and supported by the Shire to voluntarily comply with reducing the use of single use plastics.

Objective 3

Social

Provide a safe and welcoming community, which embraces its diversity and heritage, where everyone is valued and has the opportunity to contribute and belong.

Highlight

The Shire's inaugural youth strategy, Voices of Youth 2021-2026 was adopted by Council in April, providing a robust framework to enable the Shire to strategically meet the current and future needs of young people aged 10 to 18 who live in or visit our community.



Desired Outcomes Key Achievements

3.1 The community is supported by a strong volunteer base where leadership, inclusiveness and supported independence is fostered

- In April 2020 Council resolved to support the Leschenault Sporting Association (LSA) kitchen upgrade with an additional \$68,000 allocation of funds to support the Alcoa Harvey Sustainability Fund amount of \$15,000. The improvements were completed by January 2021.
- The Shire, in partnership with the newly incorporated Harvey Aboriginal Corporation was successful in obtaining a WA Hiking Participation Grant from the State Government. The \$19,000 grant from the Department of Local Government, Sports and Cultural Industries will be used to develop the program and the skills of participating hiking and cultural tour leaders over the next 12 months. In partnership with South Regional TAFE - Harvey Campus, a Certificate 2 in Leadership, as well as Tourism, and Land and Conservation courses will be delivered to the participating tour leaders.
- The Shire supported the Brunswick Bowling Club's grant application to the Community Sporting and Recreation Facilities Fund - Small Grants program run by Department of Local Government, Sport and Cultural Industries (DLGSC) to resurface one of their greens.
- A celebration event was held at The Boundary in December to mark 30 years of Shire support for the Leeuwin Sail Training Ship program.
- Council adopted a Youth Engagement Policy and the Shire of Harvey Play Space Strategy 2021-2026.
- A workshop was held at the Harvey Skate Park involving Freestyle Now to provide lessons and tips. Youth were engaged about their ideas for a new family friendly skate facility in Harvey. A consultant was engaged to undertake location assessment. Council endorsed Meridian Park as the preferred location in May 2021.

// The 2021 Shire of Harvey Community Awards were hosted at the Yarloop Community Centre. Ms Ester Italiano (pictured) was a worthy recipient of the Meritorious Service Award in recognition of her years of voluntary service to the local community. A full list of award winners can be found on page 35.



Desired Outcomes Key Achievements

3.2 A safe and healthy community with a strong sense of community pride

- The Leisure Drive Shared Path Project was commenced. This is a 2.5m wide shared path 1.45km in length designed to improve connectivity for touring cyclists from Forrest Highway into the Shire's path network and onto facilities in Treendale, Australind and Bunbury. This project was identified in the Shire's Local Bike Plan (2012) and in the Bunbury Wellington 2050 Cycle Plan.
- The Shire received notification of future funding of the development of a Harvey Region Trails and Adventure Master Plan, including the consideration of a spur or realignment of the Munda Biddi. The Shire is also working with Alcoa to identify and alleviate any potential impacts of mining in the future on the Munda Biddi.
- The Shire supported the National Disability Services and the Australian Council for Rehabilitation of the Disabled (ACROD) Parking Program in a new community awareness campaign. As part of the campaign, local ACROD permit holder Kiera Evans and her son Zane have collaborated with artist Shannon Lively to create an art installation in the ACROD bay at the Ridley Place Foreshore Park in Australind which gives a visual representation of what the bay means to them.
- The official opening of the Eaton/Australind Waterfront Historic Trail was held, a joint initiative between the Shire of Harvey and the Shire of Dardanup to provide connectivity for cyclists and pedestrians between the two Shires.
- During April and May 2021, Shire Officers undertook community and stakeholder consultation to gain an understanding of community perception and need with regard to community and crime prevention. This consultation engaged over 200 community members in person and strengthened partnerships with stakeholders. The aim of the Community Safety and Crime Prevention Plan 2021 – 2026 is to guide initiatives that reduce the incidences of criminal opportunities and enhance community safety and lifestyle. The plan sets out four priorities including safer places and spaces, community education and awareness, partnerships and emergency management with a vision that crime prevention initiatives delivered by the Shire of Harvey will contribute to work towards a future of zero crime.



/// The Harvey Recreation and Cultural Centre was announced as a semi-finalist for the WA Presenter of the Year in 2020 as part of the Pinnacle Performing Arts Awards. The Award celebrates the best in the live performance industry in WA and recognises excellent work done in building creative, inclusive and thriving communities.

Desired Outcomes Key Achievements

3.3 The history of the Shire and its rich and varied cultural heritage and natural environment is valued, respected, promoted and celebrated

- The Shire received a \$20,000 grant from the State Government to contribute towards the heritage interpretation of the Yarloop Workshops redevelopment. A contractor has been engaged to build the Stage 1 Redevelopment of Yarloop Workshop Interpretive Centre.
- On 6 November 2020, the Shire commemorated 100 years since the Mornington train crash which occurred on the Mornington timber line killing nine people and injuring two. This tragic event remains the rail incident with the greatest loss of life in Western Australia. An interpretive sign was revealed at the Wokalup Tavern and will be displayed to acknowledge the event and ensure the history of the area is not lost.
- The Yarloop Heritage Walk Trail was opened.
- Interpretive signage was placed at Harvey War Memorial.
- The Eaton/Australind Waterfront Historical Trail was officially opened.
- Ongoing partnership with local Elders including regular meetings and support for projects on request. Funding was received through the DLGSC WA Hiking Program to support Harvey Aboriginal Corporation to develop the Harvey Aboriginal Leadership Hiking Program. The Shire and Harvey Aboriginal Corporation presented on the development of the project at the DLGSC WA Trails and Hiking Forum.

3.4 Services, infrastructure and facilities continue to meet community needs

- Public consultation for the Harvey Community Precinct has been completed and the Concept Design is to proceed. Construction on the Harvey Community Precinct will commence after the documentation is complete.
- The official opening of The Boundary was held on 27 November 2020. The facility will provide club rooms to a number of sporting organisations that previously didn't have a place to call home. There was significant fundraising by local volunteers, plus grants from Building Better Regions Fund – Infrastructure Projects, Department of Sport and Recreation - Community Sporting and Recreation Facilities Fund, Department of Regional Development – Regional Grants Scheme, South West Development Commission – Local Projects Local Jobs, the Shire of Harvey and, the Alcoa Harvey Sustainability Fund.
- The Harvey Recreation and Cultural Centre (HRCC) Function Room performance space upgrade was completed in time for the 2020-2021 program of cultural performance events. A successful DLGSC Regional Venues Improvement Fund (\$229 538) and Shire of Harvey funding enabled the upgrade to be initiated and specific elements included stage improvements, sound and lighting upgrade, an increased ceiling height and a refresh of the aesthetics of the Function Room.
- Council endorsed the Harvey Recreation Ground (HRG) Needs Assessment Report, Community Consultation Report, Master Plan Final Report 2021 and future and funding report for future upgrade and expansion of facilities as identified in the HRG Master Plan.

Desired Outcomes Key Achievements

3.5 Affordable, diverse and quality accommodation options for both residential and business use

- The Local Planning Scheme has been drafted and referred to the Environmental Protection Authority (EPA) for comment. The Shire hopes to advertise the draft new Scheme during the first half of 2022.
- The official opening of the Brunswick River Cottages Stage 2 was held on 4 December 2020. This project was made possible thanks to the State Government's Regional Aged Accommodation and Local Projects Local Jobs grants, the Shire of Harvey and the Brunswick River Cottages Management Committee. Design documentation and a business case for Stage 3 has been completed.

3.6 A local transport network that ensures equity of access across the community to a safe standard

- The Department Planning Lands and Heritage (DPLH) has initiated an amendment to the Greater Bunbury Region Scheme (GBRS) to facilitate the completion of Kingston Drive between Paris Road and Ditchingham Place, Australind. Regional Road Group Funding / Roads to Recovery Funding / State and Federal Blackspot funding has been received to support this project.
- The Shire received \$668,755 from the Federal Government for the Local Roads and Community Infrastructure program (LRCI). When an additional \$1,181,211 in funding was received a number of road and community infrastructure projects were funded.



“ The Shire partnered with WA Police in a bid to raise awareness and increase crime prevention education within the community. Priority 2 of the Community Safety and Crime Prevention Plan details Council's commitment towards increasing community knowledge through education and awareness to help reduce opportunities for crime and injury. Engagement Pop-ups were held throughout the Shire and had significant interest from the community.

Objective 4

Civic Leadership

Strong civic leadership representing the whole of the Shire which engages in effective partnerships and reflects the aspirations of an engaged community.

Highlight

In response to community feedback that the Shire needed to improve its communication and engagement with local people, the Shire developed its first Communication and Engagement Plan 2021-2026. This is a five-year outcomes based strategy that will guide the Shire's efforts to implement consistent, innovative and targeted communications and will proactively support the objectives outlined in the Strategic Community Plan 2021-2031.



Desired Outcomes Key Achievements

4.1 A long term strategically focused Shire that is efficient, respected and accountable

- 2020 - 2021 was the first full year for the Shire operating under the new organisational structure that restructured the Shire introducing five Directorates; Directorate of the CEO, Directorate of Sustainable Development, Directorate of Infrastructure Services, Directorate of Corporate Services and Directorate of Community and Lifestyle to create a strong customer focused organisation.
- Council adopted a Code of Conduct for Council Members, Committee Members and Candidates and a Code of Conduct Complaints Policy. Also adopted was the Shire of Harvey Standards for Chief Executive Officer Recruitment, Performance and Termination.

4.2 Services and infrastructure are provided with a customer focus and reflect the needs of the Shire's residents

- New technologies have been implemented to improve the handling of agendas, minutes, general Council administration and to enhance corporate governance.



// This year, the Shire reviewed and updated its Strategic Community Plan and Corporate Business Plan, the two key documents required under the Integrated Planning and Reporting Framework. These Plans, together with informing plans and strategies, will steer the Shire towards achieving the goals and aspirations of the community.

Desired Outcomes Key Achievements

4.3 Good business performance and quality service delivery within the regulatory framework continues to be provided

- The draft Harvey Community Precinct Master Plan was adopted. An Operations Report was completed by an independent consultant. The Australind Community Precinct location was adopted by Council, in keeping with public consultation results. The Feasibility Plan is to be completed in anticipation of Concept Plans being developed.
- The Shire undertook an Occupational Health and Safety assessment of the Harvey Administration Centre to determine its compliance with relevant standards as well as looking at it from an asset management perspective.
- The Shire and Leschenault Leisure Centre Enterprise Bargaining Agreement (EBA) were reviewed and, new EBAs were developed for a two year period.



Australia Day Awards

Harvey Citizen of the Year

Mr Brian Kealley

Brunswick Citizen of the Year

Mr Barry Rowe

Australind Citizen of the Year

Mr Gerrard Tyrrell

Active Citizenship Award

Brunswick Lions Club Inc.

Active Citizenship Award

Harvey Local Drug Action Group



Community Awards

Meritorious Service Award

Ms Ester Italiano

Appreciation Award

Elder Lesley Ugle

Appreciation Award

Mr Greg Campbell

Community Group Award

Leschenault Progress Association

Desired Outcomes Key Achievements

4.4 A well informed, connected and engaged community that actively participates

- The Shire adopted the Recording and Live-streaming of Council Meetings Policy to provide residents with additional ways to view Council meetings.
- In January 2021, Council endorsed the Shire's Community Engagement Policy which is focused on formalising a commitment to informed decision-making through effective, transparent and accessible community consultation. The policy provides a set of principles to guide community engagement and encourage greater community participation in the decisions of Council, thereby contributing to effective community engagement. Over the year, the Shire consulted with the community regarding 15 projects offering engagement opportunities such as online and hard copy surveys, pop up engagements in local shopping centres, focus groups and workshops. This process was supported by the Shire's Advisory Groups which are a key component of the aspirations set out in the Community Engagement Policy. These groups bring key stakeholders together to advise the Shire on strategies and policies, and on communities need.
- The Shire's Instagram page was launched in April 2019 and the Shire's Facebook page was launched in May 2021. The Facebook page had 1,117 followers, a Page reach of 35,246 and 31 posts at end of June 2021. The Instagram page had 1,530 followers, a Page reach of 11,439 and 180 posts during financial year 2020-2021.
- The Shire President has been having fortnightly chats to Nay from Sen Spirit 621 giving an update on the latest highlights and things happening in the Shire of Harvey.
- The redevelopment of the Shire's website was created to increase its accessibility for the whole community and to make it more user-friendly, intuitive and informative overall. There has been a total of 77,825 website users with an average of 2.59 pages per session in 2020 - 2021.



