Shire of Serpentine Jarrahdale

Annual Report

2020–2021

Acknowledgement of Country and Indigenous History

The Shire of Serpentine Jarrahdale acknowledges that the land of the district is the traditional country of the Noongar people. We recognise their cultural heritage, beliefs, and continuing relationship with the land, and pay our respects to Elders past present and emerging.

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Our Annual Report

People
a connected, thriving, active and safe community.

Place
a protected and enhanced natural, rural and built environment.

Prosperity
an innovative, commercially diverse and prosperous economy.

Progressive
a resilient organisation demonstrating unified leadership and governance.

The Shire of Serpentine Jarrahdale is pleased to present our 2020–21 Annual Report, which details our activities and achievements throughout the 2020–21 financial year.

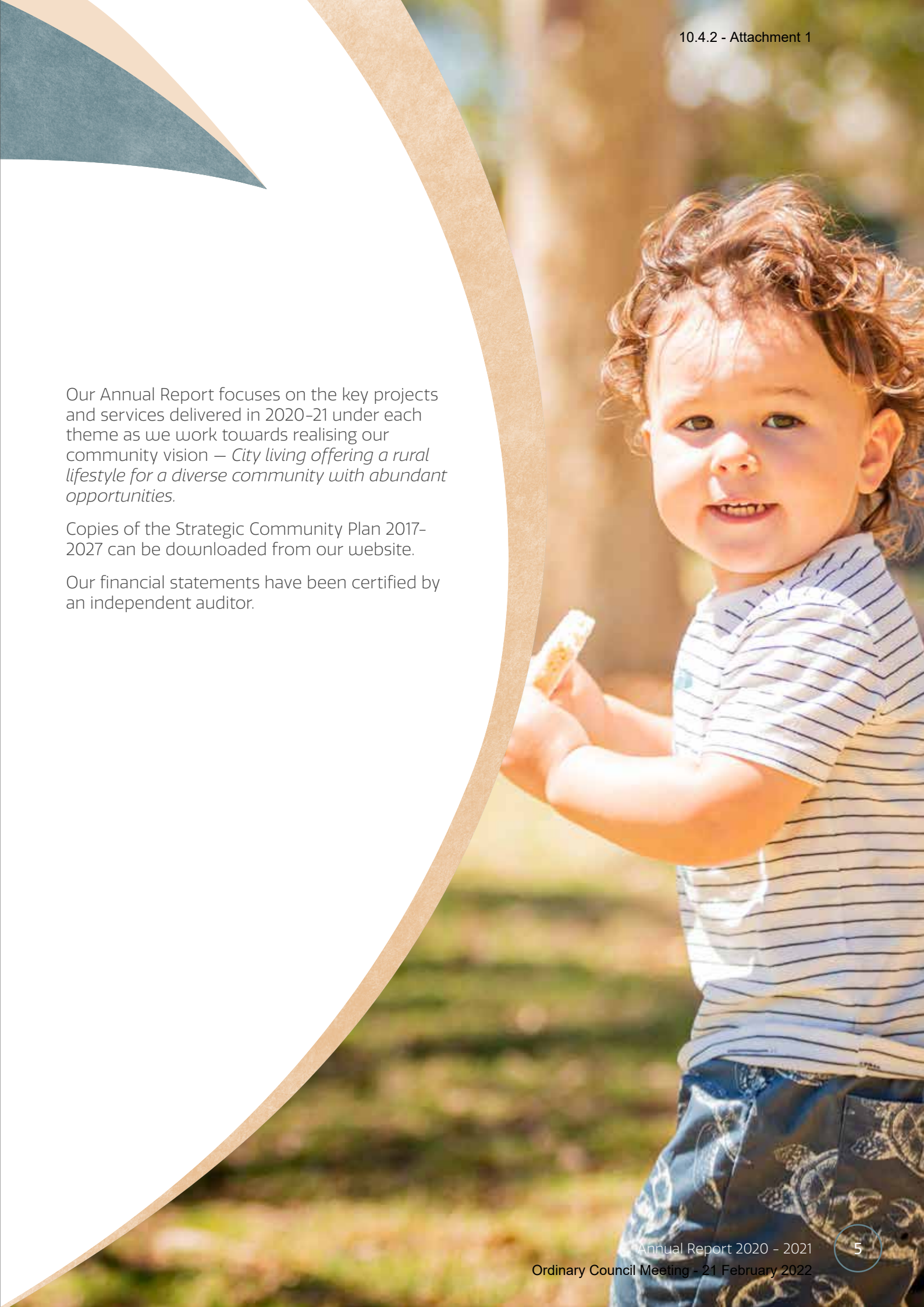
With an emphasis on best practice and continual improvement, the information in these pages sets out to provide a snapshot of the Shire's progress over this period with a focus on community, infrastructure, environment and strategic direction.

It is organised to align with our Strategic Community Plan 2017– 2027, which outlines the strategic vision for Serpentine Jarrahdale based on the following themes:

Our Annual Report focuses on the key projects and services delivered in 2020–21 under each theme as we work towards realising our community vision — *City living offering a rural lifestyle for a diverse community with abundant opportunities.*

Copies of the Strategic Community Plan 2017–2027 can be downloaded from our website.

Our financial statements have been certified by an independent auditor.



Shire President report

It is my pleasure to present the Shire of Serpentine Jarrahdale 2020–21 Annual Report.

Over the past financial year our Shire and our community have continued to navigate the effects of the COVID-19 pandemic.

My address in the previous Annual Report noted the social and economic challenges the first six months of the pandemic had presented to us, and while we continue to face many of these same challenges, I would like to highlight the significant progress we have made in bouncing back at a local level from this global crisis.

As a Council, administration and most importantly a community, Serpentine Jarrahdale has banded together to make great strides in the recovery process.

With limited COVID restrictions experienced in WA, it has been great for our community to re-connect through our community events calendar. Some of the highlights include:

- Seniors Week Garden Party
- 12 Days of Christmas events
- 2021 Australia Day Citizenship Ceremony and Citizen of the Year Awards
- Food Truck Fiesta
- Jarrahdale Community Movie night
- Be Bushfire Ready Community Day
- Early Years Family Fun Day
- Youth Fest 2021
- Byford Multicultural Festival

Investment in road safety continued to be a focus over the past 12 months, with the following key projects delivered:

- Completion of the Abernethy Road upgrade
- Mundijong Road and Kargotich Road roundabout
- Rehabilitation works completed on Soldiers Road
- Jarrahdale Road bridges renewed

The Council also endorsed the relocation of the Shire's Library Service to Byford Hall, which will provide residents with access to an enhanced library facility, along with the establishment of a Mobile Library Service. With the planning and design underway for these two projects, we look forward to unveiling the new facility and mobile service to our community in early 2022.

We have also continued to work collaboratively with the State Government on the planning of two key major infrastructure projects planned for our region – the 14 km Tonkin Highway extension and the 8km Byford Metronet rail extension.

Community engagement has also been a focus, with the launch of our new online community engagement portal, Your Say SJ.

This has provided greater opportunities and accessibility for our community to provide their feedback and inform the development of policies, plans and projects. We look forward to strengthening our community engagement over the next 12 months.

During the past year we have continued our advocacy to secure external funding to assist in the planning and delivery of community infrastructure to ensure we have the facilities and amenities to support our growing community.

Significant achievements include:

- $30.4 million for the new Byford Health Hub
- $20 million to deliver stage 1A of the Keirnan Park Sporting and Recreation Precinct
- $18 million to upgrade Kargotich, Orton and Soldiers roads
- $1.3 million towards a new Nature Playground and Water Splash Park
- $800,000 to deliver the next stage of the Byford Skate Park project

Further progress will be made in the projects mentioned above, as we continue to plan and deliver the facilities, services and programs to support our residents to thrive.

With the next Federal Government election due by May 2022, the Shire will continue to advocate to major political parties for commitments to support the delivery of key infrastructure projects to support our growing community.

On behalf of the Shire I would like to thank our community who make Serpentine Jarrahdale the wonderful place it is.

I look forward to a successful year ahead as we continue to make Serpentine Jarrahdale the best place to live, work and play.

Cr Michelle Rich
Shire President

Chief Executive Officer's report

The 2020/21 Financial year was a successful period for the organisation, as we continued our work to deliver on the aims and aspirations of the Shire's Strategic Community Plan.

As the Shire continues to experience rapid growth, we are continuing our work to ensure we have contemporary planning frameworks in place to support the investment and delivery of community infrastructure required for our region.

Completion of key strategic planning documents includes the Byford and Mundijong District Structure Plans and Development Contributions Plans, the Community Infrastructure Development Contribution Plan and Council endorsement of the West Mundijong Local Structure Plan for approval by the West Australian Planning Commission.

With the confirmation on the Byford Metronet Rail extension, the Shire secured a 7000sq.m community and civic centre site in the Byford Town Centre. A master planning project will be carried out with our community, businesses and key government agencies and departments to achieve the best community outcomes for this site, as well as ensuring it integrates with the future Byford Train Station and Town Centre precinct.

The Shire has continued to work collaboratively with Main Roads WA as they progress the planning and design of the Tonkin highway extension project, as well as with their early planning work for the freight rail re-alignment.

In August 2020, the Shire hosted the hosted a State Government Community Cabinet Meeting, where the Shire President and I launched the Shire's 2021 WA State Government election priorities.

Over the next six months, we engaged with the major political parties and candidates contesting the seat of Darling Range to outline the Shire's election priorities ahead of the March 2021 State election.

The Shire's advocacy efforts helped deliver the following funding commitments for our community by the State Government:

- $30.6m for the Byford Health Hub
- $20m for Kiernan Park Stage 1 (although identified and communicated as an election request this was provided as part of COVID stimulus)
- $18m for upgrades to Soldiers, Orton and Kargotich roads
- $11.5m for Stage 4 of Byford Secondary College
- $1.3m towards a Nature Play and Water Splash Park
- $800,000 for Byford Skate Park
- $106,000 for upgrades to the SJ Community Recreation Centre

Waste management remained a key focus, with the re-opening of the Watkins Road Waste Transfer Station and Recycling Centre in November 2020. The facility has proven to be very popular with residents, and has helped the Shire towards achieving its recycling and waste diversion targets.

Other key community projects delivered include:

- Keirnan Park Master Plan and Business Case
- Mundijong Rd/Kargotich Rd Roundabout
- Completion of civil works on the Nicholson Road Upgrade (South) and Kargotich Road Upgrade
- Installation of basketball, netball hoops and resurfacing at the Byford Multi-Purpose Courts
- Completion of Environmental conservation works at Serpentine Sports Reserve
- Commenced the Library re-location project

Investment in Technology One software has continued as the Shire enhances and integrates our operating systems to drive internal efficiencies. Modules that have gone live over the reporting period include Corporate Business Plan Performance Reporting, Enterprise Budgeting, e-Recruitment, Works and the Customer Relationship Management system.

This was also the first year that the Shire delivered against a fully costed and Integrated Planning and Reporting Framework, including the Annual Budget, Corporate Business Pan and Long Term Financial Plan. The Shire has continued to stabilise its financial performance over the past three years, and this is reflected in the Shire's 2020/21 Financial Health Indicator score.

Like all organisations and industries, the Shire has experienced challenges in attracting and retaining staff required across all levels of project delivery, which has impacted capital delivery timelines, with a number of budgeted projects carried forward.

This is reflected by the increase in the Current Ratio, due to non-operating grants being received but unspent leading to an increase in cash held, and a drop in the Asset Sustainability Ratio, which reflects asset renewal expenditure as a percentage of depreciation.

To improve the Shire's capacity to deliver capital projects, a restructure of the Infrastructure Directorate has been undertaken to refine the organisational structure of the team and enable better outcomes in this regard.

We have continued our focus on community and stakeholder engagement, with the adoption of our first Community Engagement Policy and Strategy and development of our new online engagement portal, Your Say SJ.

Thank you to our passionate community for being engaged with us – we look forward to strengthening our community engagement with you over the coming years.

Thanks to the Councillors for your support, guidance and direction you have provided over the past 12 months.

And a particular thanks to the staff of the Shire – without your efforts, professionalism and drive we would not have been able to deliver these outcomes.

I look forward to continuing to leading the organisation to deliver the projects and initiatives that the Council and community desire over the coming years..

Paul Martin
Chief Executive Officer

Our Shire

The Shire of Serpentine Jarrahdale is home to more than 36,000 people, and has continued its remarkable hypergrowth rate of more than 5% annual change. This sees the Shire experiencing, on average, 600 new home completions each year, and welcoming more than 1500 people as members of the Shire's community.

The Shire attracts many young couples and families, and according to the rate of growth nearly two couples/families move in each day. Our population will double in the next 15 years as hypergrowth continues throughout Byford and Mundijong, while still protecting the wonderful rural and natural landscapes that permeate across the Shire.

Forested hills and coastal flats make up our 905 square kilometres. In 2016, during the creation of the SJ 2050 vision, our community told us that the country lifestyle and the natural environment was what they valued the most about living in our Shire.

Our natural environment features many outstanding attractions for locals and visitors. Serpentine Jarrahdale is a 45-minute drive from the Perth CBD and the gateway to the bustling Peel region.

Outstanding landscapes, unrivalled business investment and development opportunities await our visitors. With continued growth, Serpentine Jarrahdale is one of Australia's most exciting localities.

Fast facts

Shire of Serpentine Jarrahdale area
905km^2

Shire of Serpentine Jarrahdale gazetted
July 1961

Estimated residential population*
36,403

Number of rateable residential properties
11,869

Total length of roads
830km

Total area of reserves and public open space
954+ hectares

Number of reserves and public open space we manage
191

Number of Shire facilities
99

Council composition
9 councillors

Ward Structure
3 wards – North, North West and South

Total capital works value for 2020/21
$9,854,645 (excluding gifted assets)

Total operating revenue for 2020/21
$36,667,950

Total non-operating revenue for 2020/21
$15,104,276

*Population data provided by .idcommunity

Our Elected Members

Cr Michelle Rich
Shire President
South Ward

m 0438 252 109
e mrich@sjshire.wa.gov.au

Term expires: October 2023

Cr Dave Atwell
Deputy Shire President
South Ward

m 0417 974 131
e datwell@sjshire.wa.gov.au

Term expires: October 2023

Cr Keira McConkey
South Ward

m 0401 445 338
e kMcConkey@sjshire.wa.gov.au

Term expires: October 2021

Cr Rob Coales
North Ward

m 0425 031 976
e rcoales@sjshire.wa.gov.au

Term expires: October 2021

Cr Bill Denholm
North Ward

m 0401 691 380
e bdenholm@sjshire.wa.gov.au

Term expires: October 2021

Cr Lauren Strange
North Ward

m 0437 801 637
e lstrange @sjshire.wa.gov.au

Term expires: October 2023

Cr Morgan Byas
North West Ward

m 0437 661 776
e mbyas@sjshire.wa.gov.au

Term expires: October 2021

Cr Michael Dagostino
North West Ward

m 0412 284 616
e mdagostino@sjshire.wa.gov.au

Term expires: October 2023

Cr Dean Strautins
North West Ward

m 0488 992 966
e dstrautins@sjshire.wa.gov.au

Term expires: October 2023

Elected Member demographics

Changes to Clause 19B of the *Local Government (Administration) Regulations 1996* require Local Governments to provide the following information in its Annual Report.

Gender

Male **4**
Female **1**

Linguistic background

English **5**

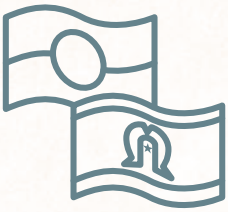
Age demographic

25 to 34 years **2**

45 to 54 years **3**

Country of birth

Australia **5**



Aboriginal or Torres Strait Islander

0

*Five of nine Elected Members participated in providing data

Shire of Serpentine Jarrahdale Councillor attendance

1 July 2020 – 30 June 2021

Councillor	Ordinary Council Meeting (11)	Special Council Meeting (5)	Audit, Risk and Governance Committee (5)	CEO Employment Committee (4)
Cr Michelle Rich	11	5	5	3
Cr Dave Atwell	11	5	Not a member	4
Cr Morgan Byas	11	4	5	4
Cr Rob Coales	11	4	5	2
Cr Michael Dagostino	10	2	Not a member	0#
Cr Bill Denholm	11	5	3	Not a member
Cr Keira McConkey	11	3	2	0*
Cr Lauren Strange	11	5	Not a member	3##
Cr Dean Strautins	10	5	1*	Not a member

Audit, Risk and Governance Committee

*Deputy Committee Member

CEO Employment Committee

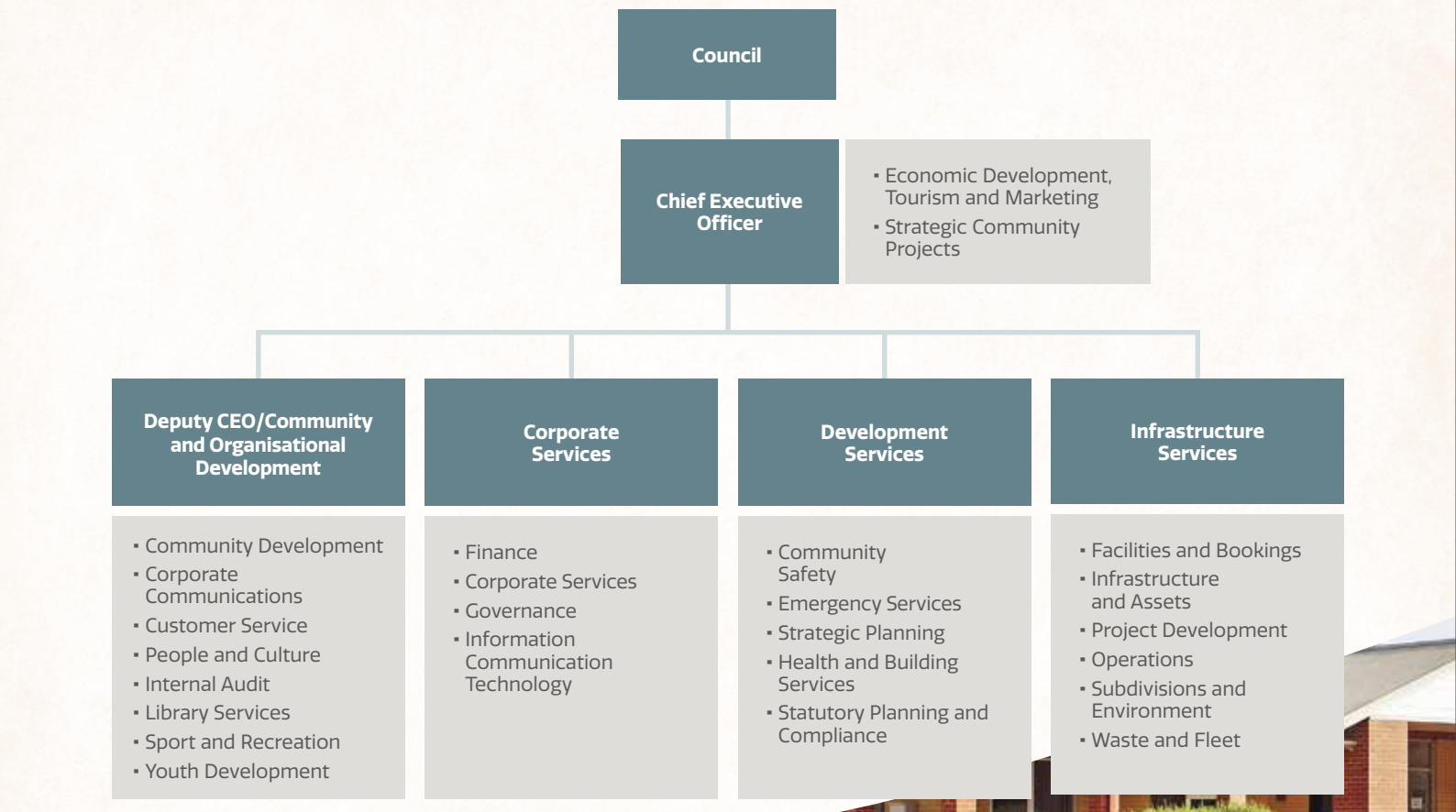
*Deputy Committee Member
Cr Dagostino was a committee member until 21 October 2020
Cr Strange was a committee member from 22 October 2020

Our organisation

Our staff come from a diverse range of backgrounds and provide a wealth of knowledge across both local government and the private sectors. Many of our employees are local to the area, meaning they know what it's like to live, work, and enjoy the lifestyle Serpentine Jarrahdale has to offer.

