SHIRE OF IRWIN
DONGARA-PORT DENISON
A BRILLIANT BLEND

# ANNUAL REPORT 2021/22











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**Document Control**

| Document Number | Responsible Officer | Date Adopted |
|---|---|---|
| Rev01 | Jane Morgan | |

The Shire of Irwin respectfully acknowledges the Southern Yamatji Peoples who are the Traditional Owners and First People of these lands. The Nhanhagardi, Wilunyu, Amangu. The Shire of Irwin would like to pay respect to the Elders past, present and future for they hold the memories, the traditions, the culture and hopes of the Southern Yamatji Peoples.

# Shire President's Report



I am pleased to present the 2021/22 Shire of Irwin Annual Report. This was a very productive year for the Shire of Irwin, as we progressed and competed projects that were high on the list of community priorities.
The early part of the year saw Shire staff from across the organisation working hard to complete the Moreton Terrace upgrades. This project was a huge undertaking, however because of issues with drainage, the need to protect our heritage listed Moreton Bay Figs and Council's desire to give back to the local business community by enhancing the local infrastructure, it needed to be done.
I applaud the Shire of Irwin CEO Shane Ivers and his team who worked tirelessly to make this project happen. Firstly, by putting together two funding packages, under the Drought Communities and Regional Road Group funding programmes to supply the project and secondly for all their hard work in seeing the project through to fruition.

I would also like to thank the community for their understanding and patience as we completed the upgrades. It was not easy, with all the necessary road closures and disruptions but I believe the outcome made it well worth it.
October was a big month with local government elections taking place. We had five nominees to fill four Council vacancies. I thank all nominees for the commitment they showed to our community and congratulate Isabelle Scott, Barry Wyse, Elyce Tunbridge and Mark Leonard on their successful campaigns.

During this time we also farewelled Councillor Ian West who retired after dedicating 12 years of service to the Shire. I personally would like to thank him for his commitment and dedication and wish him all the best.
Council and Shire staff work hard to leverage revenue from sources other than rates to minimise rate payments and in December 2021 it was announced that the Shire of Irwin would receive a $250,000 Bushfire Mitigation Activity Fund Grant. This funding allowed us to undertake 24 fire mitigation treatments across the Shire, reducing bushfire risk across the region.

Further to this the Irwin Bushfire Brigade's capacity to fight fires received a significant boost with the addition a 4x4 500L firefighting vehicle to their fleet. Funded by the Emergency Services Levy, through the Department of Fire and Emergency Services WA Local Government Grants Scheme, the Irwin Light Tanker has upgrades to its comprehensive crew protection system.
In December we held our inaugural Magic on Moreton event. The evening was a celebration of the completion of our Moreton Terrace upgrades and a thank you to the community. It was so wonderful to see so many people come out and celebrate, and was such a success that we decided to run the event annually.

Early in 2022 it was announced that the Shire of Irwin had been successful in its application for funding under the Recreational Boating Facilities Scheme (RBFS).
The RBFS grant can be used for the planning, construction or upgrade of boat launching ramps, jetties, moorings and new channels that are directly related to a public boating facility. We were lucky enough to receive $137, 435 that went towards the design of the Port Denison boat launch facility upgrade.
A key priority in the Shire's Corporate Business Plan is to ensure that our community has access to suitable and adequate support services and I am proud to say that in June of 2022 we completed Stage two of the Two Henry Road project.

Two Henry Road is an independent living community, designed to meet the needs of seniors and support aging in place. The project forms part of the WACHS $26 million Residential and Dementia Investment Strategy to support older people, to remain independent and within their communities.
The facility features dementia friendly design and is located opposite the Dongara Health Service, Accident and Emergency Department and visiting allied health rooms.

Stage two, which was the result of a collaboration between the Shire of Irwin and the WA Country Health Service, saw a further six independent living units completed allowing more people to age in place and stay living in their community. A fantastic outcome.

I would like to take this opportunity to thank my fellow Councillors, Shire of Irwin CEO Shane Ivers and all Shire staff for continuing to work so hard for our community in 2021/22. I would also like to thank the community for their ongoing support.

*Mike Smith*
*Shire President*



# Chief Executive Officer's Report



With thanks to the Shire Councillors, staff and community support, the year proved very successful even with the lingering COVID-19 pandemic.
The biennial Council election took place which saw the departure of Cr Ian West, re-election of Cr Barry Wyse, Cr Isabelle Scott and Cr Mark Leonard plus one new elected member Elyce Tunbridge. Cr Mike Smith was again elected as Shire President. Congratulations to the elected Councillors and many thanks to Cr Ian West for his significant contribution.
I would like to acknowledge the Shire President, Mike Smith and all the Councillors for their strategic oversight guiding the Shire into a strong position during unprecedented challenges. I also sincerely thank all staff for their hard work and dedication to the Shire and our community during another very challenging year. Councillors had a strong focus on the strategic direction of the Shire, which saw the adoption of the following plans;

- Strategic Community Plan
- Long Term Financial Plan
- Coastal Management Plan
- Port Denison Foreshore Masterplan Concept Design
- Irwin River Walking Trail Amenity Upgrades Masterplan
- Extended Entry Statement Masterplan

The strategic direction was also backed by strong delivery with the completion of the Moreton Terrace renewal and upgrade project, which culminated in an official opening ceremony facilitated by Shane Love MLA and Shire President Mike Smith. The ceremony was followed by the very successful Magic on Moreton street event. It was also very satisfying to finally complete the last 6 units of the Henry Road Independent Living Units project with the official opening ceremony late June 2022. The year included our regular maintenance programs together with a significant rural road resheeting program.

The year also had regular events back on track such including Australia Day, Denison Foreshore Sprint and Midwest Show & Shine, Seniors Week Trivia Day and a morning tea to thank our Library volunteers. The Denison Foreshore Sprint and Midwest Show & Shine officially had just under 6,000 persons in attendance making it one of the larger events in the Midwest.

The Shire is also highly appreciative of the support the Medical Centre together with the management support team and its associated services provide to our community.
The Shire continued to witness unprecedented tourism growth, surging development and is looking forwards to a very bright future .

Shane Ivers
Chief Executive Officer


Tyrepower
DMW
SHIRE OF IRWIN
PANNARAI

# Shire of Irwin Councillors



Cr Michael (Mike) Smith
Shire President
Elected 2017



Cr Isabelle Scott
Deputy Shire President
Elected 2017



Cr Andrew Gillam
Councillor
Elected 2019



Cr Mark Leonard
Councillor
Elected 2017



Cr Hayley Palmer
Councillor
Elected 2019



Cr Barry Wyse
Councillor
Elected 2019



Cr Grant Eva
Councillor
Elected 2019



Cr ELyce Tunbridge
Councillor
Elected 2021

# Statutory Reporting

## Councillor attendance at meetings

The table below shows Councillor attendance at Ordinary Council Meetings, Special Council Meetings and Committee Meetings of Council.

| COUNCILLOR | ORDINARY MEETING | SPECIAL MEETING | COMMITTEE MEETING |
|---|---|---|---|
| Cr Michael Smith | 10 | 0 | 4 |
| Cr Isabelle Scott | 11 | 0 | 3 |
| Cr Barry Wyse | 12 | 0 | 0 |
| Cr Andrew Gillam | 10 | 0 | 1 |
| Cr Mark Leonard | 10 | 0 | 3 |
| Cr Hayley Palmer | 12 | 0 | 5 |
| Cr Grant Eva | 11 | 0 | 4 |
| Cr Elyce Tunbridge | 12 | 0 | 0 |

No remuneration or allowance was paid by the Council to members of a standards panel under Schedule 5.1 and Clause 9 during the financial year.

## Register of complaints

According with s5.120 of the Local Government Act 1995, the Shire does not have a designated Complaints Officer and the Chief Executive Officer fulfils this role in terms of subsection (2). The Shire reports no complaints that have resulted in a finding under section 5.110(2)(a) that a minor breach has occurred, for the period ending 30 June 2022.

## Remuneration

Remuneration Regulation 19B of the Local Government (Administration) Regulations 1986, requires the Annual Report of a local government to detail the number of employees of the local government entitled to an annual salary of $130,00 or more as at 30 June 2022 being one (1) employee; and the number of employees that fall within each band of $10,000 over $130,000

As at the 30 June 2022 was 1. Remuneration and allowances as payment to elected members totalled $88,816.00 as at 30 June 2022.

Remuneration paid or provided to the CEO during the financial year is $198,456 calculated in accordance with Part 2: Total Reward Package of the Local Government Chief Executive Officers and Elected Members Determination No. 1 of 2022 under the Western Australia Salaries and Allowances Act 1975.