/// Maidee Smith (seated left), the first female President for the Shire of Harvey was formally recognised with a morning tea to mark 100 years of women in local government.

Desired Outcomes Key Achievements

4.5 The revenue needs of the Shire are managed in an equitable, proactive and sustainable manner

- A consultant has been engaged to undertake a review of the Shire's existing rating methodology. The first meeting with Council is scheduled for January 2022 with project completion and adoption anticipated in March 2022.

4.6 Effective collaboration and shared services with other Local, State and Federal government agencies, industry and community organisations

- Discussions were held with Shire of Murray in regards to a joint water strategy for Peel/South West.
- The Shire collaborated with the Shires of Murray and Woorona on a Highway 20 strategic report regarding the feasibility of revitalising the previous Harvest Highway.

4.7 Maintain appropriate emergency services and planning

- Council adopted the Bushfire Risk Management Plan 2020-2025 and an updated Community Emergency Services Manager (CESM) Memorandum of Understanding was signed.
- Bush Fire Personnel (Minimum Training Standards) were updated to include the latest Department of Fire and Emergency Services (DFES) training standards.
- The official opening of the Australind SES building was held on 14 November 2020. The cost was \$1.1M of which \$930,052 was a DFES capital grant and \$204,265 contributed by Shire of Harvey. The upgraded facilities mean volunteers can respond to emergencies quickly and also increase number of volunteers.
- Official opening of the Binningup Volunteer Bushfire Brigade building on 14 November 2020. Total cost was \$592,597 of which \$389,739 was a DFES capital grant and \$202,858 from the Shire.
- Using \$291,539 of Local Government Grants Scheme (LGGs) funding, a review was undertaken on the brigade's Personal Protective Clothing (PPC), servicing and maintenance of vehicles.



// We welcomed 173 people as Australian citizens from countries as diverse as Germany, Korea, Phillipines, United Kingdom, South Africa, New Zealand and Brazil.

Facilities

Libraries

This year, Library Services in Harvey, Australind, Binningup and Yarloop continued to play an increasingly important role in building community cohesion and fostering social engagement, with multiple community programs held that reached more than 4,500 participants.

Regular programs for children included Rhymetime (sometimes held in parks this year due to COVID-19 restrictions), Storytimes, Coding Club, Dr Seuss reading challenges, Lego Club and a variety of after school activities. The Better Beginnings program was conducted again in partnership with Community Health nurses and this year's National Simultaneous Storytelling was extra special because it was beamed from the International Space Station.

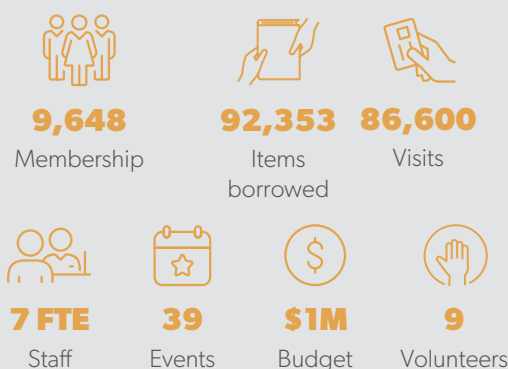
Programs for adults continued to be popular and included Tech Support, Bookchat, Scrabble, English classes, Knit and Natter, Garden Club and Book Club. Home deliveries to people unable to readily get to the library and a 'click and collect' service meant that the more isolated members of the community had regular contact with library staff, particularly during lockdowns.

In keeping with the Shire's strategic goal of improving its communication and engagement with the community, Library Services introduced its own Facebook Page in February. This has created another platform for the community to be kept up to date with programs and services and to request information.

Staff also participated in a visioning workshop to look at the future direction of library services in the Shire. Visions for 2031 included:

- A diverse workforce with transferable skill sets
- Multi-faceted customer service in which the customer comes first.
- Promotion of early literacy and lifelong learning.
- Critical face-to-face interaction to encourage social inclusion.

A standout for the year for Library Services was being an award recipient at the 10th Anniversary Local Government Policy Awards 2020. This award recognised the range of plans and policies in place to address the health of young children, including providing library storytimes and making them available online. Library Services was commended for proactively engaging the community in a variety of ways.



Harvey Recreation and Cultural Centre

The Harvey Recreation and Cultural Centre (HRCC) was opened in 1993 and is the main recreation, cultural and social hub in the Harvey town and area. The HRCC is open seven days a week and caters to a year round sport and physical activity program on three multi-purpose courts, gymnasium, mixed martial arts and squash complex. Basketball and Netball competitions are held annually along with a range of other casual and short season, court based sports. A variety of Group Fitness options are offered on a weekly basis to cater to a diverse age range and user demand.

There are two licensed childcare facilities onsite for children between the ages of 0-5 years and children 5-12 years including Long Day Care, After School Care and Holiday Program. There is also a variety of programs each week for people over 50 years (Boomers Plus) including Strength for Life (LLS), Stay On Your Feet and Yoga 50+.

Regular community and cultural performances and events are conducted in the Cultural Centre and

these include live theatre, tribute shows, puppetry, circus, magicians, contemporary dance and children's shows.

There has been a broad array of highlights throughout the year, with the most significant including:

- Transition from HRCC Incorporated to Shire of Harvey.
- The official opening of "The Boundary".
- A major upgrade and increase in the size of the HRCC gymnasium.
- Department of Local Government, Sport and Cultural Industries "In The House" funding (\$160,000 over two years) for cultural performance programming.
- Completion of the HRCC Function Room major upgrade and first performance.
- LED lighting upgrade to all indoor courts.



Harvey Recreation and Cultural Centre

Apart from the usual diversity of programs (After School Care, Holiday Program, Gymnasium, Sporting competitions etc) delivered by the HRCC, other main activities and events for 2020-2021 included:

- 16 cultural events and performances with an audience of 2,571. Performances included local community participation in The Beauty Index, JULIA and Cascades.
- Senior's Christmas Dinner
- Australia Day breakfast and Citizenship Ceremony
- WA College of Agriculture games (WA based colleges)

The HRCC, a Shire of Harvey facility, continues to strive towards the goal of "a safe, accessible and connected community where everyone has the

opportunity to contribute and belong" as outlined in Strategic Direction 2 (Connected Communities) of the Shire of Harvey Corporate Business Plan 2021-2025.

The HRCC continually seeks to respond to changing community needs and expectations, emerging service and program delivery options and meaningful engagement for the ratepayers of the Shire of Harvey and others visiting from outside our Shire.

Throughout 2020-2021 the HRCC was operated on a seven day per week basis by a staff of 13 employees equating to a 6.4 full-time equivalent.



160

Memberships



\$1,178,143

Budget



16

Cultural
Events



6.4 FTE

Staff



Leschenault Leisure and Recreation Services

The Leschenault Leisure Centre (LLC) continues to support the growing community, playing a significant role in enhancing life skills by providing a wide variety of health, recreation leisure and employment opportunities. This year more than most saw a significant investment in ongoing training and staff development across multi-disciplinary roles, allowing the Centre to meet the demands with added flexibility and certainty.

The first half of the year saw completion of projects including, Les Mills Smart Bar and Steps, projector and audio upgrades to the RPM Studio, aquatic filter maintenance and roof shelter above the filters and outdoor plant to protect from the elements. CCTV upgrades across the Centre with a further 10 camera locations to the existing five and continuing upgrade to IT and computer hardware were completed in the last half of the year.

Annually the Centre coordinates and operates a wide variety of programs to the community including; Licensed Child Care service for children aged between 5 to 12 years operating during the school holidays and annually more than 3,680 enrollments, swim school lessons for more than 712 children, adult social basketball, netball and

indoor soccer competitions with more than 20,000 participations throughout the year. This year the Centre was unable to provide the previously successful gymnastics program due to the demand from association sports for court space and the inability to attract suitably qualified coaching staff for the program.

Community use of the facilities continues to expand with growth being experienced by associations such as Leschenault Netball and Australind Basketball based at the Centre as well as clubs and organisations including the Australind Swimming Club (ASC) and Little Dragons Taekwondo. Lane space in the swimming pool is also at a premium with limits being set for the swim school and the swimming club due to lack of water space at peak times.

In November 2020, quotes were sought for a consultant to undertake a Needs Assessment and Feasibility Study and to Prepare a Concept Plan for a proposed additional 2-4 Indoor Sport Courts at Leschenault Leisure Centre.



457,300

Admissions at LLC



842

Memberships



30 FTE

Staff



\$1,295,900

Budget



\$1,779,464

Revenue



Leschenault Leisure and Recreation Services

The successful consultant, Dave Lanfear Consulting Pty. Ltd. was engaged on 17 November 2020 and the scope of works was presented to Council at the Concept Forum in December 2020. In April 2021 Council supported a further report identifying funding and design options for the proposed upgrade. The Shire of Harvey submitted an Advocacy Priorities document in the lead up to the March 2021 State Election and was successful in attracting a \$3M commitment toward the LLC Expansion project.

The Leschenault Leisure Centre continued its annual sponsorship for Grow, Cook, Eat, Create (GCEC) Inc. which offers participants including carers, the opportunity to engage with each other while taking part in cooking, craft and garden activities and other special events GCEC continues to grow with an additional hire day taking the program to 4 days per week.

The Centre finished the year with a total facility admission of 457,300 and a total operating budget of \$3.6 million. This includes a membership base of 842

With a staffing level of 30 FTE approximately \$449 was expended on training per FTE

For the first time, the Leschenault Leisure Centre in conjunction with Parks & Leisure Australia, Edith Cowan University and Leisure Institute of WA Aquatic participated in an annual review aimed at quantifying the social value of leisure and aquatic centres in Western Australia. Using data across a range of nine activities from 2018 -2019 it is estimated LLC provides a total estimated annual social value of \$1,091,000.

Leschenault Recreation Park (LRP)

The Leschenault Recreation Park (LRP) is the Shire's major recreation facility in the Australind and Leschenault area and includes a number of facilities and sporting venues.

Warranty works to the eight tennis courts were completed this year with renovations applying a new top layer to repair the cracks and transforming the colour to a more traditional blue on green surface. Significant repairs to the tower lighting on Oval 6 were completed this year bring the light value back to a competition standard of 100 lux.

Engineering works to footpaths along Leisure Drive were extended to include a new path connecting the bus stop to the Leisure Centre improving and providing safe access for bicycles, pedestrians and wheelchairs.

The Leschenault Pavilion

Following an interrupted provision of service in 2020 due to COVID 19, Council resolved to assist the Leschenault Sporting Association (LSA) with the upgrade to the commercial kitchen. The upgrades with the assistance of the LSA, Alcoa Sustainability Fund and the Shire were completed in January 2021 and have proved a resounding success. For the first time in the operation of the LSA a share dividend from profits was paid to the founding and associated clubs.

The Pavilion building has undergone some minor maintenance and will be assessed for more significant asset maintenance in the coming years.



Dr Peter Topham Memorial Swimming Pool

The Harvey Swimming Pool operates from 1 November to the 1 April and had admissions of 17,124. The pool is very popular with school swim carnivals and attracts a loyal core of patrons for weekends and social occasions. The Harvey Swimming Club remains active throughout the season with between 20 and 25 members.

The Wednesday and Friday, early morning 6am opening trial was conducted from 27 January to 26 February 2021 with a total attendance for the period of 77 patrons.

A number of upgrades to the plant and equipment were completed this year including automatic shutdown to the chlorine gas regulator and associated sensors in the main plant room.

The pool traditionally operates with one full time manager and a casual supervisor and lifeguard to support the program throughout the season.

The Harvey Pool had an operating Income of \$48,300 and expenses of \$207,623.

The pool is a popular place for community groups and members of the public to host birthday celebrations or other social events.



17,124

Attendance



3 FTE

Staff



\$48,300

Income



Statutory Reports



Disability Access and Inclusion Plan

The *Disability Services Act 1993* was amended in December 2004, creating a requirement for local governments to:

1. Maintain a Disability Access and Inclusion Plan (DAIP).
2. Address seven specific outcome areas within the plan.
3. Report annually on progress against actions within the plan.