Development Services	40
Community and Organisational Development	33
Infrastructure Services	65
Corporate Services	28
Executive Services	3
Total FTE	**169**

Organisation chart



Our Executive Management Team

Chief Executive Officer
Paul Martin

Paul is responsible for:

- Elected Members and Council matters
- Economic Development, Tourism and Marketing
- Strategic Community Projects

Deputy Chief Executive Officer/ Director Community and Organisational Development
Helen Sarcich

Helen is responsible for:

- Community Development
- Corporate Communications
- Customer Service
- Human Resources
- Internal Audit
- Library Services
- Sport and Recreation
- Youth Development

Director Corporate Services
Frazer Sullivan

Frazer is responsible for:

- Corporate Services
- Governance
- Financial Services
- Information Communication Technology

Director Development Services
Andrew Trosic

Andrew is responsible for:

- Community Safety
- Emergency Services
- Health and Building Services
- Statutory Planning and Compliance
- Strategic Planning

Director Infrastructure Services
Reza Najafzadeh

Reza is responsible for:

- Facilities and Bookings
- Infrastructure and Assets
- Project Development
- Operations
- Subdivisions and Environment
- Waste and Fleet

Reporting against our Strategic Community Plan

Integrated Planning and Reporting Framework

All Western Australian local governments are required to prepare a Plan for the Future for their district under Section 5.56(1) of the *Local Government Act 1995*. The Plan for the Future comprises the following two key strategic documents, which a local government is required to have regard for when forming its annual budget.

Strategic Community Plan

The Strategic Community Plan is Council's principal 10-year strategy and planning tool. In 2013, the Shire of Serpentine Jarrahdale adopted its first Strategic Community Plan, following extensive community engagement and consultation. The Plan sets out a vision for the community to be a sustainably developed Shire, where the community, local economy and natural environment are interconnected and thriving.

As part of the Integrated Planning and Reporting cycle, a major review of the Plan was undertaken in 2017, following extensive community consultation.

In June 2019, a minor review of the Plan was undertaken, following the results of the 2018 Community Perceptions Survey.

This process identified four new focus areas for the community which are highlighted and summarised within the Strategic Community Plan as follows:

1. Safety and improvement of roads
2. Playgrounds, parks and reserves
3. Public transport
4. Streetscapes

In 2021-22, a major review of the Shire's Strategic Community Plan will be carried out, as per Integrated Planning and Reporting cycle.

Corporate Business Plan

The Corporate Business Plan is Council's four-year planning document. Achieving the community's vision and the Shire's strategic objectives requires the development of actions to address each strategy contained within the Strategic Community Plan.

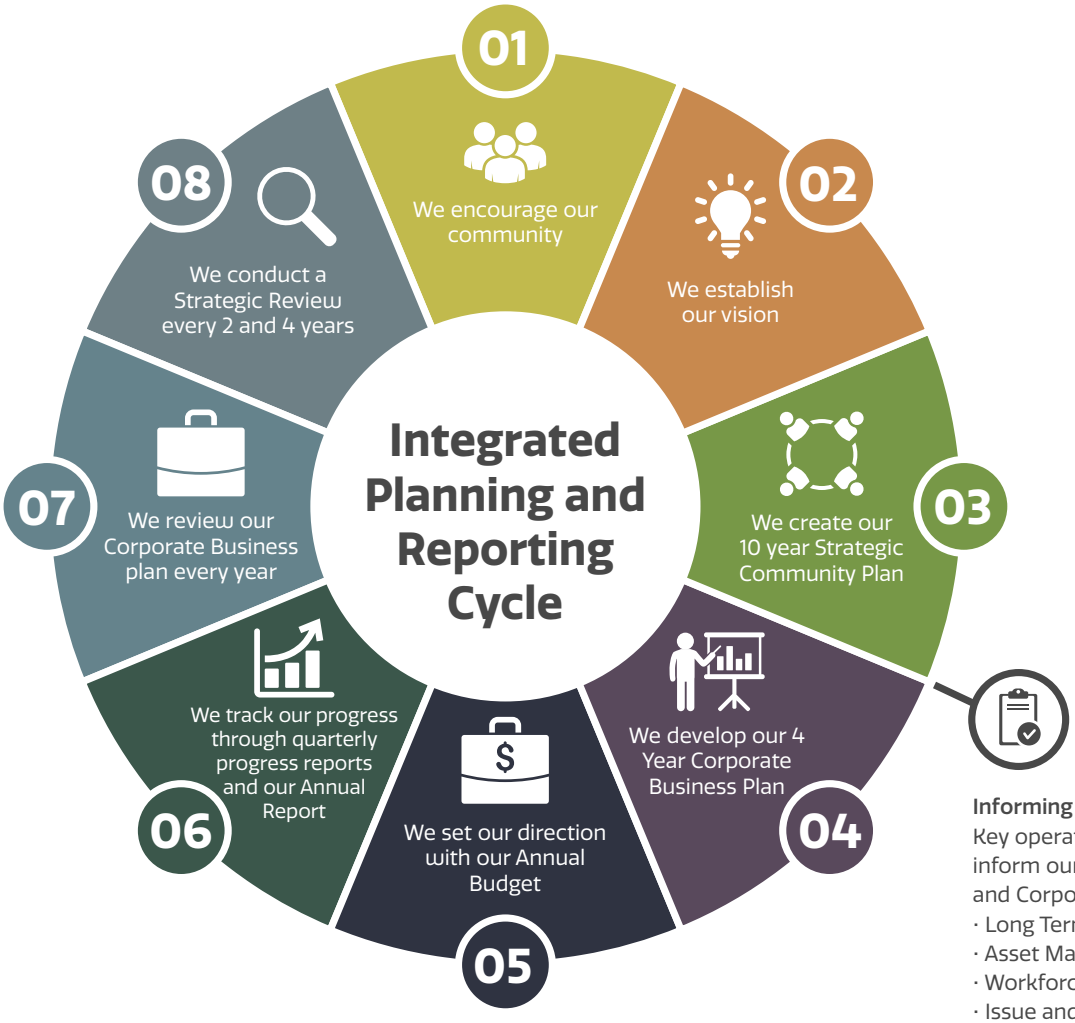
Careful operational planning and prioritisation is required to achieve the objectives and desired outcomes due to the limited resources available. This planning process is formalised by the development of our Corporate Business Plan. The Corporate Business Plan then converts the Strategic Community Plan into action through the adoption of an Annual Budget.

Actions requiring funding will only be undertaken once approved within the statutory budget and subject to funding availability. Along with achieving the community aspirations and objectives, the Corporate Business Plan draws on information contained within the following strategic documents.

Integrated Planning reporting cycle

The connection between the community and the Shire's strategic plans, annual budget and corporate documents has been developed to guide the Shire in delivering services to the community are shown in the diagram below.

The term of each key plan is shown in the following infographic.



Informing strategies
Key operational documents that inform our Strategic Community Plan and Corporate Business Plan include:
- Long Term Financial Plan
- Asset Management Plan
- Workforce Plan
- Issue and area specific plans

The following pages of this document outlines our achievements against our Strategic Community Plan.

Our vision

Shire of Serpentine Jarrahdale:

City living offering a rural lifestyle with abundant opportunities for a diverse community.

Strategic outcome

People

A connected, thriving, active and safe community.

The community wants to retain its strong sense of community and country lifestyle. Maintaining the level of safety and where possible increasing this aspect of the Shire is a desired outcome.

A healthy and active lifestyle is highly valued, with potential to further develop facilities and services. Increased engagement and integration was identified as essential to maintain the connected and inclusive community lifestyle as the population grows.

Outcome 1.1:
A healthy, active, connected and inclusive community

Over **$100,000** invested in community grants

5,856 Attendees at community events

2,058 Bookings for Shire facilities

173 Youth Drop-In sessions

28 Youth Breakfast Club sessions

6 Community BBQs

Community facilities

The Shire received more than 2000 bookings for facilities, including seasonal, regular and casual hire.

Extensive upgrades were carried out to the Baker Hall facility in Cardup to accommodate several community groups.

Volunteer support

Volunteers from a variety of community groups and programs were recognised as part of the Shire's Volunteer Recognition Program with a $50 voucher to a local restaurant of their choice.

The Shire also celebrated our local Emergency Services volunteers in May 2021 as part of a week-long International Firefighters Day campaign.

To celebrate Thank a Volunteer Day in a COVID safe way, the Shire asked community and sporting groups to nominate their active volunteers who were given a $20 voucher to redeem at a local participating restaurant.

Youth development

The Youth Development Team continue to have a positive effect on young people in our Shire. Over the past year, 173 youth drop-in sessions were held with an average of 25 young people attending each session. The Breakfast Club program launched in November, compliments the afternoon drop-in program and provides young people with a safe place and healthy start to the day.

The team delivered 38 school holiday sessions, as well as targeted workshops delivered to local high school students focusing on education around alcohol and other drug use.

Community grants

A total $104,243 was invested into the community through the Shire's various community funding programs.

Funding was provided through the Shire's General Grants, Major Events Grants and Friendly Neighbourhood Grants.

Grant recipients included:

- The Byford Multicultural Club received $13,800 to support the delivery of the Byford Multicultural Festival.
- The SJ Men's Shed received $4,110.70 to support the delivery of a bazaar and community event.
- The Byford Bushrangers teeball, softball and baseball club received $3,824 to upgrade equipment.
- The Mundijong Heritage Community Garden received $1,256.60 to assist in garden upgrades.
- Three Friendly Neighbourhood Grants were approved which saw communities in Keysbrook and Whitby come together as well as a pizza afternoon at Byford Skate Park.

Seniors

A range of workshops were delivered aimed at upskilling mature age workers and assisting them in the job-seeking and application processes.

The Seniors Week Garden Party was held in November with a strong attendance. This event provided an opportunity for the Shire to offer an intergenerational activity, identified in the Shire's Ageing Well Strategy. The strategy recommends that we continue to foster inclusion and positive engagement with older people in the Shire by promoting and providing community events and activities that are inclusive of older people from all backgrounds, as well as continue to offer a diverse range of affordable and accessible activities for older people in the Shire.

Hospitality students from Court Grammar School participated in the event as caterers, while music students provided entertainment.

KidSport

There were 387 KidSport vouchers approved for a total value of $55,072. The recipients were made up of 266 boys and 121 girls, with Australian Rules Football the most common sport that parents and guardians used the KidSport voucher on.

Library Services

63,154 items borrowed

21,006 customer visits

4,546 library members

1,693 Facebook followers

150 programs delivered and **1,650** participants

Council approved the relocation of the Shire's Library Services from its current Mundijong premises to Byford Hall at a Special Council Meeting in March 2021.

It was previously identified the current library facility was over capacity, with the relocation move allowing the service to cater for future growth and increased demand to support the Shire's growing population.

The concept design for the Byford Hall facility was endorsed by Council at the June Ordinary Council Meeting.

The endorsed design allows for minimal change to the building footprint and offers improved functionality of meeting spaces, work rooms and planning areas. Refurbishment works to Byford Hall will be carried out in 2021/22.

The library continues to offer a diverse range of resources, programs and services to a growing population. There has been a noticeable increase in the use of e-resources and online content interactions with online Storytime, though books are still a popular resource. The love of books is notable with the popularity of new programs in the Random Reads Book Club for adults and the reading reward program Book Bounty for primary school children.

The theme of this year's Library and Information Week 2021 was a celebration of Adventures in Space and Time. The library focused on collecting stories to share about our library volunteers, customers and supporters. The campaign showcased many of our SJ Library Friends members promoting the way they connect with the library and special emphasis on volunteering.

Through the year we have run activities for school holidays including a pop-up library at Bill Hicks Reserve. This enabled the team to engage with a location and section of our community which otherwise would be unlikely to interact with the library. The STEAM ahead events, a family-focussed technology session, were booked out. These interactive activities are delivered to encourage discovery of skills to succeed and adapt to this increasingly complex and changing, technological world. SJ Seniors were also involved with some fun technology sessions. Digital literacy has also been focus for the library team, to support families with literacy challenges with a BOOST program run by Dyslexia Speld Foundation.

Outcome 1.2: A recognised culture and heritage

Events

The Shire modified its events schedule in response to COVID-19 restrictions and delivered more than 100 online workshops and small-scale community events and holiday programs.

The Australia Day Community Breakfast, Cricket Match and the Community Citizen of the Year Awards and Citizenship Ceremony were held at Briggs Oval and the Serpentine Jarrahdale Community Recreation Centre on 26 January, 2021. New COVID-19 event guidelines required modifications to the event, including a registration process and limited capacity for the ceremony. The day was a huge success enjoyed by all.

Seven award winners were recognised by the Shire for their significant community contributions. Winners were:

- Community Citizen of the Year: Don Warner
- Senior Community Citizen of the Year: Ian Nice
- Youth Recognition Award: Thomas Dawson, Zain Jeffrey and Reece Thatcher
- Active Citizenship Award: Jarrahdale Heritage Society, Guided Walks Group
- Clem Kentish Community Service Award: Alan Elliott.

Serpentine Heritage Precinct

In June, the draft Serpentine Heritage Precinct Business Plan was presented to Council. The draft business plan outlines opportunities to create a heritage gateway experience for visitors and locals that travel along the South Western Highway in Serpentine.

Council noted the draft Serpentine Heritage Precinct Business Plan, with further community engagement to be carried out in 2022 to explore opportunities to leverage the unique heritage values of the site while achieving heritage, tourism and economic opportunities.

Outcome 1.3
A safe place to live

14,231 first and second firebreak inspections

1,177 dogs and **143** cats registered

971 certified building permit applications determined

471 uncertified building permit applications determined

261 Food Safety Assessments completed

182 other health premises assessments completed

154 Health Application Assessments processed

95% swimming pool barrier compliance

37 Event Application Assessments processed

3 cattery/kennel licences issued

Building services

The Building Services Team approved 1374 building permits, with a total value of more than $180 million ($180,736,684) of building work within the Shire. This above average volume of approvals was attributed to the State and Federal Governments building stimulus grants.

The Shire's mandatory four-year pool inspection program continued, with private swimming pools in the district being inspected for compliance. The purpose of a compliant pool safety barrier is to prevent infant and child drownings. In total 862 pool barrier inspections were carried out and 74% were found to be compliant on first inspection .

Availability and response by pool owners for an inspection to occur was greatly improved and enabled a high degree of compliance to be achieved.

Health and Wellbeing

The Environmental Health Team continued to provide the community and businesses support and advice in response to local COVID-19 restrictions and lockdowns. The team received a significant increase in health applications received and general enquiries responded to as a result of State and Federal Government building stimulus packages.

For a substantial period of the year, the team prioritised service delivery using an environmental health risk-based approach. During the transitional phases of the COVID-19 roadmap and in response to snap lockdown periods over the course of the year, the focus of the team shifted towards contact register tracing, spot inspections, monitoring, compliance and community education wherever possible.

Two key achievements were the adoption and implementation of the Shire's Health and Wellbeing Strategy 2020-2024 and development of the Shire's Local Food Action Plan.

The Environmental Health Team worked with other service teams across the organisation, as well as in partnership with the community, to implement the goals and objectives of the strategy.

Local Emergency Services

The Emergency Services Team completed 14,231 first and second firebreak inspections. This resulted in 1,251 work orders, 12 infringements and 4 contractors were required after third inspections.

The team were successful in securing and acquitting $251,000 of Mitigation Activity Funding in 2020/21 and have secured an additional $288,000 for funding in 2021/22. These monies will continue to proactively treat extreme, very high and high bushfire risks within our Shire.

The Shire's inaugural Be Bushfire Ready Event was held at Clem Kentish Oval in June. The aim of the event was to provide the community with information on how the use of cooler, wetter months can be maximised to complete works preparing not only their property but their land for bushfires.

Community safety

The Shire commenced implementation of its Community Safety and Crime Prevention Plan 2020-2022, which aims to guide crime prevention initiatives in collaboration with the community and key government agencies.

Neighbourhood Watch volunteers assisted in the Shire's COVID-19 Helping Hands campaign, which supported community members in need and also monitored and referred homeless persons and itinerant travellers during the COVID-19 crisis and associated effects with 11 contacts and referrals made, and provided nine Community BBQ/Education events throughout the Shire.

The Shire also acquired 55 animal cages for use at evacuation and welfare centres during emergency incidents.

The Shire acquired several surveillance cameras which are placed at various illegal dumping hotspots and at locations where Shire facilities are being vandalised or illegally accessed, with the cameras successfully identifying many offenders resulting in fines being issued and offenders being made responsible for rubbish removal and site clean-ups.

An audit of Disability Parking Facilities was undertaken to update disability parking facilities under the Shire's control, as well as liaising with landowners to upgrade facilities on private landholdings.

Team members were also involved in emergency response and recovery activities throughout the State.

MARTIN SPIBEY
FIRE FIGHTER
MUNDIJONG BRIGADE

Strategic outcome

Place

A protected and enhanced natural, rural and built environment.

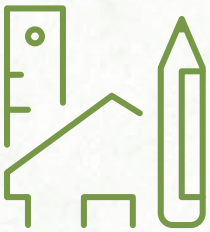
The community recognises that planning for the future is important for solving existing and future issues. They recognise the value of good design and hope future developments positively respond to the natural environment.

Conservation of natural vegetation is important as the landscape offers an opportunity to promote the Shire as a 'trails hub'.