## Freedom of Information

The Shire complies with the Freedom of Information Act 1992 which has as its intention another avenue to assist improving Local Government accountability to the public.

## Recordkeeping

In accordance with legislative requirements, the Shire maintains its recordkeeping through the use of a corporate system. In addition, the Shire's Recordkeeping Policy outlines the process for management and disposal of records in accordance with the *State Records Act 2000*.



# Plan for the Future

With reference to Planning for the future in Division 3 of the Local Government (Administration) Regulations 1996, the Shire is required to develop and maintain the following documents:

Strategic Community Plan (10 year plan & reviewed every 4 years) Corporate Business Plan (4 year plan & review annually), which;
i. sets out, consistently with any relevant priorities set out in the strategic community plan the Shire's priorities for dealing with the objectives and aspirations of the community.
ii. governs internal business planning by expressing priorities by reference to operations that are within the capacity of the Shire's resources.
iii. integrates matters relating to resources including asset management, workforce planning and long-term financial planning.

## Strategic Community Plan

The Strategic Community Plan was adopted October 2021. The plan comprised of community drop-in sessions and survey. The drop-in sessions identified what the Shire of Irwin residents appreciate most about living in this community, with beaches, community, safety and lifestyle being the most popular topics. The initial feedback included a focus on business expansion, increased tourism, enhanced facilities, activities and services, coastal protection and accessibility of natural areas.

## Corporate Business Plan

As the next step to completething Shire's integrated planning suite, the Long Term Financial Plan 2022-2037 was completed and adopted by Council April 2022.




EAGLES




SHIRE OF IRWIN
DONGARA-PORT DENISON
A BRILLIANT BLEND
Thank you
Dongara Concrete
Jocks Bobcat & Contract
Keboda Stone
Hutchy's Bricklaying
Patten ceilings
Octane Plumbing
Dongara Painting
Onshore Cabinets
Mitre 10 Dongara
Simply Stone
Marsden Transport
Deal Freight
Reece Plumbing
Norfolk Cleaners
Glass Co
Choices Flooring
Heritage Metal Fencing
Infinity Tiling
Midwest Solar & Water

# Disability Access and Inclusion Plan

The Western Australian Disability Services Act 1993 requires all State and Local Government Authorities develop a Disability Access and Inclusion Plan (DAIP). DAIPs assist in the planning and implementation of improvements, outlining the Shires progressive approach to removing barriers and working towards a more accessible and inclusive community. The Shire is currently reviewing its existing plan and is engaging with members of the local community with disabilities and members of their families, as to issues that they experience within the community.

The Shire of Irwin is committed to enabling accessibility across its broad range of facilities and services and in providing equal access to opportunities, information, facilities and services for people with disabilities, their carers and families via Council's ongoing modifications to existing Public Buildings and Services within its control, to cater for the needs of people with a disability, and others with accessibility needs;

• Ensuring all future Public Buildings, Facilities and Services, constructed or presented within the Shire are universally designed, to cater for the needs of people with disability; and
• Through the identification and support of services, events and programs for building capacity, social inclusion and wellbeing.

The DAIP is monitored on an ongoing basis by staff, and progress reports are submitted to the Department of Communities to inform of any advancement made towards inclusive outcomes. In delivering actions aligned with the DAIP the following projects were completed during the reporting period.

## Moreton Terrace Revitalisation

The Moreton Terrace Revitalisation Project was completed in November 2021 and involved the upgrade of approximately 500 metres of the town's main street. In addition to formalising and beautifying the town centre, the Shire was able to address any building and road accessibility shortfalls, incorporating rectification as part of the renewal project. The completed project has delivered aligned, widened and renewed footpaths with ramp access points and designated pedestrian crossovers allowing easier, safer access and thoroughfare for all pedestrians including the mobility impaired and parents with prams. Upgrade to business entrances, re-alignment of kerbing, the paths leading to the businesses and their allocated carparking spaces along the main street have been reviewed and renewed where required, supporting compliance with pram/wheelchair accessibility requirements.

## Independent Living Units Stage 2 – Henry Road

The Shire worked in partnership with WACHS to deliver an additional six units to complement the successful delivery of stage one with construction completed and officially opened in June 2022. The age and dementia friendly design of these units and the facilities and advancements contained within have been awarded Liveable Housing Australia's highest level of platinum certification for the design standard. The Independent Living Units' estate is also situated within close proximity to essential health services.

## Denison House Disability Audit

Denison House - consisting of the main house and an adjoining chapel, is a significant heritage listed building occupied by numerous local community groups and listed as a place of interest on the local heritage trails. Audits of the disability access compliance identified failure in the pathways and ramps for gopher and wheelchair users. Removal of the uneven timber walkways and replacement with a concrete hard-stand slab to the correct dimensions required for accessibility and fall compliance has been undertaken. A new connecting entry deck into the chapel entrance and replacement of the double doors with one wide door enables a smooth transition and the space required for mobility impaired patrons.

## The Village Audit

The Village complex consists of 39 self-contained aged/pension units. Audits of the disability access compliance identified failures in the pathways and ramps necessitating improvements to pathways where they terminated at inter-traffic zones within the complex, to enhance accessibility. Nine pram/wheelchair accessible ramps were installed to eliminate the multi-level stepping required, resulting in better access to the units and a seamless transition for tenants navigating through the village estate.

## Improvements to War Memorial Park

The Dongara War Memorial Park was identified as an area of concern during the SOI Walkability Audit due to a lack of pathways, including lack of a paved route linking to the ablution block previously surrounded by a grassed area. The Dongara War Memorial Park expansion project included enhancements to improve overall access to the park reserve, and installed new wide pathways and ramps integrated to align to the new entry point off Point Leander Drive, with the new pedestrian crossovers. The pathways have further connected the Town's main street to the park and now provides a continued link to additional and disabled parking spaces as well as to the ablution block.






Thank you


OLD WORLDS
NEW WORLDS
OTHER WORLDS

**SHIRE OF IRWIN**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2022**


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The Shire of Irwin conducts the operations of a local government with the following community vision:

*A safe place to live, an exciting place to visit, and a progressive place to work.*

Principal place of business:
11-13 Waldeck Street
DONGARA WA 6525

**SHIRE OF IRWIN**
**FINANCIAL REPORT**
**FOR THE YEAR ENDED 30 JUNE 2022**

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

## STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Irwin for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Irwin at 30 June 2022 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 3rd day of MAY 2023

Chief Executive Officer

Shane Ivers
Name of Chief Executive Officer



MF 3/5/2023

**SHIRE OF IRWIN**
**STATEMENT OF COMPREHENSIVE INCOME**
***BY NATURE OR TYPE***
**FOR THE YEAR ENDED 30 JUNE 2022**

| | NOTE | 2022 Actual | 2022 Budget | 2021 Actual |
|---|---|---|---|---|
| | | $ | $ | $ |
| **Revenue** | | | | |
| Rates | 26(a),2(a) | 5,679,064 | 5,645,606 | 5,384,429 |
| Operating grants, subsidies and contributions | 2(a) | 1,529,910 | 791,224 | 847,884 |
| Fees and charges | 25(c),2(a) | 2,246,458 | 2,063,150 | 1,990,825 |
| Interest earnings | 2 | 62,225 | 45,478 | 57,598 |
| Other revenue | 2(a) | 226,127 | 191,000 | 235,319 |
| | | 9,743,784 | 8,736,458 | 8,516,055 |
| **Expenses** | | | | |
| Employee costs | | (3,018,767) | (2,947,371) | (2,956,052) |
| Materials and contracts | | (3,630,134) | (2,953,769) | (3,183,806) |
| Utility charges | | (485,453) | (356,800) | (516,330) |
| Depreciation | 10(a) | (4,289,602) | (4,373,611) | (4,485,327) |
| Finance costs | 2(b) | (244,696) | (228,839) | (222,308) |
| Insurance | | (230,089) | (210,188) | (191,782) |
| Other expenditure | 2(b) | (235,192) | (206,417) | (211,475) |
| | | (12,133,933) | (11,276,995) | (11,767,080) |
| | | (2,390,149) | (2,540,537) | (3,251,025) |
| Capital grants, subsidies and contributions | 2 | 2,961,125 | 3,396,931 | 2,959,085 |
| Profit on asset disposals | 10(d) | 101,878 | 100,000 | 12,524 |
| Loss on asset disposals | 10(d) | (82,435) | 0 | (189,002) |
| Fair value adjustments to financial assets at fair value through profit or loss | | 4,937 | 0 | 0 |
| | | 2,985,505 | 3,496,931 | 2,782,607 |
| **Net result for the period** | 25(b) | **595,356** | **956,394** | **(468,418)** |
| **Other comprehensive income for the period** | | | | |
| *Items that will not be reclassified subsequently to profit or loss* | | | | |
| Changes in asset revaluation surplus | 16 | 16,744,544 | 0 | 0 |
| **Total other comprehensive income for the period** | | **16,744,544** | **0** | **0** |
| **Total comprehensive income for the period** | | **17,339,900** | **956,394** | **(468,418)** |