The Shire's Disability Access and Inclusion Plan is a key strategic document, outlining the Shire's approach to working towards a more accessible and inclusive community. While it is a statutory requirement for the Shire to maintain and implement a DAIP, all community members benefit from the Shire's commitment to access and inclusion.

Across the 2020 – 2021 Financial Year, the Shire of Harvey, along with the Access and Inclusion Advisory Group, launched a new vision for the community. This vision was the ongoing aspiration and commitment to becoming the most accessible and inclusive regional community in Western Australia. This aspiration will provide a benchmark in the standard of accessibility that is invested within the delivery of services and infrastructure within our community.

One of the guiding principles for reaching this vision is the notion of co-design. The Shire understands co-design as an opportunity to work collaboratively with the access community in developing projects and initiatives that affect their quality of life.

In the development of the Access and Inclusion Plan 2021-2026 this financial year, the Shire employed this guiding principle by running co-design workshops within localities throughout the region, as well as delivering the South West's first Access and Inclusion Summit. The feedback received from our access community played a significant role in the development of this plan and its priority projects. This process has seen the Shire of Harvey nominated as a semi-finalist (winner to be announced 15 October 2021) in the Western Australian Community Achievement Awards for Access and Inclusion.

Priority projects in the Access and Inclusion Plan 2021-2026, such as the Co-Design Panel and Access and Inclusion Ambassador Program, will build on the Shire's capacity to maintain co-design opportunities to enhance quality of life for people living with a disability or chronic conditions within the community.



In April, the Access and Inclusion Summit brought together over 60 local residents, community organisations, Councillors and Shire Officers to address the needs of people living with disability and those facing access and inclusion barriers within our community. The Summit was recorded live onto the Shire's YouTube channel, giving access to people unable to attend in person.





Freedom of Information (FOI)

In accordance with Section 96 and 97 of the *Freedom of Information Act 1992*, the Shire is required to publish an Information Statement which details the process of applying for information under the Act as well as information that the Shire provides outside the Act.

Number of FOI applications made	9
Number of successful applications	8
Number of applications cancelled	1

The *Freedom of Information Act 1992* and associated regulations can be found on the State Law Publisher website at www.slp.wa.gov.au where a full copy of all State legislation is available. Further information about Freedom of Information can also be found on the Freedom of Information Commissioner's website <http://foi.wa.gov.au/>



Register of Complaints

The Shire maintains a register of complaints which records all complaints that result in an action under the *Local Government Act 1995* s5.121 (6)(b) or (c). The register of complaints is to include for each recorded complaint:

- Name of Council Member about whom the complaint is made;
- Name of the person who makes the complaint;
- A description of the minor breach that the Standards Panel finds has occurred; and
- Details of the action taken.

In the financial year ending 30 June 2021 no complaints were entered into the Register of Complaints under Section 5.121 of the *Local Government Act 1995*. The Shire maintains a separate register for misconduct complaints made against staff in which no complaints were recorded.



Record Keeping Statement

Under the *State Records Act 2000*, the Shire of Harvey is required to have a Record Keeping Plan (RKP) that is approved by the State Records Commission.

The Shire is progressing the amendment of the RKP, information statement, records disaster recovery plan, records induction manual, records policy and records procedures. These are due for submission to the State Records Commission by 30 September 2021. This amendment is addressing all areas of the plan and corrects issues identified in the previous review.



Public Interest Disclosure

The *Public Interest Disclosure Act 2003* facilitates the disclosure of public interest information, and provides for the protection of those making such disclosure and those who are subject of the disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken. There were no Public Interest Disclosures made to the Chief Executive Officer in 2020-2021.



Delegations Review

In accordance with Section 5.46 of the *Local Government Act 1995* a review was undertaken of the Shire's Delegations Register during this period.



Compliance

Regulation 17 Review

Under Section 17 of the Local Government (Audit) Regulations 1996, the Shire must complete a Regulation 17 Review at least once every three years to review the appropriateness and effectiveness of its systems and procedures in relation to risk management, internal control and legislative compliance. Areas identified as requiring attention include enhancing project management and tendering processes, development of a risk management process, improving internal control accounting processes, the development of a Charter for the Audit Committee and development of a formal complaints handling process.

Compliance Audit Return

The Department of Local Government, Sport and Cultural Industries requires the Shire to complete a Compliance Audit Return annually. For the period 1 January 2020 to 31 December 2020. There were no significant exceptions noted.



National Competition Policy Statement

The Federal and State governments have a Competition Principles Agreement in place, which is binding on local government. The Agreement requires the Shire to carry out a number of procedures and include a report on the matter in each year's Annual Report. The three areas that affect local government are:

1. Competitive neutrality - to remove benefits (and costs) which accrue to government business as a result of their public ownership.
2. Structural reform - local government is required to reform the structure of publicly owned monopoly businesses where it is proposed to introduce competition.
3. Legislation review - to review legislation that restricts competition.

The full requirements of the package are contained in a statement issued by the Department of Local Government, Sport and Cultural Industries.

Competitive neutrality

Local Governments are required to apply the principle of competitive neutrality to all business activities generating user-pays income. The principle of competitive neutrality is that Government businesses should not enjoy a competitive advantage, or disadvantage, simply as a result of their public sector ownership. Annual Reports must show that a public benefit test has been conducted for all significant business activities (over \$200,000) to determine if competitive neutrality is in the public interest. Within these criteria the Shire had no disclosures for the reporting period with respect to competitive neutrality:

- The Shire does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise;
- During the reporting period the Shire did not receive any complaints or did not become aware of any allegations of non-compliance with the competitive neutrality principles made by a private entity against the Shire; and
- The Shire continues to monitor Council policies and local laws for anti-competitive practices.

Structural reform

In this area, the Shire has no monopoly activities.

Legislation review

The Shire holds a portfolio of local laws (previously known as by-laws) which may or may not conflict with the Competition Principles Agreement. Section 3.16 of the *Local Government Act 1995* requires that all of the local laws of a Local Government must be reviewed within an eight year period after their commencement to determine if they should remain unchanged or be repealed or amended.

There were no local laws reviewed in the 2020 - 2021 financial year.



Annual Salaries

The Local Government Act Administration Regulations 1996 requires the Shire to provide information on the remuneration paid or provided to the CEO and the number of employees who are entitled to an annual salary of \$130,000 or more and to break those employees into salary bands of \$10,000.

CEO Remuneration as at 30 June 2021

Cash Salary \$216,787

Package Benefits \$47,694

TOTAL PACKAGE \$264,481

Salary Range (cash basis)	2019- 2020	2020- 2021
\$130,000 and \$139,999	3	0
\$140,000 and \$149,999	0	0
\$150,000 and \$159,999	0	3
\$160,000 and \$169,999	0	0
\$170,000 and \$179,999	1	1
\$180,000 and \$189,999	0	0
\$190,000 and \$199,999	0	0
\$200,000 and \$209,999	0	0
\$210,000 and \$219,999	1	1
TOTAL STAFF OVER \$130,000	5	5



Primary and Annual Returns

In accordance with Section 5.75 and 5.76 of the *Local Government Act 1995* all relevant persons lodged an Annual Return by the due date of 31 August 2020 and a primary return within 3 months of their start date. In 2020-2021, there was 100% compliance in this area.



Procurement of Services

Procurement is conducted in compliance with the requirements of the *Local Government Act 1995*, the Local Government (Functions and General) Regulations 1996 and in accordance with the Shire's Code of Conduct and Purchasing Policy.

2019-2020 Tenders Advertised

2020-2021 Tenders Advertised

Goods and Services

14	2
\$5,197,346	\$1,325,783

Disposal of Assets and/or Machinery

0	0
\$0	\$0

Construction Project Tenders over \$1M

1	0
\$550,000	\$0

TOTALS

15	2
\$5,747,346	\$1,325,783

Priority Projects

2021-2022

In the coming financial year, the Shire of Harvey has identified the following major priorities:

- Continuing to implementing the Ridley Place Foreshore Master Plan.
- Ongoing development of the Yarloop Workshops site as part of Yarloop's Town Development Plan.
- Consultation to explore the feasibility of developing fit-for-purpose Community Precincts in Harvey and Australind.
- Development of the Binningup Foreshore Precinct Master Plan to provide much-needed facilities to a growing coastal community and drive the Region's visitor economy.
- Upgrading the Harvey Senior Citizens Centre to meet both the current and future needs of the Harvey seniors population.
- Development of the Harvey Region Trails and Adventure Master Plan to create must-visit adventure experiences.
- Expansion of the Leschenault Leisure Centre's indoor courts to cater for Australind and Leschenault-Treendale's expected population growth and WA's developing sport tourism market.
- Upgrading Marriott Road from Forrest Highway to Kemerton Road for the exponential growth in heavy vehicle movement.
- Delivery of the Harvey Region Tourism Road Map 2031 Implementation Plan and the establishment of the Destination Harvey Region business unit.
- Continue to advocate for the development of Stage 3 of the Brunswick River Cottages as investment ready.



Financial Report

2020-2021

Key Financial Indicators



\$54,001,296

(total expenditure
ex depreciation)

Budget



\$22,209,515

Rates



\$0

Borrowings



\$26,598,058

Reserves



12,669

Rateable properties



\$7,193,616

Fees and charges
generated revenue



SHIRE OF
HARVEY

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

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COMMUNITY VISION

Together, towards a better lifestyle.

Principal place of business:
102 Uduc Road
Harvey, WA 6220

**SHIRE OF HARVEY
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 Harvey 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 Harvey 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 17 day of December 2021



Chief Executive Officer

Annie Riordan

Name of Chief Executive Officer



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	27(a)	22,209,515	21,134,385	21,877,333
Operating grants, subsidies and contributions	2(a)	4,448,938	4,748,272	7,275,761
Fees and charges	2(a)	7,193,616	6,411,170	6,663,933
Interest earnings	2(a)	395,711	751,890	1,315,648
Other revenue	2(a)	333,579	96,511	73,313
		34,581,359	33,142,228	37,205,988
Expenses				
Employee costs		(14,137,666)	(14,120,041)	(13,953,488)
Materials and contracts		(11,263,972)	(14,191,980)	(12,070,040)
Utility charges		(1,008,620)	(964,103)	(936,014)
Depreciation on non-current assets	11(b)	(8,086,441)	(8,191,927)	(7,840,916)
Interest expenses	2(b)	(37,212)	(38,442)	(29,839)
Insurance expenses		(896,129)	(771,055)	(783,615)
Other expenditure		(2,061,616)	0	(6,120,922)
		(37,491,656)	(38,277,548)	(41,734,834)
		(2,910,297)	(5,135,320)	(4,528,846)
Non-operating grants, subsidies and contributions	2(a)	7,751,455	8,001,521	11,054,752
Profit on asset disposals	11(a)	62,749	64,800	12,213
(Loss) on asset disposals	11(a)	(17,483)	(51,200)	(213,249)
Fair value adjustments to financial assets at fair value through profit or loss		4,527	0	2,015
		7,801,248	8,015,121	10,855,731
Net result for the period		4,890,951	2,879,801	6,326,885
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	0	0	59,371,607
Total other comprehensive income for the period		0	0	59,371,607
Total comprehensive income for the period		4,890,951	2,879,801	65,698,492

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



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

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance	2(a)	61,131	8,521	15,903
General purpose funding		25,620,346	24,555,774	25,755,026
Law, order, public safety		584,668	425,964	448,233
Health		39,518	29,708	36,073
Education and welfare		17,133	16,363	17,362
Community amenities		4,702,919	4,580,176	7,197,166
Recreation and culture		2,375,056	1,731,991	1,782,865
Transport		(41,902)	839,919	288,363
Economic services		521,727	378,816	416,883
Other property and services		700,763	527,575	1,248,114
		34,581,359	33,094,807	37,205,988
Expenses				
Governance	2(b)	(1,476,380)	(1,387,853)	(1,801,928)
General purpose funding		(1,716,822)	(1,671,557)	(1,374,483)
Law, order, public safety		(1,524,883)	(1,633,166)	(1,362,954)
Health		(824,873)	(958,472)	(906,460)
Education and welfare		(415,795)	(429,975)	(413,381)
Community amenities		(7,789,917)	(7,580,697)	(13,299,496)
Recreation and culture		(11,638,386)	(11,577,158)	(10,949,493)
Transport		(8,635,568)	(9,061,402)	(8,061,465)
Economic services		(1,564,338)	(1,872,671)	(1,600,708)
Other property and services		(1,867,482)	(1,919,139)	(1,935,092)
		(37,454,444)	(38,092,090)	(41,705,460)
Finance Costs				
Community amenities	2(b)	(11,293)	(70,780)	(15,062)
Recreation and culture		(25,919)	(67,257)	(14,312)
		(37,212)	(138,037)	(29,374)
		(2,910,297)	(5,135,320)	(4,528,846)
Non-operating grants, subsidies and contributions	2(a)	7,751,455	8,001,521	11,054,752
Profit on disposal of assets	11(a)	62,749	64,800	12,213
(Loss) on disposal of assets	11(a)	(17,483)	(51,200)	(213,249)
Fair value adjustments to financial assets at fair value through profit or loss		4,527	0	2,015
		7,801,248	8,015,121	10,855,731
Net result for the period		4,890,951	2,879,801	6,326,885
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	0	0	59,371,607
Total other comprehensive income for the period		0	0	59,371,607
Total comprehensive income for the period		4,890,951	2,879,801	65,698,492