Outcome 2.1
A diverse, well planned built environment

$181 million of building work approved within the Shire

1,374 building permits issued



589 development applications determined, valued collectively at **$63.8 million**

243 site inspections undertaken

100 compliance applications received

Approved **Byford** and **Mundijong District Structure Plans**

Land use planning

The Shire is close to having one of the most contemporary planning frameworks in Western Australia.

The Western Australian Planning Commission (WAPC) adopted the Shire's Local Planning Strategy in June 2021 for final approval. The Shire is now awaiting final approval of the new Local Planning Scheme No. 3 by the WAPC and Hon Minister, following adoption of this by Council during this past year. This decision is expected during the coming 2021/22 financial year.

The Byford District Structure Plan and Mundijong District Structure Plan were approved by Council in November 2020, replacing the decade old plans ensuring that the planning framework for these important urban areas is contemporary and adapts to the growth, both current and anticipated.

The WAPC approved Scheme Amendment 207, the Community Infrastructure Development Contribution Plan that will enable the Shire, based on principles of need, nexus and accountability, to jointly deliver through municipal and development contributions, community infrastructure that will meet the needs of our community as it continues to grow. The Amendment was gazetted in June.

Planning applications and compliance

Our Statutory Planning Team determined 589 development applications, valued collectively at $63,816,953.82. The Shire also dealt with 12 State Administrative Tribunal appeals of which four went to a final hearing.

The annual review of Local Planning Policies (LPP) was undertaken where six LPPs were reviewed and three new LPPs were prepared.

The Shire continued to deliver regulatory and enforcement services in compliance with legislative requirements. Our Statutory Enforcement Team dealt with a number of matters during the reporting period, with 100 compliance applications received, 21 of those matters were addressed through the retrospective development applications process. A total of 53 Direction Notices and 17 Planning Infringement Notices were issued during this period.

The Statutory Enforcement Team has also completed the Annual Extractive Licence Audit, whereby operations of 13 extractive industries are assessed against the conditions of planning approval for the sites.

There were 243 site inspections of properties undertaken to monitor compliance with the Shire's requests for compliance with the relevant laws and regulations.

Subdivisions

The Subdivisions Team assessed 38 civil drawings, 41 subdivision clearances, 15 local water management strategy/urban water management strategy plans and 14 environmental management plans.

A total of 102 strategic assessments and 275 statutory assessments were carried out.

Outcome 2.2
A sustainable natural environment

5,660 seedlings distributed to **216** residents via Free Verge Plant Program

33 nature reserves underwent weed control

13 reserves and road reserves rehabilitated through tree-planting programs

4 local reserves successfully treated for dieback

Re-endorsed as a **Gold Waterwise Council**

Parks and Reserves Management

Several parks and reserves were successfully treated for dieback including Serpentine Sports Reserve, Oscar Bruns Reserve, Foxton Drive Reserve and King Jarrah Circle.

Serpentine Sports Reserve were also treated for feral animal control.

Revegetation was carried out at 13 reserves and road reserves as part of the Shire's tree-planting program, with weed control carried out at over 33 nature and road reserves.

Opportunities for alternative energy

The Shire commenced an energy audit and solar feasibility study on the Serpentine Jarrahdale Community Recreation Centre.

The Shire also participated in preliminary discussions and provided data to assist with the group procurement of Green Power through the WALGA Power Purchase Agreement. This project will commence in August 2021.

Energy and Water Efficiency

The Shire received re-endorsement as a Gold Waterwise Council for its ongoing commitment to water conservation and supporting waterwise communities. As a Gold Waterwise Council, the Shire achieved five mandatory actions and completed three waterwise projects in the past 12 months.

As part of the mandatory actions, the Shire implemented waterwise verge policies, continued proactive engagement with local schools and developers to encourage participation in the Waterwise Program and held several effective meetings of the cross functional Water Management Team.

Other projects completed by the Shire over the past year include adoption of a standard tree well design for waterwise stormwater management, continued promotion of the Rewards for Residents program delivered by Switch your Thinking, and held the first and second SJ Garden Competition to recognise the great home gardens within the Shire.

The Shire also received recognition for 10 years as a Waterwise Council, receiving a commemorative park bench which has been installed at Gordin Way Park, Byford.

Waste management and recycling

Collected:

592,538 residential waste bins and **290,164** residential recycling bins

19,663 commercial waste bins and **9,832** commercial recycling bins

8,861 tonnes of household and commercial waste

936 tonnes of bulk waste

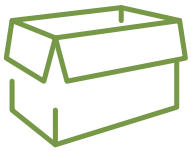
782 tonnes of green waste

299 tonnes of scrap metal

Recovered:

23 tonnes of electronic waste

16 tonnes of lead acid batteries



40 tonnes of clean, recyclable cardboard

Recycled:

2,334 tonnes of yellow-top bin recyclable waste

600+ mattresses

4000+ tyres

Community partnerships

The Shire continued to work closely with Landcare SJ to achieve Natural Resource Management (NRM) and sustainability outcomes for Serpentine Jarrahdale, as well as working alongside the Peel Harvey Biosecurity Group to help educate residents on weeds and pest control.

Support of the local "Friends of" groups around the Shire helped build strong relationships, while work continued with various government departments including the Department of Biodiversity, Conservations and Attractions and the Public Transport Authority.

The Shire also participated in the groups such as the Peel Trails Group, SJ Trails Group, Reserves Advisory Group, Cemeteries Working Group, Darling Downs Residents Associations, Darling Range Community Advisory Committee and Cardup Stakeholder Community Group.

Outcome 2.3
A productive rural environment

Rural investment

The Shire has a focus on attracting new rural businesses in the progressive agribusiness space. We continue to target businesses large and small from within Western Australia as well as from interstate.

Strategic outcome

Prosperity

An innovative and commercially diverse and prosperous economy.

The community has a desire for improved transport networks and linkage with both Perth and the Peel region. Improved connectivity with the wider region expands access to employment and education opportunities for local residents, this in turn promotes personal and economic growth within the Shire.

The community is open to new technologies and embracing innovation. The Shire has an opportunity to be progressive and embrace change by applying creative thinking.

Outcome 3.1
A commercially diverse and prosperous economy

Economic Development

The past year has seen a continuation of strong economic development activity within the Shire.

The Shire continues to work with a large range of key strategic stakeholders, public and private, to help stimulate new business investment, local jobs creation and a continuation of our strong growth pathways.

We also work to deliver high profile local business events, and the bi-annual State of Business Breakfasts are proving to be very popular attracting large attendances to hear speakers such as former WA Treasurer Ben Wyatt and Royal Flying Doctor Service Chief Executive Officer Rebecca Tompkinson.

We collaborated with Peel Chamber of Commerce and Industry on these events, and we enjoy the active support of the Peel Development Commission, Regional Development Australia Peel and Perth, as well as not-for-profit providers of small business services such as Business Station and the Small Business Development Corporation, Economic Development Australia and the Committee for Economic Development of Australia as we continue to support the Shire's small business community.

Outcome 3.2
A vibrant tourist destination experience

Tourism

Tourism in the Shire has seen a strong recovery since COVID-19, with people looking for local experiences close to the Perth CBD.

The Shire has supported local tourism owners and operators through the recovery from COVID-19 lockdowns. It is pleasing to see local tourism operators doing well and planning for future growth and investment.

The Shire continues to be active partner in the Perth Hills Tourism Alliance and this body delivered the Perth Hills Destination Marketing Plan. This marketing plan is being implemented with financial support of the Alliance members, Tourism WA and Experience Perth and is designed to promote local tourism destinations and operators through a variety of media outlets.

The Shire has supported the successful SJ Farmers Markets, which attract a large number of local and visitors each Saturday morning while providing retail opportunities for local food producers.

The Shire also began developing the Jarrahdale Trail Town Business Case and Implementation Plan, which aims to vastly increase the trails experience in SJ by making Jarrahdale a fully accredited Trail Town by Trails WA.

Tourism facilities

The Shire's Economic Development Team has worked on several large tourism activation projects, including the potential development and activation of Lot 814 Millars Road, Jarrahdale.

This is an exciting tourism project and we are being supported by the Peel Development Commission in the early stages of feasibility and business case development. We can look forward to tourism growing and developing within the Shire as more tourism operators see the growth picture and seek to cater for a fast-growing local Perth-based tourism audience looking for the unique attractions of Serpentine Jarrahdale and the Perth Hills.

Partnerships

Tourism partnerships will continue to play a vital role as the Shire works to deliver on new tourism investment, events and training for our tourism operators and staff.

Collaboration through partnerships has played an important role as we worked our way through the initial COVID-19 challenges. It is these partnerships that will play a critical part in developing our tourism offering and growing the opportunities for local tourism to prosper.

Key partnerships include the Perth Hills Tourism Alliance, Tourism WA, Experience Perth, Peel Development Commission, RDA Peel, SJ Farmers Market, SJ Food and Farm Alliance, Peel Chamber of Commerce and Industry and Business SJ.

Events

The Shire provided sponsorship for the Jarrahdale Log Chop and SJ Lions Club Country Fair, SJ Food and Farm Fest, Byford Carols and Byford Multicultural Festival via the Major Events Grant Scheme, and assisted community groups to navigate the changing event requirements associated with COVID-19 restrictions.

Several Shire-planned workshops were delivered in an online format to increase accessibility and cater to social distancing requirements and lockdown measures, including the Early Years Fun Day, Play in the Park – Christmas Edition, Circus Fun Day and Youth Fest.

The Shire has invested in a range of App-based activities for school holiday programs that encourage people to explore the Shire at their own pace. These interactive apps include tasks, challenges and facts about the Shire and can be delivered within social distancing requirements allowing individuals, families or small groups to participate, removing the uncertainty of changing restrictions.

Following the success of these school holiday programs Magical Parks will be available all year in 2021/22. The Shire is also investing in a number of beginner trail-based apps to be launched in the upcoming financial year. These Play Trail apps are designed to encourage new trail users within the Shire and from surrounding areas to celebrate the Shire's history and natural setting.

The Shire continued to support events delivered by the community, processing 45 applications from a range of event organisers delivering events in Serpentine Jarrahdale.

Outcome 3.3
An innovative, connected transport network

Capital Works Program

In accordance with the Capital Works Program, the following major reconstruction/ rehabilitation/improvement road works were undertaken:

- Blackspot project works – Nicholson Road completed.
- Rehabilitation works –Soldiers/Watkins Road intersection, Orton Road, Kargotich Road completed, Soldiers Road in progress.
- Road Improvement works - Abernethy Road Rail Crossing (separable portion 4), Mundijong/Kargotich Roundabout completed.

Other projects undertaken:

- Street lights at road intersections – Bishop/ Taylor, Summerfield/Castle, Kargotich/Bishop completed.
- Paths – Helen Cr, South Cr, May St, Butcher St, Cockram St, Wanliss St, Jarrahdale Rd, George St completed.
- Bridges – Gooralong Brook Bridge, Medulla Brook Bridge completed

Asset Management Plans

The Asset Management Strategy 2020-2024 was endorsed in 2020. The Strategy addresses the Improvement Plan tasks from the Asset Management Plans and outlines how the Shire will implement and integrate best practice Asset Management Planning into Shire operations to ensure systems and processes are robust and focus on continuous quality improvement.

The Shire is currently undertaking an Enterprise Resource Planning (ERP) implementation incorporating Assets and is continuing to work through data improvement objectives as part of this process.

Plant Replacement Program

The Plant Replacement Program is 93 per cent complete. One asset has been rolled over to 2021/22 to be completed. The Shire continued working towards fleet standardisation and further established the long-term financial plan for fleet renewals for the next 10 years.

Innovative transport initiatives

The Shire continued to advocate strongly for funding to support local roads upgrades over the past financial year.

This advocacy resulted in securing $18 million in State Government funding to upgrade Kargotich, Orton and Soldiers Roads, to help meet the growing needs of our Shire.

The Shire continues to work collaboratively with the State Government, Metronet and our community to progress with the future Byford Metronet Rail extension and Byford Train Station that will be built adjacent to the emerging Byford Town Centre.

The Shire also continued to work with Main Roads WA on the Tonkin highway extension and to negotiate shared outcomes for the design of the road, including intersection layouts and pedestrian and equine crossings.

Outcome 3.4
An innovation centre of excellence

Innovation and education opportunities

As the tourism consumer becomes more sophisticated and demanding, the industry needs to react by new and innovative tourism attractions and by staff being better trained and equipped to deal with the modern tourism consumer.

Tourism WA and Destination Perth partnered with the Shire to deliver a variety of training courses and information to help equip our tourism businesses with the innovative skills and capabilities needed to meet this new marketplace. The Small Business Development Corporation also contributes into this space.

Planning is underway for a co-working space to be located within the Shire's Library Services building, which is re-locating to Byford Hall. This will aim to provide opportunities for start-up businesses to use the space and collaborate with other small businesses owners and operators, as well as providing a space to deliver innovative education and training events.

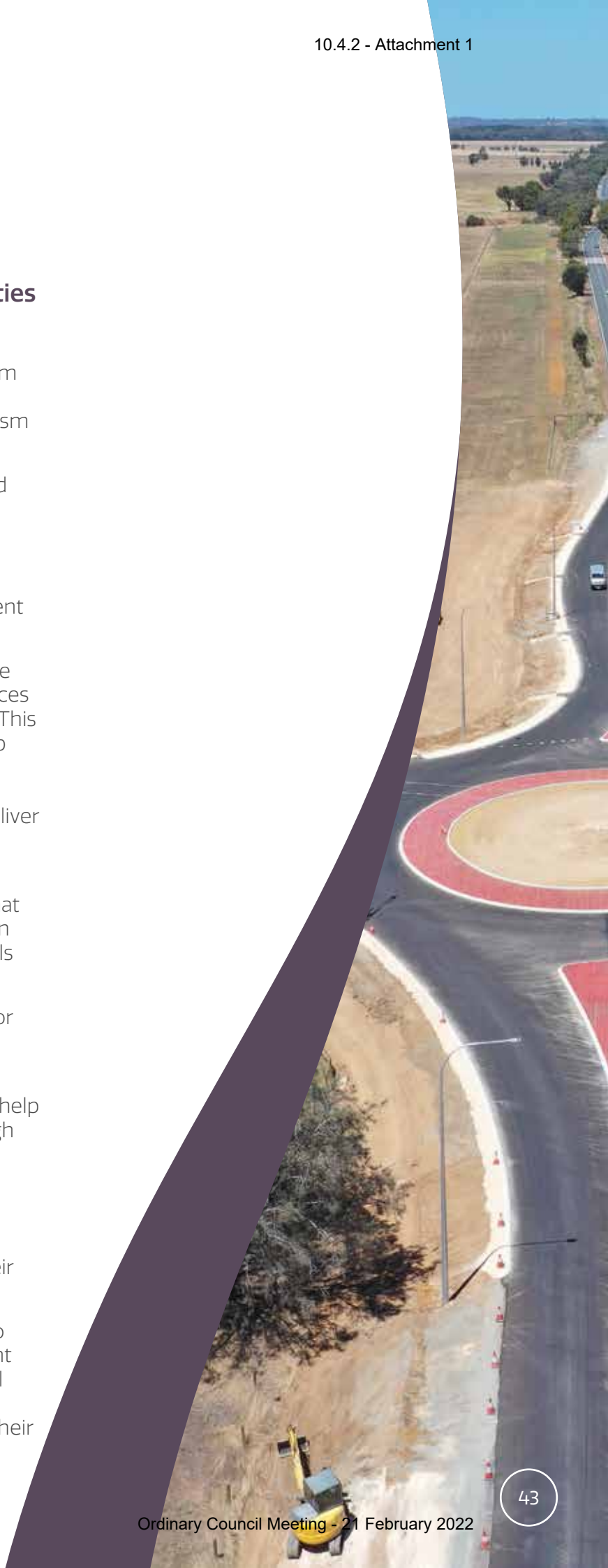
The Shire also completed a Byford TAFE Campus Feasibility Study, which identified that a proposed Byford TAFE campus presents an opportunity to create local jobs, support skills development and improve the liveability.

Advocacy work is ongoing to secure a site for the proposed future Byford TAFE Campus.

The Shire of Serpentine Jarrahdale also partnered with South Metropolitan TAFE to help those looking to enter the workforce through the new Job Ready Basics Skill Set course.

Focusing on the skills employers require for entry-level jobs, the courses, delivered at Byford Secondary College, were designed to give participants a leg-up when entering their desired industry.

The courses also included an introduction to workplace technology and consist of content customised to suit the work participants will be applying for and provided residents the opportunity to upskill and support them in their endeavors to either enter, or re-enter, the workforce.



Strategic outcome

Progressive

A resilient organisation demonstrating unified leadership and governance.

The community would like the Shire to continue to service the needs of the district through the provision and delivery of a high level of governance and accountability.

The Council is committed to strategic forward thinking, strong representation and providing the community with leadership. This is aligned to the aspirations of the community. Opportunities exist to leverage existing and future partnerships through greater collaboration.

A primary aim is to continually enhance community capacity and investment whilst maximising efforts to advocate and lobby for more funding, resources and better services.

Outcome 4.1
A resilient, efficient and effective organisation

1.7 million people reached through social media

88,114 new records registered

40,352 customer interactions

578,000 website views

2264 new social media followers

105 design projects completed

33 media releases published

Workforce

The Shire continues to focus on traineeships to develop opportunities across various parts of the business. This year we created traineeship opportunities in our Environmental Health and Building Surveying team for recruitment during the 2021/2022 financial year.

We also continue to focus on employment for school leavers in Town Maintenance and General Hand roles. The Shire further encourages internship projects and work experience opportunities by partnering with local schools and universities.

The Shire have continued to invest in our people through organisational development training and initiatives and are developing information sessions specifically highlighting specialist public sector roles to be delivered to high school students in our local area.

The Shire implemented a coping with change and emotional intelligence program, with continued focus on leadership and managing talent.

In October, the Organisational Development Roadmap 2020-2030 was adopted. It provides a 10-year road map for organisational development, responding to the aspirations of the community, priorities as set by Council and development needs of the workforce as identified by the Executive and Management Teams. Implementation of the roadmap is scheduled to commence in July 2021.

Enterprise Resource Planning System

The Enterprise Resource Planning (ERP) project continued with the staged implementations of the Corporate Performance Planning, Operating Work Orders (including Mobility), Enterprise Budgeting and e-Recruitment systems in the 2020/21 financial year. In addition, the implementation of the Online Customer Request System in May provided our community with improved online access to information and requests for service.

The ERP project is on schedule and budget and the implementation of the Property and Rating System and the Project Lifecycle Management System are due to commence in 2021/2022.

Customer service

The Customer Service Team is the first point of contact for many of the enquiries coming in to the Shire. The team process all payments for building and development applications, animal registrations, rates, new bin applications, facility hire, infringements and food businesses.

To improve the management of customer enquiries, the Shire implemented a new Customer Request Management (CRM) system as part of OneComm. All requests for service are now logged in CRM with the option for customer tracking.