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

MF 3/5/2023

OAG AUDITED

## SHIRE OF IRWIN
## STATEMENT OF FINANCIAL POSITION
## AS AT 30 JUNE 2022

| | NOTE | 2022 | 2021 Restated * | 1 July 2020 Restated * |
|---|---|---|---|---|
| | | $ | $ | $ |
| **CURRENT ASSETS** | | | | |
| Cash and cash equivalents | 3 | 5,010,850 | 5,014,331 | 3,505,502 |
| Trade and other receivables | 5 | 997,790 | 682,145 | 555,596 |
| Other financial assets | 4(a) | 37,930 | 41,513 | 8,097 |
| Inventories | 6 | 21,521 | 28,018 | 18,521 |
| Other assets | 7 | 4,891 | 303,091 | 15,302 |
| **TOTAL CURRENT ASSETS** | | 6,072,982 | 6,069,098 | 4,103,018 |
| **NON-CURRENT ASSETS** | | | | |
| Trade and other receivables | 5 | 33,392 | 57,588 | 69,322 |
| Other financial assets | 4(b) | 346,461 | 379,454 | 65,957 |
| Property, plant and equipment | 8 | 41,527,346 | 38,856,826 | 40,538,784 |
| Infrastructure | 9 | 67,573,407 | 53,096,281 | 52,876,708 |
| Right-of-use assets | 11(a) | 82,513 | 86,484 | 90,455 |
| **TOTAL NON-CURRENT ASSETS** | | 109,563,119 | 92,476,633 | 93,641,226 |
| **TOTAL ASSETS** | | 115,636,101 | 98,545,731 | 97,744,244 |
| **CURRENT LIABILITIES** | | | | |
| Trade and other payables | 12 | 1,310,318 | 1,609,703 | 1,141,360 |
| Other liabilities | 13 | 499,946 | 1,356,233 | 1,277,058 |
| Lease liabilities | 11(b) | 17,489 | 20,474 | 19,930 |
| Borrowings | 14 | 560,352 | 427,905 | 341,683 |
| Employee related provisions | 15 | 547,240 | 415,874 | 416,446 |
| **TOTAL CURRENT LIABILITIES** | | 2,935,345 | 3,830,189 | 3,196,477 |
| **NON-CURRENT LIABILITIES** | | | | |
| Lease liabilities | 11(b) | 0 | 17,489 | 37,963 |
| Borrowings | 14 | 5,461,856 | 4,732,208 | 4,105,104 |
| Employee related provisions | 15 | 40,246 | 107,091 | 77,528 |
| **TOTAL NON-CURRENT LIABILITIES** | | 5,502,102 | 4,856,788 | 4,220,595 |
| **TOTAL LIABILITIES** | | 8,437,447 | 8,686,977 | 7,417,072 |
| **NET ASSETS** | | 107,198,654 | 89,858,754 | 90,327,172 |
| **EQUITY** | | | | |
| Retained surplus | | 42,165,339 | 41,482,269 | 42,138,469 |
| Reserve accounts | 29 | 1,392,831 | 1,480,545 | 1,292,763 |
| Revaluation surplus | 16 | 63,640,484 | 46,895,940 | 46,895,940 |
| **TOTAL EQUITY** | | 107,198,654 | 89,858,754 | 90,327,172 |

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

* Refer to Note 30 'Correction of Error'




MF 3/5/2023

**SHIRE OF IRWIN**
**STATEMENT OF CHANGES IN EQUITY**
**FOR THE YEAR ENDED 30 JUNE 2022**

| | NOTE | RETAINED SURPLUS | RESERVE ACCOUNTS | REVALUATION SURPLUS | TOTAL EQUITY |
|---|---|---|---|---|---|
| | | $ | $ | $ | $ |
| **Balance as at 30 June 2020** | | **42,138,469** | **1,292,763** | **50,661,707** | **94,092,939** |
| Correction of error | | 0 | 0 | (3,765,767) | (3,765,767) |
| **Balance as at 1 July 2020 (Restated *)** | | **42,138,469** | **1,292,763** | **46,895,940** | **90,327,172** |
| Comprehensive income for the period | | | | | |
| Net result for the period | | (468,418) | 0 | 0 | (468,418) |
| Total comprehensive income for the period | | (468,418) | 0 | 0 | (468,418) |
| Transfers from reserves | 29 | 228,135 | (228,135) | 0 | 0 |
| Transfers to reserves | 29 | (415,917) | 415,917 | 0 | 0 |
| **Balance as at 30 June 2021** | | **41,482,269** | **1,480,545** | **46,895,940** | **89,858,754** |
| Comprehensive income for the period | | | | | |
| Net result for the period | | 595,356 | 0 | 0 | 595,356 |
| Other comprehensive income for the period | 16 | 0 | 0 | 16,744,544 | 16,744,544 |
| Total comprehensive income for the period | | 595,356 | 0 | 16,744,544 | 17,339,900 |
| Transfers from reserves | 29 | 384,656 | (384,656) | 0 | 0 |
| Transfers to reserves | 29 | (296,942) | 296,942 | 0 | 0 |
| **Balance as at 30 June 2022** | | **42,165,339** | **1,392,831** | **63,640,484** | **107,198,654** |

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

* Refer to Note 30 'Correction of Error'

**SHIRE OF IRWIN**
**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 30 JUNE 2022**

| | NOTE | 2022 Actual $ | 2022 Budget $ | 2021 Actual $ |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| **Receipts** | | | | |
| Rates | | 5,747,120 | 5,770,606 | 5,413,148 |
| Operating grants, subsidies and contributions | | 1,329,605 | (541,942) | 827,282 |
| Fees and charges | | 2,247,199 | 2,063,150 | 1,990,825 |
| Interest received | | 62,225 | 45,478 | 57,598 |
| Goods and services tax received | | 712,378 | (487,577) | (613,474) |
| Other revenue | | 226,127 | 191,000 | 235,318 |
| | | 10,324,654 | 7,040,715 | 7,910,697 |
| **Payments** | | | | |
| Employee costs | | (2,922,068) | (2,947,371) | (2,925,813) |
| Materials and contracts | | (3,744,263) | (3,097,435) | (3,016,660) |
| Utility charges | | (485,453) | (356,800) | (516,330) |
| Finance costs | | (228,938) | (228,839) | (219,644) |
| Insurance paid | | (230,089) | (210,188) | (191,782) |
| Goods and services tax paid | | (615,824) | 487,577 | 487,577 |
| Other expenditure | | (234,954) | (206,417) | (211,475) |
| | | (8,461,589) | (6,559,473) | (6,594,127) |
| **Net cash provided by (used in) operating activities** | 17(b) | 1,863,065 | 481,242 | 1,316,570 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Payments for financial assets at amortised cost - self supporting loans | | 0 | 0 | (355,010) |
| Payments for purchase of property, plant & equipment | 8(a) | (2,341,399) | (2,732,281) | (703,634) |
| Payments for construction of infrastructure | 9(a) | (2,537,529) | (5,196,615) | (2,946,776) |
| Non-operating grants, subsidies and contributions | | 1,989,836 | 3,396,931 | 3,041,225 |
| Proceeds from financial assets at amortised cost - self supporting loans | | 41,513 | 41,513 | 8,098 |
| Proceeds from sale of property, plant & equipment | 10(d) | 139,412 | 1,631,184 | 454,961 |
| **Net cash provided by (used in) investing activities** | | (2,708,167) | (2,859,268) | (501,136) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| Repayment of borrowings | 28(a) | (427,905) | (427,903) | (341,684) |
| Payments for principal portion of lease liabilities | 28(d) | (20,474) | (20,474) | (19,931) |
| Proceeds from new borrowings | 28(a) | 1,290,000 | 674,000 | 1,055,010 |
| **Net cash provided by (used in) financing activities** | | 841,621 | 225,623 | 693,395 |
| **Net increase (decrease) in cash held** | | (3,481) | (2,152,403) | 1,508,829 |
| Cash at beginning of year | | 5,014,331 | 5,014,331 | 3,505,502 |
| **Cash and cash equivalents at the end of the year** | 17(a) | 5,010,850 | 2,861,928 | 5,014,331 |

