



Shire of Cocos (Keeling) Islands

Annual Report 2020/21



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Shire of Cocos (Keeling) Islands

📍 PO Box 1094, Cocos (Keeling) Islands WA 6799

☎ 08 9162 6649 ✉ info@cocos.wa.gov.au

Shire of Cocos (Keeling) Islands

Annual Report 2020/2021

Community Vision

Maju Pulu Kita / Advance our Islands

Our Vision

Working together to advance our islands

We aim to:

Encourage economic
stability and diversity
on the islands

Provide community facilities and
promote social interaction

Advance Cocos, while
keeping its island character

Lead in making
things happen

Our Values



Shire President's Report

It is with great pride and hope that I present this annual report to our community and its stakeholders. Despite the challenges posed to us through a global pandemic, from the threat of disease to the shortage of supplies, the last year has seen some major developments for us in the Shire.

In setting the budget for this financial year, Council gave much consideration to balancing the provision of new infrastructure, as identified in our Maju Pulu Kita Masterplan, with the need to look after our existing infrastructure and to improve our environmental sustainability.

Funding from the Australian Government, matched by the Shire, has allowed two new homes to be built on Home Island for the first time in over fifteen years. Further funding has also allowed for the Home Island Retail Centre to be refurbished and expanded, another project that has been a long-standing priority for this community.

Both of these projects provide a wonderful boost to our local economy via employment opportunities and will result in lasting social outcomes that will benefit our community for many years to come.

Aside from these and other less significant capital works, Council has approved expenditure on a number of one-off projects that enhance social, cultural, environmental and economic sustainability and strengthen our governance.

Our Shire has continued to seek opportunities for local jobs, training and other development opportunities. And we have invested time and resources in capturing our history and sharing our culture - with each other, and with generations yet to come.

This year we warmly welcome our new Chief Executive Officer, Kelli Small, who joins us from Perth. Kelli brings a background in Finance and Local Government and her passion for our Islands is evident in all that she does.

We wish our departing CEO, Andrea Selvey, the very best in her future endeavours at the Shire of Carnarvon. Your dedication to our Shire was greatly appreciated and you will be missed.

As always, I respectfully acknowledge my Deputy Shire President, Seriwati Iku and fellow Councillors for their tireless dedication to the Cocos community. Their time and efforts will assist us in reaching the goals we set out to achieve for Cocos, well into the future.

And, as always, I thank the Shire staff for their professionalism and dedication.

Aindil Minkom
Shire President



Chief Executive Officer's Report

I'm excited to introduce myself to the Cocos community as your new Chief Executive Officer. Having previously been a visitor to this beautiful paradise, I am no stranger to the environment, nor the challenges that I will face as CEO.

I would like to acknowledge Andrea Selvey, my predecessor - I hope to carry on her great work moving into the future.

My vision for Cocos is a fully sustainable Shire, where opportunities for employment and the sharing of culture is plentiful. It is my hope that through collaboration and seeking opportunities to maximise Government funding, that Cocos can fully realise opportunities for infrastructure improvements, such as new housing, better roads, and improvements to existing structures in the Shire.

It is exciting to be arriving at a time when significant infrastructure improvements are already taking place. This type of investment is important to our islands, as it brings more opportunities for our local community to find employment and for our local businesses to secure contracts. It also provides the opportunity for development of apprentices and other career pathways for our local youth.

This year our islands have experienced challenges in terms of both man-made and natural problems. Our work with organisations around waste management is opening our minds to ways in which we can tackle the huge problem of sea-borne and island-based rubbish.

Our focus in the coming year will be to leverage the work done in 2020-21 and to develop a sound Waste Management Strategy that will carry our Shire towards a future of zero waste.

With so much progress being made in so many areas of Cocos life, it is also time for us to review our Strategic Community Plan, to ensure that we have a sustainable future on our islands. I'm really excited to see how this develops and to report back to you all in coming years on milestones I'm sure we will achieve.

I wish to thank Council, staff and the Community for welcoming me with open arms. I look forward to Advancing our Islands together - now, and into the future.

Kelli Small
Chief Executive Officer





Functional Responsibilities

Functional Responsibilities

Our Services

The Shire of Cocos (Keeling) Islands is dedicated to providing a wide range of high quality services and facilities to the community through the various service-oriented programs which it has established.

Governance

To provide the highest level of administrative support to all Council functions and activities as well as to elected members.

Activities include administration and the operation of facilities and services to members of Council including fees, expenses, allowances, election expenses, conference expenses, refreshments and receptions.

General Purpose Funding

To provide a solid financial platform by good financial management in order to provide a level of service expected by electors.

Activities include rates and general grants income, expenditure relating to the collection of rates.

Law, Order, Public Safety

To ensure that residents enjoy a standard of living as free as possible from public nuisance.

Activities include administration and enforcement of animal control, litter, camping and other local laws as required.

Health

Maintain a high standard of health control for the benefit of residents by ensuring compliance with all relevant legislation and regular health testing.

Activities include general inspections of all food establishments ensuring compliance with relevant standards.

Education and Welfare

To provide youth and community support, community information and project services.

Activities include the provision of shire community small grant funding, assistance with community projects, school holiday program and youth activities.



Housing

To provide and maintain kampong housing for the community.

Activities include the provision, administration and maintenance of rental kampong housing, the administration of Kampong Leases.

Community Amenities

To provide high quality community amenities for the use by residents and visitors to the Cocos (Keeling) Islands.

Activities include the provision of waste management, public conveniences, cemetery maintenance and the administration of the Town Planning Scheme.

Recreation And Culture

To provide and maintain recreation and cultural facilities.

Activities include the administration and operation of Public Libraries, contributions to community festivals and events, and the maintenance of public reserves, the museum and other significant sites.

Transport

To construct and maintain all streets and roads within the Shire to a high standard.

Activities include the construction and maintenance of all local roads, street signage and transport facilities.

Economic Services

The regulation and promotion of economic development, tourism, area promotion and building control.

Activities include building and planning approval, controls on building standards, assistance in tourism promotion and the development of tourism facilities.

Other Property And Services

To ensure that all Council plant and equipment is in good working order and to perform private works where required.

Activities include plant operations, private works, insurance and lease administration.







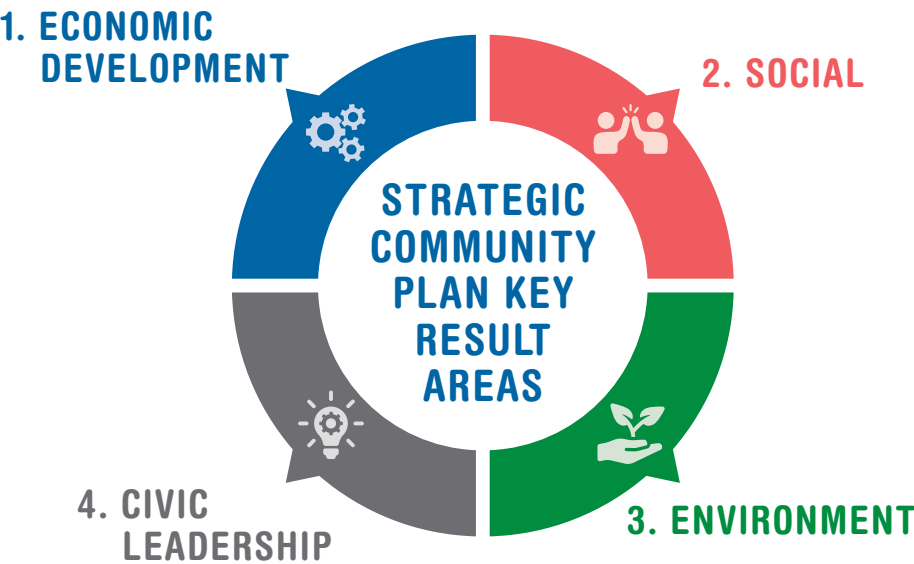
Alignment to the Strategic Community Plan 2017-2027



Alignment to the Strategic Community Plan 2017-2027

The Shire of Cocos (Keeling) Islands service delivery is aligned to the community aspirations and priority in accordance with the vision and aspirations of our Strategic Community Plan 2017-2027.

The Strategic Community Plan outlines the strategic priorities to address the community’s long-term vision which have been categorised into four strategic result areas:



Each of the community aspirations has several actions that relate to it and the table below summarises the four key result areas and associated aspirations. This Annual Report provides a brief summary of progress against the higher priority actions and those in which the community may have a greater level of interest.

Key Result Area	Theme	Value
Economic Development	Economic stability and improved potential for economic development and diversity for the Islands	Encourage economic stability and diversity on the Islands
Social	An involved, inclusive, healthy community	To provide community facilities and promote social interaction
Environmental	Preserve the Islands’ environment and ensure future development is sympathetic to the Islands’ environment	To advance Cocos whilst keeping its island character
Civic Leadership	An informed Council working with others to advance our Islands	Lead in making things happen





Key Result Area 1 – Economic Development

Economic stability and improved potential for economic development and diversity for the Islands.

Objective One: Support and assist tourism in recognition of its importance as an economic driver.

Direction Island Resort Proposal: Cocos Boronia Resort (CBR) is currently working with the Commonwealth to secure approval for the over-water component of the proposed resort plan, which is fundamental to their business model. Council has extended CBR's site lease as they await the outcome of their recent submission.

Provide and maintain facilities that enhance the visitor experience: The Shire continued to ensure that our Islands' many outdoor facilities were renewed and upgraded to safety and quality standards. Sandy Point received some much needed attention, with the renewal of the old wood-fired BBQ and the installation of new playground equipment and accompanying shade structure.

New playground equipment was also installed at the Yacht Club and other new BBQs were built on Home Island, West Island and Direction Island, with the help of a skilled bricklayer who was working with the Shire. A new shelter was built and steps renewed at The Spot and two new picnic tables were installed at Trannies Beach in time for Christmas lunch.

Support the Cocos (Keeling) Islands Tourism Association (CKITA) to develop a visitor's centre: The Shire's partnership with CKITA continued to allow us to make information services accessible to residents and visitors alike at the Visitor Information Centre in the Home Island Museum. Over the last twelve months, a new solar system has been installed to the building and a new window and rendering are scheduled for the coming year.

The centre provides a fascinating glimpse into life on Cocos, from early settlement, all the way through to contemporary matters of significance, such as self-determination. Through our partnership with CKITA, the Shire is pleased to have this beautiful facility now operating as a self-serve visitor centre at all times, with the museum staffed on Monday afternoons and all day Wednesdays.