A communications plan was developed and implemented to promote the new portal internally for staff and externally to Shire residents and ratepayers.

The Customer Service Team had the following customer interactions:

- 19,096 resolved by Customer Service Team
- 6,953 requests for service raised
- 4,503 calls transferred
- 1,723 times a Shire Officer was requested to the counter

The Shire's after-hours call centre provider received a total of 2,858 calls, which involved:

- 515 escalated for urgent response
- 310 for Rangers Team action
- 205 for Operations Team action

The team have experienced a 219% increase in interactions this financial year which can be attributed to COVID-19 lockdowns, the implementation of the new CRM and all incoming phone calls now coming directly to the Customer Service Team.

Record management

Content Manager 9.3 is the Shire's Electronic Document Records Management System and is currently used for best practice record management services compliant to ISO 15489-1:2016. This is operating effectively as part of business as usual.

The system will be superseded by OneComm Records Management as part of Phase 4 of the Enterprise Resource Planning project. The

Shire registered 88,114 new records, which included 1,434 building applications, 591 planning applications, 105 subdivision applications, 139 compliance files and 456 new property files were created.

Information Communication Technology

The Shire's Information Communication Technology (ICT) Team has been busy with keeping staff operational as well as delivering ICT projects. To date projects completed include migration of the on-premise phone system (Mitel) to Microsoft Teams Calling, which allows for greater flexibility and mobility for staff. In addition, two Teams Meeting Rooms were added to facilitate better integration for meetings with staff and clients in disparate locations.

Utilising the Mobile Device Management System (MDM) created profiles for outdoor workers, which allowed the secure deployment of tablets to the Outdoor Workforce for Asset Management, upgraded all desktops to Microsoft Office 365 to take advantage of the new functionality within the Office 365 environment and upgraded the on-premise email environment (Exchange) in preparation for the mailbox migration to Exchange Online (O365). The mailbox migration is in the early pilot phase.

Governance

The Shire held 16 Council meetings, 9 Committee meetings and a General Meeting of Electors.

Capacity building to achieve a resilient, efficient and effective organisation from a governance perspective included:

- A comparative review with the City of Perth Inquiry Report
- New Conflict of Interest procedures and training module
- Adoption of the Councillor Code of Conduct and associated procedures
- Revisions to delegations and authorisations to ensure currency with legislation amendments and best practice
- Implementation of the Performance Planning Local Government Solution Corporate Business Plan Reporting module with quarterly reports provided online to Councillors
- Anti-corruption day event and delivery of in-house refresher sessions to Council on standing orders and managing interests
- Significant revisions to the Shire's Risk Management Policy as the next step in the Shire's Risk Maturity journey.
- Design and delivery of a Councillor Mentoring Program

Council adopted the following new policies:

- Permissible Verge Treatments – Rural (July 2020)
- Councillor and CEO Attendance at Events (September 2020)
- Community Engagement (September 2020)
- Watkins Road Transfer Station and Recycling Centre - On Demand Waste Collections (December 2020)
- Policy for temporary appointment of CEO (April 2021)

Council adopted amendments to the following policies:

- Purchasing – Procurement of Goods or Services up to $250,000 (July 2020)
- Procurement of Goods or Services Through Public Tendering (July 2020)
- Consumption of Alcohol in/on Shire Owned Facilities and Reserves (July 2020)
- Rates and General Debtors (July 2020)
- Financial Hardship (July 2020)
- Risk Management (September 2020)
- Request for Memorials, Plaques, Monuments and Trees (October 2020)
- Community Contributions (October 2020)
- Honorary Freeman of the Municipality (February 2021)
- Execution of documents and common seal (May 2021)

Performance against our Corporate Business Plan

The table below outlines the Shire's performance in 2020/21 against the Corporate Business Plan 2020/24 Key Performance Indicators:

Key Performance Indicator	2020/21 result
80% of strategic operating projects are completed by their due date	92%
85% of planned capital works are practically complete by the end of the financial year	75%
Improvement is seen in all key result areas of the community perception survey	3/4
Financial sustainability – decline in untied revenue used to fund operations leading to an improving Financial Health Indicator score as per the MyCouncil website.	Financial Health Indicator score = 69
Improvement is seen in the Performance Index Score of the Employee Scorecard Survey	N/A - the survey is biennial and not due to undertaken until 2021-22

Communications

The Shire communicates through a range of mediums including regular e-newsletters, monthly newsletter in the Examiner Newspaper, social media and videos.

We promoted the Shire's work, achievements and consultations through 33 media releases and responded to 35 media enquiries during the year, while 105 design projects were completed.

Communication plans were developed and implemented for all major Shire projects and events, including:

- Waste Management Strategy and opening of Watkins Road Waste Transfer Station and Recycling Centre
- SJ Garden competition
- Mental Health Week
- SJ Santa Paws competition
- COVID-19 pandemic
- 2021 WA State Election
- 2021 Library and Information Week
- Request and Report It portal

Community Engagement

A new Customer Engagement Policy and Strategy was developed, as well as the establishment of a new online engagement platform, Your Say SJ, in January 2021.

Community engagement highlights include:

- 17,463 visitors to Your Say SJ website
- 1,591 people engaged on projects or initiatives
- 55 engagement plans developed and implemented

In September, the Shire also carried out its biannual Community Perceptions Survey.

Overall, the responding residents scored the Shire 72/100 as a place to live, up two points from the 2018 scorecard report, however the Shire remains three index points behind the MARKYT Industry Standard when compared with other local governments.

Outcome 4.2
A strategically focused Council

Strategic relationships

In the lead up to the 2021 WA State Government election, the Shire developed and implemented an advocacy campaign around Council's endorsed election priorities and requests.

The Shire President and Chief Executive Officer then advocated for these priorities in the following manner:

- Correspondence to Ministers and Shadow portfolio holders;
- Meetings with Ministers and politicians of both major parties;
- Meetings with the two candidates from both major political parties contesting the seat of Darling Range; and
- Presentation to Community Cabinet meeting held at the Shire of Serpentine Jarrahdale in August 2020.

In addition to this, Shire Officers held many meetings with relevant State Government departments and agencies to explain the priorities and requests, answer questions and, where required, provide further supporting information.

With the election of the McGowan Labor government at the 13 March election, the following summarises the outcomes of Council's 18 election priorities/requests:

Fully achieved:

- $30.6m for Byford Health Hub
- $20m for Keirnan Park Stage 1A (although identified and communicated as an election request this was provided as part of COVID-19 stimulus)
- $18m for upgrade of Local Roads
- $11.5m for Stage 4 of Byford Secondary College
- Requests associated with planned Byford Metronet Train Station.

Partially achieved:

- The Nature Play and Water Splash Park received $1.3 million in funding
- Five other priorities are progressing through Business Case development, relevant approvals or ongoing engagement with relevant State Ministers and departments

Not achieved at all:

- West Mundijong Industrial Area
- Freight Rail realignment
- Equine Strategies
- FOGO
- Integrated Water Management Strategy
- Byford Hall

Funding agreements are now being negotiated for these commitments in line with the representation of delivery of these projects in the Council's revised Corporate Business Plan being finalised as part of the 2021/22 budget process.

With a Federal election due by May 2022, Council endorsed its Federal Government election priorities and requests, which are:

Opportunity	Request
Thomas Road upgrades	$175 million
West Mundijong Industrial Area	$60 million
Improve local road safety	$18.8 million
Byford Metronet Rail extension	Additional $100 million
Community and sporting infrastructure	$15.4 million
Jarrahdale Trail Town	$16.4 million

Between July 2021 and the Federal election, the Shire will carry out advocacy activities to help secure funding commitments from major political parties and candidates.

The Shire continued to work with relevant State and Federal Government departments on other strategic infrastructure projects, including Tonkin Highway extension and Byford Metronet Rail extension.

We continued our work to build the profile of Serpentine Jarrahdale in the Peel Region through meetings with the Peel Development Commission, Peel Regional Leaders Forum and the Peel Chamber of Commerce and Industry.

Long term strategic and operational planning

As part of the Shire's annual Integrated Planning and Reporting process and in accordance with the Local Government (Administration) Regulations 1996, the Shire completed its annual review of its Corporate Business Plan to ensure the priorities for dealing with the objectives and aspirations of the community remain current, resourced and integrated with workforce, asset and financial planning.

This review resulted in the following significant modifications:

- Incorporation of the State Government Election commitments that the Shire successfully obtained through its advocacy efforts, including upgrades to the Serpentine Jarrahdale Community Recreation Centre, major road upgrades to Kargotich, Orton and Soldiers Roads, several facility and park renewals and delivery of new community infrastructure including the Byford Skatepark, the Nature Play Splash Park in Byford and the Byford Health Hub.
- Incorporation of priority trail works including carpark improvements at Marcora Trail and Kittys Gorge, drainage at Whitby Falls, a masterplan for a Trails Centre at Lot 814 Jarrahdale, a business case for Heritage Park and a concept plan for the Jarrahdale Equine Trails Network.
- Incorporation of equine priorities including signage, an Equine Emergency Preparedness Program, a Funding Opportunity Resource for equine not-for-profit and community groups, an Equine Facility Feasibility Study and a road safety awareness campaign. An additional service area for equine community support has also been included.
- Inclusion of the Shire of SJ Library relocation to Byford to align with Council direction on the Administration Accommodation project
- Inclusion of additional projects to modernise and develop the organisation such as implementation of a Project and Contract Management Framework, strategic organisational development initiatives, participatory budgeting and asset data maturity
- Removal of Punrak Road Widening and reutilisation of the funds to establish a $1M reseal program for 25 local roads
- Inclusion of the Soldiers Road Principal Shared Path project
- Removal of the place planning projects including the place making model and place plans for Byford, Jarrahdale and Serpentine

An overview of the key initiatives that the community will see implemented over the 2021-2025 period include:

People

A connected, thriving, active and safe community.

Advocating for and shaping the design of state government infrastructure to benefit our local community of which some include:

- METRONET
- Tonkin Highway
- Freight Rail Realignment
- Business plans / feasibility studies for a new Cemetery, Byford Tafe and Byford Health Hub

Strengthening the connections, health and wellbeing of our growing community by:

- the development of a Reconciliation Action Plan
- supporting volunteering within the community
- implementation of a new program of events and activities
- moving to a place making model for Byford and Jarrahdale town centres

Prosperity

An innovative, commercially diverse and prosperous economy.

Responding to growth by:

- commencing the development of the Keirnan Park Recreation Precinct
- fit for purpose road upgrades and rehabilitations to suit changing needs
- enhancing the Developer Contribution Framework to create shared and equitable partnerships towards infrastructure delivery

Growing the economy by:

- tourism development in the Shire
- supporting the development of our equine community and industry
- promoting the delivery of the West Mundijong Industrial Area and Cardup Business Park
- trails development and implementation including Jarrahdale Trails Town, Byford Trail Centre, Bibbulmun track loop and the Serpentine Heritage Precinct

Place

A protected and enhanced natural, rural and built environment.

Establish SJ as leaders in the waste management area by providing best value for money and sustainable waste management in the shire:

- reopening of the Waste Transfer Station and Tip Shop in Mundijong
- implementation of FOGO

Continuation of major strategic planning projects including the local planning strategy and scheme and various structure, place and local area plans

Progressive

A resilient organisation demonstrating unified leadership and governance.

Planning for the future through continuing to modernise and develop the organisation to become more efficient, responsive and sustainable:

- continuation of the Shire's Enterprise Resource Planning system
- improving community engagement
- upgrade and long term planning for the Shire's Administration Building and Operations Centre and Depot

The Shire's Corporate Business Plan 2021-25 is available on the Shire's website.

Governance

In June, Council considered the findings of a feasibility study into the Shire becoming a city. The study examined experiences in other local governments, population data and projections as well as the potential economic and financial impacts. When considering the study, Council resolved that the matter would be further explored during community engagement as part of the major review of the Strategic Community Plan.

Council separately considered business cases for the purchase of Lot 23, Karnup Road as part of the Serpentine Heritage Precinct in February and June 2021. The business cases were prepared in accordance with the provisions of the *Local Government Act 1995* related to major land transactions. Council resolved that further community engagement be conducted to explore opportunities to leverage the unique heritage values of the site while achieving heritage, tourism and economic opportunities.

Council approved an application to be made by the Rivers Regional Council to transition to a Regional Subsidiary under section 3.69 of the Local Government Act 1995. This initiative, being

led by the members of the Rivers Regional Council, will achieve greater efficiency and oversight of the contract for waste management for member local governments, including the Shire of Serpentine Jarrahdale.

Councillor Training and Continuing Professional Development

Report compiled in accordance with section 5.127 of the Local Government Act 1995 and Council Policy – Councillor Training and Continuing Professional Development

Councillor	Training course / module completed / conference	Training provider / conference name	Cost
Cr Michelle Rich, Shire President	Managing Interests – Refresher Training	Internal	Nil
	Standing Orders – Refresher Session	Internal	Nil
	Effective Community Leadership	Western Australian Local Government Association	$572* *Group training (see note below)
Cr Dave Atwell, Deputy Shire President	Standing Orders – Refresher Session	Internal	Nil
	Effective Community Leadership	Western Australian Local Government Association	$572* *Group training (see note below)
Cr Morgan Byas	Managing Interests – Refresher Training	Internal	Nil
	Standing Orders – Refresher Session	Internal	Nil
	Effective Community Leadership	Western Australian Local Government Association	$572* *Group training (see note below)
Cr Rob Coales	Managing Interests – Refresher Training	Internal	Nil
	Standing Orders – Refresher Session	Internal	Nil
	Effective Community Leadership	Western Australian Local Government Association	$572*
	Boardroom Behaviours webinars – Six Part series commences 17 November 2020 concluding 24 March 2021	Western Australian Local Government Association / Australian Institute of Company Directors	$445 *Group training (see note below)
Cr Michael Dagostino	Managing Interests – Refresher Training	Internal	Nil
	Standing Orders – Refresher Session	Internal	Nil
	Planning Practices – The Essentials	Western Australian Local Government Association	$525
	Planning Practices – Advanced	Western Australian Local Government Association	$525

Councillor	Training course / module completed / conference	Training provider / conference name	Cost
Cr Bill Denholm	Standing Orders Refresher Session	Internal	Nil
	Effective Community Leadership	Western Australian Local Government Association	$572* *Group training (see note below)
Cr Keira McConkey	Managing Interests - Refresher Training	Internal	Nil
	Standing Orders - Refresher Session	Internal	Nil
	Engagement Essentials	Aha Consulting	$570
	Engagement Methods	International Association of Public Participation	$541* *amount funded by the Shire with Cr McConkey funding the remaining (see note below)
Cr Lauren Strange	Council Member Essentials - Individual eLearning	Western Australian Local Government Association	$975
	Elected Member Training - Dealing with Conflict	Western Australian Local Government Association	$525
	Managing Interests - Refresher Training	Internal	Nil
	Standing Orders - Refresher Session	Internal	Nil
	Effective Community Leadership	Western Australian Local Government Association	$572*
	Professionally Speaking	Western Australian Local Government Association	$525 *Group training (see note below)
Cr Dean Strautins	Managing Interests - Refresher Training	Internal	Nil
	Standing Orders - Refresher Session	Internal	Nil
	Effective Community Leadership	Western Australian Local Government Association	$572*
	Integrated Strategic Planning: The Essentials	Western Australian Local Government Association	$525
	Town Planning Practices - The Essentials	Western Australian Local Government Association	$578 *Group training (see note below)

Per Council's policy the cost of group training - Effective Community Leadership ($4,000) was split between the participants; Engagement Methods ($1,200) was split between the Councillor and the Shire.

Elected Members allowances and sitting fees

The remuneration, fees, recoverable expenses or allowances provided to local government CEOs and council members are determined by an independent State Government body, the Salaries and Allowances Tribunal (SAT).

In November 2017, Council endorsed a policy that, in the absence of Council decision to the contrary, Council Members are to receive 75 per cent of the maximum annual allowance fees determined by SAT.

Council member remuneration is published in the Shire's Annual Financial Statements.

In accordance with Regulation 29C of the Local Government (Administration) Regulations 1996, the type, and the amount or value, of any fees, expenses or allowances paid to each council member during a financial year beginning on or after 1 July 2020 are shown below.

STATEMENT OF EARNINGS FOR THE PERIOD Year End 2020 / 2021					
COUNCILLOR	**Attendance Fee**	**ICT Allowance**	**Deputy Shire President Allowance**	**Shire President Allowance**	**PERIOD TOTAL**
Cr Michelle Rich	$23,131	$3,500		$47,045	$73,676
Cr Dave Atwell	$17,250	$3,500	$11,761		$32,511
Cr Morgan Byas	$17,250	$3,500			$20,750
Cr Rob Coales	$17,051	$3,500			$20,551
Cr Michael Dagostino	$17,250	$3,500			$20,750
Cr Bill Denholm	$17,250	$3,500			$20,750
Cr Keira McConkey	$17,250	$3,500			$20,750
Cr Dean Strautins	$17,250	$3,500			$20,750
Cr Lauren Strange	$17,250	$3,500			$20,750
TOTAL	**$160,932**	**$31,500**	**$11,761**	**$47,045**	**$251,239**

Looking forward – 2021/22

Serpentine Jarrahdale and our residents will benefit significantly as we focus on improving local roads, community facilities and emergency services while delivering fantastic community events over the coming 12 months.

We will be working hard on many plans and strategies that will provide direction and guidance for the future.

Major projects and initiatives include:

- $3.65 million worth of upgrades to 9 local roads
- Delivery of trail upgrades to Marcora Trail, Kitty's Gorge and Whitby Falls
- Master Planning for Byford Town Centre community site
- Purchase of a new site at West Mundijong for new Depot and Pound facilities
- The implementation of Jarrahdale Trail Town Business Case
- Upgrade to Byford Hall to accommodate the Shire's Library Service and Mobile Library Service
- Establishment of a Tip Shop at the Watkins Road Waste Transfer Station and Recycling Centre
- Detailed design of Stage 1A of Keirnan Park Recreation and Sporting Precinct

Buildings and facilities

We will invest $900,000 to refurbish and upgrade buildings and facilities, and renew existing ones.

Parks and gardens

The Shire's signature trails network will be a key focus with upgrades set to vastly improve the experience along the Marcora, Kitty's Gorge and Whitby Falls trails.

In addition, $4 million is budgeted to be spent on routine maintenance programs, ensuring that we maintain the natural beauty of our public open spaces.

Infrastructure – roads, footpaths and drainage

Serpentine Jarrahdale has a road network of approximately 830km and services 13 localities. In 2020/21 we will invest $3.65m in upgrade and rehabilitation programs for 9 key local roads, as well as $1.05 million to reseal another 25 roads.

Planning and design works will also be carried out to accommodate $18 million upgrades to Kargotich, Orton and Soldiers Roads.