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

MF 3/5/2023

**SHIRE OF IRWIN**
**RATE SETTING STATEMENT**
**FOR THE YEAR ENDED 30 JUNE 2022**

| | NOTE | 2022 Actual | 2022 Budget | 2021 Actual |
|---|---|---|---|---|
| | | $ | $ | $ |
| **NET CURRENT ASSETS - At start of financial year - surplus/(deficit)** | 27(b) | 926,103 | 808,457 | (272,395) |
| **OPERATING ACTIVITIES** | | | | |
| **Revenue from operating activities (excluding general rate)** | | | | |
| Rates (excluding general rate) | 26(b) | 3,401 | 3,000 | 3,076 |
| Operating grants, subsidies and contributions | | 1,529,910 | 791,224 | 847,884 |
| Fees and charges | | 2,246,458 | 2,063,150 | 1,990,825 |
| Interest earnings | | 62,225 | 45,478 | 57,598 |
| Other revenue | | 226,127 | 191,000 | 235,319 |
| Profit on asset disposals | 10(d) | 101,878 | 100,000 | 12,524 |
| Fair value adjustments to financial assets at fair value through profit or loss | | 4,937 | 0 | 0 |
| | | 4,174,936 | 3,193,852 | 3,147,226 |
| **Expenditure from operating activities** | | | | |
| Employee costs | | (3,018,767) | (2,947,371) | (2,956,051) |
| Materials and contracts | | (3,630,134) | (2,953,769) | (3,183,806) |
| Utility charges | | (485,453) | (356,800) | (516,330) |
| Depreciation | | (4,289,602) | (4,373,611) | (4,485,327) |
| Finance costs | | (244,696) | (228,839) | (222,308) |
| Insurance | | (230,089) | (210,188) | (191,782) |
| Other expenditure | | (235,192) | (206,417) | (211,475) |
| Loss on asset disposals | 10(d) | (82,435) | 0 | (189,003) |
| | | (12,216,368) | (11,276,995) | (11,956,081) |
| Non-cash amounts excluded from operating activities | 27(a) | 4,389,068 | 4,464,029 | 4,703,664 |
| **Amount attributable to operating activities** | | (3,652,364) | (3,619,114) | (4,105,191) |
| **INVESTING ACTIVITIES** | | | | |
| Non-operating grants, subsidies and contributions | | 2,961,125 | 3,396,931 | 2,959,085 |
| Proceeds from disposal of assets | 10(d) | 139,412 | 1,631,184 | 454,961 |
| Proceeds from financial assets at amortised cost - self supporting loans | 28(a) | 41,513 | 41,513 | 8,098 |
| Payments for financial assets at amortised cost - self supporting loans | | 0 | 0 | (355,010) |
| Purchase of property, plant and equipment | 8(a) | (2,341,399) | (2,732,281) | (703,635) |
| Purchase and construction of infrastructure | 9(a) | (2,537,529) | (5,196,615) | (2,946,776) |
| **Amount attributable to investing activities** | | (1,736,878) | (2,859,268) | (583,277) |
| **FINANCING ACTIVITIES** | | | | |
| Repayment of borrowings | 28(a) | (427,905) | (427,903) | (341,684) |
| Proceeds from borrowings | 28(a) | 1,290,000 | 674,000 | 1,055,010 |
| Payments for principal portion of lease liabilities | 28(d) | (20,474) | (20,474) | (19,931) |
| Transfers to reserves (restricted assets) | 29 | (296,942) | (295,000) | (415,917) |
| Transfers from reserves (restricted assets) | 29 | 384,656 | 290,345 | 228,135 |
| Transfers to restricted cash (other) | | (11,060) | (150,000) | 0 |
| Transfers from restricted cash (other) | | 0 | 160,081 | 0 |
| **Amount attributable to financing activities** | | 918,275 | 231,049 | 505,613 |
| **Surplus/(deficit) before imposition of general rates** | | (3,544,864) | (5,438,876) | (4,455,250) |
| **Total amount raised from general rates** | 26(a) | 5,675,663 | 5,642,606 | 5,381,353 |
| **Surplus/(deficit) after imposition of general rates** | 27(b) | **2,130,799** | **203,730** | **926,103** |

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

## SHIRE OF IRWIN
## FOR THE YEAR ENDED 30 JUNE 2022
## INDEX OF NOTES TO THE FINANCIAL REPORT


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## 1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the Local Government Act 1995 and accompanying regulations.

Local Government Act 1995 requirements
Section 6.4(2) of the Local Government Act 1995 read with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The Local Government (Financial Management) Regulations 1996 specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for 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 measurement 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.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 of the financial report.

**Judgements and 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:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- estimation uncertainties made in relation to lease accounting

## 2. REVENUE AND EXPENSES

### (a) Revenue

**Contracts with customers**

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

| Revenue Category | Nature of goods and services | When obligations typically satisfied | Payment terms | Returns/Refunds/ Warranties | Timing of revenue recognition |
|---|---|---|---|---|---|
| Rates | General Rates | Over time | Payment dates adopted by Council during the year | None | When rates notice is issued |
| Specified area rates | Rates charge for specific defined purpose | Over time | Payment dates adopted by Council during the year | Refund in event monies are unspent | When rates notice is issued |
| Service charges | Charge for specific service | Over time | Payment dates adopted by Council during the year | Refund in event monies are unspent | 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 | 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 | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Grants with no contractual commitments | General appropriations and contributions with no specific contractual commitments | No obligations | Not applicable | 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 | On payment and issue of the licence, registration or approval |
| Waste management collections | Kerbside collection service | Over time | Payment on an annual basis in advance | None | Output method based on regular weekly and fortnightly period as proportionate to collection service |
| Waste management entry fees | Waste treatment, recycling and disposal service at disposal sites | Single point in time | Payment in advance at gate or on normal trading terms if credit provided | None | On entry to facility |
| Airport landing charges | Permission to use facilities and runway | Single point in time | Monthly in arrears | None | On landing/departure event |
| Fees and charges for other goods and services | Cemetery services, library fees, reinstatements and private works | Single point in time | Payment in full in advance | None | Output method based on provision of service or completion of works |
| Sale of stock | Aviation fuel, kiosk and visitor centre stock | Single point in time | In full in advance, on 15 day credit | Refund for faulty goods | Output method based on goods |

Consideration from contracts with customers is included in the transaction price.

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## (a) Revenue (Continued)

### Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature or types of goods or services is provided in the table below:

**For the year ended 30 June 2022**

| Nature or type | Contracts with customers | Capital grant/contributions | Statutory Requirements | Other | Total |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| Rates | 0 | 0 | 5,675,663 | 3,401 | 5,679,064 |
| Operating grants, subsidies and contributions | 277,424 | 0 | 0 | 1,252,486 | 1,529,910 |
| Fees and charges | 2,173,070 | 0 | 73,388 | 0 | 2,246,458 |
| Interest earnings | 0 | 0 | 43,759 | 18,466 | 62,225 |
| Other revenue | 84,683 | 0 | 0 | 141,444 | 226,127 |
| Non-operating grants, subsidies and contributions | | 2,961,125 | 0 | 0 | 2,961,125 |
| **Total** | 2,535,177 | 2,961,125 | 5,792,810 | 1,415,797 | 12,704,909 |

**For the year ended 30 June 2021**

| Nature or type | Contracts with customers | Capital grant/contributions | Statutory Requirements | Other | Total |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| Rates | 0 | 0 | 5,381,353 | 3,076 | 5,384,429 |
| Operating grants, subsidies and contributions | 188,735 | 0 | 0 | 659,149 | 847,884 |
| Fees and charges | 1,899,106 | 0 | 91,719 | 0 | 1,990,825 |
| Interest earnings | 0 | 0 | 49,901 | 7,697 | 57,598 |
| Other revenue | 53,540 | 0 | 0 | 181,779 | 235,319 |
| Non-operating grants, subsidies and contributions | 0 | 2,959,085 | 0 | 0 | 2,959,085 |
| **Total** | 2,141,381 | 2,959,085 | 5,522,973 | 851,701 | 11,475,140 |

| | Note | 2022 Actual | 2022 Budget | 2021 Actual |
|---|---|---|---|---|
| | | $ | $ | $ |
| **Interest earnings** | | | | |
| Financial assets at amortised cost - self supporting loans | | 9,625 | 7,478 | 0 |
| Interest on reserve funds | | 6,943 | 5,000 | 5,916 |
| Rates instalment and penalty interest (refer Note 26(d)) | | 43,759 | 30,000 | 49,901 |
| Other interest earnings | | 1,898 | 3,000 | 1,781 |
| | | 62,225 | 45,478 | 57,598 |