Conduct a signage audit to identify gaps, upgrades and renewal requirements: More signage around the islands was replaced in the past year, as part of the Shire's signage audit - with a complete picture of requirements coming together. The most urgent requirements around beach safety has been a priority, especially in light of bad weather events, with more signage replacement to be rolled out in the coming financial year.



Objective Two: Facilitate additional accommodation to meet a variety of needs

Alleviating overcrowding on Home Island continues to be a high priority for our Shire, so we were ecstatic to announce last year that two new houses were to be constructed on Home Island for the first time in over 15 years.

In October 2020, Council awarded the tender for the Design and Supply of Two Kit Homes to BLS Construction. Work is well underway at the two sites. The Shire's Housing Reference Group has designed what they feel is the best, most equitable and transparent way to allocate the new houses to residents. We look forward to completion of the homes in the coming financial year and to seeing their new residents move in.

Objective Three: Promote potential developments that foster economic development and diversification

Refurbish the retail precinct on Home Island: The Shire is proud to enable the refurbishment and expansion of our Retail Centre on Home Island. The centre will boast three new businesses once completed - a gift shop, a laundromat and a bakery, and enhance the existing businesses, offering our community even further diversity and much needed services, as well as new employment and business opportunities for residents.

Funds for this important project were secured through the Federal Government's Economic Stimulus Package and works are expected to be completed in the financial year 2021-22, with the project being managed by our very talented local builder, Bulka. A variety of tasks were undertaken in the last year, including re-stumping and other structural works.

Objective four: Support major events

The Shire continued to promote upcoming major events via its community newsletter and on its website through the last year. Some highlights from these events are mentioned here.

Unfortunately the regular Australia Day 2021 community event on Direction Island had to be cancelled. This was so that Shire staff could focus on the clean-up and recovery after a severe weather event of the previous few days. The Australia Day Citizenship Award for 2021 went to John Clunies-Ross. John delivers fantastic fireworks displays at many community events.

The Act of Self Determination Day celebration was back for April 2021, as COVID-19 restrictions were eased. This meant that the community was able to come together in celebration, after missing the previous year in person. The much anticipated Corporate Jukong race was held with great participation from West Island residents and businesses, market stalls were operated throughout the morning and Home Island Hire offered waterbike rides throughout the day for those that were interested. The day's celebration ended with the Seniors Group serenading the late afternoon with traditional music.

ANZAC Day celebrations were once again held over at the West Island Administration building with our Deputy CEO Joanne Soderlund as MC. This year's event was attended by the IOT's Administrator, Natasha Griggs. Thank you to the Cocos Club, North Park and RAAF for hosting the gunfire breakfast, lamb & gravy rolls and 2UP.

2021 Hari Raya celebrations were a huge success as the Shire and community worked together to find various innovative ways to connect and celebrate. Activities included the neighbourhood dinner and drive by Karaoke. Many long-term residents have commented that this year's activities were the best in many years.

Objective five: Support employment and promote business opportunities

Develop, promote and maintain a Cocos Capacity and Capability Prospectus: The Cocos CV showcases the capacity and capability of the Cocos (Keeling) Island's businesses, service providers, workforce and labour force. This living document is available at cocoscvc.com.au and will continue to be updated with new businesses and job-seeker information.





Key Result Area 2 – Social

An involved, inclusive, healthy community.

Objective One: Facilitate a long-term planned approach to sport and recreation

Review, renew and upgrade playground and play equipment to ensure they meet community needs and compliance standards: The community identified shade over playgrounds as a priority in the Maju Pulu Masterplan, and the Shire has installed structures over the playgrounds on both Home Island and West Island. A review and renewal of play equipment has also been completed. With shade structures in place and upgraded equipment, our children can have a safe and enjoyable time outdoors for years to come.

Objective Two: Assist and support community associations and clubs

Shire Community Funding: The Shire is committed to supporting incorporated not-for-profit organisations/associations located within the Shire by providing grants up to \$2000 to assist with the delivery of projects that address identified community needs, that aim to benefit the Cocos community and align with the Shire's strategic plan goals. In 2020 a total of two applications were received with requests amounting to a total of \$14,000. After the assessment process, both claims were funded to the total of \$4000.

Assist youth in improving their sporting abilities: This year we had Rugby WA visit us to assist the Shire in facilitating coaching for our Rugby 9s. It is hoped that with good training and the contribution of funds, the Shire can help our players to participate in training and competitions on the mainland and across the region.

Objective Three: Provide activities, services and programs for young people

School Holiday Programs: Each school holiday the Community Development Team delivers a wide and varied program of activities to keep young people engaged and active. We acknowledge the great volunteers who assist us in delivering this program of events.

Youth Centre: The Shire provides and operates a vibrant youth centre on Home Island to cater for youth between the ages of 12 and 24. These young people also show a great deal of pride in their centre and fund raise for activities and equipment. The centre also provides an opportunity for our Community Development Team to building and maintain relationships with youth and get a sound understanding of their issues, challenges and aspirations and then assist them to work on their priorities.

Objective Four: Promote and support an inclusive and healthy community

Positive Ageing Strategy: The Shire has developed a Positive Ageing Plan that provides direction for how the Shire will address, in partnership, the challenges facing its ageing community. The plan provides effective strategies to facilitate meaningful participation in the community to build social capital whereby community members are involved and take leadership in shaping their community. The Plan assists in building a strong, connected, accessible, harmonious and supportive community that drives improvements in the quality of life of the older community.

Disability Access and Inclusion Plan: It is a legislative requirement that every local government in Western Australia should have a DAIP to ensure its goods, services, workplace, premises and facilities are accessible and inclusive to people with disabilities. In addition to meeting legislative compliance, the plan aims to express the Shire's commitment to go beyond compliance and break down attitudinal, physical, communication and social barriers.





Objective Six: Provide opportunities for arts and culture to flourish

Partner with the community to develop an annual calendar of events: In late 2019, the Community Arts Group (CAG) was formed and acted as a point of liaison between the Shire and Community on general matters relating to community arts and provided advice to the CEO on matters related to community arts on Cocos (Keeling) Islands. Membership was voluntary with a 12 months appointment which expired in October 2020.

CAG provided input to and feedback on the nature and range of programs, events, activities and infrastructure to optimise community capacity, exposure to and participation in all forms of arts and culture in the Shire. The Shire also sought advice from the group on social, cultural and other local issues that needed to be considered in respect to the arts.

The group developed a calendar called FOCAL (Festival of Cocos Arts and Life), which showcased events and programs throughout the year. These included an Art Exhibition, as part of ASDD celebrations, Poetry in the Pub with special guest John Clunies-Ross, Panton in the Pondok with special guest Nek Su and an 'Inspiration through Isolation' Art Trail at the Barge in September 2020. The trail encompassed a meandering walk through The Barge Gardens, which took people on a journey of colour and inspiration. Submissions for the trail were received from children and adults in the community and public art workshops were conducted in early October.

The Shire also commenced non-commercial Friday night movie screenings in May of 2021. These are expected to continue on an ongoing basis.



Objective Seven: Collect, preserve and celebrate the Islands' rich heritage

Preservation of historical assets: During the year, Council approved to submit a grant application for funding of \$1.5 million and committed Shire funds of \$500,000 to restore the old Workshop/ Tokoh on Home Island. This two-storey building has enormous heritage and aesthetic value and is listed on the Department of Environment and Energy's Commonwealth Heritage list. It would be great to see it restored and repurposed, providing a wonderful entry statement to Home Island. The Shire is very grateful to the Indian Oceans Territories Regional Development Organisation (IOT RDO) for their financial support of developing the application and supporting documents.



Restoration of the Museum: This project continued during 2020-21. In recognition of the heritage value of the site, the Shire commenced repointing of brickwork, with rendering of walls expected to be completed in the next financial year. Solar power was installed, with a new window delivered and due to be installed in early 2021-22.

Emerging Curators: Our curators have collected oral histories which are being digitised and made available via the Shire's website and in the Museum. This project is ongoing.

Pondok Heritage: The Shire completed a project on Pondok Heritage, capturing a fascinating history of the Pondok around the southern Atoll. The project officer worked very closely with the community to gather the locations, ownership information, history and condition of each Pondok. Pondok owners were also encouraged to share their story via oral histories.





Key Result Area 3 – Environment

Preserve the Islands' environment & ensure future development is sympathetic to the Islands environment

Objective One: Foster and support partnerships with stakeholders and the community in their efforts to care for the natural environment

Coastal Hazard Assessment: The Shire has conducted a coastal hazard assessment and mapping project that considers social, cultural, economic and environmental implications for our islands. This is currently with the Commonwealth for review. In the meantime, in partnership with the Commonwealth, the Shire continues the reclamation of at-risk areas on Home and West Islands. Some works were already completed at the Fuel Farm and we are in ongoing talks to address other areas, in order of priority.

Community Clean Up: There were three major clean up days of marine debris in the last financial year. Our residents are fully aware of the battle we face to keep our oceans clean, but other organisations are working alongside us to tackle the issue at a global level.

The Shire has been partnering with Tangaroa Blue, an Australia-wide not-for-profit organisation dedicated to the removal and prevention of marine debris, in data collection. We have also worked with the Sea Shepherd when it visits to assist in the collection of rubbish around designated spots on the Islands.

University of Western Australia Oceans Institute: As plastics become more frequently consumed by populations in Southeast Asia and Australia, marine plastic pollution has become a major concern for the Indian Ocean Territories. In 2020, the University of Western Australia Oceans Institute was commissioned by the Shire of the Cocos (Keeling) Islands in partnership with the IOTs RDO, to provide an assessment of the challenges inherent to managing plastic debris ($\geq 5\text{mm}$) washed ashore on the Cocos (Keeling) Islands from offshore sources. The resulting report presented a tool the Shire can use to appraise the viability of competing plastic management options proposed by the private sector and enable the Shire to design their own plastic management strategy.

The Report provides a number of tools and methods for managing marine plastics washing ashore on the Cocos (Keeling) Islands. As marine plastics is just one factor in the waste management challenge faced by the Shire a Waste Action Group is to be established. Whilst there are 'quick wins' presented in the Report that may be able to be actioned immediately, the Report will be utilised as an informing report in the development of a Waste Management Strategy (building on the previous 'Towards Zero Waste' strategy), that will provide a framework for the management of not only marine plastics but also local waste and waste solutions into the future.

Re-vegetation programs: The Shire has been planting more native trees, in particular the calophyllum (pokok nyamplong), with an aim of creating a space which will attract birds and where we can experience native forest in years to come. We have cleared bush coconuts in various locations, to allow the natural trail of calophyllum to once again thrive across the landscape.