Planning for our future

Detailed design of Stage 1A and 1B of the Keirnan Park Recreation and Sporting Precinct is expected to be completed by the end of the financial year.

The precinct will house a high number of community sporting clubs and provide state-of-the-art facilities to accommodate the Shire's growing population.

Planning works for upgrades to the Council Chambers and Administration Building will also be carried out.

Community projects

This year, $140,000 will be invested in community events to ensure we continue to celebrate and enjoy the vibrant Shire we know and love.

We will continue to support community groups and individuals in the Shire through a range of grants. This financial year there is $300,000 available in grants to assist our community.

Protection of the environment

Our environment is important to our community. We will continue to protect the biodiversity of significant areas of bush land, as well as supporting Landcare SJ who continue to carry out important environmental projects in our community. We will also continue the free verge plant scheme.

We look forward to reporting on these achievements and more in 2021/22.

Statutory Reports

Record Keeping Statement

Annual reviews are conducted on all record keeping procedures and policies, any resulting amendments are authorised and communicated to staff and Councillors. Audits are completed on a regular basis of all documents recorded to ensure compliance with the Shire of Serpentine Jarrahdale titling and naming conventions and correct registration. Staff are advised of amendments to records and offered additional assistance or training if required.

The Chief Executive Officer must instigate a comprehensive review of the Shire of Serpentine Jarrahdale's Record Keeping Plan a minimum of once every five years, evaluating effectiveness and efficiency. A full copy of the resulting report must be provided to all relevant stakeholders and made available to all staff.

As part of staff induction, the roles and responsibilities of every employee, in relation to compliance with the record keeping plan, are addressed. New staff are provided with relevant literature regarding compliance to the *State Records Act* and within five days of commencement participate in induction sessions on the correct recording of all documents.

Ongoing training sessions are conducted by Information Services, which are able to be more detailed and focused on the needs and work practices of the user. Refresher one-on-one training is also available on request. Future training offered will be more comprehensive with the inclusion of a dedicated trainer to cover all aspects of system and compliance training requirements.

Freedom of Information

As a public authority, the Shire has an obligation to provide certain information under the provisions of the *Freedom of Information Act 1992* (FOI). During the 2020/21 year, 14 requests were received for information under FOI.

Register of Complaints

The *Local Government Act 1995* requires a Complaint Register be maintained. Section 5.121 of the *Local Government Act 1995* states that the complaints officer for each local government is required to maintain a register of complaints which records all complaints that result in a finding under section 5.110(2)(a) that a minor breach has occurred.

The register of complaints is to include, for each recorded complaint;

- the name of the council member about whom the complaint is made; and
- the name of the person who makes the complaint; and
- a description of the minor breach that the standards panel finds has occurred; and
- details of the action taken under section 5.110(6).

Section 5.53 of the *Local Government Act 1995* requires this information to also be published in the annual report.

Complaint number	Name of the 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	Details of the action taken under 5.110(6)
SP 2020-087	Cr Rob Coales	Cr Rob Coales	At its meeting on 12 August 2020, the Panel found that Councillor Robert Coales committed one minor breach under the *Local Government Act 1995* and regulation 6 of the *Local Government (Rules of Conduct) Regulations 2007* when he disclosed information from a confidential document regarding the appointment of community members to an advisory group at a Council meeting held on 20 July 2020.	The Panel ordered pursuant to section 5.110(6)(a) of the Act that, in relation to the Minor Breach of regulation 6 of the Regulations that no sanction be imposed upon Cr Coales.
SP 2020-136	Cr Rob Coales	Cr Morgan Byas	At its meeting on 15 January 2021, the Panel found that Councillor Robert Coales committed one minor breach under the *Local Government Act 1995* (WA) ("the Act") and regulation 6 of the *Local Government (Rules of Conduct) Regulations 2007* (WA) ("the Regulations") when he disclosed information from a confidential document regarding the appointment of community members to an advisory group at a Council meeting held on 20 July 2020.	The Panel orders pursuant to section 5.110(6)(a) of the Act that, in relation to the Minor Breach of regulation 6 of the Regulations that no sanction be imposed upon Cr Coales as set out in the attached Order.

National Competition Policy Statement

Competitive Neutrality

There are several tests to apply that assist in determining if there is a 'significant business enterprise':

1. Does the activity receive revenue from external sources that exceeds $200,000 per annum? (In determining this amount, Council has been advised to disregard grant income, internal charges, and statutory fees.)
2. Would the benefits to be realised from the implementation of competitive neutrality exceed the costs?

From an examination of the revenue statement of the Shire for the preceding period, there is no activity that satisfies this first part of the test, and accordingly the principles of competitive neutrality do not apply to any Council activities.

Structural Reform

In this area, Council has no monopoly activities. What is basic to the function of restructuring public monopolies is the splitting or division of the regulatory role from the service provision role.

To address the question of monopoly, the following test has been applied to each activity:

- Definition: In regards to this service, does Council have 'exclusive or near exclusive control of the market supply of this service?'
- Dual function: Does Council have both a regulatory and supply function in this area of activity?

Council does not have a dual function role in any of the following service areas:

- Parks and gardens
- Roads
- Recreation services
- Cemetery management

When reviewed, these functions appeared to have substance to the sole provider argument, however it is considered that only in parks and gardens maintenance it is likely that there would be willing local competitors. On balance, therefore, it was concluded that a monopoly does not exist.

Legislation Review

Legislation permits Western Australian local governments to make local laws considered necessary for the good governance of their districts. The Shire of Serpentine Jarrahdale is required to review its Local Laws, in accordance with section 3.16 of the Local Government Act 1995. Local Laws are to be reviewed within an eight-year period after their commencement to assess their currency.

In June, Council made the Shire of Serpentine Jarrahdale Bush Fire Brigade Local Law 2021. The local law will commence in 2021 following publication in the Government Gazette.

Disability Access and Inclusion

A key outcome of the Shire's Strategic Community Plan 2017 – 2027 is a healthy, active, connected and inclusive community. The Shire aims to provide the opportunity for all residents and visitors to our Shire to be able to engage with our events, services and activities.

The Access and Inclusion Advisory Group met four times during the 2020/21 year to oversee the progress and achievements of the Access and Inclusion Implementation Plan. The Committee meetings also provide opportunities for the community to comment on the Disability Access and Inclusion Plan and disability issues.

In March two representatives from the Department of Communities, Disability Services presented the State Disability Strategy to the Advisory Group providing them with the opportunity to gain an in-depth understanding of the State Strategy and Action Plan and how it aligns with the Shire strategy.

In 2020/21, new activities were commenced or progressed across the seven outcome areas. Highlights include:

- Completion of capital work enhancements, including resurfacing of the path to the Serpentine Jarrahdale Community Recreation Centre. Accessing and updating Disability Parking Bays on Shire land and working with other landowners to update their Disability Parking Bays.
- Assessment of the corporate website for accessibility by screen reader users.
- Launching of a dedicated Access and Inclusion landing page on the Shire's website and on the Your Say SJ platform.

Statement of Salaries

	2019	2020	2021
220,000 – 229,999		1	1
210,000 - 219,999	1		
200,000 – 209,999			
190,000 -199,999		1	
180,000 - 189,999		1	2
170,000 - 179,999		3	
160,000 - 169,999	4		2
150,000 - 159,999			2
140,000 - 149,999			5
130,000 - 139,999	1	4	3
120,000 - 129,999	7	9	4
110,000 - 119,999	5	5	5
100,000 -109,999	3	3	7

SHIRE OF SERPENTINE – JARRAHDALE

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

SHIRE OF SERPENTINE - JARRAHDALE

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2021

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COMMUNITY VISION

City living offering a rural lifestyle with abundant opportunities for a diverse community.

Principal place of business:
6 Paterson Street
Mundijong WA 6123

SHIRE OF SERPENTINE - JARRAHDALE
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 Serpentine - Jarrahdale 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 Serpentine - Jarrahdale 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

Paul Martin
Name of Chief Executive Officer

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

	NOTE	2021 Actual	2021 Budget	2020 Actual
		$	$	$
Revenue				
Rates	26(a)	24,457,638	24,544,532	24,052,373
Operating grants, subsidies and contributions	2(a)	3,881,078	4,206,610	3,957,960
Fees and charges	2(a)	7,199,767	6,196,782	6,512,459
Interest earnings	2(a)	449,603	795,000	749,151
Other revenue	2(a)	679,864	413,984	514,341
		36,667,950	36,156,908	35,786,284
Expenses				
Employee costs		(17,114,805)	(17,784,078)	(16,420,494)
Materials and contracts		(10,713,878)	(10,361,962)	(9,892,075)
Utility charges		(1,070,258)	(1,012,606)	(1,021,181)
Depreciation on non-current assets	11(c)	(9,844,544)	(8,814,385)	(8,683,236)
Interest expenses	2(b)	(173,761)	(165,692)	(165,607)
Insurance expenses		(413,080)	(422,682)	(391,164)
Other expenditure		(778,649)	(860,100)	(715,680)
		(40,108,975)	(39,421,505)	(37,289,437)
		(3,441,025)	(3,264,597)	(1,503,153)
Non-operating grants, subsidies and contributions	2(a)	15,104,276	9,970,746	19,863,399
Profit on asset disposals	11(a)	2,714	5,179	33,796
(Loss) on asset disposals	11(a)	(7,871)	(51,199)	(91,810)
Fair value adjustments to financial assets at fair value through profit or loss		3,829	0	(1,296)
		15,102,948	9,924,726	19,804,089
Net result for the period		**11,661,923**	**6,660,129**	**18,300,936**
Total comprehensive income for the period		**11,661,923**	**6,660,129**	**18,300,936**

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

SHIRE OF SERPENTINE - JARRAHDALE
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual $	2021 Budget $	2020 Actual $
Revenue				
Governance		0	0	320
General purpose funding		28,127,645	28,186,082	27,892,503
Law, order, public safety		936,282	1,018,720	871,356
Health		217,563	194,332	188,265
Education and welfare		2,678	1,000	1,933
Community amenities		5,444,170	5,578,114	5,421,417
Recreation and culture		340,537	225,000	391,229
Transport		552,965	344,120	402,473
Economic services		997,476	579,340	579,030
Other property and services		48,634	30,200	37,758
		36,667,950	36,156,908	35,786,284
Expenses				
Governance		(2,211,115)	(2,274,350)	(2,274,972)
General purpose funding		(833,595)	(763,380)	(804,590)
Law, order, public safety		(3,352,776)	(3,427,846)	(3,299,411)
Health		(824,504)	(799,099)	(900,793)
Education and welfare		(244,526)	(245,543)	(39,812)
Community amenities		(8,745,786)	(8,603,420)	(8,263,916)
Recreation and culture		(8,399,594)	(9,521,567)	(8,162,510)
Transport		(12,745,581)	(11,478,813)	(11,226,371)
Economic services		(1,674,655)	(1,715,979)	(1,521,975)
Other property and services		(903,082)	(425,816)	(629,480)
		(39,935,214)	(39,255,813)	(37,123,830)
Finance Costs	2(b)			
Governance		(9,842)	(16,878)	(25,858)
Law, order, public safety		(553)	(1,860)	(724)
Recreation and culture		(1,108)	(716)	(39,173)
Transport		(141,336)	(134,238)	(99,852)
Other property and services		(20,922)	(12,000)	0
		(173,761)	(165,692)	(165,607)
		(3,441,025)	(3,264,597)	(1,503,153)
Non-operating grants, subsidies and contributions	2(a)	15,104,276	9,970,746	19,863,399
Profit on disposal of assets	11(a)	2,714	5,179	33,796
(Loss) on disposal of assets	11(a)	(7,871)	(51,199)	(91,810)
Fair value adjustments to financial assets at fair value through profit or loss		3,829	0	(1,296)
		15,102,948	9,924,726	19,804,089
Net result for the period		**11,661,923**	**6,660,129**	**18,300,936**
Total comprehensive income for the period		**11,661,923**	**6,660,129**	**18,300,936**

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

SHIRE OF SERPENTINE - JARRAHDALE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021	2020
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	15,068,565	22,627,305
Trade and other receivables	6	3,040,567	3,814,251
Other financial assets	5(a)	14,017,945	247,959
Inventories	7	37,199	21,141
Contract assets	2(a)	0	211,048
Other assets	8	17,130	39,998
TOTAL CURRENT ASSETS		32,181,406	26,961,702
NON-CURRENT ASSETS			
Trade and other receivables	6	203,984	197,980
Other financial assets	5(b)	76,660	72,830
Property, plant and equipment	9	41,468,769	41,823,618
Infrastructure	10	395,034,357	389,639,413
Investment property	15	747,182	747,182
Intangible assets	13	2,796,419	2,338,059
Right-of-use assets	12(a)	182,438	226,226
TOTAL NON-CURRENT ASSETS		440,509,809	435,045,308
TOTAL ASSETS		472,691,215	462,007,010
CURRENT LIABILITIES			
Trade and other payables	16	6,238,237	4,378,573
Grant & contract liabilities	17	2,661,757	1,757,531
Lease liabilities	18(a)	124,562	164,265
Borrowings	19(a)	3,414,998	3,657,869
Employee related provisions	20	2,093,891	1,946,595
TOTAL CURRENT LIABILITIES		14,533,445	11,904,833
NON-CURRENT LIABILITIES			
Grant & contract liabilities	17	0	2,961,422
Lease liabilities	18(a)	57,876	66,195
Borrowings	19(a)	2,826,753	3,526,752
Employee related provisions	20	705,433	642,023
TOTAL NON-CURRENT LIABILITIES		3,590,062	7,196,392
TOTAL LIABILITIES		18,123,507	19,101,225
NET ASSETS		454,567,708	442,905,785
EQUITY			
Retained surplus		134,299,435	127,246,526
Reserves - cash/financial asset backed	4	15,761,864	11,152,850
Revaluation surplus	14	304,506,409	304,506,409
TOTAL EQUITY		454,567,708	442,905,785

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

SHIRE OF SERPENTINE - JARRAHDALE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	RETAINED SURPLUS	RESERVES CASH/FINANCIAL ASSET BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		$	$	$	$
Balance as at 1 July 2019		**112,657,036**	**12,543,618**	**305,266,409**	**430,467,063**
Change in accounting policy		(5,102,214)	0	(760,000)	**(5,862,214)**
Balance at the beginning of the financial year		**107,554,822**	**12,543,618**	**304,506,409**	**424,604,849**
Comprehensive income					
Net result for the period		18,300,936	0	0	18,300,936
Total comprehensive income		18,300,936	0	0	18,300,936
Transfers from reserves	4	2,891,903	(2,891,903)	0	0
Transfers to reserves	4	(1,501,135)	1,501,135	0	0
Balance as at 30 June 2020		**127,246,526**	**11,152,850**	**304,506,409**	**442,905,785**
Balance at 1 July 2020		**127,246,526**	**11,152,850**	**304,506,409**	**442,905,785**
Comprehensive income					
Net result for the period		11,661,923	0	0	11,661,923
Total comprehensive income		11,661,923	0	0	11,661,923
Transfers from reserves	4	1,380,398	(1,380,398)	0	0
Transfers to reserves	4	(5,989,412)	5,989,412	0	0
Balance as at 30 June 2021		**134,299,435**	**15,761,864**	**304,506,409**	**454,567,708**

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

SHIRE OF SERPENTINE - JARRAHDALE
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		25,323,313	24,344,532	24,185,648
Operating grants, subsidies and contributions		3,870,578	3,739,036	4,056,366
Fees and charges		7,410,815	6,431,782	6,512,459
Interest received		449,603	785,000	749,151
Goods and services tax received		1,963,974	200,000	1,998,544
Other revenue		679,864	413,984	514,341
		39,698,147	35,914,334	38,016,509
Payments				
Employee costs		(16,677,966)	(17,684,078)	(15,998,259)
Materials and contracts		(9,605,566)	(10,404,198)	(11,258,175)
Utility charges		(1,070,258)	(1,012,606)	(1,021,181)
Interest expenses		(162,611)	(160,000)	(167,025)
Insurance paid		(413,080)	(422,682)	(391,164)
Goods and services tax paid		(1,626,036)	0	(2,019,418)
Other expenditure		(778,649)	(860,100)	(630,283)
		(30,334,166)	(30,543,664)	(31,485,505)
Net cash provided by (used in) operating activities	21	9,363,981	5,370,670	6,531,004
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(1,639,002)	(5,156,000)	(2,983,267)
Payments for construction of infrastructure		(8,215,643)	(13,149,334)	(10,064,186)
Payments for intangible assets	13(a)	(692,695)	0	(963,683)
Non-operating grants, subsidies and contributions		8,424,785	8,670,777	7,167,441
Proceeds from/(investment in) financial assets at amortised cost - term deposits		(13,773,816)	0	3,533,329
Proceeds from financial assets at fair values through profit and loss		3,829	0	0
Proceeds from sale of property, plant & equipment	11(a)	136,455	150,000	269,951
Net cash provided by (used in) investment activities		(15,756,087)	(9,484,557)	(3,040,415)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	19(b)	(942,870)	(938,000)	(3,502,133)
Payments for principal portion of lease liabilities	18(b)	(223,764)	(231,391)	(291,131)
Proceeds from new borrowings	19(b)	0	0	4,506,000
Net cash provided by (used In) financing activities		(1,166,634)	(1,169,391)	712,736
Net increase (decrease) in cash held		(7,558,740)	(5,283,278)	4,203,325
Cash at beginning of year		22,627,305	14,970,890	18,423,980
Cash and cash equivalents at the end of the year	21	15,068,565	9,687,612	22,627,305