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

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

	NOTE	2021	2020 Restated
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	38,612,998	39,260,384
Trade and other receivables	6	1,296,110	1,387,533
Other financial assets	5(a)	41,981	47,421
Inventories	7	58,358	38,211
Other assets	8	487,245	876,033
TOTAL CURRENT ASSETS		40,496,692	41,609,582
NON-CURRENT ASSETS			
Trade and other receivables	6	238,766	244,438
Other financial assets	5(b)	841,170	882,016
Property, plant and equipment	9	126,457,446	124,959,302
Infrastructure	10	401,799,388	395,831,236
Right-of-use assets	12(a)	29,884	54,181
TOTAL NON-CURRENT ASSETS		529,366,654	521,971,173
TOTAL ASSETS		569,863,346	563,580,755
CURRENT LIABILITIES			
Trade and other payables	14	8,119,513	7,851,400
Other liabilities	15	2,132,723	935,573
Lease liabilities	16(a)	20,432	24,255
Borrowings	17(a)	142,125	185,457
Employee related provisions	18	2,464,995	2,304,908
TOTAL CURRENT LIABILITIES		12,879,788	11,301,593
NON-CURRENT LIABILITIES			
Lease liabilities	16(a)	10,292	30,724
Borrowings	17(a)	1,199,546	1,341,695
Employee related provisions	18	385,283	409,256
Other provisions	19	3,224,480	3,224,480
TOTAL NON-CURRENT LIABILITIES		4,819,601	5,006,155
TOTAL LIABILITIES		17,699,389	16,307,748
NET ASSETS		552,163,957	547,273,006
EQUITY			
Retained surplus		121,839,468	114,269,811
Reserves - cash backed	4	26,598,058	29,276,764
Revaluation surplus	13	403,726,431	403,726,431
TOTAL EQUITY		552,163,957	547,273,006

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



SHIRE OF HARVEY
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		104,174,566	31,486,683	348,546,648	484,207,897
Restated balance at the beginning of the financial year		104,174,566	31,486,683	348,546,648	484,207,897
Comprehensive income					
Net result for the period (restated)		6,326,885	0	0	6,326,885
Other comprehensive income	13	0	0	59,371,607	59,371,607
Total comprehensive income		6,326,885	0	59,371,607	65,698,492
Transfers from reserves	4	10,052,824	(10,052,824)	0	0
Transfers to reserves	4	(7,842,905)	7,842,905	0	0
Balance as at 30 June 2020		112,711,370	29,276,764	407,918,255	549,906,389
Correction of Error*		1,558,441	0	(4,191,824)	(2,633,383)
Restated balance at 1 July 2020		114,269,811	29,276,764	403,726,431	547,273,006
Comprehensive income					
Net result for the period		4,890,951	0	0	4,890,951
Total comprehensive income		4,890,951	0	0	4,890,951
Transfers from reserves	4	5,290,464	(5,290,464)	0	0
Transfers to reserves	4	(2,611,758)	2,611,758	0	0
Balance as at 30 June 2021		121,839,468	26,598,058	403,726,431	552,163,957

*During the year the provision for the closure and rehabilitation of the waste cells at the Richardson Road Refuse site was reviewed and revised. The revision has been recognised as a prior period error.

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

SHIRE OF HARVEY
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		22,385,693	21,134,385	21,928,127
Operating grants, subsidies and contributions		5,742,595	2,267,773	7,710,680
Fees and charges		7,193,616	6,411,170	6,663,933
Interest received		395,711	751,890	1,286,785
Other revenue		333,579	96,511	73,313
		36,051,194	30,661,729	37,662,838
Payments				
Employee costs		(13,859,738)	(14,120,041)	(13,524,269)
Materials and contracts		(10,944,622)	(14,239,401)	(12,360,945)
Utility charges		(1,008,620)	(964,103)	(936,014)
Interest expenses		(37,212)	(38,442)	(28,954)
Insurance paid		(896,129)	(771,055)	(783,615)
Other expenditure		(2,061,616)		(1,929,098)
		(28,807,937)	(30,133,042)	(29,562,895)
Net cash provided by (used in) operating activities	20	7,243,257	528,687	8,099,943
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost - self supporting loans		0	0	(750,000)
Payments for purchase of property, plant & equipment	9(a)	(5,217,832)	(11,620,898)	(11,574,657)
Payments for construction of infrastructure	10(a)	(10,644,133)	(12,290,998)	(11,235,150)
Non-operating grants, subsidies and contributions	2(a)	7,751,455	8,001,521	11,054,752
Proceeds from financial assets at amortised cost - self supporting loans		50,813	47,421	13,357
Proceeds from sale of property, plant & equipment	11(a)	378,791	573,000	246,353
Net cash provided by (used in) investment activities		(7,680,906)	(15,289,954)	(12,245,345)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(185,481)	(185,457)	(157,277)
Payments for principal portion of lease liabilities	16(b)	(24,256)	(24,255)	(23,565)
Proceeds from new borrowings	17(b)	0	0	750,000
Net cash provided by (used in) financing activities		(209,737)	(209,712)	569,158
Net increase (decrease) in cash held		(647,386)	(14,970,979)	(3,576,244)
Cash at beginning of year		39,260,384	41,939,337	42,836,628
Cash and cash equivalents at the end of the year	20	38,612,998	26,968,358	39,260,384

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

SHIRE OF HARVEY
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)	28 (b)	2,302,471	3,500,000	4,298,744
		2,302,471	3,500,000	4,298,744
Revenue from operating activities (excluding rates)				
Governance		73,160	14,021	19,945
General purpose funding		5,103,018	4,070,768	5,471,627
Law, order, public safety		585,759	433,964	448,801
Health		39,518	30,708	39,210
Education and welfare		17,133	16,363	17,362
Community amenities		4,702,919	4,580,176	7,200,522
Recreation and culture		2,375,257	1,732,491	1,782,865
Transport		(41,902)	839,919	288,363
Economic services		521,727	378,816	416,883
Other property and services		754,718	577,375	1,251,239
		14,131,307	12,674,601	16,936,817
Expenditure from operating activities				
Governance		(1,476,380)	(1,410,453)	(1,814,958)
General purpose funding		(1,716,822)	(1,671,557)	(1,374,483)
Law, order, public safety		(1,524,883)	(1,633,166)	(1,383,358)
Health		(824,873)	(961,072)	(906,460)
Education and welfare		(415,795)	(429,975)	(413,381)
Community amenities		(7,802,283)	(7,651,477)	(13,314,558)
Recreation and culture		(11,664,305)	(11,644,415)	(11,135,137)
Transport		(8,635,568)	(9,061,402)	(8,061,465)
Economic services		(1,569,201)	(1,874,171)	(1,600,708)
Other property and services		(1,879,029)	(1,943,639)	(1,943,575)
		(37,509,139)	(38,281,327)	(41,948,083)
Non-cash amounts excluded from operating activities	28(a)	7,497,893	8,902,582	12,188,007
Amount attributable to operating activities		(13,577,468)	(13,204,144)	(8,524,515)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	7,751,455	8,001,521	11,054,752
Proceeds from disposal of assets	11(a)	378,791	573,000	246,353
Proceeds from financial assets at amortised cost - self supporting loans		50,813	47,421	23,212
Payments for financial assets at amortised cost - self supporting loans		0	0	(750,000)
Purchase of property, plant and equipment	9(a)	(5,217,832)	(11,620,898)	(11,574,657)
Purchase and construction of infrastructure	10(a)	(10,644,133)	(12,290,998)	(11,235,150)
		(7,680,906)	(15,289,954)	(12,235,490)
Amount attributable to investing activities		(7,680,906)	(15,289,954)	(12,235,490)
FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(185,481)	(185,457)	(157,277)
Proceeds from borrowings	17(c)	0	0	750,000
Payments for principal portion of lease liabilities	16(b)	(24,256)	(24,255)	(23,565)
Transfers to reserves (restricted assets)	4	(2,611,758)	(2,799,890)	(7,842,905)
Transfers from reserves (restricted assets)	4	5,290,464	11,018,694	10,052,824
Amount attributable to financing activities		2,468,969	8,009,092	2,779,077
Surplus/(deficit) before imposition of general rates		(18,789,405)	(20,485,006)	(17,980,927)
Total amount raised from general rates	27(a)	20,517,328	20,485,006	20,283,399
Surplus/(deficit) after imposition of general rates	28(b)	1,727,923	0	2,302,472

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

SHIRE OF HARVEY
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FOR THE YEAR ENDED 30 JUNE 2021

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

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 33 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 impact of adoption of these standards is described at Note 31.

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.

SHIRE OF HARVEY

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not Applicable	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Reduces future Specified Area Rate requirements	Adopted by council annually	When taxable event occurs	Not Applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not Applicable	When assets are controlled
Fees and Charges	Waste management collection; Use of halls and facilities; Gym and pool memberships; Cemetery services, library fees, reinstatements and private works; Commission on licensing; Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Various - some a single point in time, and others over time.	Payment in full in advance	Refund in certain circumstances	Some adopted by council annually, others are legislated.	Based on timing of entry to facility or issue of associated rights.	Not Applicable	Various - some on payment and issue of the licence, others on basis of provision of service or completion of works
Other Revenue	Rates instalment fees and sundry income including search fees	Single point in time	Not applicable	Not applicable	Adopted by council annually	When taxable event occurs	Not Applicable	When rates instalment notice is issued; Output method based on provision of service

SHIRE OF HARVEY
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	75,825	78,300	148,469
General purpose funding	3,255,250	3,369,910	2,864,870
Law, order & public safety	429,334	321,734	335,763
Health	4,584	2,600	650
Education & welfare	15,598	15,226	15,110
Community amenities	124,613	257,100	2,753,784
Recreation & culture	143,916	189,083	62,869
Transport	(128,964)	139,319	249,479
Economic services	103,734	103,500	102,616
Other property & services	425,048	271,500	742,151
	4,448,938	4,748,272	7,275,761
Non-operating grants, subsidies and contributions			
Governance	67,377	0	0
Law, order, public safety	0	0	1,801,052
Education and welfare	0	485,000	1,136,405
Community amenities	0	94,920	0
Recreation and culture	395,405	1,402,511	1,275,611
Transport	7,288,673	6,019,090	6,501,985
Other property and services	0	0	339,699
	7,751,455	8,001,521	11,054,752
Total grants, subsidies and contributions	12,200,393	12,749,793	18,330,513
Fees and charges			
Governance	220,457	186,600	194,194
General purpose funding	294		
Law, order & public safety	150,528	157,300	164,329
Health	29,894	21,900	27,269
Community amenities	4,204,214	4,080,300	4,193,834
Recreation & culture	2,137,367	1,683,950	1,749,910
Transport	48,445	17,500	38,884
Economic services	402,417	263,620	295,513
	7,193,616	6,411,170	6,663,933

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

**Contracts with customers and transfers
for recognisable non-financial assets**

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Non-operating grants, subsidies and contributions	7,751,455	8,001,521	11,054,752
	7,751,455	8,001,521	11,054,752

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

Revenue from contracts with customers included as a contract liability at the start of the period	935,573		
Revenue from contracts with customers recognised during the year	0	0	0
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	6,815,882	8,001,521	11,054,752
	7,751,455	8,001,521	11,054,752