## (b) Expenses

| | | | | |
|---|---|---|---|---|
| **Auditors remuneration** | | | | |
| - Audit of the Annual Financial Report | | 51,000 | 110,000 | 51,000 |
| - Other services | | 10,600 | 0 | 2,400 |
| | | 61,600 | 110,000 | 53,400 |
| **Finance costs** | | | | |
| Borrowings | 28(a) | 243,923 | 228,066 | 220,991 |
| Lease liabilities | 28(d) | 773 | 773 | 1,317 |
| | | 244,696 | 228,839 | 222,308 |
| **Other expenditure** | | | | |
| Impairment losses on rates receivables | | 503 | 0 | 0 |
| Impairment losses on receivables from contracts with customers | | 238 | 0 | 0 |
| Sundry expenses | | 234,451 | 206,417 | 211,475 |
| | | 235,192 | 206,417 | 211,475 |

## 3. CASH AND CASH EQUIVALENTS

| | Note | 2022 | 2021 |
|---|---|---|---|
| | | $ | $ |
| Cash at bank and on hand | | 5,010,850 | 5,014,331 |
| **Total cash and cash equivalents** | 17(a) | 5,010,850 | 5,014,331 |
| | | | |
| Held as | | | |
| - Unrestricted cash and cash equivalents | | 1,001,449 | 904,087 |
| - Restricted cash and cash equivalents | 17(a) | 4,009,401 | 4,110,244 |
| | | 5,010,850 | 5,014,331 |

**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.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

**Restricted financial assets**
Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. 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 and for which no liability has been recognised.

Details of restrictions on financial assets can be found at Note 17.

## 4. OTHER FINANCIAL ASSETS

| | | 2022 | 2021 |
|---|---|---|---|
| | | $ | $ |
| **(a) Current assets** | | | |
| Financial assets at amortised cost | | 37,930 | 41,513 |
| | | 37,930 | 41,513 |
| | | | |
| **Other financial assets at amortised cost** | | | |
| Self supporting loans receivable | 27(b) | 37,930 | 41,513 |
| | | 37,930 | 41,513 |
| | | | |
| Held as | | | |
| - Unrestricted other financial assets at amortised cost | | 37,930 | 41,513 |
| | | 37,930 | 41,513 |
| | | | |
| **(b) Non-current assets** | | | |
| Financial assets at amortised cost | | 288,108 | 326,038 |
| Financial assets at fair value through profit and loss | | 58,353 | 53,416 |
| | | 346,461 | 379,454 |
| | | | |
| **Financial assets at amortised cost** | | | |
| Self supporting loans receivable | | 288,108 | 326,038 |
| | | 288,108 | 326,038 |
| | | | |
| **Financial assets at fair value through profit and loss** | | | |
| Units in Local Government House Trust | | 58,353 | 53,416 |
| | | 58,353 | 53,416 |

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**
The Shire classifies financial assets at amortised cost if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierachy (see Note 24 (i)) due to the observable market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

**Financial assets at fair value through profit and loss**
The Shire classifies the following financial assets at fair value through profit and loss:
- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

**Impairment and risk**
Information regarding impairment and exposure to risk can be found at Note 22.

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## 5. TRADE AND OTHER RECEIVABLES

| | Note | 2022 | 2021 |
|---|---|---|---|
| | | $ | $ |
| **Current** | | | |
| Rates receivable | | 473,886 | 376,015 |
| Trade and other receivables | | 407,532 | 137,336 |
| GST receivable | | 72,574 | 169,128 |
| Receivables for employee related provisions | 15 | 44,873 | 0 |
| Allowance for credit losses of trade and other receivables | 22(b) | (572) | (334) |
| Allowance for credit losses of rates receivables | 22(b) | (503) | 0 |
| | | 997,790 | 682,145 |
| **Non-current** | | | |
| Pensioner's rates and ESL deferred | | 33,392 | 57,588 |
| | | 33,392 | 57,588 |

### 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 grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

**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 22.

**Classification and subsequent measurement**

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire 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.

## 6. INVENTORIES

| | Note | 2022 | 2021 |
|---|---|---|---|
| **Current** | | $ | $ |
| Fuel and materials | | 21,521 | 28,018 |
| | | 21,521 | 28,018 |

The following movements in inventories occurred during the year:

| | | | |
|---|---|---|---|
| **Balance at beginning of year** | | 28,018 | 18,521 |
| Inventories expensed during the year | | (151,884) | (25,815) |
| Additions to inventory | | 145,387 | 35,312 |
| **Balance at end of year** | | 21,521 | 28,018 |

**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.

## 7. OTHER ASSETS

| | 2022 | 2021 |
|---|---|---|
| | $ | $ |
| **Other assets - current** | | |
| Accrued income | 4,208 | 303,091 |
| Contract assets | 683 | 0 |
| | 4,891 | 303,091 |

### SIGNIFICANT ACCOUNTING POLICIES

**Other current assets**

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

## 8. 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.

| | Note | Land | Buildings - non-specialised | Buildings - specialised | Total land and buildings | Furniture and equipment | Plant and equipment | Land & building work in progress | Total property, plant and equipment |
|---|---|---|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ | $ | $ | $ |
| **Balance at 30 June 2020** | | 5,421,300 | 3,324,738 | 32,752,927 | 41,498,965 | 354,328 | 2,451,258 | 0 | 44,304,551 |
| Correction of error | 30 | 0 | 0 | (3,765,767) | (3,765,767) | 0 | 0 | 0 | (3,765,767) |
| **Balance as at 1 July 2020 (Restated *)** | | 5,421,300 | 3,324,738 | 28,987,160 | 37,733,198 | 354,328 | 2,451,258 | 0 | 40,538,784 |
| Additions | | 0 | 0 | 59,640 | 59,640 | 46,107 | 31,075 | 566,812 | 703,634 |
| Disposals | | (160,000) | (435,966) | 0 | (595,966) | 0 | (35,472) | 0 | (631,438) |
| Depreciation | 10(a) | 0 | (223,641) | (991,498) | (1,215,139) | (66,336) | (472,679) | 0 | (1,754,154) |
| **Balance at 30 June 2021** | | 5,261,300 | 2,665,131 | 28,055,302 | 35,981,733 | 334,099 | 1,974,182 | 566,812 | 38,856,826 |
| **Comprises:** | | | | | | | | | |
| Gross balance amount at 30 June 2021 | | 5,261,300 | 3,515,179 | 31,467,901 | 40,244,380 | 737,133 | 3,631,921 | 566,812 | 45,180,246 |
| Accumulated depreciation at 30 June 2021 | | 0 | (850,048) | (3,412,599) | (4,262,647) | (403,034) | (1,657,739) | 0 | (6,323,420) |
| **Balance at 30 June 2021** | | 5,261,300 | 2,665,131 | 28,055,302 | 35,981,733 | 334,099 | 1,974,182 | 566,812 | 38,856,826 |
| Additions | | 0 | 0 | 1,629,332 | 1,629,332 | 30,996 | 681,071 | 0 | 2,341,399 |
| Disposals | | 0 | 0 | (74,701) | (74,701) | 0 | (38,896) | 0 | (113,597) |
| Revaluation increments / (decrements) transferred to revaluation surplus | 16 | 263,104 | 67,459 | 2,974,331 | 3,304,894 | 0 | 0 | 0 | 3,304,894 |
| Depreciation | 10(a) | 0 | (220,364) | (781,156) | (1,001,520) | (67,533) | (442,935) | 0 | (1,511,988) |
| Transfers | | 0 | (2,142,226) | 1,308,131 | (834,095) | 0 | 50,719 | (566,812) | (1,350,188) |
| **Balance at 30 June 2022** | | 5,524,404 | 370,000 | 33,111,239 | 39,005,643 | 297,562 | 2,224,141 | 0 | 41,527,346 |
| **Comprises:** | | | | | | | | | |
| Gross balance amount at 30 June 2022 | | 5,524,404 | 370,000 | 33,111,239 | 39,005,643 | 735,759 | 4,230,700 | 0 | 43,972,102 |
| Accumulated depreciation at 30 June 2022 | | 0 | 0 | 0 | 0 | (438,197) | (2,006,559) | 0 | (2,444,756) |
| **Balance at 30 June 2022** | | 5,524,404 | 370,000 | 33,111,239 | 39,005,643 | 297,562 | 2,224,141 | 0 | 41,527,346 |

* Refer to Note 30 'Correction of Error'

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## 8. PROPERTY, PLANT AND EQUIPMENT (Continued)