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

SHIRE OF SERPENTINE - JARRAHDALE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual $	2021 Budget $	2020 Actual $
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	27 (c)	7,726,152	2,516,604	6,704,551
		7,726,152	2,516,604	6,704,551
Revenue from operating activities (excluding rates)				
Governance		3,829	0	320
General purpose funding		3,670,007	3,641,550	3,840,130
Law, order, public safety		936,282	1,018,720	871,356
Health		217,563	194,332	188,265
Education and welfare		2,678	1,000	1,933
Community amenities		5,444,170	5,578,114	5,421,417
Recreation and culture		340,537	225,000	393,218
Transport		555,679	349,299	434,280
Economic services		997,476	579,340	579,030
Other property and services		48,634	30,200	37,758
		12,216,855	11,617,555	11,767,707
Expenditure from operating activities				
Governance		(2,220,957)	(2,301,529)	(2,311,539)
General purpose funding		(833,595)	(763,380)	(804,590)
Law, order, public safety		(3,353,329)	(3,429,706)	(3,322,589)
Health		(824,504)	(799,099)	(903,711)
Education and welfare		(244,526)	(245,543)	(39,812)
Community amenities		(8,745,786)	(8,611,969)	(8,280,598)
Recreation and culture		(8,400,702)	(9,538,633)	(8,215,741)
Transport		(12,894,788)	(11,629,051)	(11,351,212)
Economic services		(1,674,655)	(1,715,979)	(1,521,975)
Other property and services		(924,004)	(437,816)	(630,776)
		(40,116,846)	(39,472,705)	(37,382,543)
Non-cash amounts excluded from operating activities	27(a)	9,903,278	8,860,405	8,882,601
Amount attributable to operating activities		(10,270,561)	(16,478,141)	(10,027,684)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	15,104,276	9,970,746	19,863,399
Proceeds from disposal of assets	11(a)	136,455	150,000	269,951
Purchase of property, plant and equipment	9(a)	(1,639,002)	(5,156,000)	(2,983,267)
Purchase and construction of infrastructure	10(a)	(12,933,384)	(13,149,334)	(22,760,144)
Transfer of PPE WIP to intangible assets		0	0	(1,564,222)
Payments for intangible assets	13(a)	(692,695)	0	(963,683)
		(24,350)	(8,184,588)	(8,137,966)
Non-cash amounts excluded from investing activities	27(b)	(2,961,422)	0	0
Amount attributable to investing activities		(2,985,772)	(8,184,588)	(8,137,966)
FINANCING ACTIVITIES				
Repayment of borrowings	19(b)	(942,870)	(938,000)	(3,502,133)
Proceeds from borrowings	19(c)	0	0	4,506,000
Payments for principal portion of lease liabilities	18(b)	(223,764)	(231,391)	(291,131)
Transfers to reserves (restricted assets)	4	(5,989,412)	(1,664,500)	(1,501,135)
Transfers from reserves (restricted assets)	4	1,380,398	2,952,088	2,891,903
Amount attributable to financing activities		(5,775,648)	118,197	2,103,504
Surplus/(deficit) before imposition of general rates		(19,031,981)	(24,544,532)	(16,062,146)
Total amount raised from general rates	26(a)	24,457,638	24,544,532	24,052,373
Surplus/(deficit) after imposition of general rates	27(c)	**5,425,657**	**0**	**7,990,227**

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

SHIRE OF SHIRE OF SERPENTINE - JARRAHDALE
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FOR THE YEAR ENDED 30 JUNE 2021

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SHIRE OF SERPENTINE - JARRAHDALE
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 29 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS
During the current year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.
These were:
- *AASB 1059 Service Concession Arrangements: Grantors*
- *AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Materiality*

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS
The following new accounting standards will have application to local government in future years:
- *AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- *AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

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

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

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

SHIRE OF SERPENTINE - JARRAHDALE
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	0	0	0
General purpose funding	2,719,858	2,638,800	2,712,504
Law, order, public safety	685,196	866,120	650,549
Health	0	12,500	0
Education and welfare	1,200	0	0
Housing	0	0	0
Community amenities	53,082	377,574	225,764
Recreation and culture	60,464	26,496	104,226
Transport	298,066	242,120	258,537
Economic services	63,212	43,000	5,630
Other property and services	0	0	750
	3,881,078	4,206,610	3,957,960
Non-operating grants, subsidies and contributions			
Governance	0	0	0
General purpose funding	546,902	0	0
Law, order, public safety	0	0	0
Health	0	0	0
Education and welfare	0	0	0
Housing	0	0	0
Community amenities	3,427,806	0	8,804,309
Recreation and culture	285,618	405,000	1,675,782
Transport	10,843,950	9,540,746	9,383,308
Economic services	0	0	0
Other property and services	0	25,000	0
	15,104,276	9,970,746	19,863,399
Total grants, subsidies and contributions	18,985,354	14,177,356	23,821,359
Fees and charges			
Governance	0	0	1,185
General purpose funding	203,405	79,250	183,428
Law, order, public safety	214,726	151,100	181,564
Health	87,499	65,832	73,699
Education and welfare	1,478	1,000	1,507
Community amenities	5,387,452	5,200,540	5,312,972
Recreation and culture	133,212	72,520	205,666
Transport	251,845	102,000	167,268
Economic services	914,950	519,340	384,252
Other property and services	5,200	5,200	918
	7,199,767	6,196,782	6,512,459

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual $	2021 Budget $	2020 Actual $
Contracts with customers and transfers for recognisable non-financial assets			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:			
Operating grants, subsidies and contributions	0	0	208,984
Other revenue	60,483	16,000	50,610
Non-operating grants, subsidies and contributions	15,104,276	9,970,746	19,863,399
	15,164,759	9,986,746	20,122,993
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	208,053	0	0
Revenue recognised in the current period from performance obligations satisfied in previous periods	3,412,180	0	0
Revenue from contracts with customers recognised during the year	(147,570)	16,000	259,594
Revenue from transfers intended for acquiring or constructing recognisable non financial assets held as a liability at the start of the period	1,549,478		
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	10,142,618	9,970,746	19,863,399
	15,164,759	9,986,746	20,122,993
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	190,094		275,040
Contract assets	0		211,048
Contract liabilities from contracts with customers	(112,607)		(208,053)
Financial assets held from transfers for recognisable financial assets	2,549,150		4,510,900
Grant liabilities from transfers for recognisable non financial assets	(2,549,150)		(4,510,900)

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at 30 June 2021.
Assets associated with contracts with customers were not subject to an impairment charge.
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 SERPENTINE - JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual $	2021 Budget $	2020 Actual $
Revenue from statutory requirements			
Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:			
General rates	24,457,638	24,544,532	24,052,373
Specified area rates	0	0	0
Service charges	6,046,444	6,110,782	5,361,340
Statutory permits and licences	1,024,983	0	1,025,144
Fines	128,340	86,000	125,975
Developer contributions	0	0	290,702
	31,657,405	30,741,314	30,855,534
Assets and services acquired by way of non-cash contribution			
Contributed assets	4,717,741	0	12,695,958
Grants, subsidies and contributions			0
	4,717,741	0	12,695,958
Other revenue			
Reimbursements and recoveries	619,381	397,984	463,731
Other	60,483	16,000	50,610
	679,864	413,984	514,341
Interest earnings			
Financial assets at amortised cost - self supporting loans	0	0	0
Interest on reserve funds	80,589	284,000	155,380
Rates instalment and penalty interest (refer Note 26(c))	295,615	306,000	506,551
Other interest earnings	73,399	205,000	87,220
	449,603	795,000	749,151

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

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	Note	2021 Actual	2021 Budget	2020 Actual
		$	$	$
Auditors remuneration				
Audit services		51,000	50,000	50,000
Other services		2,320	5,600	2,600
		53,320	55,600	52,600
Interest expenses (finance costs)				
Borrowings	19(b)	168,549	160,000	158,345
Lease liabilities	18(b)	5,212	5,692	7,262
		173,761	165,692	165,607
Other expenditure				
Impairment loss on trade and other receivables		40,000	0	40,000
Sundry expenses		738,649	860,100	675,680
		778,649	860,100	715,680

SHIRE OF SERPENTINE - JARRAHDALE
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	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government.	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared, where obligations are sufficiently specific.
Grants or contributions with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

SHIRE OF SERPENTINE - JARRAHDALE
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		7,573,203	9,371,970
Term deposits		7,495,362	13,255,335
Total cash and cash equivalents		15,068,565	22,627,305
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		7,018,335	17,036,306
- Financial assets at amortised cost		14,017,945	247,959
		21,036,280	17,284,265
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	4	15,761,864	11,152,850
Contract liabilities from contracts with customers	17	112,607	208,053
Grants for transfers for recognisable non financial assets	17	2,549,150	4,510,900
Bonds and deposits held		2,612,659	1,295,644
Unspent loans	19(c)	0	116,818
Total restricted assets		21,036,280	17,284,265

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.

4. RESERVES - CASH/FINANCIAL ASSET BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	$	$	$	$	$	$	$	$	$	$	$	$
(a) Administration Building	491,839	1,104,516	0	1,596,355	477,821	14,863	(300,000)	192,684	507,605	9,394	(25,160)	491,839
(b) Briggs Park	94,822	515	0	95,337	98,104	3,115	0	101,219	93,011	1,811	0	94,822
(c) Buildings Asset Management	768,391	506,329	(58,354)	1,216,366	694,702	17,860	(527,507)	185,055	780,740	15,171	(27,520)	768,391
(d) Byford BMX Track	269,498	1,463	0	270,961	274,083	8,702	0	282,785	264,352	5,146	0	269,498
(e) Byford Developer Contribution Fund	2,400,759	2,380,331	(226,950)	4,554,140	0	0	0	0	3,781,663	50,353	(1,431,257)	2,400,759
(f) Car Parking	90,633	492	0	91,125	92,138	2,925	0	95,063	88,902	1,731	0	90,633
(g) Committed Works	2	(2)	0	0	0	0	0	0	13,059	1	(13,058)	2
(h) Community Facilities	525	3	0	528	7,999	254	0	8,253	515	10	0	525
(i) Community Grants	250,054	1,260	(93,294)	158,020	245,069	4,170	(189,081)	60,158	343,449	4,556	(97,951)	250,054
(j) Community Infrastructure	1,039,124	613,685	(54,489)	1,598,320	1,037,876	569,823	0	1,607,699	509,336	529,788	0	1,039,124
(k) Drainage Asset Management	160,425	871	0	161,296	97,106	3,059	0	100,165	158,323	3,063	(961)	160,425
(l) Emergency Management	255,079	1,358	(16,715)	239,722	238,848	7,040	(30,000)	215,888	259,292	5,047	(9,260)	255,079
(m) Fire Asset Management	6,598	36	0	6,634	43,157	1,370	0	44,527	6,472	126	0	6,598
(n) Footpaths Asset Management	42,453	200,551	0	243,004	6,617	211	0	6,828	41,642	811	0	42,453
(o) Investment	689,701	3,775	0	693,476	551,594	17,460	0	569,054	686,818	12,883	(10,000)	689,701
(p) Jarrahdale Communications Tower	200,678	39,609	(25,500)	214,787	221,350	54,926	(25,500)	250,776	195,503	55,724	(50,549)	200,678
(q) Jarrahdale Community Infrastructure	51,925	282	0	52,207	52,811	1,678	0	54,489	50,934	991	0	51,925
(r) Light Fleet & Plant Acquisition	570,630	756,095	(382,680)	944,045	729,043	793,920	(955,000)	567,963	499,121	677,128	(605,619)	570,630
(s) Local Government Election	4,823	40,222	0	45,045	633	41,297	0	41,930	21,392	54,094	(70,663)	4,823
(t) Miscellaneous Developer Contribution	546,902	2,969	0	549,871	0	0	0	0	983,000	11,626	(447,724)	546,902
(u) Multi Use Trails	18,449	100	0	18,549	18,764	596	0	19,360	18,097	352	0	18,449
(v) Mundijong Whitby Shire Contribution	209,586	1,137	(2,133)	208,590	213,161	6,768	0	219,929	205,584	4,002	0	209,586
(w) Parks & Gardens Asset Management	153,728	835	0	154,563	156,297	4,963	0	161,260	150,793	2,935	0	153,728
(x) Public Art	78,832	40,292	0	119,124	80,178	2,101	(25,000)	57,279	77,327	1,505	0	78,832
(y) Rates Revaluation	5,875	23,144	0	29,019	633	23,751	0	24,384	21,392	114	(15,631)	5,875
(z) Renewable Energy	34,426	187	0	34,613	35,014	1,112	0	36,126	33,769	657	0	34,426
({) Road Asset Management	149,199	810	0	150,009	91,404	2,855	0	94,259	221,342	2,857	(75,000)	149,199
(|) Serpentine Jarrahdale Locality Funding	28,325	277	0	28,602	28,807	914	0	29,721	27,784	541	0	28,325
(}) Serpentine Jarrahdale Sporting Precinct	325,987	1,769	0	327,756	331,545	10,525	0	342,070	319,762	6,225	0	325,987
(~) Tourism	12,946	66	0	13,012	13,217	419	0	13,636	24,024	472	(11,550)	12,946
( ) Unspent Grants & Contributions	0	38	0	38	0	0	0	0	0	0	0	0
(€) Waste	2,200,636	11,132	(464,401)	1,747,367	2,236,484	67,823	(900,000)	1,404,307	2,158,615	42,021	0	2,200,636
() W. Mundijong Industrial DCF	0	205,265	(55,882)	149,383	0	0	0	0	0	0	0	0
(,) Oakford Fire Station	0	50,000	0	50,000	0	0	0	0	0	0	0	0
	11,152,850	5,989,412	(1,380,398)	15,761,864	8,074,455	1,664,500	(2,952,088)	6,786,867	12,543,618	1,501,135	(2,891,903)	11,152,850

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

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

	Name of Reserve	Anticipated date of use	Purpose of the reserve
(a)	Administration Building	Ongoing	To provide for the employee accommodation requirements.
(b)	Briggs Park	Future Date	To provide for the future Briggs Park development.
(c)	Buildings Asset Management	Ongoing	To provide funds for the upgrade, renewal, replacement and creation of new Shire facilities.
(d)	Byford BMX Track	Future Date	To provide for the future Byford BMX track.
(e)	Byford Developer Contribution Fund	Ongoing	To provide for future community infrastructure funded from the Byford Developer Contribution Plan.
(f)	Car Parking	Future Date	To provide for future public car parking infrastructure funded from Developer contributions for cash-in-lieu of car parking.
(g)	Committed Works	Ongoing	To transfer unspent municipal funded expenditure on specific projects, to enable identification of carryover expenditure into the next financial year.
(h)	Community Facilities	Ongoing	This reserve is for the establishment of additional facilities in the community.
(i)	Community Grants	Future Date	To provide funds and project management support for delivery of community infrastructure to enable individuals and community groups to build capacity within the community, encourage volunteering and youth development, and deliver sustainable, accessible and demonstrated social, environmental and economic benefits.
(j)	Community Infrastructure	Ongoing	To provide for future community infrastructure, matching funds from the Community Infrastructure Developer Contribution Plan.
(k)	Drainage Asset Management	Ongoing	To provide funds for the upgrade, renewal, replacement and creation of new Shire drainage.
(l)	Emergency Management	As required	To provide for unanticipated significant emergency services events or plant repairs.
(m)	Fire Asset Management	Ongoing	To provide for the future additions and maintenance required for fire fighting assets and mitigation strategies.
(n)	Footpaths Asset Management	Ongoing	To provide funds for the upgrade, renewal, replacement and creation of new Shire footpaths.
(o)	Investment	Ongoing	To support economic, subdivision and tourism development opportunities for the Shire.
(p)	Jarrahdale Communications Tower	Ongoing	To provide for the upgrades and maintenance of the tower when required.
(q)	Jarrahdale Community Infrastructure	Ongoing	To provide funds for the upgrade, renewal or replacement of community assets in the Jarrahdale locality.
(r)	Light Fleet & Plant Acquisition	Ongoing	To provide for new and renewal of Light Fleet, Plant and Equipment as required under the replacement and acquisition program.
(s)	Local Government Election	Ongoing	To provide for Bi-Annual, and other interim local government election expenses.
(t)	Miscellaneous Developer Contribution	Ongoing	To be used to fund capital works and administration as per each agreement.
(u)	Multi Use Trails	Future Date	To allow for the construction of Multi Use Trails.
(v)	Mundijong Whitby Shire Contribution	Ongoing	To provide towards the future contribution requirements of the Mundijong Whitby Community Development Contribution Scheme.
(w)	Parks & Gardens Asset Management	Ongoing	To provide funds for the upgrade, renewal, replacement and creation of new Shire parks, gardens and natural reserves.
(x)	Public Art	Ongoing	To provide for public art development and creation.
(y)	Rates Revaluation	Ongoing	To provide for the tri-ennial Gross Rental Valuation (GRV).
(z)	Renewable Energy	Future Date	This reserve is to allow Council to undertake renewable energy projects.
({)	Road Asset Management	Ongoing	To provide funds for the upgrade, renewal, replacement and creation of new Shire road infrastructure.
(|)	Serpentine Jarrahdale Locality Funding	Future Date	Council initiated townscape related projects in the Serpentine Jarrahdale Shire.
(})	Serpentine Jarrahdale Sporting Precinct	Future Date	To provide funds for the Serpentine Jarrahdale Regional Sporting Precinct when grant applications require contribution funding.
(~)	Tourism	Future Date	To fund the implementation of the tourism strategy and development of tourism throughout the district and region.
( )	Unspent Grants & Contributions	Future Date	To restrict unspent grants and contributions.
(€)	Waste	Future Date	To provide for waste management requirements and future waste infrastructure.
()	W. Mundijong Industrial DCF	Future Date	To provide for future community infrastructure funded from the West Mundijong Developer Contribution Plan.
(,)	Oakford Fire Station	2022	To provide funding the construction of the new Oakford Fire Station.

SHIRE OF SERPENTINE - JARRAHDALE
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5. OTHER FINANCIAL ASSETS

	2021	2020
	$	$
(a) Current assets		
Financial assets at amortised cost	14,017,945	247,959
	14,017,945	247,959
Other financial assets at amortised cost		
Term deposits	14,017,945	247,959
	14,017,945	247,959
(b) Non-current assets		
Financial assets at fair value through profit and loss	76,660	72,830
	76,660	72,830
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	55,355	53,415
Listed Shares	11,280	9,390
Unlisted Shares	10,025	10,025
	76,660	72,830

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 28.