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

Trade and other receivables from contracts with customers	136,057		232,564
Contract liabilities from contracts with customers	(2,132,723)		(935,573)

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at 30 June 2020. Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'. Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met. Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less. Consideration from contracts with customers is included in the transaction price. Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	20,517,328	20,485,006	20,283,399
Specified area rates	666,799	649,379	642,682
	21,184,127	21,134,385	20,926,081

Other revenue

Reimbursements and recoveries	37,062	96,511	18,549
Other	296,517	0	54,764
	333,579	96,511	73,313

Interest earnings

Financial assets at amortised cost - self supporting loans	23,212	13,978	1,924
Interest on reserve funds	216,791	415,890	414,806
Rates instalment and penalty interest (refer Note 27(d))	71,853	101,000	113,584
Other interest earnings	83,855	221,022	785,334
	395,711	751,890	1,315,648

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

Audit of the Annual Financial Report
 Other Services

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
	40,000	50,000	43,000
	4,810		1,270
	<u>44,810</u>	<u>50,000</u>	<u>44,270</u>

Interest expenses (finance costs)

Borrowings
 Lease liabilities

17(b)	35,981	37,212	27,921
16(b)	1,230	1,230	1,918
	<u>37,212</u>	<u>38,442</u>	<u>29,839</u>

Other expenditure

Discount Allowed on Rates Received
 Elected Members Remuneration
 Richardson Road Landfill Provision
 Sundry expenses

	1,021,961	940,000	947,947
	88,998	332,184	325,794
	0		4,191,824
	<u>950,656</u>	<u>966,684</u>	<u>655,357</u>
	<u>2,061,616</u>	<u>2,238,868</u>	<u>6,120,922</u>

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

3. CASH AND CASH EQUIVALENTS

	NOTE	2021 \$	2020 \$
Cash at bank and on hand		38,612,998	16,257,384
Term deposits		0	23,003,000
Total cash and cash equivalents		38,612,998	39,260,384
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		32,954,886	34,017,388
		32,954,886	34,017,388
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	25,002,622	27,270,227
Unspent grants, subsidies and contributions	4	1,595,435	2,006,537
Bonds & Deposits	14	4,224,106	3,805,051
Contract liabilities from contracts with customers	15	2,132,723	935,573
Total restricted assets		32,954,886	34,017,388

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

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

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

4. RESERVES - CASH BACKED

	2021				2021				2021				2020			
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual
	Opening Balance	Transfer to	Transfer (from)	Actual	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Actual	Actual	Actual	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) LLC Capital & Major Maintenance	786,403	167,079	(97,596)	855,886		783,614	172,738	(114,400)	841,952	714,731	172,893	(101,221)	786,403			
(b) LLC Aquatic Major Maintenance	1,218,204	190,966	(29,840)	1,379,330		1,191,970	199,376	(222,050)	1,169,296	1,049,722	199,973	(31,491)	1,218,204			
(c) LLC Gym Equipment Reserve	127,034	81,144	(59,875)	148,303		126,895	82,063	(77,000)	131,958	251,644	82,083	(206,693)	127,034			
(d) HRCC Capital & Major Maintenance	440,975	103,970	(331,297)	213,648		448,849	107,296	(319,245)	236,900	422,361	107,230	(88,616)	440,975			
(e) BRC Capital & Major Maintenance	196,934	11,773	0	208,707		196,718	13,198		209,916	183,705	13,229		196,934			
(f) Building Reserve Major Maintenance	2,900,047	620,106	(252,590)	3,267,563		2,896,876	641,089	(358,000)	3,179,965	2,179,020	947,547	(226,520)	2,900,047			
(g) District Revaluation Reserve	201,671	51,815	0	253,486		201,450	53,275		254,725	148,365	53,306		201,671			
(h) Bridge Maintenance Reserve	294,484	52,651	(66,000)	281,135		294,162	54,782		348,944	249,656	74,828	(30,000)	294,484			
(i) Harvey Infrastructure Reserve	1,095,478	9,862	0	1,105,340		1,094,280	17,788		1,112,068	1,227,517	17,961	(150,000)	1,095,478			
(j) Provision for L.S.L. Reserve	812,984	167,319	(253,766)	726,537		812,095	173,201	(127,500)	857,796	772,330	163,329	(122,675)	812,984			
(k) Asset Replacement - Office & Equip	421,878	53,798	(67,400)	408,276		436,650	57,098	(170,000)	323,748	417,961	56,917	(53,000)	421,878			
(l) Asset Replacement - Plant & Equip	1,569,252	864,127	(1,345,749)	1,087,630		1,567,536	875,481	(1,465,000)	978,017	1,699,573	875,728	(1,006,049)	1,569,252			
(m) Yarloop Heritage Precinct Reserve	68,185	614	0	68,799		68,111	1,107		69,218	67,067	1,118		68,185			
(n) Land Acquisition Reserve	990,192	8,914	0	999,106		989,109	16,078		1,005,187	973,957	16,235		990,192			
(o) Refuse Management Reserve	2,883,956	25,962	(6,840)	2,903,078		3,133,300	50,932	(30,000)	3,154,232	3,250,595	47,283	(413,922)	2,883,956			
(p) Sullage Pit Maintenance Reserve	294,580	2,652	0	297,232		294,258	4,783		299,041	289,750	4,830		294,580			
(q) Recreation Facilities Reserve	949,477	108,547	(65,578)	992,446		1,044,110	116,972	(260,000)	901,082	828,116	365,567	(244,206)	949,477			
(r) Insurance Reserve	573,190	5,160	0	578,350		534,140	8,683		542,823	617,957	9,398	(54,165)	573,190			
(s) Coastal Communities Reserve	1,311,203	11,804	0	1,323,007		1,309,769	21,291		1,331,060	1,384,149	21,498	(94,444)	1,311,203			
(t) Alcoa - Yarloop Townscape Reserve	340,306	3,064	0	343,370		339,934	5,526	(50,000)	295,460	334,727	5,579		340,306			
(u) Unspent Grants & Contributions Reserve	2,006,537	0	(411,102)	1,595,435		2,480,499		(2,480,499)	0	4,000,010	2,508,099	(4,501,572)	2,006,537			
(v) Cashflow Reserve	1,970,000	0	(1,970,000)	0		1,970,000		(1,970,000)	0	1,970,000	1,970,000	(1,970,000)	1,970,000			
(w) Yarloop Rebuild Insurance Reserve	7,823,794	70,431	(332,831)	7,561,394		7,821,248	127,136	(3,375,000)	4,573,384	8,453,770	128,274	(758,250)	7,823,794			
	29,276,764	2,611,758	(5,290,464)	26,598,058		30,035,573	2,799,890	(11,018,694)	21,816,772	31,486,683	7,842,905	(10,052,824)	29,276,764			

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

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

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:

Anticipated			
Name of Reserve	date of use	Purpose of the reserve	
(a) LLC Capital & Major Maintenance	Ongoing	Fund capital and major maintenance works of the Leschenault Leisure Centre (Dry Areas).	
(b) LLC Aquatic Major Maintenance	Ongoing	Fund capital and major maintenance works of the Leschenault Leisure Centre (Wet Areas).	
(c) LLC Gym Equipment Reserve	Ongoing	Replacement of gym equipment at the Leschenault Leisure Centre.	
(d) HRCC Capital & Major Maintenance	Ongoing	Fund capital and major maintenance works of the Harvey Recreation and Culture Centre.	
(e) BRC Capital & Major Maintenance	Ongoing	Fund capital and major maintenance works of the Binningup Recreation Centre.	
(f) Building Reserve Major Maintenance	Ongoing	Fund capital and major maintenance works of the Council Buildings.	
(g) District Revaluation Reserve	Ongoing	Fund whole of shire, gross rental revaluations by the Valuer General.	
(h) Bridge Maintenance Reserve	Ongoing	Fund capital and major maintenance work of Council Bridges.	
(i) Harvey Infrastructure Reserve	Ongoing	Funding towards development, capital and major maintenance works within the Harvey Townsite.	
(j) Provision for L.S.L. Reserve	Ongoing	Fund gratuity, annual and long service leave requirements.	
(k) Asset Replacement - Office & Equip	Ongoing	For the purchase of office equipment.	
(l) Asset Replacement - Plant & Equip	Ongoing	For the purchase of plant and equipment.	
(m) Yarloop Heritage Precinct Reserve	Ongoing	Fund Yarloop Heritage Small Grants (\$1,000) program.	
(n) Land Acquisition Reserve	Ongoing	Acquisition of land for either heritage, development or community purposes.	
(o) Refuse Management Reserve	Ongoing	Major maintenance and rehabilitation works to refuse sites.	
(p) Sullage Pit Maintenance Reserve	Ongoing	Major maintenance and rehabilitation works to the sullage pit.	
(q) Recreation Facilities Reserve	Ongoing	Fund projects in relation to Reserves or structures on Reserves.	
(r) Insurance Reserve	Ongoing	Fund self insurance and payment of excess insurance claims.	
(s) Coastal Communities Reserve	Ongoing	Benefit of the Shire's coastal communities in and around the townsites of Binningup and Myalup - through the provision of infrastructure and community	
(t) Alcoa - Yarloop Townscape Reserve	Ongoing	Funding Capital Works of the Yarloop Townscape Development.	
(u) Unspent Grants & Contributions Reser	Ongoing	Used to separate and protect prepaid or unspent grants and contributions for allocation against - intended works and services in the period of expenditure.	
(v) Cashflow Reserve	Ongoing	Used as cashflow to help fund outstanding creditors or liabilities payable from 30 June until - majority of general rates cashflow received.	
(w) Yarloop Rebuild Insurance Reserve	Ongoing	Fund the rebuild of the Yarloop townsite, following the fires of January 2016.	

5. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Self supporting loans

(b) Non-current assets

Financial assets at amortised cost

Financial assets at fair value through profit and loss

Financial assets at amortised cost

Self supporting loans

Deferred Portion of Self Supporting Loans

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2021	2020
	\$	\$
Financial assets at amortised cost	41,981	47,421
	41,981	47,421
Other financial assets at amortised cost		
Self supporting loans	41,981	47,421
	41,981	47,421
Financial assets at fair value through profit and loss		
Financial assets at amortised cost	712,008	757,381
Financial assets at fair value through profit and loss	129,162	124,635
	841,170	882,016
Financial assets at amortised cost		
Self supporting loans	705,432	747,436
Deferred Portion of Self Supporting Loans	6,576	9,945
	712,008	757,381
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	129,162	124,635
	129,162	124,635

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 17(b) as self supporting loans.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 29.

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
Trade and other receivables

Non-current

Pensioner's rates and ESL deferred

2021	2020
\$	\$
1,160,053	1,154,969
136,057	232,564
1,296,110	1,387,533
238,766	244,438
238,766	244,438

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 29.

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
LLC Stock on Hand

The following movements in inventories occurred during the year:

Balance at beginning of year

Additions to inventory

Balance at end of year

	2021	2020
	\$	\$
	40,834	27,337
	17,524	10,874
	58,358	38,211
	38,211	41,983
	20,147	(3,772)
	58,358	38,211

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

Other assets - current

Accrued income

2021	2020
\$	\$
487,245	876,033
487,245	876,033

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.