Objective Two: Implement and promote the eradication and control of invasive and feral fauna and flora

Invasive species: Through funding from the Federal Government, and in partnership with Department of Agriculture specialists, the Shire has supported various programs to reduce the impact of introduced and invasive fauna and flora. The Macao Paper Wasp remains a threat and the Shire will continue to combat this pest on an ongoing basis. We have also conducted mosquito fogging on Direction Island in May 2021, which is also being trialed for wasp control measures.

The Shire also continued to invest resources into controlling the numbers of rats, chickens and cats. In partnership with Parks Australia, we have been monitoring feral cats on Home and West

Islands, as they pose a significant threat to native wildlife. A pilot monitoring program using 20 motion-activated cameras was used and the information gathered will inform future actions we take to reduce feral pest numbers.

Objective Three: Promote Responsible and Sustainable Waste Management

The Shire continues to proactively identify opportunities for waste minimisation and smarter waste management. Through innovation and creativity, the Shire is designing a Zero Waste strategy for our islands, with programs that included installation of water bubblers in order to reduce the amount of single-use plastic water bottle waste we face each year.

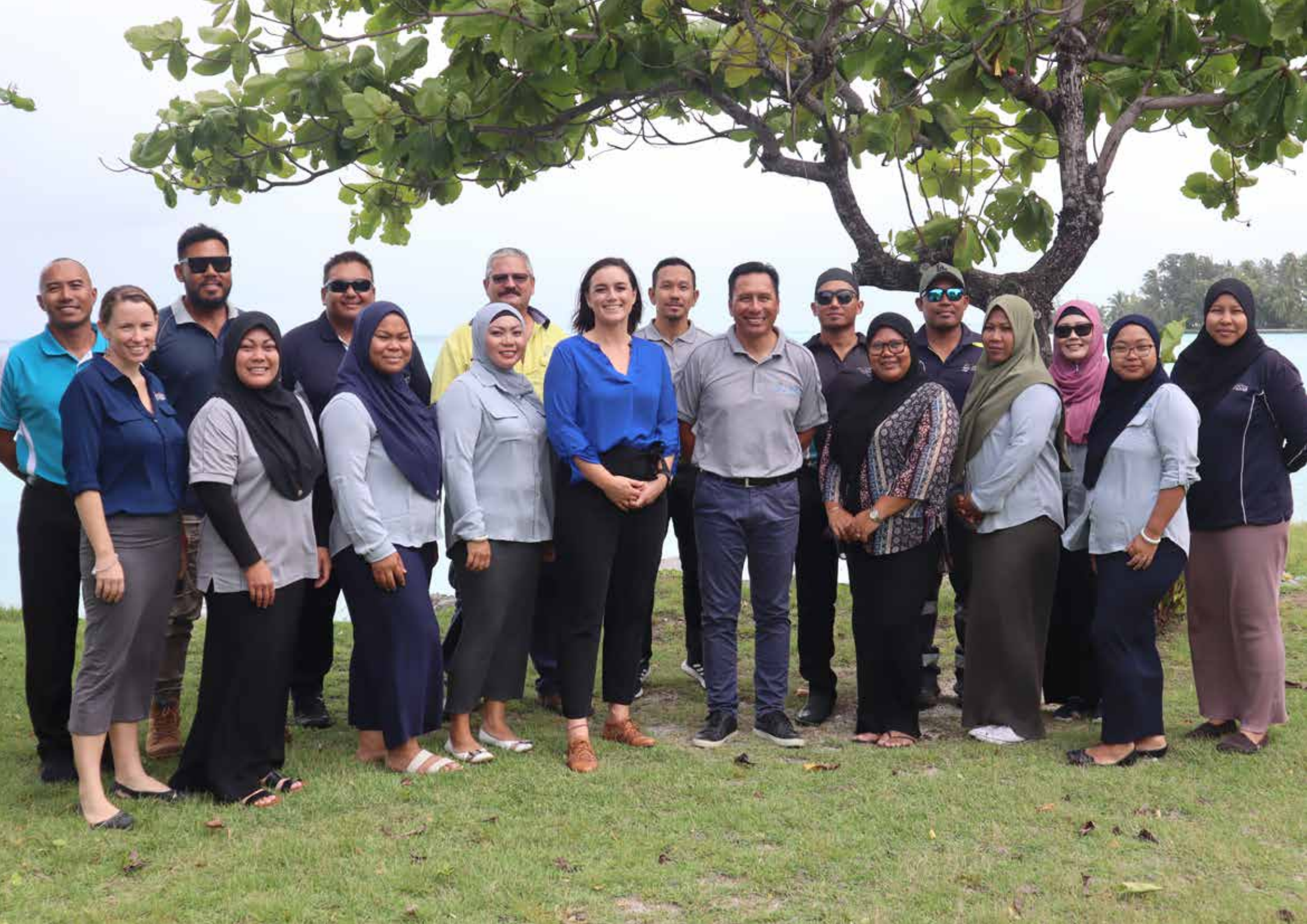
The Shire is also required by the Western Australian Government to prepare for the roll out of their 'Plan for Plastics' which has been brought forward to the financial year 2021-22. We are well into planning for this inevitability and we are confident we can meet the required targets.

The Shire's 'Reduce, Re-use, Recycle' program underwent a review over the last financial year and will be implemented in stages over the coming year.

Objective Four: Support and Encourage renewable energy initiatives

After many requests from residents and attempts to secure funding, the Shire has been able to deliver solar bollard lights to the back laneways in the Kampong. The lights are intended to allow safer movement in the laneways at night, while not being intrusive.

The newly refurbished museum was also fitted with a solar system in the last financial year.



Key Result Area 4 – Civic Leadership

An informed Council working with others to advance our Islands

Objective One: Attract & retain quality staff and elected members

During this financial year, our insurer came to assess several of the Shire's processes and documents and have declared us as having achieved 90% compliance in their audit. This means the Shire will be awarded the Tier 1 Diligence in Safety Certificate.

The Shire also introduced mandatory induction requirements for all contractors who are physically working on any of our sites. This is a big step forward in meeting our Occupational Health and Safety commitment and to keeping our contractors and community safe.

Excitingly, we have been able to introduce three new traineeship paths to employment through the Shire; an apprentice mechanic, an apprentice carpenter and a trainee horticulturalist.

Objective Six: Provide a professional interface with the community and stakeholders

The Code of Conduct for Council Members, Committee Members and Candidates was reviewed and adopted by Council in March 2021.



Councillors

As at 30 June 2021.

President

A (Aindil) Minkom

House 22 Home Island, Cocos (Keeling) Islands 6799

Ph: (08) 9162 7522

Elected 2017

Deputy President

S (Seriwati) Iku

House 3 Home Island, Cocos (Keeling) Islands 6799

Ph: (08) 9162 6712

Elected 2019

N (Amat-Noor) Anthoney

House 43 West Island, Cocos (Keeling) Islands 6799

Ph: (08) 9162 6586

Elected: 2017

S (Shane) Charlston

House 4 West Island, Cocos (Keeling) Islands 6799

Ph: (08) 9162 7751

Elected 2017

M (Mazlan) Hamiril

House 81 Home Island, Cocos (Keeling) Islands 6799

Ph: (08) 9162 7681

Elected 2019

J (Jamil) Ibram

House 36 Home Island, Cocos (Keeling) Islands 6799

Ph: (08) 9162 7536

Elected 2019

T (Tony) Lacy

House 09 West Island, Cocos (Keeling) Islands 6799

Ph: (08) 9162 6799

Elected 2017





Financial Report for the Year Ending 30 June 2021

Financial Report For The Year Ended 30 June 2021

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**SHIRE OF COCOS (KEELING) ISLANDS
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 Cocos (Keeling) Islands 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 Cocos (Keeling) Islands 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 8th day of April 2022



Chief Executive Officer

Kelli Small

Name of Chief Executive Officer



SHIRE OF COCOS (KEELING) ISLANDS
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

NOTE	2021 Actual \$	2021 Budget \$	2020 Restated * \$
Revenue			
Rates	400,655	399,761	413,333
Operating grants, subsidies and contributions	4,336,339	3,964,430	4,007,894
Fees and charges	439,696	957,668	593,752
Interest earnings	13,401	36,750	42,814
Other revenue	39,231	125,785	41,399
	5,229,322	5,484,394	5,099,192
Expenses			
Employee costs	(2,685,626)	(2,852,612)	(2,473,145)
Materials and contracts	(1,283,977)	(1,735,475)	(1,060,767)
Utility charges	(56,007)	(134,120)	(54,544)
Depreciation on non-current assets	(1,263,454)	(1,591,050)	(1,262,832)
Insurance expenses	(129,594)	(369,673)	(136,822)
Other expenditure	(1,117,275)	(73,500)	(59,389)
	(6,535,933)	(6,756,430)	(5,047,499)
	(1,306,611)	(1,272,036)	51,693
Non-operating grants, subsidies and contributions	1,329,070	1,486,659	451,381
Profit on asset disposals	0	0	14,300
	1,329,070	1,486,659	465,681
Net result for the period	22,459	214,623	517,374
Total other comprehensive income for the period	0	0	0
Total comprehensive income for the period	22,459	214,623	517,374

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

* Prior year figures have been restated for comparative purposes due to the finances of the 1979 and 1984 Land Trusts accounted for in separate financial statements (Notes 25,26).



SHIRE OF COCOS (KEELING) ISLANDS
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

NOTE	2021 Actual \$	2021 Budget \$	2020 Restated * \$
Revenue			
2(a)			
Governance	16,482	20,500	46,905
General purpose funding	4,623,377	4,301,903	4,321,438
Law, order, public safety	42,300	39,869	31,933
Health	0	46,663	0
Education and welfare	0	100	0
Housing	26,000	506,725	26,240
Community amenities	77,933	72,760	71,919
Recreation and culture	8,408	3,400	16,750
Transport	75,138	73,350	74,527
Economic services	75,290	57,468	72,913
Other property and services	284,394	361,656	436,567
	5,229,322	5,484,394	5,099,192
Expenses			
2(b)			
Governance	(149,091)	(352,644)	(187,666)
General purpose funding	(69,252)	(77,421)	(66,812)
Law, order, public safety	(186,633)	(119,478)	(117,081)
Health	(11,871)	(51,718)	(17,503)
Education and welfare	(326,904)	(379,639)	(327,173)
Housing	(279,463)	(1,187,628)	(233,414)
Community amenities	(1,378,911)	(1,491,328)	(1,361,078)
Recreation and culture	(1,313,513)	(1,384,232)	(1,184,382)
Transport	(865,765)	(854,331)	(855,779)
Economic services	(244,717)	(485,597)	(264,390)
Other property and services	(1,709,813)	(372,414)	(432,221)
	(6,535,933)	(6,756,430)	(5,047,499)
	(1,306,611)	(1,272,036)	51,693
Non-operating grants, subsidies and contributions	1,329,070	1,486,659	451,381
Profit on disposal of assets	0	0	14,300
	1,329,070	1,486,659	465,681
Net result for the period	22,459	214,623	517,374
Total other comprehensive income for the period	0	0	0
Total comprehensive income for the period	22,459	214,623	517,374

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

* Prior year figures have been restated for comparative purposes due to the finances of the 1979 and 1984 Land Trusts accounted for in separate financial statements (Notes 25,26).