### (b) Carrying Value Measurements

| Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of Valuation | Date of Last Valuation | Inputs Used |
|---|---|---|---|---|---|
| **(i) Fair Value** | | | | | |
| **Land and buildings** | | | | | |
| Land | 2 | Market approach using recent observable market data for similar items | Independent Valuation | June 2022 | Price per square metre |
| Buildings - non-specialised | 2 | Improvements to land valued using cost approach using depreciated replacement costs | Independent Valuation | June 2022 | Improvements to buildings using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs. |
| Buildings - specialised | 3 | Improvements to land valued using cost approach using depreciated replacement costs | Independent Valuation | June 2022 | Improvements to buildings using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs. |

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

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

| | | | | |
|---|---|---|---|---|
| **(ii) Cost** | | | | |
| **Furniture and equipment** | Cost | Cost | | Purchase cost |
| **Plant and equipment** | Cost | Cost | | Purchase cost |

## 9. 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.

| | Note | Infrastructure - roads | infrastructure roads - work in progress | Infrastructure other | Infrastructure - work in progress | Total Infrastructure |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ |
| **Balance at 1 July 2020** | | 48,635,683 | 0 | 4,241,025 | 0 | 52,876,708 |
| Additions | | 642,934 | 1,530,500 | 708,561 | 64,781 | 2,946,776 |
| Depreciation | 10(a) | (2,501,744) | 0 | (225,459) | 0 | (2,727,203) |
| **Balance at 30 June 2021** | | 46,776,873 | 1,530,500 | 4,724,127 | 64,781 | 53,096,281 |
| **Comprises:** | | | | | | |
| Gross balance at 30 June 2021 | | 68,252,334 | 1,530,500 | 5,354,564 | 64,781 | 75,202,179 |
| Accumulated depreciation at 30 June 2021 | | (21,475,461) | 0 | (630,437) | 0 | (22,105,898) |
| **Balance at 30 June 2021** | | 46,776,873 | 1,530,500 | 4,724,127 | 64,781 | 53,096,281 |
| Additions | | 2,360,902 | 0 | 168,802 | 7,825 | 2,537,529 |
| (Disposals) | | 0 | 0 | (6,372) | 0 | (6,372) |
| Revaluation increments / (decrements) transferred to revaluation surplus | 16 | 10,222,284 | 0 | 3,217,366 | 0 | 13,439,650 |
| Depreciation | 10(a) | (2,525,532) | 0 | (248,111) | 0 | (2,773,643) |
| Transfers | | 1,646,584 | (1,530,500) | 1,228,659 | (64,781) | 1,279,962 |
| **Balance at 30 June 2022** | | 58,481,111 | 0 | 9,084,471 | 7,825 | 67,573,407 |
| **Comprises:** | | | | | | |
| Gross balance at 30 June 2022 | | 72,081,720 | 0 | 11,956,909 | 7,825 | 84,046,454 |
| Accumulated depreciation at 30 June 2022 | | (13,600,609) | 0 | (2,872,438) | 0 | (16,473,047) |
| **Balance at 30 June 2022** | | 58,481,111 | 0 | 9,084,471 | 7,825 | 67,573,407 |

## 9. 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 (Gross revaluation method) | Management Valuation | June 2022 | Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3 ) inputs. |
| **Infrastructure other** | 3 | Cost approach using depreciated replacement cost (Gross revaluation method) | Independent valuation | June 2022 | Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3 ) inputs. |

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

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

## 10. FIXED ASSETS

### (a) Depreciation

| | Note | 2022 Actual | 2022 Budget | 2021 Actual |
|---|---|---|---|---|
| | | $ | $ | $ |
| Buildings - non-specialised | 8(a) | 220,364 | 218,071 | 223,641 |
| Buildings - specialised | 8(a) | 781,156 | 966,803 | 991,498 |
| Furniture and equipment | 8(a) | 67,533 | 64,684 | 66,336 |
| Plant and equipment | 8(a) | 442,935 | 460,906 | 472,679 |
| Infrastructure - roads | 9(a) | 2,525,532 | 2,439,433 | 2,501,744 |
| Infrastructure other | 9(a) | 248,111 | 219,843 | 225,459 |
| Right-of-use assets - buildings | 11(a) | 3,971 | 3,871 | 3,970 |
| | | 4,289,602 | 4,373,611 | 4,485,327 |

**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 |
|---|---|
| Land | Not depreciated |
| Buildings - non-specialised | 20 - 50 years |
| Buildings - specialised | 15 - 50 years |
| Furniture and equipment | 3 - 10 years |
| Plant and equipment | 2 - 25 years |
| Infrastructure - Roads | 12 - 50 years |
| Infrastructure - Other | 10 - 75 years |

### (b) Temporarily Idle or retired from use assets

| | 2022 | 2021 |
|---|---|---|
| | $ | $ |
| The carrying value of assets held by the Shire which are temporarily idle or retired from active use and not classified as held for sale are shown in the table below. | | |
| Furniture and equipment | 11,912 | 0 |
| | 11,912 | 0 |

### (c) Fully Depreciated Assets in Use

| | 2022 | 2021 |
|---|---|---|
| | $ | $ |
| The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below. | | |
| Buildings - non-specialised | 38,698 | 0 |
| Buildings - specialised | 4,222 | 0 |
| Furniture and equipment | 188,971 | 0 |
| Plant and equipment | 146,192 | 0 |
| | 378,083 | 0 |

## 10. FIXED ASSETS (Continued)

### (d) Disposals of assets

| | 2022 Actual Net Book Value | 2022 Actual Sale Proceeds | 2022 Actual Profit | 2022 Actual Loss | 2022 Budget Net Book Value | 2022 Budget Sale Proceeds | 2022 Budget Profit | 2022 Budget Loss | 2021 Actual Net Book Value | 2021 Actual Sale Proceeds | 2021 Actual Profit | 2021 Actual Loss |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Land - freehold land | 0 | 0 | 0 | 0 | 1,531,184 | 1,531,184 | 0 | 0 | 160,000 | 160,000 | 0 | 0 |
| Buildings - non-specialised | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 435,966 | 250,000 | 0 | (185,966) |
| Buildings - specialised | 74,701 | 0 | 0 | (74,701) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Plant and equipment | 38,896 | 139,412 | 101,878 | (1,362) | 0 | 100,000 | 100,000 | 0 | 35,474 | 44,961 | 12,524 | (3,036) |
| Infrastructure other | 6,372 | 0 | 0 | (6,372) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 119,969 | 139,412 | 101,878 | (82,435) | 1,531,184 | 1,631,184 | 100,000 | 0 | 631,440 | 454,961 | 12,524 | (189,002) |

The following assets were disposed of during the year.

| Plant and Equipment | 2022 Actual Net Book Value | 2022 Actual Sale Proceeds | 2022 Actual Profit | 2022 Actual Loss |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Law, order, public safety** | | | | |
| Landcruiser light tanker | 10,500 | 45,455 | 34,955 | 0 |
| **Transport** | | | | |
| Fuso Canter tip truck | 13,960 | 24,270 | 10,310 | 0 |
| John Deere tractor | 14,436 | 13,074 | 0 | (1,362) |
| **Other property and services** | | | | |
| Toyota Prado | 0 | 56,613 | 56,613 | 0 |
| | 38,896 | 139,412 | 101,878 | (1,362) |
| **Buildings - specilaised** | | | | |
| **Recreation and culture** | | | | |
| Recreation centre changerooms | 74,701 | 0 | 0 | (74,701) |
| | 74,701 | 0 | 0 | (74,701) |
| **Infrastructure - Other** | | | | |
| **Recreation and culture** | | | | |
| Campground stone fire pit | 6,372 | 0 | 0 | (6,372) |
| | 6,372 | 0 | 0 | (6,372) |
| | 119,969 | 139,412 | 101,878 | (82,435) |

## 10. FIXED ASSETS (Continued)

### SIGNIFICANT ACCOUNTING POLICIES

**Fixed assets**

Each class of fixed assets within either property, 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 for assets held at cost**

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

**Initial recognition and measurement between mandatory revaluation dates for assets held at fair value**

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 scheduled revaluation dates 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 revaluation 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.

At the end of each period the carrying amount for each asset class 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.

**Revaluation (continued)**

For property, plant and equipment and infrastructure, 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. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

**Depreciation**

The depreciable amount of all property, plant and equipment and infrastructure, 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 on revaluation**

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

(i) 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

(ii) 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 ready 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 in the Statement of Comprehensive Income and in Note 10(a).