SHIRE OF SERPENTINE - JARRAHDALE
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6. TRADE AND OTHER RECEIVABLES

	2021	2020
	$	$
Current		
Rates receivable	2,670,659	3,021,459
Trade and other receivables	190,094	275,040
GST receivable	219,814	557,752
Allowance for impairment of receivables	(40,000)	(40,000)
	3,040,567	3,814,251
Non-current		
Pensioner's rates and ESL deferred	203,984	197,980
	203,984	197,980

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

SHIRE OF SERPENTINE - JARRAHDALE
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7. INVENTORIES

	2021 $	2020 $
Current		
Fuel and materials	28,699	12,641
History Books	2,321	2,321
Inventory	6,179	6,179
	37,199	21,141
The following movements in inventories occurred during the year:		
Balance at beginning of year	21,141	34,886
Inventories expensed during the year	(154,104)	(165,515)
Additions to inventory	170,162	151,770
Balance at end of year	37,199	21,141

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

SHIRE OF SERPENTINE - JARRAHDALE
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8. OTHER ASSETS

	2021	2020
	$	$
Other assets - current		
Prepayments	17,130	29,238
Accrued income	0	10,760
	17,130	39,998

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 - specialised	Total land and buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Motor Vehicles	Computer Equipment	Capital Works in Progress	Total property, plant and equipment
	$	$	$	$	$	$	$	$	$	$
Balance at 1 July 2019	6,150,000	29,740,802	35,890,802	35,890,802	22,893	3,136,846	1,727,740	0	185,355	40,963,636
Additions	1,393,935	66,955	1,460,890	1,460,890	0	1,109,580	279,477	132,345	975	2,983,267
(Disposals)	0	0	0	0	0	(153,665)	(174,300)	0	0	(327,965)
Depreciation (expense)	0	(1,042,894)	(1,042,894)	(1,042,894)	(3,270)	(407,077)	(342,079)			(1,795,320)
Transfers	140,146	10,365	150,511	150,511	0	137,392	(137,392)	34,474	(184,985)	0
Balance at 30 June 2020	7,684,081.0	28,775,228	36,459,309	36,459,309	19,623	3,823,076	1,353,446	166,819	1,345	41,823,618
Comprises:										
Gross balance amount at 30 June 2020	7,684,081	45,840,266	53,524,347	53,524,347	40,876	5,143,420	1,890,026	168,019	1,345	60,768,033
Accumulated depreciation at 30 June 2020	0	(17,065,038)	(17,065,038)	(17,065,038)	(21,253)	(1,320,344)	(536,580)	(1,200)	0	(18,944,415)
Balance at 30 June 2020	7,684,081	28,775,228	36,459,309	36,459,309	19,623	3,823,076	1,353,446	166,819	1,345	41,823,618
Additions	0	187,797	187,797	187,797	0	644,358	201,516	359,063	246,268	1,639,002
(Disposals)	0	0	0	0	0	0	(141,612)	0	0	(141,612)
Depreciation (expense)	0	(1,056,228)	(1,056,228)	(1,056,228)	(3,271)	(474,957)	(284,223)	(33,560)	0	(1,852,239)
Transfers	0	93,219	93,219	93,219	0	0	0	0	(93,219)	0
Balance at 30 June 2021	7,684,081	28,000,016	35,684,097	35,684,097	16,352	3,992,477	1,129,127	492,322	154,394	41,468,769
Comprises:										
Gross balance amount at 30 June 2021	7,684,081	46,121,282	53,805,363	53,805,363	40,876	5,787,778	1,902,552	527,083	154,394	62,218,046
Accumulated depreciation at 30 June 2021	0	(18,121,266)	(18,121,266)	(18,121,266)	(24,524)	(1,795,301)	(773,425)	(34,761)	0	(20,749,277)
Balance at 30 June 2021	7,684,081	28,000,016	35,684,097	35,684,097	16,352	3,992,477	1,129,127	492,322	154,394	41,468,769

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 - freehold land	3	Cost approach	Independent Valuers	June 2017	Improvements to land using current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Land - freehold land	2	Market approach using recent observable market data for similar properties	Independent Valuers	June 2017	Price per hectare
Land - vested in and under the con	3	Cost approach	Independent Valuers	June 2017	Improvements to land using current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Valuers/ Management Valuation	June 2017	Construction costs and curret condition (level 2), residual values and remaining useful life assessments (level 3) inputs
(ii) Cost					
Plant and equipment		Cost	Cost		Purchase Cost

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

10. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Capital Works in Progress	Total Infrastructure
	$	$	$	$	$	$
Balance at 1 July 2019	241,058,894	19,571,852	70,704,410	33,267,774	8,764,441	373,367,371
Additions	7,658,159	448,217	8,805,270	2,964,501	2,883,997	22,760,144
(Disposals)	0	0	0	0	0	0
Depreciation (expense)	(4,189,263)	(330,045)	(958,783)	(1,010,011)	0	(6,488,102)
Transfers	6,156,309	42,845	44,833	2,364,577	(8,608,564)	0
Balance at 30 June 2020	250,684,099	19,732,869	78,595,730	37,586,841	3,039,874	389,639,413
Comprises:						
Gross balance at 30 June 2020	320,613,374	26,006,710	107,093,841	50,708,355	3,039,874	507,462,154
Accumulated depreciation at 30 June 2020	(69,929,275)	(6,273,841)	(28,498,111)	(13,121,514)	0	(117,822,741)
Balance at 30 June 2020	250,684,099	19,732,869	78,595,730	37,586,841	3,039,874	389,639,413
Additions	7,425,099	678,505	3,398,187	411,020	1,020,573	12,933,384
(Disposals)	0	0	0	0	0	0
Depreciation (expense)	(4,909,745)	(338,592)	(1,076,688)	(1,213,415)	0	(7,538,440)
Transfers	3,025,093	0	0	1,224	(3,026,317)	0
Balance at 30 June 2021	256,224,546	20,072,782	80,917,229	36,785,670	1,034,130	395,034,357
Comprises:						
Gross balance at 30 June 2021	331,063,566	26,685,215	110,492,028	51,120,599	1,034,130	520,395,538
Accumulated depreciation at 30 June 2021	(74,839,020)	(6,612,433)	(29,574,799)	(14,334,929)	0	(125,361,181)
Balance at 30 June 2021	256,224,546	20,072,782	80,917,229	36,785,670	1,034,130	395,034,357

10. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (level 2) residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (level 2) residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (level 2) residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Parks & Ovals	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (level 2) residual values and remaining useful life assessments (level 3) inputs

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

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

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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).

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
	$	$	$	$								$
Plant and equipment	0	0	0	0	53,171	50,000	5,179	(8,350)	153,665	106,505	33,796	(80,956)
Motor Vehicles	141,612	136,455	2,714	(7,871)	142,849	100,000	0	(42,849)	174,300	163,446	0	(10,854)
	141,612	136,455	2,714	(7,871)	196,020	150,000	5,179	(51,199)	327,965	269,951	33,796	(91,810)

The following assets were disposed of during the year.

Motor Vehicles	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
Transport				
SJ057 2019 Subaru Liberty Sedan	28,417	28,182	0	(235)
022SJ 2019 Honda Odyssey M Van	29,195	31,909	2,714	0
SJ13 2018 White Holden Colorado	28,000	26,364	0	(1,636)
SJ110 2017 White Holden Colorado	28,000	23,636	0	(4,364)
SJ24 2018 White Holden Colorado	28,000	26,364	0	(1,636)
	141,612	136,455	2,714	(7,871)

(b) Fully Depreciated Assets in Use

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

	2021	2020
	$	$
Furniture and equipment	14,712	14,712
Plant and equipment	114,686	28,324
Motor Vehicles	100,010	0
Computer Equipment	1,200	1,200
	230,608	44,236

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11. FIXED ASSETS

(c) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	$	$	$
Buildings - specialised	1,056,228	1,044,791	1,042,894
Furniture and equipment	3,271	3,273	3,270
Plant and equipment	474,957	834,948	407,077
Motor Vehicles	284,223	127,210	342,079
Computer Equipment	33,560	0	0
Infrastructure - roads	4,909,745	4,446,807	4,189,263
Infrastructure - footpaths	338,592	344,691	330,045
Infrastructure - drainage	1,076,688	960,644	958,783
Infrastructure - parks & ovals	1,213,415	1,052,021	1,010,011
Right-of-use assets - plant and equipment	104,542	0	125,655
Right of use assets - furniture and equipment	114,988	0	169,710
Intangible assets - computer software	234,335	0	104,449
	9,844,544	8,814,385	8,683,236

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	
Structural	50 years
Internal Fit-Out	15 – 25 years
Mechanical Services	25 – 35 years
Security	15 years
Fire systems	15 years
Other Building Structures	15 – 25 years
Plant and Equipment	5 – 15 years
Motor Vehicles	2 – 5 years
Furniture and Equipment	4 – 10 years
Computer Equipment	2 – 5 years
Roads	
Subgrade	Not depreciated
Pavement	
Unsealed	10 years
Urban and Regional	60 - 100 years
Surface	5 – 20 years
Surface Water Channel	
Kerbing	40 years
Drains	8 – 15 years
Drainage	
Culvert	80 years
Stormwater Drainage	100 years
Footpaths	40 – 80 years
Parks and Reserves	
Land	Not depreciated
Softscapes	50 years
Hardscapes	40 – 80 years
Reticulation	20 years
Parks Furniture	10 – 20 years
Lighting	15 – 25 years
Other Structures	10 – 40 years
Right of Use (Plant)	Based on the remaining lease
Right of Use (Furniture)	Based on the remaining lease
Intangibles	
Computer Software	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.

SHIRE OF SERPENTINE - JARRAHDALE
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12. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Right-of-use assets - plant and equipment	Right of use assets - furniture and equipment	Right-of-use assets Total
	$	$	
Balance at 1 July 2019	91,207	338,272	429,479
Additions	92,112	0	92,112
Depreciation (expense)	(125,655)	(169,710)	(295,365)
Balance at 30 June 2020	57,664	168,562	226,226
Additions	175,742	0	175,742
Depreciation (expense)	(104,542)	(114,988)	(219,530)
Balance at 30 June 2021	128,864	53,574	182,438

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:	2021 Actual	2020 Actual
	$	$
Depreciation expense on lease liabilities	(219,530)	(295,365)
Interest expense on lease liabilities	(5,212)	(7,262)
Total amount recognised in the statement of comprehensive income	(224,742)	(302,627)
Total cash outflow from leases	(228,976)	(298,393)

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. INTANGIBLE ASSETS

	2021 Actual	2020 Actual
(a) Computer Software	$	$
Non-current		
Computer software	3,135,203	2,442,508
Less: accumulated depreciation	(338,784)	(104,449)
	2,796,419	2,338,059
Movements in balances of computer software during the financial year are shown as follows:		
Balance at 1 July	2,338,059	1,564,222
Recognition of computer software	692,695	963,683
Intangible assets written off	0	(85,397)
Amortisation expense	(234,335)	(104,449)
Balance at 30 June	2,796,419	2,338,059
TOTAL INTANGIBLE ASSETS	2,796,419	2,338,059

SIGNIFICANT ACCOUNTING POLICIES

Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the the Shire are recognised as intangible assets where the following criteria are met:
- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software.
- it can be demonstrated how the software will generate probable future economic benefits;

Computer software (continued)

- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

14. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Opening Balance	2020 Change in Accounting Policy	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance
	$	$	$	$	$	$		$	$	$	$
Revaluation surplus - Land - freehold land	4,621,214	0	0	0	4,621,214	4,621,214	0	0	0	0	4,621,214
Revaluation surplus - Land - vested in and under the control of Council	0	0	0	0	0	760,000	(760,000)	0	0	0	0
Revaluation surplus - Buildings - specialised	11,174,017	0	0	0	11,174,017	11,174,017	0	0	0	0	11,174,017
Revaluation surplus - Furniture and equipment	45,243	0	0	0	45,243	45,243	0	0	0	0	45,243
Revaluation surplus - Plant and equipment	17,648	0	0	0	17,648	17,648	0	0	0	0	17,648
Revaluation surplus - Computer Equipment	6,246	0	0	0	6,246	6,246	0	0	0	0	6,246
Revaluation surplus - Infrastructure - roads	176,540,880	0	0	0	176,540,880	176,540,880	0	0	0	0	176,540,880
Revaluation surplus - Infrastructure - footpaths	16,746,136	0	0	0	16,746,136	16,746,136	0	0	0	0	16,746,136
Revaluation surplus - Infrastructure - drainage	67,928,039	0	0	0	67,928,039	67,928,039	0	0	0	0	67,928,039
Revaluation surplus - Infrastructure - parks & ovals	27,426,986	0	0	0	27,426,986	27,426,986	0	0	0	0	27,426,986
	304,506,409	0	0	0	304,506,409	305,266,409		0	0	0	304,506,409

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

SHIRE OF SERPENTINE - JARRAHDALE
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15. INVESTMENT PROPERTY

	2021 Actual	2021 Budget	2020 Actual
Non-current assets - at fair value	$	$	$
Carrying balance at 1 July	747,182		747,182
Closing balance at 30 June	747,182		747,182
Amounts recognised in profit or loss for investment properties			
Rental income	5,201	5,200	4,333
Direct operating expenses from property that did not generate rental income	(220)	(250)	0
Leasing arrangements			
Investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:			
Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:			
Within one year	5,201	0	4,333
Later than one year but not later than 5 years	0	0	0
Later than 5 years	0	0	0
	5,201	0	4,333

SIGNIFICANT ACCOUNTING POLICIES

Investment properties

Investment properties are principally freehold buildings, held for long-term rental yields and not occupied by the Shire. They are carried at fair value. Changes in the fair values are presented in profit or loss as a part of other revenue.

Fair value of investment properties

A management valuation was performed to determine the fair value of investment properties. The main Level 3 inputs used in the valuation were discount rates, terminal yields, expected vacancy rates and rental growth rates estimated by management based on comparable transactions and industry data.

16. TRADE AND OTHER PAYABLES

	2021	2020
	$	$
Current		
Sundry creditors	41,113	1,544,344
Prepaid rates	2,047,063	1,526,184
Accrued salaries and wages	226,133	0
Bonds and deposits held	2,612,659	1,295,644
Accrued Interest on Long Term Borrowings	23,551	12,401
Accrued Expenses	1,287,718	0
	6,238,237	4,378,573

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.

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17. GRANT & CONTRACT LIABILITIES

	2021	2020
	$	$
Current		
Contract liabilities	112,607	208,053
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	2,549,150	1,549,478
	2,661,757	1,757,531
Non-current		
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	0	2,961,422
	0	2,961,422
	2,661,757	4,718,953

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

	Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
	$	$
Less than 1 year	112,607	2,549,150
1 to 2 years	0	0
2 to 3 years	0	0
3 to 4 years	0	0
4 to 5 years	0	0
> 5 years	0	0
	112,607	2,549,150

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent 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 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.

Service concession liabilities

Service concession liabilities relate to the grant of right to an operator in respect of an asset controlled by the Shire. They represent the unearned revenue related to the grant of right, and is recognised as revenue according to the economic substance of the service concession arrangement.

18. LEASE LIABILITIES

(a) Lease Liabilities

	2021	2020
	$	$
Current	124,562	164,265
Non-current	57,876	66,195
	182,438	230,460

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual Lease Principal 1 July 2020	30 June 2021 Actual New Leases	30 June 2021 Actual Lease Principal Repayments	30 June 2021 Actual Lease Principal Outstanding	30 June 2021 Actual Lease Interest Repayments	Budget Lease Principal 1 July 2020	30 June 2021 Budget New Leases	30 June 2021 Budget Lease Principal Repayments	30 June 2021 Budget Lease Principal Outstanding	30 June 2021 Budget Lease Interest Repayments	Actual Lease Principal 1 July 2019	30 June 2020 Actual New Leases	30 June 2020 Actual Lease Principal Repayments	30 June 2020 Actual Lease Principal Outstanding	30 June 2020 Actual Lease Interest Repayments
					$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Governance																			
ICT Equipment (1)	E6N0160563	MAIA	2.0%	3	16,377	0	(16,377)	0	(62)	16,376	0	(16,375)	1	0	64,862	0	(48,485)	16,377	(847)
ICT Equipment (2)	E6N0160676	MAIA	2.0%	3	0	0	0	0	0	2,576	0	(2,576)	0	(11)	0	0	0	0	0
Photocopiers - Admin	IW85510127001	Canon	2.1%	5	52,103	0	(25,338)	26,765	(892)	52,102	0	(22,856)	29,246	(868)	74,490	0	(22,387)	52,103	(1,337)
Law, order, public safety																			
Photocopiers - Emerg. Services	IW85510204001	Canon	2.1%	5	29,918	0	(9,622)	20,296	(553)	29,919	0	(8,991)	20,928	(537)	38,722	0	(8,804)	29,918	(724)
Ford Ranger - CESM	FMOLT Q21451	Fleetcare	1.3%	4	0	77,384	(15,596)	61,788	(736)	78,344	0	(18,263)	60,081	(1,323)	0	0	0	0	0
Recreation and culture																			
Gymnasium Equipt. (1)	E6N0158736	MAIA	2.0%	5	16,238	0	(16,238)	0	(71)	16,238	0	(16,238)	0	(78)	54,660	0	(38,422)	16,238	(739)
Gymnasium Equipt. (2)	E6N0160210	MAIA	2.0%	4	55,422	0	(42,547)	12,875	(661)	55,422	0	(51,116)	4,306	(638)	105,538	0	(50,116)	55,422	(1,638)
Transport																			
Scania Tip Truck with Crane	E6N0159380	MAIA	2.0%	2	0	0	0	0	0	0	0	0	0	0	71,683	0	(71,683)	0	(772)
Patching Truck	E6N0155211	MAIA	2.0%	2	0	0	0	0	0	0	0	0	0	0	19,524	0	(19,524)	0	(64)
Patching Truck	E6R0162595	MAIA	2.0%	2	60,402	0	(48,745)	11,657	(732)	57,995	0	(46,281)	11,714	(732)	0	92,112	(31,710)	60,402	(1,141)
Scania Tip Truck with Crane	E6R0162897	MAIA	2.0%	2	0	98,358	(49,301)	49,057	(1,505)	98,361	0	(48,695)	49,666	(1,505)	0	0	0	0	0
					230,460	175,742	(223,764)	182,438	(5,212)	407,333	0	(231,391)	175,942	(5,692)	429,479	92,112	(291,131)	230,460	(7,262)

19. INFORMATION ON BORROWINGS

(a) Borrowings

	2021	2020
	$	$
Current	3,414,998	3,657,869
Non-current	2,826,753	3,526,752
	6,241,751	7,184,621

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual Principal 1 July 2020	30 June 2021 Actual New Loans	30 June 2021 Actual Principal repayments	30 June 2021 Actual Interest repayments	30 June 2021 Actual Principal outstanding	Budget Principal 1 July 2020	30 June 2021 Budget Principal repayments	30 June 2021 Budget Interest repayments	30 June 2021 Budget Principal outstanding	Actual Principal 1 July 2019	30 June 2020 Actual New Loans	30 June 2020 Actual Principal repayments	30 June 2020 Actual Interest repayments	30 June 2020 Actual Principal outstanding
				$	$	$	$	$	$	$	$	$	$	$	$	$	$
Governance																	
Council Chamber Refurbishment	117	WATC**	436.00%	401,252	0	(128,025)	(9,842)	273,227	401,872	(128,000)	(16,000)	273,872	523,872	0	(122,620)	(23,674)	401,252
Recreation and culture																	
Recreation Centre	91	WATC**	602.00%	0	0	0	(376)	0	0	0	0	0	159,390	0	(159,390)	(4,798)	0
Briggs Park Upgrade	STL*	WATC**	Variable	0	0	0	0	0	0	0	0	0	2,974,000	0	(2,974,000)	(30,660)	0
Briggs Park Upgrade	STL*	WATC**	Variable	1,224,000	0	(106,596)	(61,281)	1,117,404	975,000	(259,000)	(44,000)	716,000	0	1,224,000	0	(1,338)	1,224,000
Transport																	
Abernethy Road	121	WATC**	320.00%	2,277,369	0	(254,062)	(80,054)	2,023,307	4,034,492	(249,000)	(88,000)	3,785,492	2,523,492	0	(246,123)	(95,962)	2,277,369
Webb Road	122	WATC**	75.92%	1,532,000	0	(301,783)	(16,996)	1,230,217	1,532,000	(302,000)	(12,000)	1,230,000	0	1,532,000	0	0	1,532,000
Abernethy Road	STL*	WATC**	Variable	1,750,000	0	(152,404)	0	1,597,596	0	0	0	0	0	1,750,000	0	(1,913)	1,750,000
				7,184,621	0	(942,870)	(168,549)	6,241,751	6,943,364	(938,000)	(160,000)	6,005,364	6,180,754	4,506,000	(3,502,133)	(158,345)	7,184,621

*Short-term loan facility (re-purposed as per budget)
** WA Treasury Corporation

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19. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Borrowings

Particulars	Date Borrowed	Unspent Balance 1 July 2020	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2021
		$	$	$	$
Abernethy Road	1/05/2019	116,818	0	(116,818)	0
* WA Treasury Corporation		116,818	0	(116,818)	0

(d) Undrawn Borrowing Facilities

	2021	2020
	$	$
Credit Standby Arrangements		
Bank overdraft limit	0	100,000
Bank overdraft at balance date	0	0
Credit card limit	20,000	29,000
Credit card balance at balance date	(2,149)	(309)
Total amount of credit unused	17,851	128,691
Loan facilities		
Loan facilities - current	3,414,998	3,657,869
Loan facilities - non-current	2,826,753	3,526,752
Lease liabilities - current	124,562	164,265
Lease liabilities - non-current	57,876	66,195
Total facilities in use at balance date	6,424,189	7,415,081
Unused loan facilities at balance date	0	116,818

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 28.