SHIRE OF COCOS (KEELING) ISLANDS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021 \$	2020 Restated *	1 July 2019 Restated *
CURRENT ASSETS				
Cash and cash equivalents	3	3,555,071	3,961,090	3,839,075
Trade and other receivables	5	452,886	215,265	271,693
Inventories	6	32,751	36,024	36,024
TOTAL CURRENT ASSETS		4,040,708	4,212,379	4,146,792
NON-CURRENT ASSETS				
Property, plant and equipment	7	13,052,772	12,674,510	12,319,015
Infrastructure	8	7,873,728	7,965,310	7,934,335
TOTAL NON-CURRENT ASSETS		20,926,500	20,639,820	20,253,350
TOTAL ASSETS		24,967,208	24,852,199	24,400,142
CURRENT LIABILITIES				
Trade and other payables	11	247,924	327,399	422,418
Other liabilities	12	68,370	0	0
Employee related provisions	14	397,904	353,444	318,037
TOTAL CURRENT LIABILITIES		714,198	680,843	740,455
NON-CURRENT LIABILITIES				
Employee related provisions	14	77,457	18,262	23,966
TOTAL NON-CURRENT LIABILITIES		77,457	18,262	23,966
TOTAL LIABILITIES		791,655	699,105	764,421
NET ASSETS		24,175,553	24,153,094	23,635,721
EQUITY				
Retained surplus		13,085,581	13,411,578	13,026,690
Reserves - cash backed	4	3,020,601	2,672,145	2,539,660
Revaluation surplus	10	8,069,371	8,069,371	8,069,371
TOTAL EQUITY		24,175,553	24,153,094	23,635,721

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

* Prior year figures have been restated for comparative purposes due to the finances of the 1979 and 1984 Land Trusts accounted for in separate financial statements (Notes 25,26).



SHIRE OF COCOS (KEELING) ISLANDS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		14,328,967	2,539,660	45,234,244	23,635,720
Correction of error	25	(1,302,278)	0	(37,164,873)	(38,467,151)
Comprehensive income					
Net result for the period (restated)		517,374	0	0	517,374
Total comprehensive income		517,374	0	0	517,374
Transfers to reserves	4	(132,485)	132,485	0	0
Balance as at 30 June 2020		13,411,578	2,672,145	8,069,371	24,153,094
Comprehensive income					
Net result for the period		22,459	0	0	22,459
Total comprehensive income		22,459	0	0	22,459
Transfers from reserves	4	159,000	(159,000)	0	0
Transfers to reserves	4	(507,456)	507,456	0	0
Balance as at 30 June 2021		13,085,581	3,020,601	8,069,371	24,175,553

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



SHIRE OF COCOS (KEELING) ISLANDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

NOTE	2021 Actual \$	2021 Budget \$	2020 Restated * \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	389,312	399,761	412,485
Operating grants, subsidies and contributions	4,192,157	3,964,430	4,061,038
Fees and charges	626,379	957,668	593,753
Interest received	13,401	36,750	42,814
Other revenue	39,231	125,785	41,399
	5,260,480	5,484,394	5,151,489
Payments			
Employee costs	(2,568,803)	(2,852,612)	(2,424,214)
Materials and contracts	(1,372,536)	(1,735,475)	(1,170,884)
Utility charges	(58,844)	(134,120)	(54,544)
Insurance paid	(136,040)	(369,673)	(136,822)
Other expenditure	(1,309,212)	(73,500)	(59,389)
	(5,445,435)	(5,165,380)	(3,845,853)
Net cash provided by (used in) operating activities	15 (184,955)	319,014	1,305,636
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	7(a) (1,087,738)	(2,799,636)	(1,071,395)
Payments for construction of infrastructure	8(a) (462,396)	(551,900)	(577,907)
Non-operating grants, subsidies and contributions	2(a) 1,329,070	1,486,659	451,381
Proceeds from sale of property, plant & equipment	9(a) 0	0	14,300
Net cash provided by (used in) investment activities	(221,064)	(1,864,877)	(1,183,621)
Net increase (decrease) in cash held	(406,019)	(1,545,863)	122,015
Cash at beginning of year	3,961,090	3,930,700	3,839,075
Cash and cash equivalents at the end of the year	15 3,555,071	2,384,837	3,961,090

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

SHIRE OF COCOS (KEELING) ISLANDS
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

NOTE	2021 Actual \$	2021 Budget \$	2020 Restated * \$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)	22 (b) 1,212,835	1,098,796	1,184,714
	1,212,835	1,098,796	1,184,714
Revenue from operating activities (excluding rates)			
Governance	16,482	20,500	46,905
General purpose funding	4,222,722	3,902,142	3,908,105
Law, order, public safety	42,300	39,869	31,933
Health	0	46,663	0
Education and welfare	0	100	0
Housing	26,000	506,725	26,240
Community amenities	77,933	72,760	71,919
Recreation and culture	8,408	3,400	16,750
Transport	75,138	73,350	88,827
Economic services	75,290	57,468	72,913
Other property and services	284,394	361,656	436,567
	4,828,667	5,084,633	4,700,159
Expenditure from operating activities			
Governance	(149,091)	(352,644)	(187,666)
General purpose funding	(69,252)	(77,421)	(66,812)
Law, order, public safety	(186,633)	(119,478)	(117,081)
Health	(11,871)	(51,718)	(17,503)
Education and welfare	(326,904)	(379,639)	(327,173)
Housing	(279,463)	(1,187,628)	(233,414)
Community amenities	(1,378,911)	(1,491,328)	(1,361,078)
Recreation and culture	(1,313,513)	(1,384,232)	(1,184,382)
Transport	(865,765)	(854,331)	(855,779)
Economic services	(244,717)	(485,597)	(264,390)
Other property and services	(1,709,813)	(372,414)	(432,221)
	(6,535,933)	(6,756,430)	(5,047,499)
Non-cash amounts excluded from operating activities	22(a) 1,367,109	1,591,050	1,278,234
Amount attributable to operating activities	872,678	1,018,049	2,115,608
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	2(a) 1,329,070	1,486,659	451,381
Proceeds from disposal of assets	9(a) 0	0	14,300
Purchase of property, plant and equipment	7(a) (1,087,738)	(2,799,636)	(1,071,395)
Purchase and construction of infrastructure	8(a) (462,396)	(551,900)	(577,907)
Amount attributable to investing activities	(221,064)	(1,864,877)	(1,183,621)
FINANCING ACTIVITIES			
Transfers to reserves (restricted assets)	4 (507,456)	(427,250)	(132,485)
Transfers from reserves (restricted assets)	4 159,000	874,317	0
Amount attributable to financing activities	(348,456)	447,067	(132,485)
Surplus/(deficit) before imposition of general rates	303,158	(399,761)	799,502
Total amount raised from general rates	21(a) 400,655	399,761	413,333
Surplus/(deficit) after imposition of general rates	22(b) 703,813	0	1,212,835

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



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**SHIRE OF COCOS (KEELING) ISLANDS
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.

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

These were:

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

The impact of adoption of these standards is described at Note 24.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

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

- Employee expenses
- Property, plant and equipment
- Infrastructure
- Provisions

**SHIRE OF COCOS (KEELING) ISLANDS
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 dependent 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
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligation	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
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
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 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	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
Commissions	Commissions on licencing	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 COCOS (KEELING) ISLANDS
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 Restated * \$
Operating grants, subsidies and contributions			
Governance	0	0	5,000
General purpose funding	4,208,556	3,864,811	3,864,811
Law, order, public safety	41,868	39,769	30,828
Recreation and culture	165	(2,000)	15,750
Transport	61,850	61,850	60,637
Economic services	23,900	0	30,868
	4,336,339	3,964,430	4,007,894
Non-operating grants, subsidies and contributions			
Housing	300,000	450,000	0
Recreation and culture	36,170	136,739	160,000
Transport	299,900	299,920	285,515
Economic services	693,000	600,000	5,866
	1,329,070	1,486,659	451,381
Total grants, subsidies and contributions	5,665,409	5,451,089	4,459,275
Fees and charges			
Governance	4,180	5,000	5,305
General purpose funding	764	580	480
Law, order, public safety	432	100	1,105
Health	0	46,663	0
Housing	26,000	405,940	26,240
Community amenities	77,933	72,760	71,919
Recreation and culture	2,805	500	1,450
Transport	8,504	7,000	8,641
Economic services	51,391	57,468	42,045
Other property and services	267,687	361,657	436,567
	439,696	957,668	593,752

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 COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

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

Fees and charges	426,682	957,668	593,752
Other revenue	39,231	125,785	41,399
Non-operating grants, subsidies and contributions	1,329,070	1,486,659	451,381
	1,794,983	2,570,112	1,086,532

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

Revenue from contracts with customers recognised during the year	465,913	1,083,453	635,151
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	1,329,070	1,486,659	451,381
	1,794,983	2,570,112	1,086,532

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:

Financial assets held from transfers for recognisable financial assets	68,370	0	0
Grant liabilities from transfers for recognisable non financial assets	(68,370)	0	0

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

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

General rates
Statutory permits and licences

Other revenue

Other

Interest earnings

Interest on reserve funds
Rates instalment and penalty interest (refer Note 21(e))
Other interest earnings

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).