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## 11. LEASES

### (a) Right-of-Use Assets

| Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year. | Note | Right-of-use assets - buildings | Right-of-use assets Total |
|---|---|---|---|
| | | $ | $ |
| **Balance at 1 July 2020** | | 90,454 | 90,454 |
| Depreciation | | (3,970) | (3,970) |
| **Balance at 30 June 2021** | | 86,484 | 86,484 |
| Depreciation | 10(a) | (3,971) | (3,971) |
| **Balance at 30 June 2022** | | 82,513 | 82,513 |

| The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee: | | 2022 Actual | 2021 Actual |
|---|---|---|---|
| | | $ | $ |
| Depreciation on right-of-use assets | 10(a) | (3,971) | (3,970) |
| Interest expense on lease liabilities | 28(d) | (773) | (1,317) |
| **Total amount recognised in the statement of comprehensive income** | | (4,744) | (5,287) |
| Total cash outflow from leases | | (21,247) | (21,247) |

### (b) Lease Liabilities

| | | | |
|---|---|---|---|
| Current | | 17,489 | 20,474 |
| Non-current | | 0 | 17,489 |
| | 28(d) | 17,489 | 37,963 |

The Shire has 1 lease relating to solar panels on buildings. The term of the lease is 5 years ending in April 2023. The Shire has not revalued the right of use assets relating to the solar panels on the buildings as the difference between the fair value and carrying amout is immaterial.

**Secured liabilities and assets pledged as security**
Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**
At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 28(d).

**Right-of-use assets - valuation measurement**
Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the significant accounting policies applying to vested improvements.

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

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## 11. LEASES (Continued)

### (c) Lessor - Property, Plant and Equipment Subject to Lease

| | 2022 Actual $ | 2021 Actual $ |
|---|---|---|
| The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date. | | |
| Less than 1 year | 203,583 | 204,873 |
| 1 to 2 years | 23,301 | 203,583 |
| 2 to 3 years | 13,203 | 23,301 |
| 3 to 4 years | 12,051 | 13,203 |
| 4 to 5 years | 12,051 | 12,051 |
| > 5 years | 24,152 | 36,203 |
| | 288,341 | 493,214 |

The Shire leases land and buidlings to local businesses and community groups with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. These land and buildings are not considered investment property as they are leased for use in the supply of services to the community. The aged persons housing are considered a joint operation and are not considered investement property as the primary purpose is provision of community housing.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

**SIGNIFICANT ACCOUNTING POLICIES**

**The Shire as Lessor**

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Shire applies AASB 15 to allocate the consideration under the contract to each component.

## 12. TRADE AND OTHER PAYABLES

| | 2022 | 2021 |
|---|---|---|
| | $ | $ |
| **Current** | | |
| Sundry creditors | 766,439 | 1,139,630 |
| Prepaid rates | 141,731 | 0 |
| Accrued payroll liabilities | 58,519 | 56,892 |
| ATO liabilities | 71,379 | 40,828 |
| Bonds and deposits held | 202,689 | 210,591 |
| Accrued interest | 37,012 | 21,254 |
| Financial liabilities | 31,331 | 140,508 |
| Accrued expenditure | 1,218 | 0 |
| | 1,310,318 | 1,609,703 |

### SIGNIFICANT ACCOUNTING POLICIES

**Financial liabilities**

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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.

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services.
The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**Prepaid rates**

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

## 13. OTHER LIABILITIES

| | 2022 $ | 2021 $ |
|---|---|---|
| **Current** | | |
| Contract liabilities | 197,409 | 82,407 |
| Capital grant/contributions liabilities | 302,537 | 1,273,826 |
| | 499,946 | 1,356,233 |
| **Reconciliation of changes in contract liabilities** | | |
| Opening balance | 82,407 | 85,372 |
| Additions | 197,409 | 82,407 |
| Revenue from contracts with customers included as a contract liability at the start of the period | (82,407) | (85,372) |
| | 197,409 | 82,407 |
| The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months. | | |
| **Reconciliation of changes in capital grant/contribution liabilities** | | |
| Opening balance | 1,273,826 | 1,191,686 |
| Additions | 302,537 | 1,273,826 |
| Revenue from capital grant/contributions held as a liability at the start of the period | (1,273,826) | (1,191,686) |
| | 302,537 | 1,273,826 |
| **Expected satisfaction of capital grant/contribution liabilities** | | |
| Less than 1 year | 302,537 | 1,273,826 |
| | 302,537 | 1,273,826 |

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

### SIGNIFICANT ACCOUNTING POLICIES

**Contract liabilities**

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

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

**Capital grant/contribution liabilities**

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierachy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

## 14. BORROWINGS

| | Note | 2022 Current | 2022 Non-current | 2022 Total | 2021 Current | 2021 Non-current | 2021 Total |
|---|---|---|---|---|---|---|---|
| **Secured** | | $ | $ | $ | $ | $ | $ |
| Debentures | | 560,352 | 5,461,856 | 6,022,208 | 427,905 | 4,732,208 | 5,160,113 |
| **Total secured borrowings** | 28(a) | 560,352 | 5,461,856 | 6,022,208 | 427,905 | 4,732,208 | 5,160,113 |

### Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Irwin.
Other loans relate to transferred receivables. Refer to Note 5.

The Shire of Irwin has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

### SIGNIFICANT ACCOUNTING POLICIES

**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.

Fair values of borrowings are not materiallly different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierachy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Information regarding exposure to risk can be found at Note 22.
Details of individual borrowings required by regulations are provided at Note 28(a).

## 15. EMPLOYEE RELATED PROVISIONS

### Employee Related Provisions

| | 2022 | 2021 |
|---|---|---|
| **Current provisions** | $ | $ |
| **Employee benefit provisions** | | |
| Annual Leave | 251,527 | 211,393 |
| Long Service Leave | 295,713 | 204,481 |
| | 547,240 | 415,874 |
| **Non-current provisions** | | |
| Long Service Leave | 40,246 | 107,091 |
| | 40,246 | 107,091 |
| | 587,486 | 522,965 |

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

| | Note | 2022 | 2021 |
|---|---|---|---|
| **Amounts are expected to be settled on the following basis:** | | $ | $ |
| Less than 12 months after the reporting date | | 420,812 | 415,874 |
| More than 12 months from reporting date | | 166,674 | 72,046 |
| Expected reimbursements from other WA local governments | | 0 | 35,045 |
| | | 587,486 | 522,965 |
| Expected reimbursements of employee related provisions from other WA local governments included within other receivables | 5 | (44,873) | 0 |

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related 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 provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at 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.

## 16. REVALUATION SURPLUS

| | 2022 Opening Balance | 2022 Revaluation Increment | 2022 Revaluation (Decrement) | Total Movement on Revaluation | 2022 Closing Balance | 2021 Opening Balance | 2021 Revaluation Increment | 2021 Revaluation (Decrement) | Total Movement on Revaluation | 2021 Closing Balance |
|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Revaluation surplus - Furniture and equipment | 380,764 | 0 | 0 | 0 | 380,764 | 380,764 | 0 | 0 | 0 | 380,764 |
| Revaluation surplus - Plant and equipment | 699,454 | 0 | 0 | 0 | 699,454 | 699,454 | 0 | 0 | 0 | 699,454 |
| Revaluation surplus - Land & building | 18,446,575 | 3,304,894 | 0 | 3,304,894 | 21,751,469 | 18,446,575 | 0 | 0 | 0 | 18,446,575 |
| Revaluation surplus - Infrastructure - roads | 25,917,653 | 10,222,284 | 0 | 10,222,284 | 36,139,937 | 25,917,653 | 0 | 0 | 0 | 25,917,653 |
| Revaluation surplus - Infrastructure other | 1,451,494 | 3,217,366 | 0 | 3,217,366 | 4,668,860 | 1,451,494 | 0 | 0 | 0 | 1,451,494 |
| | 46,895,940 | 16,744,544 | 0 | 16,744,544 | 63,640,484 | 46,895,940 | 0 | 0 | 0 | 46,895,940 |

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

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## 17. NOTES TO THE STATEMENT OF CASH FLOWS

### (a) 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:

| | Note | 2022 Actual $ | 2022 Budget $ | 2021 Actual $ |
|---|---|---|---|---|
| Cash and cash equivalents | 3 | 5,010,850 | 2,861,928 | 5,014,331 |
| **Restrictions** | | | | |
| The following classes of financial 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 | 4,009,401 | 1,485,200 | 4,110,244 |
| | | 4,009,401 | 1,485,200 | 4,110,244 |
| The restricted financial assets are a result of the following specific purposes to which the assets may be used: | | | | |
| Restricted reserve accounts | 29 | 1,392,831 | 1,485,200 | 1,480,545 |
| Contract liabilities | 13 | 197,409 | 0 | 82,407 |
| Capital grant/contributions liabilities | 13 | 302,537 | 0 | 1,273,826 |
| Bonds and deposits held | 12 | 202,689 | 0 | 210,591 |
| Village units surplus | | 373,935 | 0 | 362,875 |
| Unspent loans | 28(c) | 1,540,000 | 0 | 700,000 |
| **Total restricted financial assets** | | 4,009,401 | 1,485,200 | 4,110,244 |