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	Total land and buildings	Furniture and equipment	Plant and equipment	Public Library Stock	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	27,415,343	86,771,650	114,186,993	679,991	5,593,338	0	120,460,322
Additions	0	8,443,516	8,443,516	599,549	2,191,893	339,699	11,574,657
(Disposals)	0	(168,796)	(168,796)	0	(278,593)	0	(447,389)
Revaluation increments / (decrements) transferred to revaluation surplus	5,113,481	(4,794,661)	318,820	0	0	0	318,820
Depreciation (expense)	0	(2,304,691)	(2,304,691)	(199,587)	(842,103)	0	(3,346,381)
Balance at 30 June 2020	32,528,824	87,947,018	120,475,842	1,079,953	6,664,535	339,699	128,560,029
Comprises:							
Gross balance amount at 30 June 2020	32,528,824	87,947,018	120,475,842	1,279,540	7,481,841	339,699	129,576,922
Accumulated depreciation at 30 June 2020	0	0	0	(199,587)	(817,306)	0	(1,016,893)
Balance at 30 June 2020	32,528,824	87,947,018	120,475,842	1,079,953	6,664,535	339,699	128,560,029
Correction of Error*	(3,600,727)	0	(3,600,727)	0	0	0	(3,600,727)
Restated balance at 1 July 2020	28,928,097	87,947,018	116,875,115	1,079,953	6,664,535	339,699	124,959,302
Additions	0	3,135,571	3,135,571	585,267	1,496,994	0	5,217,832
(Disposals)	0	0	0	0	(333,526)	0	(333,526)
Depreciation (expense)	(53,737)	(2,110,226)	(2,163,963)	(236,540)	(919,082)	(66,577)	(3,386,162)
Balance at 30 June 2021	28,874,360	88,972,363	117,846,723	1,428,680	6,908,921	273,122	126,457,446
Comprises:							
Gross balance amount at 30 June 2021	28,874,360	91,082,589	119,956,949	1,864,808	8,463,900	339,699	130,625,356
Accumulated depreciation at 30 June 2021	0	(2,110,226)	(2,110,226)	(436,128)	(1,554,979)	(66,577)	(4,167,910)
Balance at 30 June 2021	28,874,360	88,972,363	117,846,723	1,428,680	6,908,921	273,122	126,457,446

*During the year the provision for the closure and rehabilitation of the landfill cells at the Richardson Road Refuse Site was reviewed and revised. This revision has been recognised as a prior period error.

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 & 3	Sales Comparison Approach to market type properties and the Cost Approach to non-market type properties.	Valuation completed by Australia Pacific Valuers	30 June 2020	Price per m2
Buildings - non-specialised	3	Cost Approach using depreciated replacement cost	Valuation completed by Australia Pacific Valuers	30 June 2020	Actual dimensions and unit rates derived from market evidence
(ii) Cost					
Furniture and equipment	3	Cost Approach using depreciated replacement cost	Management Valuation	30 June 2019	Price per item
Plant and equipment	2 & 3	Cost Approach using depreciated replacement cost	Management Valuation	30 June 2019	Purchase costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change 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.

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

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 - Bridges \$	Infrastructure - Drainage Basins \$	Total Infrastructure \$
Balance at 1 July 2019	239,585,445	20,790,103	31,987,665	36,951,643	4,221,125	333,535,981
Additions	8,251,523	1,435,726	1,240,765	12,249	294,887	11,235,150
Revaluation increments / (decrements) transferred to revaluation surplus	55,530,275					55,530,275
Depreciation (expense)	(3,044,040)	(347,264)	(632,913)	(355,399)	(90,554)	(4,470,170)
Balance at 30 June 2020	300,323,203	21,878,565	32,595,517	36,608,493	4,425,458	395,831,236
Comprises:						
Gross balance at 30 June 2020	303,367,243	22,759,337	33,821,730	36,963,892	4,602,435	401,514,637
Accumulated depreciation at 30 June 2020	(3,044,040)	(880,772)	(1,226,213)	(355,399)	(176,977)	(5,683,401)
Balance at 30 June 2020	300,323,203	21,878,565	32,595,517	36,608,493	4,425,458	395,831,236
Additions	6,781,610	1,635,601	1,287,877	258,621	680,424	10,644,133
Depreciation (expense)	(3,239,139)	(361,036)	(626,032)	(357,692)	(92,082)	(4,675,981)
Balance at 30 June 2021	303,865,674	23,153,130	33,257,362	36,509,422	5,013,800	401,799,388
Comprises:						
Gross balance at 30 June 2021	310,148,854	24,394,938	35,109,607	37,222,513	5,282,858	412,158,770
Accumulated depreciation at 30 June 2021	(6,283,180)	(1,241,808)	(1,852,245)	(713,091)	(269,058)	(10,359,382)
Balance at 30 June 2021	303,865,674	23,153,130	33,257,362	36,509,422	5,013,800	401,799,388

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

10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	3	Cost Approach using depreciated replacement cost	Management Valuation	1st July 2019	Unit rates are based on construction cost. Unit rates are per m2. Valuation is based on the condition ratings supplied by Talis Consultants (2018).
	Infrastructure - Footpaths	3	Cost Approach using depreciated replacement cost	Pickup and valuation was completed by Talis Consultants	30th June 2018	Unit cost and useful life are based on report by Talis Consultants (2018). Unit rates are per m2. Valuation is based on the condition ratings supplied by Talis Consultants.
	Infrastructure - Drainage	3	Cost Approach using depreciated replacement cost	Management Valuation	30th June 2018	Valuation is based on construction cost and remaining useful life. Unit cost and useful life are based on a report by CB Traffic Solutions (2016). Unit rates are per m and per item.
	Infrastructure - Bridges	3	Cost Approach using depreciated replacement cost	Valuation completed by Australia Pacific Valuers	1st July 2019	Actual dimensions and unit rates derived from market evidence.
	Infrastructure - Drainage Basins	3	Cost Approach using depreciated replacement cost	Management Valuation	30th June 2018	Valuation is based on construction costs and remaining useful life. Unit rates are per m and per item.

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

Revaluation

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY
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.

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).

SHIRE OF HARVEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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11. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	2021 Budget Net Book Value	2021 Budget Sale Proceeds	2021 Budget Profit	2021 Budget Loss	2020 Actual Net Book Value	2020 Actual Sale Proceeds	2020 Actual Profit	2020 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - non-specialised	333,526	378,791	62,749	(17,483)	559,400	573,000	64,800	(51,200)	168,796			(168,796)
Plant and equipment	333,526	378,791	62,749	(17,483)	559,400	573,000	64,800	(51,200)	278,593	246,353	12,213	(44,453)
									447,389	246,353	12,213	(213,249)

The following assets were disposed of during the year.

	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2020 Actual Loss
Plant and Equipment				
Governance				
H9033-2018 Mitsubishi Pajero	29,000	31,364	2,364	0
H9012	31,680	36,818	5,138	0
Law, order, public safety				
H9084-Mitsubishi Triton	23,000	24,091	1,091	0
Community amenities				
H9061-2017 Holden Commodore	17,500	16,427	0	(1,073)
Recreation and culture				
H9081-2017 Holden Evoke	11,617	11,818	201	0
Economic services				
H9082-2017 Holden Commodore	17,500	14,545	0	(2,955)
H9013-2019 Ford Ranger	28,272	26,364	0	(1,908)
Other property and services				
H9089 - 2019 Holden Equinox	19,693	16,818	0	(2,875)
H9002 - 2018 Isuzu MU-X 18MY	28,500	30,227	1,727	0
H9004 - 2018 Toyota Hilux	37,216	31,591	0	(5,624)
H9062 - 2018 Holden Equinox	13,000	15,455	2,455	0
H9060 - 2018 Holden Trailblazer	24,500	29,091	4,591	0
H9041 - Hino Series 816	15,000	40,000	25,000	0
H9087 Mower	500	10,000	9,500	0
H20905 Mower	10,000	12,000	2,000	0
H9027 Mower	4,500	12,000	7,500	0
H9028 - Zero Turn Mower	2,000	3,182	1,182	0
H9044 - 2015 Kubota Tractor	20,048	17,000	0	(3,048)
	333,526	378,791	62,749	(17,483)
	333,526	378,791	62,749	(17,483)

11. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	2,110,226	2,238,136	2,304,691
Landfill Cells	53,737	0	0
Furniture and equipment	236,540	157,428	199,587
Plant and equipment	919,082	878,961	842,103
Public Library Stock	66,577	0	0
Infrastructure - roads	3,239,140	3,330,815	3,044,040
Infrastructure - Footpaths	361,036	535,073	347,264
Infrastructure - Drainage	626,032	601,107	632,913
Infrastructure - Bridges	357,692	362,565	355,399
Infrastructure - Drainage Basins	92,082	87,842	90,554
Right-of-use assets - Vehicles	24,297	0	24,364
	8,086,441	8,191,927	7,840,915

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	10 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 20 years
Sealed roads and streets	10 to 60 years
formation	not depreciated
Bridges	100 to 150 years
pavement	70 to 80 years
Gravel roads	
formation	not depreciated
Footpaths - Concrete	60 to 80 years
Stormwater pipes and pits	30 to 80 years
Sewerage piping	60 to 80 years
Water sensitive urban design	50 years
Right of use (buildings)	Based on the remaining lease
Right of use (plant and equipment)	Based on the remaining lease
Intangible assets - computer software licence	5 years

Depreciation on revaluation

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

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

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

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

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

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

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.

Balance at 1 July 2019

Depreciation (expense)

Balance at 30 June 2020

Depreciation (expense)

Balance at 30 June 2021

Right-of-use assets - Vehicles	Right-of-use assets Total
\$	
78,545	78,545
(24,364)	(24,364)
54,181	54,181
(24,297)	(24,297)
29,884	29,884

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

Depreciation expense on lease liabilities

Interest expense on lease liabilities

Short-term lease payments recognised as expense

Total amount recognised in the statement of comprehensive income

Total cash outflow from leases

2021 Actual	2020 Actual
\$	\$
(24,297)	(24,364)
(1,229)	(1,918)
(24,255)	(23,566)
(49,781)	(49,848)
(25,486)	(25,483)

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 Correction of Error	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	32,622,740	(4,191,824)	0	0	0	28,430,916	27,509,259	5,113,481	0	5,113,481	32,622,740
Revaluation surplus - Buildings - non-specialised	52,530,072	0	0	0	0	52,530,072	57,324,733	0	(4,794,661)	(4,794,661)	52,530,072
Revaluation surplus - Plant and equipment	831,334	0	0	0	0	831,334	831,334	0	0	0	831,334
Revaluation surplus - Public Library Stock	30,977	0	0	0	0	30,977	30,977	0	0	0	30,977
Revaluation surplus - Infrastructure - roads	241,731,703	0	0	0	0	241,731,703	186,201,428	55,530,275	0	55,530,275	241,731,703
Revaluation surplus - Infrastructure - Footpaths	17,310,817	0	0	0	0	17,310,817	17,310,817	0	0	0	17,310,817
Revaluation surplus - Infrastructure - Drainage	27,951,407	0	0	0	0	27,951,407	27,951,407	0	0	0	27,951,407
Revaluation surplus - Infrastructure - Bridges	31,832,541	0	0	0	0	31,832,541	28,310,029	3,522,512	0	3,522,512	31,832,541
Revaluation surplus - Infrastructure - Drainage Basins	3,076,664	0	0	0	0	3,076,664	3,076,664	0	0	0	3,076,664
	407,918,255	(4,191,824)	0	0	0	403,726,431	348,546,648	64,166,268	(4,794,661)	59,371,607	407,918,255

14. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued salaries and wages
ATO liabilities
Bonds and deposits held
Accrued Interest on Long Term Borrowings
Accrued Liabilities
Prepaid Income

2021	2020
\$	\$
2,341,996	2,963,163
1,031,642	856,052
210,629	164,360
95,545	0
4,224,106	3,805,051
50,196	6,273
158,985	46,337
6,414	10,164
8,119,513	7,851,400

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

2021	2020
\$	\$
2,132,723	935,573
2,132,723	935,573

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

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

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

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

SHIRE OF HARVEY

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

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17. INFORMATION ON BORROWINGS

(a) Borrowings

	2021	2020
	\$	\$
Current	142,125	185,457
Non-current	1,199,546	1,341,695
	1,341,671	1,527,152

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2021				30 June 2021				30 June 2021				30 June 2020				30 June 2020			
				Actual Principal 1 July 2020	Actual New Loans	Actual repayments	Actual Interest	Budget Principal 1 July 2020	Budget New Loans	Budget repayments	Budget Interest	Actual Principal 1 July 2020	Actual New Loans	Actual repayments	Actual Interest	Budget Principal 1 July 2020	Budget New Loans	Budget repayments	Budget Interest	Actual Principal 1 July 2019	Actual New Loans	Actual repayments	Actual Interest
Governance																							
Australind Office Expansion	273	WATC	2.94%	375,493	0	(70,780)	(10,063)	304,713			(10,523)	304,713			(12,559)	444,237		(68,744)	(12,559)	375,493			
Recreation and culture																							
Leschenault Pavilion	274	WATC	2.94%	356,802	0	(67,257)	(9,562)	289,545			(9,999)	289,545			(11,934)	422,123		(65,321)	(11,934)	356,802			
				732,295	0	(138,037)	(19,625)	594,258		0	(20,522)	594,258		0	(24,493)	866,360	0	(134,065)	(24,493)	732,295			
Self Supporting Loans																							
Education and welfare																							
Brunswick River Cottages	278	WATC	3.05%	750,000	0	(30,713)	(14,966)	719,287		0	(15,144)	719,287		0	0	0	750,000	0	0	0	750,000		
Recreation and culture																							
Harvey Golf Club-SSL	272	WATC	5.99%	12,856	0	(12,856)	(540)	0		0	(580)	0		0	(1,317)	24,976	0	(12,120)	(1,317)	12,856			
Binningup Youth Camp-SSL	275	WATC	2.54%	0	0	0	0	0		0	0	0		0	(140)	7,358	0	(7,358)	(140)	0			
Harvey Football Club-SSL	277	WATC	3.09%	32,001	0	(3,875)	(650)	28,126		0	(966)	28,150		0	(1,083)	35,735	0	(3,734)	(1,083)	32,001			
				794,857	0	(47,444)	(16,356)	747,413		0	(16,690)	747,437		0	(2,540)	86,069	750,000	(23,212)	(2,540)	794,857			
				1,527,152	0	(185,481)	(35,981)	1,341,671		0	(37,212)	1,341,695		0	(27,033)	934,429	750,000	(157,277)	(27,033)	1,527,152			

* WA Treasury Corporation

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

SHIRE OF HARVEY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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17. INFORMATION ON BORROWINGS (Continued)

	2021	2020
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Loan facilities		
Loan facilities - current	142,125	185,457
Loan facilities - non-current	1,199,546	1,341,695
Lease liabilities - current	20,432	24,255
Lease liabilities - non-current	10,292	30,724
Total facilities in use at balance date	1,372,395	1,582,131
Unused loan facilities at balance date	0	0

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 29.

18. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions

Non-current provisions

Additional provision

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

Provision for Annual Leave	Provision for Long Service Leave	Total
\$	\$	\$
1,302,901	1,002,007	2,304,908
0	409,256	409,256
1,302,901	1,411,263	2,714,164
137,466	(1,352)	136,114
1,440,367	1,409,911	2,850,278
1,440,367	1,024,628	2,464,995
0	385,283	385,283
1,440,367	1,409,911	2,850,278
2021	2020	
\$	\$	
2,464,995	2,304,908	
385,283	409,256	
2,850,278	2,714,164	

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. OTHER PROVISIONS

	Provision for remediation costs	Total
	\$	\$
Opening balance at 1 July 2020		
Non-current provisions	4,191,824	4,191,824
	<u>4,191,824</u>	<u>4,191,824</u>
Correction of Error*	(967,344)	(967,344)
Opening balance at 1 July 2021	3,224,480	3,224,480
Balance at 30 June 2021	3,224,480	6,448,960
Comprises		
Non-current	3,224,480	3,224,480
	<u>3,224,480</u>	<u>3,224,480</u>

Provision for remediation costs

The Richardson Road Refuse site is the smaller of two refuse sites operated by the Shire of Harvey. The Shire intend to cease landfilling operations and transition to a formalised transfer station at the site in the coming years. Following cessation of all waste management related activities, the site will be rehabilitated for use as either an open park/recreational space.

A risk-based approach has been applied by an external consultant in preparing a closure and post closure management plan for the site, including a preliminary cost estimate including all works required as part of the landfill closure. The above rehabilitation provision is to account for these potential costs.

* During the year the provision for the closure and rehabilitation of the waste cells at the Richardson Road Refuse site was renewed and revised. This revision has been recognised as a prior period error.

20. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash and cash equivalents	38,612,998	26,968,358	39,260,384
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	4,890,951	2,879,801	6,326,885
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(4,527)	0	(2,015)
Depreciation on non-current assets	8,086,441	8,191,927	7,840,915
(Profit)/loss on sale of asset	(45,266)	(13,600)	201,036
Changes in assets and liabilities:			
(Increase)/decrease in receivables	97,095	0	(150,522)
(Increase)/decrease in other assets	388,788	0	
(Increase)/decrease in inventories	(20,147)	0	3,772
Increase/(decrease) in payables	268,113	(47,421)	(72,158)
Increase/(decrease) in employee provisions	136,114	0	4,505,215
Increase/(decrease) in other liabilities	1,197,150	(2,480,499)	501,566
Non-operating grants, subsidies and contributions	(7,751,455)	(8,001,521)	(11,054,752)
Net cash from operating activities	7,243,257	528,687	8,099,942

21. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	4,944,752	4,202,630
Law, order, public safety	6,197,385	6,056,749
Health	318,680	284,885
Education and welfare	9,219,076	9,015,672
Community amenities	34,607,875	38,437,103
Recreation and culture	65,612,864	63,252,399
Transport	412,158,770	401,514,636
Economic services	3,030,534	2,620,594
Other property and services	6,808,125	5,706,889
Unallocated	26,965,285	32,489,198
	569,863,346	563,580,755

22. CONTINGENT LIABILITIES

There are no Contingent liabilities

23. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

	2021	2020
	\$	\$
	853,222	947,451
	207,311	159,950
	<u>1,060,533</u>	<u>1,107,401</u>

24. ELECTED MEMBERS REMUNERATION

Elected Member (Shire President Paul Gillett)

President's annual Allowance	44,280	44,280	30,814
Meeting attendance fees	31,149	31,149	27,220
Telecommunications allowance	1,385	1,385	1,385
Travelling expenses	12,184		3,952

Elected member (Deputy Shire President Francis Burgoyne)

Deputy President's annual allowance	11,070	11,070	7,704
Meeting attendance fees	16,640	16,640	16,640
Telecommunications allowance	1,385	1,385	1,385
Travelling expenses	2,285		1,054

Elected member (Councillor Michelle Campbell)

Meeting attendance fees	16,640	16,640	16,640
Telecommunications allowance	1,385	1,385	1,385
Travelling expenses	865		363

Elected member (Councillor Paul Beech)

Meeting attendance fees	16,640	16,640	16,640
Deputy President's annual allowance	0	0	3,366
Telecommunications allowance	1,385	1,385	1,385
Travelling expenses	1,732		1,778

Elected member (Councillor Michelle Boylan)

Meeting attendance fees	16,640	16,640	16,640
Telecommunications allowance	1,385	1,385	1,385

Elected member (Councillor John Bromham)

Meeting attendance fees	16,640	16,640	11,580
Telecommunications allowance	1,385	1,385	964
Travelling expenses	4,522		1,017

Elected member (Councillor Craig Carbone)

Meeting attendance fees	16,640	16,640	16,640
Telecommunications allowance	1,385	1,385	1,385
Travelling expenses	363		229

Elected member (Councillor Robyn Coleman)

Meeting attendance fees	16,640	16,640	11,097
Telecommunications allowance	1,385	1,385	964
Travelling expenses	1,826		843

Elected member (Councillor Wendy Dickinson)

Meeting attendance fees	16,640	16,640	16,640
Telecommunications allowance	1,385	1,385	1,385
Travelling expenses	2,734		2,102

Elected member (Councillor Tania Jackson)

Meeting attendance fees	16,640	16,640	21,052
President's annual Allowance	0	0	13,466
Telecommunications allowance	1,385	1,385	1,385
Travelling expenses	1,815		4,762

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Elected Member (Shire President Paul Gillett)			
President's annual Allowance	44,280	44,280	30,814
Meeting attendance fees	31,149	31,149	27,220
Telecommunications allowance	1,385	1,385	1,385
Travelling expenses	12,184		3,952
	88,998	76,814	63,371
Elected member (Deputy Shire President Francis Burgoyne)			
Deputy President's annual allowance	11,070	11,070	7,704
Meeting attendance fees	16,640	16,640	16,640
Telecommunications allowance	1,385	1,385	1,385
Travelling expenses	2,285		1,054
	31,380	29,095	26,783
Elected member (Councillor Michelle Campbell)			
Meeting attendance fees	16,640	16,640	16,640
Telecommunications allowance	1,385	1,385	1,385
Travelling expenses	865		363
	18,890	18,025	18,388
Elected member (Councillor Paul Beech)			
Meeting attendance fees	16,640	16,640	16,640
Deputy President's annual allowance	0	0	3,366
Telecommunications allowance	1,385	1,385	1,385
Travelling expenses	1,732		1,778
	19,757	18,025	23,169
Elected member (Councillor Michelle Boylan)			
Meeting attendance fees	16,640	16,640	16,640
Telecommunications allowance	1,385	1,385	1,385
	18,025	18,025	18,025
Elected member (Councillor John Bromham)			
Meeting attendance fees	16,640	16,640	11,580
Telecommunications allowance	1,385	1,385	964
Travelling expenses	4,522		1,017
	22,547	18,025	13,561
Elected member (Councillor Craig Carbone)			
Meeting attendance fees	16,640	16,640	16,640
Telecommunications allowance	1,385	1,385	1,385
Travelling expenses	363		229
	18,388	18,025	18,254
Elected member (Councillor Robyn Coleman)			
Meeting attendance fees	16,640	16,640	11,097
Telecommunications allowance	1,385	1,385	964
Travelling expenses	1,826		843
	19,851	18,025	12,904
Elected member (Councillor Wendy Dickinson)			
Meeting attendance fees	16,640	16,640	16,640
Telecommunications allowance	1,385	1,385	1,385
Travelling expenses	2,734		2,102
	20,759	18,025	20,127
Elected member (Councillor Tania Jackson)			
Meeting attendance fees	16,640	16,640	21,052
President's annual Allowance	0	0	13,466
Telecommunications allowance	1,385	1,385	1,385
Travelling expenses	1,815		4,762
	19,840	18,025	40,665

24. ELECTED MEMBERS REMUNERATION (Continued)

Elected member (Councillor Amanda Lovitt)

Meeting attendance fees	16,640	16,640	16,640
Telecommunications allowance	1,385	1,385	1,385
Travelling expenses	1,570		1,613
	19,595	18,025	19,638

Elected member (Ex-Councillor William Adams)

Meeting attendance fees	16,640	16,640	16,230
Telecommunications allowance	1,385	1,385	1,385
Travelling expenses	1,714		1,209
	19,739	18,025	18,824

Elected member (Ex-Councillor Derrick Simpson)

Meeting attendance fees	16,640	16,640	16,640
Telecommunications allowance	1,385	1,385	1,385
	18,025	18,025	18,025

Elected member (Ex-Councillor Peter Monagle)

Meeting attendance fees	0	0	5,060
Telecommunications allowance	0	0	421
Travelling expenses	0	0	3,098
	0	0	8,579

Elected member (Ex-Councillor Anita Shortland)

Meeting attendance fees	0	0	5,060
Telecommunications allowance	0	0	421
	0	0	5,481

Fees, expenses and allowances to be paid or reimbursed to elected council members.

President's allowance	44,280	44,280	44,280
Deputy President's allowance	11,070	11,070	11,070
Meeting attendance fees	230,829	230,829	230,419
Annual allowance for ICT expenses	18,005	18,005	18,005
Travel and accommodation expenses	31,610	28,000	22,020
	335,794	332,184	325,794

25. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

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

	2021 Actual	2020 Actual
	\$	\$
Short-term employee benefits	847,187	1,120,548
Post-employment benefits	97,910	110,606
Other long-term benefits	30,601	181,618
Termination benefits	0	4,975
	<u>975,698</u>	<u>1,417,747</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

SHIRE OF HARVEY
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25. 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	9,783	0
Purchase of goods and services	81,295	7,353
Joint venture entities:		
Distributions received from joint venture entities	830,065	752,465
Amounts payable to related parties:		
Trade and other payables	61,708	69,253

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 was employed by the Shire under normal employment terms and conditions.

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

iii. Entities subject to significant influence by the Shire

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

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

The Shire has an interest in an environmental health and town planning scheme. The environmental scheme is the Bunbury Harvey Regional Council. This Council is constituted with the City of Bunbury having 89.6% equity interest and the Shire of Harvey having 10.4% equity interest. The Council consists of five voting members, two of whom are Shire of Harvey Councillors. For details in interests held in joint venture entities, refer to Note 25.

26. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENTS

(a) Controlled Entity

Bunbury Harvey Regional Council

The Shire of Harvey has a share in the Net Assets of Bunbury Harvey Regional Council (BHRC) as a member council together with the City of Bunbury. The BHRC provides services in waste management, resource recovery and environmental management.