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	400,655	399,761	413,333
Statutory permits and licences	13,014	0	0
	413,669	399,761	413,333
Other revenue			
Other	39,231	125,785	41,399
	39,231	125,785	41,399
Interest earnings			
Interest on reserve funds	8,490	32,250	32,485
Rates instalment and penalty interest (refer Note 21(e))	4,911	4,500	5,456
Other interest earnings	0	0	4,873
	13,401	36,750	42,814

Interest earnings (continued)

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

(b) Expenses

Auditors remuneration

Audit of the Annual Financial Report

Other expenditure

Impairment loss on trade and other receivables from contracts with customers
Sundry expenses

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
	40,000	45,000	40,000
	40,000	45,000	40,000
	2021 Actual \$	2021 Budget \$	2020 Actual \$
Other expenditure			
Impairment loss on trade and other receivables from contracts with customers	17,409	0	31,071
Sundry expenses	1,099,866	73,500	28,318
	1,117,275	73,500	59,389

SHIRE OF COCOS (KEELING) ISLANDS
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		534,470	1,288,945
Term deposits		3,020,601	2,672,145
Total cash and cash equivalents		3,555,071	3,961,090
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		3,088,971	2,672,145
		3,088,971	2,672,145
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	3,020,601	2,672,145
Grants for transfers for recognisable non financial assets	12	68,370	0
Total restricted assets		3,088,971	2,672,145

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

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

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reserves cash backed - Leave Reserve	333,923	932	0	334,855	333,923	4,000	0	337,923	329,798	4,125	0	333,923
(b) Plant reserve	510,786	401,425	(159,000)	753,211	510,787	406,000	(159,000)	757,787	504,478	6,308	0	510,786
(c) Building reserve	770,397	2,150	0	772,547	770,396	5,000	(270,659)	504,737	731,199	39,198	0	770,397
(d) Furniture and equipment reserve	18,208	51	0	18,259	18,208	250	0	18,458	17,983	225	0	18,208
(e) Self insurance reserve	101,012	100,282	0	201,294	101,012	1,000	0	102,012	29,965	71,047	0	101,012
(f) Community reserve	853,922	2,382	0	856,304	853,922	10,000	(444,658)	419,264	843,376	10,546	0	853,922
(g) Climate adaption reserve	83,897	234	0	84,131	83,897	1,000	0	84,897	82,861	1,036	0	83,897
	2,672,145	507,456	(159,000)	3,020,601	2,672,145	427,250	(874,317)	2,225,078	2,539,660	132,485	0	2,672,145

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Plant reserve	Ongoing	To be used for the purchase of major plant.
(c) Building reserve	Ongoing	To be used for the construction of Council Buildings.
(d) Furniture and equipment reserve	Ongoing	To be used for the purchase of furniture and office equipment.
(e) Self insurance reserve	Ongoing	To be used to ensure that Council has sufficient cover on all insurance policies.
(f) Community reserve	Ongoing	To be used for the development of Home Island facilities and infrastructure.
(g) Climate adaption reserve	Ongoing	To be used for the purpose of providing for the needs of Climate Adaptation in the future.

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

5. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	26,616	15,209
Trade and other receivables	443,679	231,127
Allowance for impairment of receivables	(17,409)	(31,071)
	452,886	215,265

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 23.

2021	2020
\$	\$
26,616	15,209
443,679	231,127
(17,409)	(31,071)
452,886	215,265

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 COCOS (KEELING) ISLANDS
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FOR THE YEAR ENDED 30 JUNE 2021

6. INVENTORIES

Current

Fuel and materials	32,751	36,024
	32,751	36,024

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Balance at end of year

2021	2020
\$	\$
32,751	36,024
32,751	36,024
36,024	36,024
(3,273)	0
32,751	36,024

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 COCOS (KEELING) ISLANDS
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7. 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.

	Buildings - non-specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$
Restated Balance at 1 July 2019	9,991,451	9,991,451	187,686	2,139,878	12,319,015
Additions	387,518	387,518	47,715	636,162	1,071,395
Depreciation (expense)	(150,848)	(150,848)	(73,394)	(491,658)	(715,900)
Restated Balance at 30 June 2020	10,228,121	10,228,121	162,007	2,284,382	12,674,510
Comprises:					
Gross balance amount at 30 June 2020	10,644,730	10,644,730	818,351	4,739,687	16,202,768
Accumulated depreciation at 30 June 2020	(416,609)	(416,609)	(656,344)	(2,455,305)	(3,528,258)
Restated Balance at 30 June 2020	10,228,121	10,228,121	162,007	2,284,382	12,674,510
Additions	880,277	880,277	35,008	172,453	1,087,738
Depreciation (expense)	(157,217)	(157,217)	(73,559)	(478,700)	(709,476)
Balance at 30 June 2021	10,951,181	10,951,181	123,456	1,978,135	13,052,772
Comprises:					
Gross balance amount at 30 June 2021	11,525,007	11,525,007	853,359	4,912,140	17,290,506
Accumulated depreciation at 30 June 2021	(573,826)	(573,826)	(729,903)	(2,934,005)	(4,237,734)
Balance at 30 June 2021	10,951,181	10,951,181	123,456	1,978,135	13,052,772

Balances as at 1 July 2019 and 30 June 2020 have been restated for comparative purposes due to the finances of the 1979 and 1984 Land Trusts accounted for in separate financial statements (Note 25,26)

SHIRE OF COCOS (KEELING) ISLANDS
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7. 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					
Buildings - non-specialised	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2017	Utilising both observable and unobservable inputs being construction costs based on recent contract prices, current condition (level 2 inputs), residual values and remaining useful life assessments (level 3 inputs).
(ii) Cost					
Furniture and equipment		Cost	Cost	Not applicable	Purchase cost
Plant and equipment		Cost	Cost	Not applicable	Purchase cost

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 significantly higher or lower fair value measurement.

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

SHIRE OF COCOS (KEELING) ISLANDS
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8. 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 - other	Infrastructure - parks and ovals	Total Infrastructure
	\$	\$	\$	\$
Balance at 1 July 2019	6,134,327	1,740,008	60,000	7,934,335
Additions	300,138	277,769	0	577,907
Depreciation (expense)	(268,879)	(278,053)	0	(546,932)
Balance at 30 June 2020	6,165,586	1,739,724	60,000	7,965,310
Comprises:				
Gross balance at 30 June 2020	6,685,294	3,477,422	60,000	10,222,716
Accumulated depreciation at 30 June 2020	(519,708)	(1,737,698)	0	(2,257,406)
Balance at 30 June 2020	6,165,586	1,739,724	60,000	7,965,310
Additions	297,257	165,139	0	462,396
Depreciation (expense)	(261,515)	(292,463)	0	(553,978)
Balance at 30 June 2021	6,201,328	1,612,400	60,000	7,873,728
Comprises:				
Gross balance at 30 June 2021	6,982,551	3,642,561	60,000	10,685,112
Accumulated depreciation at 30 June 2021	(781,223)	(2,030,161)	0	(2,811,384)
Balance at 30 June 2021	6,201,328	1,612,400	60,000	7,873,728

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8. 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	Utilising both observable and unobservable inputs being construction costs based on recent contract prices, current condition (level 2 inputs), residual values and remaining useful life assessments (level 3 inputs).
Infrastructure - other	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Utilising both observable and unobservable inputs being construction costs based on recent contract prices, current condition (level 2 inputs), residual values and remaining useful life assessments (level 3 inputs).
Infrastructure - parks and ovals	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Utilising both observable and unobservable inputs being construction costs based on recent contract prices, current condition (level 2 inputs), residual values and remaining useful life assessments (level 3 inputs).

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

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

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

9. 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.

SHIRE OF COCOS (KEELING) ISLANDS
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9. 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	\$0	\$0	\$0	\$0	\$0	\$14,300	\$14,300	\$0
	0	0	0	0	0	0	0	0	0	14,300	14,300	0

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9. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	157,217	566,520	150,848
Furniture and equipment	73,559	66,500	73,394
Plant and equipment	478,700	482,250	491,658
Infrastructure - roads	261,515	255,000	268,879
Infrastructure - other	292,463	220,780	278,053
	1,263,454	1,591,050	1,262,832

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	50 to 100 years
Furniture and equipment	4 to 15 years
Plant and equipment	4 to 15 years
Sealed roads and streets	
formation	not depreciated
seal	
- bitumous seals	15 years
- paved roads	50 years
Gravel roads	
formation	not depreciated
pavement	15 years
gravel sheet	15 years
Infrastructure - Other	10 years
Infrastructure - Parks And Ovals	not depreciated

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:

- 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
- 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 COCOS (KEELING) ISLANDS
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10. REVALUATION SURPLUS

Revaluation surplus - Buildings - non-specialised
Revaluation surplus - Infrastructure - roads

2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance	2020 Restated*	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Restated*	2020 Closing Balance
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
7,102,793	0	0	0	7,102,793	7,102,793	0	0	0	0	7,102,793	
966,578	0	0	0	966,578	966,578	0	0	0	0	966,578	
8,069,371	0	0	0	8,069,371	8,069,371	0	0	0	0	8,069,371	

11. TRADE AND OTHER PAYABLES

- Sundry creditors
- Prepaid rates
- Accrued salaries and wages
- Bonds and deposits held
- Payroll creditors

2021	2020
\$	\$
129,570	227,664
5,941	5,877
74,948	56,705
37,465	36,532
0	621
247,924	327,399

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 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.

12. OTHER LIABILITIES

Grant liabilities from transfers for recognisable non-financial assets

Less than 1 year

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

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

2021	2020
\$	\$
68,370	
68,370	

Grant	
liabilities	
\$	
68,370	
<u>68,370</u>	

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

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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13. INFORMATION ON BORROWINGS

	2021	2020
	\$	\$
(a) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank overdraft limit	Nil	Nil
Bank overdraft at balance date	Nil	Nil
Credit card limit	40,000	40,000
Credit card balance at balance date	0	0
Total amount of credit unused	40,000	40,000

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 23.

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14. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

Opening balance at 1 July 2020

Current provisions
Non-current provisions

Additional provision

Amounts used

Balance at 30 June 2021

Comprises

Current
Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	164,086	189,358	353,444
Non-current provisions	0	18,262	18,262
	164,086	207,620	371,706
Additional provision	185,803	108,993	294,796
Amounts used	(165,371)	(25,770)	(191,141)
Balance at 30 June 2021	184,518	290,843	475,361
Comprises			
Current	184,518	213,386	397,904
Non-current	0	77,457	77,457
	184,518	290,843	475,361

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date
Expected reimbursements from other WA local governments

	2021	2020
	\$	\$
Less than 12 months after the reporting date	238,100	259,444
More than 12 months from reporting date	252,807	127,808
Expected reimbursements from other WA local governments	(15,546)	(15,546)
	475,361	371,706

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees.

Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate

Other long-term employee benefits (Continued)
service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. 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

SHIRE OF COCOS (KEELING) ISLANDS
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15. 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 Restated* \$
Cash and cash equivalents	3,555,071	2,384,837	3,961,090
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	22,459	214,623	517,374
Non-cash flows in Net result:			
Depreciation on non-current assets	1,263,454	1,591,050	1,262,832
(Profit)/loss on sale of asset	0	0	(14,300)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(237,621)	0	56,428
(Increase)/decrease in inventories	3,273	0	0
Increase/(decrease) in payables	(79,475)	0	(95,019)
Increase/(decrease) in employee provisions	103,655	0	29,702
Increase/(decrease) in other liabilities	68,370	0	
Non-operating grants, subsidies and contributions	(1,329,070)	(1,486,659)	(451,381)
Net cash from operating activities	(184,955)	319,014	1,305,636

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16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021 \$	2020 Restated* \$
Governance	4,082,397	4,272,542
Law, order, public safety	85,157	121,784
Education and welfare	320,261	338,327
Housing	1,622,232	881,670
Community amenities	1,830,866	2,024,249
Recreation and culture	4,689,376	4,809,491
Transport	8,612,120	8,631,769
Economic services	2,406,103	2,373,757
Other property and services	1,318,696	1,398,610
	24,967,208	24,852,199

17. CONTINGENT LIABILITIES

The Shire is not aware of any contingent liabilities as at 30 June 2021.

18. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

	2021 \$	2020 \$
Contracted for:		
- capital expenditure projects	79,631	0
- plant & equipment purchases	0	0
	<u>79,631</u>	<u>0</u>
Payable:		
- not later than one year	79,631	0
The capital expenditure project outstanding at the end of the current reporting period represents the construction of:		
- Home Island retail precinct	19,111	0
- Home Island new housing project	17,872	0
- The Spot - shelter	34,000	0
- Council chamber upgrades	8,648	0
	<u>79,631</u>	<u>0</u>

SHIRE OF COCOS (KEELING) ISLANDS
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19. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
President - Cr. Minkom			
President's annual allowance	5,250	5,500	5,000
Meeting attendance fees	5,250	5,714	5,000
Other expenses	0	1,429	0
Travel and accommodation expenses	5,275	8,571	15,725
	15,775	21,214	25,725
Deputy President - Cr. Iku			
Meeting attendance fees	5,250	5,714	5,000
Other expenses	0	1,429	0
Travel and accommodation expenses	4,270	8,571	9,840
	9,520	15,714	14,840
Councillor - Cr. Charleston			
Meeting attendance fees	5,250	5,714	5,000
Other expenses	0	1,429	0
Travel and accommodation expenses	1,060	8,571	3,746
	6,310	15,714	8,746
Councillor - Cr. Lacy			
Meeting attendance fees	5,250	5,714	5,000
Other expenses	0	1,429	0
Travel and accommodation expenses	509	8,571	2,677
	5,759	15,714	7,677
Councillor - Cr. Hamiril			
Meeting attendance fees	5,250	5,714	5,000
Other expenses	0	1,429	0
Travel and accommodation expenses	4,486	8,571	2,056
	9,736	15,714	7,056
Councillor - Cr. Ibram			
Meeting attendance fees	5,250	5,714	5,000
Other expenses	0	1,429	0
Travel and accommodation expenses	3,570	8,571	2,056
	8,820	15,714	7,056
Councillor - Cr. Amat-Noor			
Meeting attendance fees	5,250	5,714	5,000
Other expenses	0	1,429	0
Travel and accommodation expenses	509	8,571	0
	5,759	15,714	5,000
Councillor - Cr. Young			
Travel and accommodation expenses	0	0	4,773
	0	0	4,773
Councillor - Cr. Dedian			
Travel and accommodation expenses	0	0	4,627
	0	0	4,627
	61,679	115,498	85,500
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	5,250	5,500	5,000
Meeting attendance fees	36,750	39,998	35,000
Other expenses	0	10,003	0
Travel and accommodation expenses	19,679	59,997	45,500
	61,679	115,498	85,500

SHIRE OF COCOS (KEELING) ISLANDS
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20. 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	583,812	525,970
Post-employment benefits	74,225	80,851
Other long-term benefits	10,190	8,116
	668,227	614,937

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.

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

20. 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	219,707	260,089
Purchase of goods and services	39,610	54,442
Short term employee benefits -other related parties	222	0
Payment of salaries and wages	683,519	692,247
Amounts outstanding from related parties:		
Trade and other receivables	15,254	25,127
Amounts payable to related parties:		
Trade and other payables	7,592	5,965

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

SHIRE OF COCOS (KEELING) ISLANDS
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FOR THE YEAR ENDED 30 JUNE 2021

21. RATING INFORMATION

(a) Rates

RATE TYPE

Differential general rate / general rate

Gross rental valuations

	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 \$
General Developed	10.90	127	2,180,360	237,659	894	0	238,553	237,659	0	0	237,659	242,706
Vacant Land	21.75	11	55,200	12,006	0	0	12,006	12,006	0	0	12,006	13,422
Business	11.50	25	835,595	96,093	0	0	96,093	96,093	0	0	96,093	96,273
Holiday Accommodation	10.90	16	297,920	32,473	0	0	32,473	32,473	0	0	32,473	39,555
Sub-Total		179	3,369,075	378,231	894	0	379,125	378,231	0	0	378,231	391,956

Minimum payment

Gross rental valuations

General Developed	705	3	3,540	2,115	0	0	2,115	2,115	0	0	2,115	2,115
Vacant Land	800	4	13,620	3,200	0	0	3,200	3,200	0	0	3,200	3,200
Business	705	23	91,564	16,215	0	0	16,215	16,215	0	0	16,215	15,962
Holiday Accommodation	705	0	0	0	0	0	0	0	0	0	0	0
Sub-Total		30	108,724	21,530	0	0	21,530	21,530	0	0	21,530	21,277

Discounts/concessions (Note 21(d))

Total amount raised from general rates

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer.

Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises revenue for the prepaid rates that have not been refunded.

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

21. RATING INFORMATION (Continued)

(b) Specified Area Rate

The Shire did not levy a specified area rate for the 2020/21 financial year.

(c) Service Charges

The Shire did not levy any service charges for the 2020/21 financial year.

(d) 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
Rate Assessment	N/A	N/A	0	0	(100)	Write Off
			0	0	(100)	
Total discounts/concessions (Note 21(a))			0	0	(100)	

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

21. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	5/10/2020	0.00	0.00%	11.00%
Option Two				
First instalment	5/10/2020	15.00	5.50%	11.00%
Second instalment	7/12/2020	0.00	5.50%	11.00%
Third instalment	8/02/2021	0.00	5.50%	11.00%
Fourth instalment	12/04/2021	0.00	5.50%	11.00%
		2021 Actual	2021 Budget	2020 Actual
		\$	\$	\$
Interest on unpaid rates		4,681	4,000	4,836
Interest on instalment plan		230	500	620
Charges on instalment plan		225	500	360
		5,136	5,000	5,816

SHIRE OF COCOS (KEELING) ISLANDS
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FOR THE YEAR ENDED 30 JUNE 2021

22. RATE SETTING STATEMENT INFORMATION

(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

Movement in employee benefit provisions (non-current)

Movement in employee benefit provisions (current)

Add: Depreciation on non-current assets

Non cash amounts excluded from operating activities

(b) Surplus/(deficit) after imposition of general rates

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Reserves - cash backed

Add: Current liabilities not expected to be cleared at end of year

- Employee benefit provisions

Total adjustments to net current assets

Net current assets used in the Rate Setting Statement

Total current assets

Less: Total current liabilities

Less: Total adjustments to net current assets

Net current assets used in the Rate Setting Statement

Note	2020/21 (30 June 2021 Carried Forward)	2020/21 Budget (30 June 2021 Carried Forward)	2019/20 (30 June 2020 Carried Forward)
	\$	\$	\$
(a)			
9(a)	0	0	(14,300)
	59,195	0	(5,705)
	44,460	0	35,407
9(b)	1,263,454	1,591,050	1,262,832
	1,367,109	1,591,050	1,278,234
(b)			
4	(3,020,601)	(2,225,078)	(2,672,145)
	397,904	318,037	353,444
	(2,622,697)	(1,907,041)	(2,318,701)
	4,040,708	2,636,886	4,212,379
	(714,198)	(729,845)	(680,843)
	(2,622,697)	(1,907,041)	(2,318,701)
	703,813	0	1,212,835

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

23. 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
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.

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	0.17%	3,555,071	3,020,601	534,070	400
2020					
Cash and cash equivalents	0.39%	3,961,090	2,672,145	(1)	1,288,946

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*	5,341	0

* Holding all other variables constant

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

No expected credit loss was forecast on 1 July 2020 or 30 June 2021 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates. Any amounts written off over the 36 month period relate to small balances and are considered immaterial.

	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	0	26,616	0	0	26,616
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	0	15,209	0	0	15,209
Loss allowance	0	0	0	0	0

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.51%	
Gross carrying amount	354,927	26,154	24,951	37,647	443,679
Loss allowance	0	0	0	17,409	17,409
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.25%	
Gross carrying amount	74,531	20,746	10,247	125,603	231,127
Loss allowance	0	0	0	31,071	31,071

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables

Payables are 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 13(a).

The contractual undiscounted cash flows of the Shire's Payables 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	247,924	0	0	247,924	247,924
	247,924	0	0	247,924	247,924
2020					
Payables	327,399	0	0	327,399	327,399
	327,399	0	0	327,399	327,399

24. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

(a) AASB 1059 Service Concession Arrangements: Grantors

Service concessions assets are those assets where a third-party operator conducts assets for the Shire, upgrades existing assets of the Shire or uses existing assets of the Shire to operate and maintain the assets to provide public service, for a specified period of time. Where, in these circumstances, the third party operator provides a public service on behalf of the Shire and is deemed to manage a least some of the services under its own discretion, the assets are classified as service concession assets. Newly constructed or upgraded assets are measured at current replacement costs in accordance with the cost approach to fair value un AASB 13 *Fair Value Measurement*. In the case of existing assets, these are classified and treated in the same manner with any difference at the date of reclassification between the carrying amount of the assets and their fair value (current replacement cost) being treated as if it is a revaluation of the asset.

The Shire assessed the impacts of AASB 1059 Service Concession Arrangements and determined that the Shire does not hold as such arrangements.

25. CORRECTION OF ERROR

Land and improvements located in the Shire of Cocos (Keeling) Islands were placed under the control of the Shire in its capacity of Trustee in 1979 and 1984 on the formation of a community trust in each of the two years by the Commonwealth and transfer of various parcels of land to the two trusts. The Shire of Cocos (Keeling) Islands has in previous years considered these assets to be Shire assets and accounted for the assets and their maintenance on this basis.

Revenue and expenditure associated with Trust assets is now considered Trust revenue and expenditure and not Shire revenue or expenditure following receipt of legal advice to this effect. Removal of the trust revenue or expenditure has resulted in the Shire making a contribution to each of the Trusts equivalent to the sum of net cash expenditure and asset purchases made on behalf of each of the Trusts.

The opening balance at 1 July 2019 has been amended to remove the assets not recognised as Shire assets at the 1 July 2019.