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20. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Provision for Sick Leave	Total
	$	$		$
Opening balance at 1 July 2020				
Current provisions	1,406,572	456,618	83,405	1,946,595
Non-current provisions	0	642,023	0	642,023
	1,406,572	1,098,641	83,405	2,588,618
Additional provision	0	230,236	7,658	237,894
Amounts used	(27,188)	0	0	(27,188)
Balance at 30 June 2021	1,379,384	1,328,877	91,063	2,799,324
Comprises				
Current	1,379,384	623,444	91,063	2,093,891
Non-current	0	705,433	0	705,433
	1,379,384	1,328,877	91,063	2,799,324

Amounts are expected to be settled on the following basis:	2021 $	2020 $
Less than 12 months after the reporting date	2,093,891	1,368,950
More than 12 months from reporting date	608,385	1,073,628
Expected reimbursements from other WA local governments	97,048	146,040
	2,799,324	2,588,618

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 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.

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21. 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	15,068,565	9,687,612	22,627,305
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	11,661,923	6,660,129	18,300,936
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(3,829)	0	1,296
Depreciation on non-current assets	9,844,544	8,814,385	8,683,236
(Profit)/loss on sale of asset	5,157	46,020	58,014
Intangible asset written off:	0	0	85,397
Changes in assets and liabilities:			
(Increase)/decrease in receivables	767,680	565,203	251,661
(Increase)/decrease in other assets	22,868	0	35,087
(Increase)/decrease in inventories	(16,058)	(11,000)	13,745
(Increase)/decrease in contract assets	211,048	0	(211,048)
Increase/(decrease) in payables	1,859,664	1,308,931	(862,895)
Increase/(decrease) in employee provisions	203,048	100,000	422,235
Increase/(decrease) in other provisions	7,658	0	0
Increase/(decrease) in other liabilities	(2,057,196)	(2,142,252)	(383,261)
Non-operating grants, subsidies and contributions	(13,142,526)	(9,970,746)	(19,863,399)
Net cash from operating activities	9,363,981	5,370,670	6,531,004

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22. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	$	$
Governance	4,989,073	4,794,387
General purpose funding	26,709,260	26,107,505
Law, order, public safety	3,496,789	3,511,142
Health	535,742	523,671
Community amenities	159,214	842,504
Recreation and culture	62,331,041	60,200,632
Transport	367,172,017	358,799,647
Economic services	568,634	584,512
Other property and services	6,729,445	6,643,010
Unallocated	0	0
	472,691,215	462,007,010

SHIRE OF SERPENTINE - JARRAHDALE
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FOR THE YEAR ENDED 30 JUNE 2021

23. CAPITAL AND LEASING COMMITMENTS

	2021	2020
	$	$
(a) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	162,364	2,732,099
- plant & equipment purchases	102,430	0
	264,794	2,732,099
Payable:		
- not later than one year	264,794	2,732,099

(b) Operating Lease Commitments

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

	2021	2020
	$	$
Payable:		
- not later than one year	0	31,217
- later than one year but not later than five years	0	7,762
- later than five years	0	0
	0	38,979

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

Leases (Continued)

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

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

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

24. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	$	$	$
Elected member M Rich			
President's annual allowance	47,045	48,000	52,926
Meeting attendance fees	23,131	24,128	17,247
Annual allowance for ICT expenses	3,500	3,560	3,502
Travel and accommodation expenses	0	224	0
	73,676	75,912	73,675
Elected member D Atwell			
Deputy President's annual allowance	11,761	12,000	11,761
Meeting attendance fees	17,250	18,234	17,250
Annual allowance for ICT expenses	3,500	3,555	3,500
Travel and accommodation expenses	0	222	0
	32,511	34,011	32,511
Elected member M Dagositno			
Meeting attendance fees	17,250	18,234	11,973
Annual allowance for ICT expenses	3,500	3,555	2,429
Travel and accommodation expenses	0	222	0
	20,750	22,011	14,402
Elected member C McConkey			
Meeting attendance fees	17,250	18,234	17,250
Annual allowance for ICT expenses	3,500	3,555	3,500
Travel and accommodation expenses	0	222	0
	20,750	22,011	20,750
Elected member M Byas			
Meeting attendance fees	17,250	18,234	17,250
Annual allowance for ICT expenses	3,500	3,555	3,500
Travel and accommodation expenses	0	222	0
	20,750	22,011	20,750
Elected member D Strautins			
Meeting attendance fees	17,250	18,234	11,973
Annual allowance for ICT expenses	3,500	3,555	2,429
Travel and accommodation expenses	0	222	0
	20,750	22,011	14,402
Elected member L Strange			
Meeting attendance fees	17,250	18,234	11,973
Annual allowance for ICT expenses	3,500	3,555	2,429
Travel and accommodation expenses	0	222	0
	20,750	22,011	14,402
Elected member R Coales			
Meeting attendance fees	17,051	18,234	17,250
Annual allowance for ICT expenses	3,500	3,555	3,500
Travel and accommodation expenses	0	222	0
	20,551	22,011	20,750
Elected member W Denholm			
Meeting attendance fees	17,250	18,234	17,250
Annual allowance for ICT expenses	3,500	3,555	3,500
Travel and accommodation expenses	0	222	0
	20,750	22,011	20,750

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

24. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	$	$	$
Elected member D Gossage			
Meeting attendance fees	0	0	5,211
Annual allowance for ICT expenses	0	0	1,057
	0	0	6,268
Elected member S Piipponen			
Meeting attendance fees	0	0	5,211
Annual allowance for ICT expenses	0	0	1,057
	0	0	6,268
Elected member J See			
Meeting attendance fees	0	0	5,211
Annual allowance for ICT expenses	0	0	1,057
Travel and accommodation expenses	0	0	861
	0	0	7,129
	251,238	264,000	252,057
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	47,045	48,000	52,926
Deputy President's allowance	11,761	12,000	11,761
Meeting attendance fees	160,932	170,000	155,049
Child care expenses	0	0	0
Other expenses	0	0	0
ICT expenses	0	0	0
Annual allowance for ICT expenses	31,500	32,000	31,460
Travel and accommodation expenses	0	2,000	861
Annual allowance for travel and accommodation expenses	0	0	0
	251,238	264,000	252,057

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

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	1,084,213	1,070,993
Post-employment benefits	130,493	111,978
Other long-term benefits	25,971	17,870
Termination benefits	0	0
	1,240,677	1,200,841

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

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	256	2,004

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 employement 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.

26. RATING INFORMATION

(a) Rates

RATE TYPE Differential general rate / general rate	Rate in $	Number of Properties	2020/21 Actual Rateable Value $	2020/21 Actual Rate Revenue $	2020/21 Actual Interim Rates $	2020/21 Actual Back Rates $	2020/21 Actual Total Revenue $	2020/21 Budget Rate Revenue $	2020/21 Budget Interim Rate $	2020/21 Budget Back Rate $	2020/21 Budget Total Revenue $	2019/20 Actual Total Revenue $
Gross rental valuations												
GRV Residential	0.10440	7,419	121,655,066	12,700,304	351,669	0	13,051,973	12,700,304	388,561	0	13,088,865	12,805,629
GRV Vacant	0.18930	394	4,802,570	909,102	0	0	909,102	909,103	0	0	909,103	1,091,209
GRV Commercial/Industrial	0.11776	132	18,135,267	2,135,663	0	0	2,135,663	2,135,663	50,000	0	2,185,663	1,725,876
Unimproved valuations												
UV Rural	0.00416	2,618	1,480,359,600	6,158,296	0	0	6,158,296	6,958,723	0	0	6,958,723	6,176,979
UV Intensive Farming	0.00819	16	12,265,000	100,414	0	0	100,414	100,414	0	0	100,414	100,412
UV General Farming	0.00416	149	187,330,000	779,292	0	0	779,292	0	0	0	0	783,596
UV General Conservation	0.00416	12	5,080,400	21,134	0	0	21,134	0	0	0	0	20,778
Sub-Total		10,740	1,829,627,903	22,804,205	351,669	0	23,155,874	22,804,207	438,561	0	23,242,768	22,704,479
Minimum payment	Minimum $											
Gross rental valuations												
GRV Residential	1,276	339	3,813,886	432,564	0	0	432,564	432,564	0	0	432,564	403,891
GRV Vacant	972	378	1,616,380	367,416	0	0	367,416	367,416	0	0	367,416	426,928
GRV Commercial/Industrial	1,434	14	136,577	20,076	0	0	20,076	20,076	0	0	20,076	24,378
Unimproved valuations												
UV Rural	1,383	520	138,155,392	719,160	0	0	719,160	724,692	0	0	724,692	732,990
UV General Farming	1,383	4	578,500	5,532	0	0	5,532	0	0	0	0	4,149
Sub-Total		1,255	144,300,735	1,544,748	0	0	1,544,748	1,544,748	0	0	1,544,748	1,592,336
		11,995	1,973,928,638	24,348,953	351,669	0	24,700,622	24,348,955	438,561	0	24,787,516	24,296,815
Discounts/concessions (Note 26(b))							(242,984)				(242,984)	(244,442)
Total amount raised from general rate							24,457,638				24,544,532	24,052,373

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

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

26. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted		Discount %	Discount $	2021 Actual $	2021 Budget $	2020 Actual $	Circumstances in which Discount is Granted	
UV Rural	Farmland Concession	0.31%		238,446	238,446	238,261	Where properties meet the council farmland concession policy criteria.	Council provides a rate concession to properties maintaining genuine farming interests. It ensures that Council is protecting and developing appropriate agricultural and horticultural industries and pursuits within the Shire.
UV Rural	Conservation	0.50%		4,538	4,538	4,181	Where properties meet the conservation eligibility criteria.	Conservation zoning allows landowners with areas of high conservation value to receive reductions in council rates. The initiative has been established by Council to reward landowners who have retained and maintained bushland and wetland.
Incentive Prize						2,000		
				242,984	242,984	244,442		
Total discounts/concessions (Note 26(a))				242,984	242,984	244,442		

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

26. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		$	%	%
Option One				
Single full payment	15/09/2020	0.00	0.00%	0.00%
Option Two				
First instalment	15/09/2020	0.00	0.00%	0.00%
Second instalment	16/11/2020	5.00	2.00%	8.00%
Option Three				
First instalment	15/09/2020	0.00	0.00%	0.00%
Second instalment	16/11/2020	5.00	2.00%	8.00%
Third instalment	18/01/2021	5.00	2.00%	8.00%
Fourth instalment	22/03/2021	5.00	2.00%	8.00%

	2021 Actual	2021 Budget	2020 Actual
	$	$	$
Interest on unpaid rates	255,452	260,000	391,145
Interest on instalment plan	40,163	46,000	115,406
Charges on instalment plan	45,512	52,500	97,582
	341,127	358,500	604,133

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

27. RATE SETTING STATEMENT INFORMATION

	Note	2020/21 (30 June 2021 Carried Forward)	2020/21 Budget (30 June 2021 Carried Forward)	2020/21 (1 July 2020 Brought Forward)	2019/20 (30 June 2020 Carried Forward
		$	$	$	$
(a) Non-cash amounts excluded from operating activities					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32.*					
Adjustments to operating activities					
Less: Profit on asset disposals	11(a)	(2,714)	(5,179)	(33,796)	(33,796)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(3,829)	0	1,296	1,296
Movement in pensioner deferred rates (non-current)		(6,004)	0	(33,390)	(33,390)
Movement in employee benefit provisions (non-current)		63,410	0	173,445	173,445
Add: Loss on disposal of assets	11(a)	7,871	51,199	91,810	91,810
Add: Depreciation on non-current assets	11(c)	9,844,544	8,814,385	8,683,236	8,683,236
Non cash amounts excluded from operating activities		9,903,278	8,860,405	8,882,601	8,882,601
(b) Non-cash amounts excluded from investing activities					
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32.*					
Adjustments to investing activities					
Movement in non current liability from transfers to acquire or construct non-financial assets to be controlled by the entity		(2,961,422)	0	0	0
Non cash amounts excluded from investing activities		(2,961,422)	0	0	0
(c) 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 *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.					
Adjustments to net current assets					
Less: Reserves - cash/financial asset backed	4	(15,761,864)	(8,852,164)	(11,152,850)	(11,152,850)
Less: Restricted cash - unspent borrowings		0	0	(1)	(116,818)
- Current portion of borrowings	19(a)	3,414,998	1,284,000	3,657,869	3,657,869
- Current portion of contract liability held in reserve		0	0	0	380,892
- Current portion of lease liabilities		124,562	175,942	164,265	164,265
Total adjustments to net current assets		(12,222,304)	(7,392,222)	(7,330,717)	(7,066,642)
Net current assets used in the Rate Setting Statement					
Total current assets		32,181,406	14,017,409	26,961,702	26,961,702
Less: Total current liabilities		(14,533,445)	(6,625,187)	(11,904,833)	(11,904,833)
Less: Total adjustments to net current assets		(12,222,304)	(7,392,222)	(7,330,717)	(7,066,642)
Net current assets used in the Rate Setting Statement		5,425,657	0	7,726,152	7,990,227

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28. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	$	$	$	$
2021					
Cash and cash equivalents	0.16%	15,068,565	7,495,362	7,573,203	0
Financial assets at amortised cost - term deposits	0.25%	14,017,945	14,017,945	0	0
2020					
Cash and cash equivalents	0.70%	22,627,305	13,255,335	9,108,555	263,415
Financial assets at amortised cost	0.91%	247,959	247,959	0	0

Sensitivity

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

	2021	2020
	$	$
Impact of a 1% movement in interest rates on profit and loss and equity*	75,732	91,086

* 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 19(b).

28. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

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

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

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

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

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,969,268	464,909	117,741	118,741	2,670,659
Loss allowance	0	0	0	0	0
30 June 2020					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	2,152,643	513,122	171,137	184,557	3,021,459
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	2.01%	4.38%	6.15%	33.95%	
Gross carrying amount	52,762	25,467	557	111,308	190,094
Loss allowance	1,061	1,115	34	37,790	40,000
30 June 2020					
Trade and other receivables					
Expected credit loss	2.80%	4.90%	7.50%	19.38%	
Gross carrying amount	61,625	9,090	14,920	189,405	275,040
Loss allowance	1,726	448	1,119	36,707	40,000

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28. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Contract Assets

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Shire has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

28. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 19(d).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
2021	$	$	$	$	$
Payables	6,238,237	0	0	6,238,237	6,238,237
Borrowings	3,497,474	2,387,107	649,842	6,534,423	6,241,751
Lease liabilities	128,001	60,543	0	188,544	182,438
	9,863,712	2,447,650	649,842	12,961,204	12,662,426
2020					
Payables	4,378,573	0	0	4,378,573	4,378,573
Borrowings	3,773,425	2,844,655	974,760	7,592,840	7,184,621
Lease liabilities	163,419	73,809	0	237,228	230,460
	8,315,417	2,918,464	974,760	12,208,641	11,793,654

SHIRE OF SERPENTINE - JARRAHDALE
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29. TRUST FUNDS

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

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	$	$	$	$
Cash in Lieu of Public Open Space	304,222	0	0	304,222
	304,222	0	0	304,222

SHIRE OF SERPENTINE - JARRAHDALE
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30. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

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

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

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

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

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

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

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

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

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

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

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

31. 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 and Chief Executive Office.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rate revenue, late payment penalty, general purpose grants, untied road grants, commissions, interest on investments, reimbursements and banking costs.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Volunteer bushfire brigades, fire prevention, animal control, emergency management and public safety.
HEALTH To provide an operational framework for environmental and community health.	Health services including infant health, inspection of premises, pest control, and preventative maintenance.
EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.	Pre-schools, community services and family centres.
COMMUNITY AMENITIES To provide services required by the community.	Waste management including household refuse and recycling, bulk verge green and hard waste collections, environmental and sustainability, town planning, public conveniences and cemeteries.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.	Provision of facilities and support of organisations with leisure activities and sport including halls, sports grounds, parks and gardens, community development and the Mundijong Library.
TRANSPORT To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, bridges, footpaths, Council depot, purchases of plant and equipment and engineering design.
ECONOMIC SERVICES To help promote the Shire and its economic wellbeing.	Rural services such as weed control of reserves, tourism and area promotion, management of building applications and economic development.
OTHER PROPERTY AND SERVICES To monitor and control overhead operating accounts.	Private works, public works overheads, plant operation, Jarrahdale Heritage Park development, finance and administration costs.

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

32. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	2.72	1.45	1.46
Asset consumption ratio	0.75	0.73	0.74
Asset renewal funding ratio	1.02	0.93	0.70
Asset sustainability ratio	0.55	0.85	1.09
Debt service cover ratio	5.92	10.61	9.94
Operating surplus ratio	(0.11)	(0.05)	(0.05)
Own source revenue coverage ratio	0.82	0.85	0.86

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 Serpentine Jarrahdale

To the Councillors of the Shire of Serpentine Jarrahdale

Report on the audit of the annual financial report

Opinion

I have audited the financial report of the Shire of Serpentine Jarrahdale (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 Serpentine Jarrahdale:

- 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 ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

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

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

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

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

(i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:

a) The Operating Surplus Ratio as reported in Note 32 of the financial report is below the Department of Local Government, Sport and Cultural Industries' basic standard for the current year and past two years.

(ii) The following material matter indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law was identified during the course of my audit:

a) Daily banking reconciliations were not evidenced as reviewed by an independent person. In addition, the daily cash count for the front counter till was not performed consistently. This increased the risk of errors and omissions remaining undetected; however, our audit testing did not identify any such instances.

(iii) All required information and explanations were obtained by me.

(iv) All audit procedures were satisfactorily completed.

(v) In my opinion, the Asset Consumption Ratio 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 Serpentine Jarrahdale 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.

Mark Ambrose
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
22 December 2021

Shire of
Serpentine
Jarrahdale

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