In accordance with AASB28 the Shire's investment in BHRC needs to be accounted for using the equity method. The value of this investment would be based on the Shire's share of Net Assets as disclosed in the financial statement of BHRC. However, as the Shire's share in the BHRC is currently being negotiated, hence the Shire's financial statements does not reflect Shire's interest in BHRC. During 2021/22 the Shire will be seeking clarification of its share in BHRC to be able to include its interest in the BHRC in future financial statements.

The assets and Liabilities with this controlled entity are:

	2021 \$	2020 \$
Current assets	3,165,234	4,234,312
Non current assets	5,435,596	5,034,844
Total assets	8,600,830	9,269,156
Current liabilities	755,702	825,101
Non current liabilities	48,886	24,248
Total liabilities	804,588	849,349
Net assets	7,796,242	8,419,807
Net increase/(decrease) in share of associate entity's net assets	(623,565)	

The income and expenses associated with this controlled entity are:

Statement of Comprehensive Income

- Revenue	5,692,597	4,526,266
- Operating Expenses	(6,316,162)	(5,241,750)
	(623,565)	(715,484)

Other Comprehensive Income

Items that will not be reclassified subsequently to profit or loss

Changes in the Asset Revaluation Surplus	-	-
Total Other Comprehensive Income for the Period	-	-
Total Comprehensive Income for the Period	(623,565)	(715,484)

(b) Land Development Agreement

Shires of Harvey & Dardanup Joint Town Planning Scheme No.1

The Shire of Harvey and the Shire of Dardanup operate the Joint Town Planning Scheme No.1 for the purpose of (among other things) providing for the construction of roads within the scheme area and the completion in 17/18 of the bridge from Treendale to Eaton.

As a condition of subdivisional development within the scheme area, the Shire of Harvey has collected monies from developers which will continue to go towards the acquisition of land, and the construction of roads and paths.

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

Interests in joint arrangements (Continued)

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

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27. RATING INFORMATION (Continued)

(b) Specified Area Rate													
Specified Area Rate	Basis of Valuation	Rate in \$	2020/21 Rateable Value	2020/21 Revenue	2020/21 Interim Rate	2020/21 Back Rate	2020/21 Total Specified Area Revenue	2020/21 Budget Rate	2020/21 Budget Revenue	2020/21 Interim Rate	2020/21 Budget Revenue	2020/21 Total Budget Revenue	2019/20 Total Actual Revenue
Kingston Landscaping		0.009252	20,392,180	\$ 192,781	0	0	\$ 192,781	\$ 188,668	\$ 188,668		\$ 188,668	\$ 188,668	\$ 188,202
Galway Green Landscaping		0.009232	7,217,920	\$ 66,643	0	0	\$ 66,643	\$ 66,636	\$ 66,636		\$ 66,636	\$ 66,636	\$ 66,635
Treendale Landscaping		0.013521	26,187,025	\$ 365,392	0	0	\$ 365,392	\$ 354,075	\$ 354,075		\$ 354,075	\$ 354,075	\$ 347,847
Treendale District Centre		0.008984	4,452,140	\$ 41,983	0	0	\$ 41,983	\$ 40,000	\$ 40,000		\$ 40,000	\$ 40,000	\$ 39,998
			58,249,265	\$ 666,799	0	0	\$ 666,799	\$ 649,379	\$ 649,379	0	\$ 0	\$ 649,379	\$ 642,682
Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed		2020/21 Actual Rate	2020/21 Actual Rate	2020/21 Actual Rate	2020/21 Actual Reserve Applied to Costs	2020/21 Budget Rate	2020/21 Budget Rate	2020/21 Budget Reserve Applied to Costs	2020/21 Budget Reserve Applied to Costs	2020/21 Budget Reserve Applied to Costs	2020/21 Budget Reserve Applied to Costs
Kingston Landscaping	Maintaining the landscape of the common areas of Kingston to a high standard of presentation.	All subdivided lots within Kingston		165,174	27,607			188,668					
Galway Green Landscaping	Maintaining the landscape of the common areas of Galway Green to a high standard of presentation.	All subdivided lots within Galway Green		42,530	24,113			66,636					
Treendale Landscaping	Maintaining the landscape of the common areas of Treendale to a high standard of presentation.	All subdivided lots within Treendale		355,112	10,280			354,075					
Treendale District Centre	Maintaining the landscape of the common areas of the Treendale District Centre.	All subdivided lots within Treendale District Centre		10,779	31,204			40,000					

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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27. RATING INFORMATION (Continued)

(c) 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
General Rates	5.00%	\$	1,021,962	920,000	947,947	Prompt Payment by 4 pm, 24 September 2021
			1,021,962	920,000	947,947	
Total discounts/concessions (Note 27(a))			1,021,962	920,000	947,947	

27. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One	4.00pm 25 September 2020	0	0.00%	5.00%
Single full payment				
Option Two				
First instalment	4.00pm 25 September 2020	0.00	0.00%	5.00%
Second instalment	4.00pm 27 November 2020	0.00	0.00%	5.00%
Option Three				
First instalment	4.00pm 25 September 2020	0.00	0.00%	5.00%
Second instalment	4.00pm 27 November 2020	0.00	0.00%	5.00%
Third instalment	4.00pm 29 January 2021	0.00	0.00%	5.00%
Fourth instalment	4.00pm 2 April 2021	0.00	0.00%	5.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	67,915	101,000	110,304
Interest on Deferred Pensioner Rates	3,938	5,000	3,280
Charges on instalment plan	210	0	54,755
	72,063	106,000	168,339

SHIRE OF HARVEY
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28. 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)	(62,749)	(64,800)	(12,213)
Less: Movement in liabilities associated with restricted cash			(14,498)	(14,498)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(4,527)	0	(2,015)
Movement in pensioner deferred rates (non-current)		5,672	0	(1,436)
Movement in employee benefit provisions (non-current)		(23,973)	0	(82,896)
Movement in other provisions (non-current)		(86,447)	0	4,246,900
Movement in Current Portion of Contract Liability held in reserves		(434,007)		
Movement in Debtors and Creditors		0	700,000	0
Finance Lease Adjustment		0	24,255	0
Add: Loss on disposal of assets	11(a)	17,483	51,200	213,249
Add: Depreciation on non-current assets	11(b)	8,086,441	8,191,927	7,840,916
Non cash amounts excluded from operating activities		7,497,893	8,902,582	12,188,007
(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	(26,598,058)	(25,176,433)	(29,276,764)
Less: Movement in Financial assets at amortised cost - self supporting loans	5(a)	5,441	16,281	0
Add: Current liabilities not expected to be cleared at end of year				
- Movement in Current portion of borrowings	17(a)	(43,332)	185,457	0
- Current portion of contract liability held in reserve		0	0	434,007
- Current portion of lease liabilities		20,432	24,255	24,255
- Employee benefit provisions		726,537	0	812,984
Total adjustments to net current assets		(25,888,980)	(24,950,440)	(28,005,518)
Net current assets used in the Rate Setting Statement				
Total current assets		40,496,692	0	41,609,582
Less: Total current liabilities		(12,879,788)	0	(11,301,593)
Less: Total adjustments to net current assets		(25,888,981)	(24,950,440)	(28,005,518)
Net current assets used in the Rate Setting Statement		1,727,923	(2,302,471)	2,302,471

29. 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	0.16%	38,612,998	0	38,612,998	
2020					
Cash and cash equivalents	0.17%	39,260,384	23,003,000	16,257,384	

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*	386,130	392,604

* 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).

29. 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. Whilst the Shire was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage payment.

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

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

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

The loss allowance as at 30 June 2021 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	9,817	802,607	235,414	323,340	1,371,178
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%	0.235%	
Gross carrying amount	118,695	13,731	1,615	3,800	137,840
Loss allowance				891	891
29 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	230,501	1,498	319	2,702	235,020
Loss allowance				2,456	2,456

29. 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
	\$	\$	\$	\$	\$
2021					
Payables	8,119,513	0	0	8,119,513	8,119,513
Borrowings	177,439	608,219	556,014	1,341,672	1,341,671
Contract liabilities	2,132,723	0	0	2,132,723	2,132,723
Lease liabilities	20,432	10,292	0	30,724	30,724
	10,450,107	618,511	556,014	11,624,632	11,624,631
2020					
Payables	7,851,400	0	0	7,851,400	7,851,400
Borrowings	185,457	740,186	601,507	1,527,150	1,527,152
	8,036,857	740,186	601,507	9,378,550	9,378,552

30. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Events may occur between the end of the reporting period and the date when financial statements are verified by the council. The Shire is not aware of, or in receipt of, any information or events that may impact or lead to any adjustment in the financial statements after the reporting period.

31. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 1059 Service Concession Arrangements: Grantors

Service Concessions assets are those where a third-party operator constructs assets for the Shire, upgrades existing assets of the Shire or uses existing assets of the Shire to operate and maintain the assets to provide a public service, for a specified period of time.

Council did not have any service concession arrangements during the 2020/21 financial year.

32. CORRECTION OF ERROR

During the year the provision for the closure and rehabilitation of the waste cells at the Richardson Road Refuse site and the valuation of landfill cells at Richardson Road was reviewed and revised. The revision has been recognised as a prior period error.

Statement of Financial Position (Extract)	30 June 2020 \$	Increase/ (Decrease) \$	30 June 2020 (Restated) \$
Property, plant and equipment	128,560,028	(3,600,726)	124,959,302
Other Provisions	(4,191,824)	967,344	(3,224,480)
Net assets	549,906,390	(2,633,384)	547,273,006
Retained earnings	112,711,370	1,558,441	114,269,811
Reserves - cash Backed	29,276,764		29,276,764
Revaluation Surplus	407,918,256	(4,191,825)	403,726,431
Total equity	549,906,390	(2,633,384)	547,273,006

33. 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
	\$	\$	\$	\$
East Australind Bridge Levy	2,071,481	396,358	(18,320)	2,449,519
POS - Australind	127,638	35,596		163,234
POS - Harvey	152,392	626		153,018
POS Binningup	429	2		431
POS Brunswick / Roelands	950	4		954
POS Old Coast Road	98,960	406		99,366
Town Planning Scheme No 3	232,314	4,297		236,611
	2,684,164	437,289	(18,320)	3,103,133

34. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

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

35. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources	Members of Council, civic functions, community sail training and media costs.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rating and general purpose grants.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer community.	Supervision of various local-laws, fire prevention, ranger services and animal control.
HEALTH To provide an operational framework for environmental and community health.	Assistance with operation of maternal and infant health centres, Meat and food inspection, Mosquito, pests and disease outbreak prevention and control.
EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.	Assistance to aged care residences, voluntary services and Community welfare orientated facilities
COMMUNITY AMENITIES To provide services required by the community.	Rubbish collection services, operation of tip, administration of the Town Planning Scheme and maintenance of Cemeteries.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which will help the social well-being of the community.	Maintenance of halls, recreation and cultural facilities, sports grounds, parks, gardens, beaches and reserves. Operation of Libraries, Aquatic Centres, Arts Centres and Museums.
TRANSPORT To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, drainage works, footpaths, parking facilities, traffic signs, street lighting and street cleaning.
ECONOMIC SERVICES To help promote the local government and its economic well-being.	Tourism and area promotion, rural services (weed control) and implementation of building controls.
OTHER PROPERTY AND SERVICES To monitor and control operating accounts.	Private works, Public Works Overheads, Plant Operation Costs, Materials, Land Acquisition, Engineering Salaries and Workers Compensation.

36. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	1.30	1.14	1.05
Asset consumption ratio	0.97	0.99	0.80
Asset renewal funding ratio	1.00	1.00	1.00
Asset sustainability ratio	1.53	1.80	1.33
Debt service cover ratio	23.77	17.05	26.07
Operating surplus ratio	(0.09)	(0.16)	(0.04)
Own source revenue coverage ratio	0.82	0.71	0.85

The above ratios are calculated as follows:

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



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Harvey

To the Councillors of the Shire of Harvey

Report on the audit of the annual financial report

Opinion

I have audited the financial report of the Shire of Harvey (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 Harvey:

- 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.

Emphasis of matter – Recording of Joint Venture

I draw attention to Note 26 to the financial statements which states that the Shire's equity share in the Investment in Associate is still being negotiated and therefore cannot be reliably estimated at this point in time. Consequently, the Investment is not currently reflected in the financial statements. My opinion is not modified in respect of this matter.

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 as reported in Note 36 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' standard of zero for the last three financial years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

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

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Harvey 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
20 December 2021