Statement of Financial Position (Extract)	30 June 2020 \$	Increase/ (Decrease) \$	30 June 2020 (Restated) \$	30 June 2019 \$	Increase/ (Decrease) \$	01 July 2019 (Restated) \$
Property, plant and equipment	50,825,220	(38,150,710)	12,674,510	50,786,165	(38,467,150)	12,319,015
Net assets	62,303,804	(38,150,710)	24,153,094	62,102,871	(38,467,150)	23,635,721
Retained surplus	14,397,416	(985,838)	13,411,578	14,328,967	(1,302,277)	13,026,690
Reserves - cash backed	2,672,145	0	2,672,145	2,539,660	0	2,539,660
Revaluation surplus	45,234,244	(37,164,873)	8,069,371	45,234,244	(37,164,873)	8,069,371
Total equity	62,303,804	(38,150,710)	24,153,094	62,102,871	(38,467,150)	23,635,721

Statement of Comprehensive Income (Extract)	2020 \$	Increase/ (Decrease) \$	2020 (Restated) \$
By Nature or Type			
Revenue			
Fees and charges	1,202,775	(609,023)	593,752
Other revenue	129,167	(87,768)	41,399
Expenses			
Employee costs	(2,647,329)	174,184	(2,473,145)
Materials and contracts	(1,204,342)	143,575	(1,060,767)
Utility charges	(129,144)	74,600	(54,544)
Depreciation on non-current assets	(1,659,401)	396,569	(1,262,832)
Insurance expenses	(367,450)	230,628	(136,822)
Other expenditure	(53,064)	(6,325)	(59,389)
Net result for the period	200,934	316,440	517,374
Total comprehensive income for the period	200,934	316,440	517,374

25. CORRECTION OF ERROR (Continued)

	2020 \$	Increase/ (Decrease) \$	2020 (Restated) \$
By program			
Revenue			
Health	46,664	(46,664)	0
Housing	493,458	(467,218)	26,240
Economic services	86,364	(13,451)	72,913
Other property and services	606,025	(169,458)	436,567
Expenses			
Governance	(265,689)	78,023	(187,666)
Health	(25,284)	7,781	(17,503)
Housing	(1,052,960)	819,546	(233,414)
Community amenities	(1,362,338)	1,260	(1,361,078)
Recreation and culture	(1,213,289)	28,907	(1,184,382)
Economic services	(348,429)	84,039	(264,390)
Other property and services	(425,896)	(6,325)	(432,221)
Net result for the period	200,934	316,440	517,374
Total comprehensive income for the period	200,934	316,440	517,374
Statement of Cash Flow (Extract)			
Cash flows from operating activities			
Receipts			
Fees and charges	1,202,775	(609,022)	593,753
Other Revenue	129,167	(87,768)	41,399
Payments			
Employee costs	(2,598,397)	174,183	(2,424,214)
Materials and contracts	(1,314,458)	143,574	(1,170,884)
Utility charges	(129,144)	74,600	(54,544)
Insurance paid	(367,450)	230,628	(136,822)
Other expenditure	(53,064)	(6,325)	(59,389)
Net cash provided by (used in) operating activities	1,385,766	(80,130)	1,305,636
Cash flows from investing activities			
Payments for purchase of property, plant & equipment	(1,151,522)	80,127	(1,071,395)
Net cash provided by (used in) investment activities	(1,263,748)	80,127	(1,183,621)

SHIRE OF COCOS (KEELING) ISLANDS
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25. CORRECTION OF ERROR (Continued)

Rate Setting Statement (Extract)	2020 \$	Increase/ (Decrease) \$	2020 (Restated) \$
Revenue from operating activities (excluding rates)			
Health	46,664	(46,664)	0
Housing	493,458	(467,218)	26,240
Economic services	86,364	(13,451)	72,913
Other property and services	606,025	(169,458)	436,567
Expenditure from operating activities			
Governance	(265,689)	78,023	(187,666)
Health	(25,284)	7,781	(17,503)
Housing	(1,052,960)	819,546	(233,414)
Community amenities	(1,362,338)	1,260	(1,361,078)
Recreation and culture	(1,213,289)	28,907	(1,184,382)
Economic services	(348,429)	84,039	(264,390)
Other property and services	(425,896)	(6,325)	(432,221)
Non-cash amounts excluded from operating activities	1,674,804	(396,570)	1,278,234
Amount attributable to operating activities	2,195,738	(80,130)	2,115,608
Purchase of property, plant & equipment	(1,151,522)	80,127	(1,071,395)
Amount attributable to investing activities	(1,263,748)	80,127	(1,183,621)

Note 2. Revenue and Expenses
(Extract)

Fees and Charges

Health	46,664	(46,664)	0
Housing	405,690	(379,450)	26,240
Economic services	55,496	(13,451)	42,045
Other property and services	606,025	(169,458)	436,567

Other revenue

Reimbursements and recoveries	89,737	(89,737)	0
Refunds	36,086	(36,086)	0
Other	3,344	38,055	41,399

Note 7. Property, Plant and Equipment
(Extract)

Movements in Balances	Buildings - non-specialised 2020 \$	Increase/ (Decrease) \$	2020 (Restated) \$	Total property plant and equipment 2020	Increase/ (Decrease) \$	2020 (Restated)
Balance at 1 July 2019	48,458,602	(38,467,151)	9,991,451	50,786,165	(38,467,150)	12,319,015
Additions	467,645	(80,127)	387,518	1,151,522	(80,127)	1,071,395
Depreciation (expense)	(547,417)	396,569	(150,848)	(1,112,468)	396,568	(715,900)
Balance at 30 June 2020	48,378,830	(38,150,709)	10,228,121	50,825,219	(38,150,709)	12,674,510
Comprises:						
Gross balance at 30 June 2020	49,949,614	(39,304,884)	10,644,730	55,507,652	(39,304,884)	16,202,768
Accumulated depreciation at 30 June 2020	(1,570,783)	1,154,174	(416,609)	(4,682,432)	1,154,174	(3,528,258)
Balance at 30 June 2020	48,378,831	(38,150,710)	10,228,121	50,825,220	(38,150,710)	12,674,510

SHIRE OF COCOS (KEELING) ISLANDS
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25. CORRECTION OF ERROR (Continued)

Note 9(b). Fixed Assets (Extract)	2020 \$	Increase/ (Decrease) \$	2020 (Restated) \$
Depreciation			
Buildings - non specialised	547,417	(396,569)	150,848
Total Depreciation	1,659,400	(396,568)	1,262,832

Note 10. Revaluation Surplus (Extract)	30 June 2020 \$	Increase/ (Decrease) \$	30 June 2020 (Restated) \$	30 June 2019 \$	Increase/ (Decrease) \$	01 July 2019 (Restated) \$
Revaluation Surplus-Buildings-non specialised	44,267,665	(37,164,872)	7,102,793	44,267,655	(37,164,862)	7,102,793

Note 15. Notes to the Statement of Cash Flow (Extract)	2020 \$	Increase/ (Decrease) \$	2020 (Restated) \$
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Reconciliation of Net Cash Provided By
Operating Activities to Net Result

Net result	200,934	316,441	517,375
Non-cash flows in Net result:			
Depreciation on non-current assets	1,659,400	(396,568)	1,262,832
Net cash from operating activities	1,385,765	(80,129)	1,305,636

Note 16. Total Assets Classified by Function and Activity
(Extract)

Governance	1,370,636	2,901,906	4,272,542
General purpose funding	1,268,322	(1,268,322)	0
Health	495,201	(495,201)	0
Education and welfare	476,655	(138,328)	338,327
Housing	33,826,829	(32,945,159)	881,670
Community amenities	2,935,567	(911,318)	2,024,249
Recreation and culture	5,392,949	(583,458)	4,809,491
Transport	9,142,555	(510,786)	8,631,769
Economic services	5,819,080	(3,445,323)	2,373,757
Unallocated	754,721	(754,721)	0
Total Assets Classified by Function and Activity	63,002,909	(38,150,710)	24,852,199

Note 22. Rates Setting Statement Information
(Extract)

Adjustments to operating activities			
Add: Depreciation on non-current assets	1,659,401	(396,569)	1,262,832
Non cash amounts excluded from operating activities	1,674,804	(396,569)	1,278,234

Note 29. Financial Ratios (Extract)	2020	Increase/ (Decrease)	2020 (Restated)
Current ratio	4.33	0.11	4.44
Asset consumption ratio	0.59	0.19	0.78
Asset renewal funding ratio	1.38	1.38	Not calculated
Asset sustainability ratio	0.65	0.14	0.79
Operating surplus ratio	(0.14)	0.20	0.06
Own source revenue coverage ratio	0.29	(0.08)	0.21

SHIRE OF COCOS (KEELING) ISLANDS
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26. 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:

LAND TRUST 1979
STATEMENT OF COMPREHENSIVE INCOME
NATURE OR TYPE

	2021 Actual \$	2020 Actual \$
Revenue		
Contributions	821,462	0
Rent revenue	496,528	505,104
Other revenue	92,046	87,768
	1,410,036	592,872
Expenses		
Employee costs	(162,468)	(146,883)
Materials and contracts	(111,964)	(109,539)
Utility charges	(66,938)	(51,250)
Depreciation on non-current assets	(342,010)	(342,958)
Insurance expenses	(225,523)	(212,158)
Other expenses	0	(38,592)
	(908,903)	(901,380)
	501,133	(308,508)
Net result for the period	501,133	(308,508)

LAND TRUST 1979
STATEMENT OF FINANCIAL POSITION

	2021 \$	2020 \$
NON-CURRENT ASSETS		
Property, plant and equipment	33,676,212	33,175,079
TOTAL NON-CURRENT ASSETS	33,676,212	33,175,079
TOTAL ASSETS	33,676,212	33,175,079
EQUITY		
Retained surplus	1,563,338	1,062,205
Revaluation surplus	32,112,874	32,112,874
TOTAL EQUITY	33,676,212	33,175,079

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

26. TRUST FUNDS (Continued)

LAND TRUST 1984
STATEMENT OF COMPREHENSIVE INCOME
NATURE OR TYPE

	2021 Actual \$	2020 Actual \$
Revenue		
Contributions	250,198	44,917
Rent revenue	90,332	103,918
	340,530	148,835
Expenses		
Employee costs	(99,044)	(27,301)
Materials and contracts	(69,747)	(34,036)
Utility charges	(18,569)	(23,350)
Depreciation on non-current assets	(54,068)	(53,611)
Insurance expenses	(17,807)	(18,470)
	(259,235)	(156,768)
	81,295	(7,933)
Net result for the period	81,295	(7,933)

LAND TRUST 1984
STATEMENT OF FINANCIAL POSITION

	2021 \$	2020 \$
NON-CURRENT ASSETS		
Property, plant and equipment	5,056,924	4,975,630
TOTAL NON-CURRENT ASSETS	5,056,924	4,975,630
TOTAL ASSETS	5,056,924	4,975,630
EQUITY		
Retained surplus	4,926	(76,368)
Revaluation surplus	5,051,998	5,051,998
TOTAL EQUITY	5,056,924	4,975,630

**SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

27. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

<p>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:</p> <p>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.</p> <p>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.</p> <p>Level 3 Measurements based on unobservable inputs for the asset or liability.</p> <p>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.</p> <p>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:</p> <p>Market approach Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.</p> <p>Income approach Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.</p> <p>Cost approach Valuation techniques that reflect the current replacement cost of the service capacity of an asset.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.</p>
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**SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

28. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE To provide the highest level of administrative support to all Council functions and activities as well as to elected members.</p>	<p>Activities include administration and the operation of facilities and services to members of Council including fees, expenses, allowances, election expenses, conference expenses, refreshments and receptions.</p>
<p>GENERAL PURPOSE FUNDING To provide a solid financial platform by good financial management in order to provide a level of services expected by electors.</p>	<p>Activities include rates and general grants income, expenditure relating to the collection of rates.</p>
<p>LAW, ORDER, PUBLIC SAFETY To ensure that residents enjoy a standard of living as free as possible from public nuisance.</p>	<p>Activities include administration and enforcement of animal control, litter, camping and other local laws as required.</p>
<p>HEALTH Maintain a high standard of health control for the benefit of residents by ensuring compliance with all relevant legislation and regular health testing.</p>	<p>Activities include general inspections of all food establishments ensuring compliance with relevant standards.</p>
<p>EDUCATION AND WELFARE To provide youth and community support, community information and project services.</p>	<p>Activities include the provision of shire community small grant funding, assistance with community projects, school holiday program and youth activities.</p>
<p>HOUSING To provide and maintain kampong housing for the community.</p>	<p>This includes the provision, administration and maintenance of rental kampong housing, the administration of Kampong Leases.</p>
<p>COMMUNITY AMENITIES To provide high quality community amenities for the use by residents and visitors to the Cocos (Keeling) Islands.</p>	<p>Activities include the provision of waste management, public conveniences, cemetery maintenance and the administration of the Town Planning Scheme.</p>
<p>RECREATION AND CULTURE To provide and maintain recreation and cultural facilities.</p>	<p>Activities include the administration and operation of Public Libraries, contributions to community festivals and events, and the maintenance of public reserves, the museum and other significant sites.</p>
<p>TRANSPORT To construct and maintain all streets and roads within the Shire to a high standard.</p>	<p>Includes the construction and maintenance of all local roads, street signage and transport facilities.</p>
<p>ECONOMIC SERVICES The regulation and promotion of economic development, tourism, area promotion and building control.</p>	<p>This includes building and planning approval, controls on building standards, assistance in tourism promotion and the development of tourism facilities.</p>
<p>OTHER PROPERTY AND SERVICES To ensure that all Council plant and equipment is in good working order and to perform private works where required.</p>	<p>Activities include plant operations, private works, insurance and lease administration.</p>

SHIRE OF COCOS (KEELING) ISLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

29. FINANCIAL RATIOS

	2021 Actual	2020 Restated *	2019 Restated
Current ratio	2.51	4.44	3.72
Asset consumption ratio	0.75	0.78	0.80
Asset renewal funding ratio *	Not calculated	Not calculated	Not calculated
Asset sustainability ratio	0.48	0.79	0.53
Debt service cover ratio	N/A	N/A	N/A
Operating surplus ratio**	(1.53)	0.06	Not calculated
Own source revenue coverage ratio**	0.13	0.21	Not calculated

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

* The asset renewal funding ratio has not been calculated as the Shire is yet to revise its Long Term Financial Plan and Asset Management Plan following the correction of the prior period error discussed at Note 25. This change in assets has resulted in existing plans no longer being valid for 2021, 2020 and 2019.

**The operating surplus and own source revenue coverage ratio has not been recalculated for 2019 as the work required to determine the Shire portion of operating revenues and expenses within the 2019 Financial year exceeds the benefits in restating the 2019 comparative ratios.



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Cocos (Keeling) Islands

To the Councillors of the Shire of Cocos (Keeling) Islands

Report on the audit of the annual financial report

Opinion

I have audited the financial report of the Shire of Cocos (Keeling) Islands (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 Cocos (Keeling) Islands:

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

Emphasis of Matter – Restatement of comparative balances

I draw attention to Note 25 to the financial report which states that the amounts reported in the previously issued 30 June 2020 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

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

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

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

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

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

- In my opinion, the following material matters indicate a significant adverse trend in the financial position of the Shire:
 - The Asset Sustainability Ratio as reported in Note 29 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard of 0.90 for the last three financial years; and
 - The Own Source Revenue Coverage Ratio as reported in Note 29 of the annual financial report is below the DLGSCI's standard of 0.40 for the last two financial years.
- The following material matters indicate non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
 - The Shire has not reported the Asset Renewal Funding Ratio for the last three financial years as the Shire is yet to revise the Long Term Financial Plan and Asset Management Plan following the correction of prior period error disclosed in Note 25. The change in assets has resulted in existing plans no longer being valid for 2021, 2020 and 2019;

- b.) The Shire has not reported the Operating Surplus Ratio and the Own Source Coverage Ratio for 2019 as disclosed in Note 29
 - c.) The Shire does not have policies and procedures for financial management and internal controls for key areas of the business such as revenue processes, risk management, business continuity and disaster recovery; and
 - d.) We identified significant weaknesses in remote access and network security controls at the Shire. The weaknesses could result in a potential security exposure such as unauthorized access to sensitive information and an increased risk of information loss. The weaknesses expose the network to increased vulnerabilities which could undermine the integrity of data across the financial system, however our audit testing did not identify any inappropriate access/use.
- (iii) All required information and explanations were obtained by me.
 - (iv) All audit procedures were satisfactorily completed.
 - (v) In my opinion, the Asset Consumption Ratio included in the financial report was 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 Cocos (Keeling) Islands for the year ended 30 June 2021 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
8 April 2022

APPENDICES

Statutory Reporting

Disability Access and Inclusion Plan

Amendments made to the Disabilities Services Act in 1999 requires all Public Authorities to include in their Annual Report, a statement on that organisation's efforts to implement the contents of its adopted Disability Services Plan. The Shire of Cocos (Keeling) Islands is committed to ensuring that the community is an accessible community for people with disabilities, their families and carers. The Shire believes that people with disabilities, their families and carers who live in an area such as the Cocos (Keeling) Islands should be given support to remain in the community of their choice. In 2020, the Shire adopted its Disability Access and Inclusion Plan which sets out to achieve the following outcomes:

Outcome 1: People with disability have the same opportunities as other people to access the services of, and any events organised by, the Shire of Cocos (Keeling) Islands.

Outcome 2: People with disability have the same opportunities as other people to access the buildings and other facilities of the Shire of Cocos (Keeling) Islands.

Outcome 3: People with disability receive information from the Shire of Cocos (Keeling) Islands in a format that will enable them to access the information as readily as other people are able to access it.

Outcome 4: People with disability receive the same level and quality of service from the staff at Shire of Cocos (Keeling) Islands staff as other people receive.

Outcome 5: People with disability have the same opportunities as other people to make complaints to the Shire of Cocos (Keeling) Islands.

Outcome 6: People with disability have the same opportunities as other people to participate in any public consultation by the Shire of Cocos (Keeling) Islands.

Outcome 7: People with disability have the same opportunities as other people to obtain and maintain employment with the Shire of Cocos (Keeling) Islands.

National Competition Policy

The Shire of Cocos (Keeling) Islands has met its obligations in regard to the National Competition Policy with no issues being raised with the Shire.

Local Government Act 1995 (WA) (CKI)

This Annual Report complies with the requirements of section 5.53(1) of the *Local Government Act 1995 (WA) (CKI)* to prepare an annual report for each financial year.

Elected Member Conduct

Section 5.121 of the *Local Government Act 1995 (WA) (CKI)* requires a local government to maintain a register of complaints that result in an action under s. 5.110(6)(b) or (c). One complaint was reported to the Local Government Standards Panel in 2020/21. The Panel found that the essential elements which need to be satisfied for a contravention of Regulation 9 occurred and an order for a Public Apology was made. The Order was carried out as required.

Local Government (Financial Management) Regulations 1996

Under section 6.4 of the *Local Government Act 1995 (WA) (CKI)*, a Local Government is to prepare an Annual Financial Report for the preceding financial year and such other financial reports as are prescribed in the *Local Government (Financial Management) Regulations 1996*.

State Records Act 2000

The *State Records Act 2000* is currently being assessed by the State Records Office of Western Australia. The Shire of Cocos (Keeling) Islands is currently developing its Record Keeping Plan. The Plan will include monitoring the process and compliance of the retention, storage and destruction of digital and hardcopy records.

Freedom of Information Act 1992

In accordance with Section 96(1) of the *Freedom of Information Act 1992*, residents have the legally enforceable right to access records (which are not otherwise exempt) held by State and local government agencies. There were no FOI applications received in 2020/21.

Public Health Act 2016 and Food Safety Standards

The Shire has complied with the authorisation requirements for Officers registered under the *Public Health Act 2016*. The Shire engages technical staff from the Shire of Dandaragan to perform the roles required under the *Public Health Act 2016*.

Council Policies

Section 2.7(2)(b) of the *Local Government Act 1995 (WA) (CKI)* states that the Council is responsible for determining its policies. There is

no prescribed timeframe for local government to review policies. To ensure the Shire continues to develop and provide good governance, all policies are regularly reviewed. The *Shire's full Policy Manual* was reviewed in 2020.

Local Laws

Section 3.16 of the *Local Government Act 1995 (WA) (CKI)* requires that all of the Local Laws of a Local Government must be reviewed within an eight year period after their commencement to determine if they should remain unchanged or be repealed or amended. In August 2020 a new local law was adopted, *Shire of Cocos (Keeling) Islands Public Places and Local Government Property Local Law 2020*.

Annual Salaries

The *Local Government Act 1995 (WA) (CKI)* requires the Local Government to provide the number of employees who are entitled to an annual salary of \$100,000 or more. The figures below are as at 30 June 2021, noting that they include any staff members who are entitled to an annual salary of \$100,000 or more.

Salary Band	Number of Employees
\$100,000 - \$109,999	0
\$110,000 - \$119,000	1
\$120,000 - \$129,999	1
\$130,000 - \$139,999	0
\$140,000 - \$149,999	1
\$150,000 - \$159,999	0
Total	3