### (b) Reconciliation of Net Result to Net Cash Provided By Operating Activities

| | | | | |
|---|---|---|---|---|
| Net result | | 595,356 | 956,394 | (468,418) |
| Non-cash items: | | | | |
| Adjustments to fair value of financial assets at fair value through profit and loss | | (4,937) | 0 | 0 |
| Adjustments for assets expensed | | 70,226 | 0 | 0 |
| Depreciation/amortisation | | 4,289,602 | 4,373,611 | 4,485,327 |
| (Profit)/loss on sale of asset | | (19,443) | (100,000) | 176,478 |
| Changes in assets and liabilities: | | | | |
| (Increase)/decrease in trade and other receivables | | (291,449) | 125,205 | (114,815) |
| (Increase)/decrease in other assets | | 298,200 | 303,091 | (287,789) |
| (Increase)/decrease in inventories | | 6,497 | 2,050 | (9,497) |
| Increase/(decrease) in trade and other payables | | (299,385) | (448,807) | 468,343 |
| Increase/(decrease) in employee related provisions | | 64,521 | 0 | 28,991 |
| Increase/(decrease) in other liabilities | | (856,287) | (1,333,371) | 79,175 |
| Non-operating grants, subsidies and contributions | | (1,989,836) | (3,396,931) | (3,041,225) |
| Net cash provided by/(used in) operating activities | | 1,863,065 | 481,242 | 1,316,570 |

### (c) Undrawn Borrowing Facilities

**Credit Standby Arrangements**

| | | | | |
|---|---|---|---|---|
| Credit card limit | | 20,000 | | 15,000 |
| Credit card balance at balance date | | (4,680) | | (4,855) |
| **Total amount of credit unused** | | 15,320 | | 10,145 |
| **Loan facilities** | | | | |
| Loan facilities - current | | 560,352 | | 427,905 |
| Loan facilities - non-current | | 5,461,856 | | 4,732,208 |
| **Total facilities in use at balance date** | | 6,022,208 | | 5,160,113 |
| **Unused loan facilities at balance date** | | 1,540,000 | | 700,000 |

MF 3/5/2023

## 18. CONTINGENT LIABILITIES

The Shire is not aware of any reportable contingent assets or liabilities as at the reporting date.

## 19. CAPITAL COMMITMENTS

| | 2022 | 2021 |
|---|---|---|
| | $ | $ |
| Contracted for: | | |
| - capital expenditure projects | 161,846 | 2,802,134 |
| - plant & equipment purchases | 28,317 | 138,291 |
| | 190,163 | 2,940,425 |
| Payable: | | |
| - not later than one year | 190,163 | 2,940,425 |

The capital expenditure projects outstanding at the end of the current reporting period represents construction works on Denison house, construction works on aged housing and the purchase of a spray rig.

The capital expenditure projects outstanding at the end of the prior reporting period represents construction works on aged housing, construction works on Moreton Terrace, the purchase of a truck and purchase of a mower.

## 20. RELATED PARTY TRANSACTIONS

### (a) Elected Member Remuneration

| | Note | 2022 Actual | 2022 Budget | 2021 Actual |
|---|---|---|---|---|
| | | $ | $ | $ |
| **Cr Michael Smith** | | | | |
| President's annual allowance | | 20,000 | 20,000 | 10,000 |
| Meeting attendance fees | | 10,000 | 10,000 | 10,000 |
| Annual allowance for ICT expenses | | 225 | 275 | 90 |
| Travel and accommodation expenses | | 492 | 250 | 0 |
| | | 30,717 | 30,525 | 20,090 |
| **Cr Barry Wyse** | | | | |
| Deputy President's annual allowance | | 0 | 5,000 | 2,500 |
| Meeting attendance fees | | 7,688 | 7,688 | 7,612 |
| Annual allowance for ICT expenses | | 218 | 275 | 90 |
| Travel and accommodation expenses | | 0 | 250 | 0 |
| | | 7,906 | 13,213 | 10,202 |
| **Cr Grant Eva** | | | | |
| Meeting attendance fees | | 7,688 | 7,688 | 7,612 |
| Annual allowance for ICT expenses | | 221 | 275 | 90 |
| Travel and accommodation expenses | | 0 | 250 | 0 |
| | | 7,909 | 8,213 | 7,702 |
| **Cr Andrew Gillam** | | | | |
| Meeting attendance fees | | 7,688 | 7,688 | 7,612 |
| Annual allowance for ICT expenses | | 220 | 275 | 90 |
| Travel and accommodation expenses | | 0 | 250 | 0 |
| | | 7,908 | 8,213 | 7,702 |
| **Cr Mark Leonard** | | | | |
| Meeting attendance fees | | 7,688 | 7,688 | 7,612 |
| Annual allowance for ICT expenses | | 223 | 275 | 90 |
| Travel and accommodation expenses | | 0 | 250 | 0 |
| | | 7,911 | 8,213 | 7,702 |
| **Cr Hayley Palmer** | | | | |
| Meeting attendance fees | | 7,688 | 7,688 | 7,612 |
| Annual allowance for ICT expenses | | 454 | 275 | 89 |
| Travel and accommodation expenses | | 899 | 250 | 0 |
| | | 9,041 | 8,213 | 7,701 |
| **Cr Isabelle Scott** | | | | |
| Deputy President's annual allowance | | 5,000 | 0 | 0 |
| Meeting attendance fees | | 7,688 | 7,688 | 7,612 |
| Annual allowance for ICT expenses | | 222 | 275 | 89 |
| Travel and accommodation expenses | | 1,704 | 250 | 0 |
| | | 14,614 | 8,213 | 7,701 |
| **Cr Ian West** | | | | |
| Meeting attendance fees | | 1,922 | 7,688 | 7,612 |
| Annual allowance for ICT expenses | | 84 | 275 | 89 |
| Travel and accommodation expenses | | 0 | 250 | 0 |
| | | 2,006 | 8,213 | 7,701 |
| **Cr elyse Turnbridge** | | | | |
| Meeting attendance fees | | 5,766 | 0 | 0 |
| Annual allowance for ICT expenses | | 145 | 0 | 0 |
| Travel and accommodation expenses | | 504 | 0 | 0 |
| | | 6,415 | 0 | 0 |
| | | 94,427 | 93,016 | 76,501 |

| Fees, expenses and allowances to be paid or reimbursed to elected council members. | | 2022 Actual | 2022 Budget | 2021 Actual |
|---|---|---|---|---|
| | | $ | $ | $ |
| President's annual allowance | | 20,000 | 20,000 | 10,000 |
| Deputy President's annual allowance | | 5,000 | 5,000 | 2,500 |
| Meeting attendance fees | | 63,816 | 63,816 | 63,284 |
| Annual allowance for ICT expenses | | 2,012 | 2,200 | 717 |
| Travel and accommodation expenses | | 3,599 | 2,000 | 0 |
| | 20(b) | 94,427 | 93,016 | 76,501 |

## 20. RELATED PARTY TRANSACTIONS

### (b) Key Management Personnel (KMP) Compensation

| The total of compensation paid to KMP of the Shire during the year are as follows: | | 2022 Actual $ | 2021 Actual $ |
|---|---|---|---|
| Short-term employee benefits | | 658,915 | 630,996 |
| Post-employment benefits | | 110,414 | 94,419 |
| Employee - other long-term benefits | | 14,830 | 36,821 |
| Council member costs | 20(a) | 94,427 | 76,501 |
| | | 878,586 | 838,737 |

*Short-term employee benefits*
These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

*Post-employment benefits*
These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

*Other long-term benefits*
These amounts represent annual leave and long service leave entitlements accruing during the year.

*Council member costs*
These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

## 20. RELATED PARTY TRANSACTIONS

### (c) 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 guarantees exist in relation to related parties at year end.

| In addition to KMP compensation above the following transactions occurred with related parties: | 2022 Actual | 2021 Actual |
|---|---|---|
| | $ | $ |
| Sale of goods and services | 1,090 | 1,160 |
| Purchase of goods and services | 73,851 | 99,327 |
| **Amounts outstanding from related parties:** | | |
| Trade and other receivables | 435 | 0 |
| **Amounts payable to related parties:** | | |
| Trade and other payables | 2,672 | 14,985 |

### (d) 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 council 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.

# 21. JOINT ARRANGEMENTS

## Share of joint operations

**Stage 1 - Letter of Agreement Dated 20/06/1987**
The Shire has participated in a joint arrangement with Homeswest for the construction the following:

- Four 1 bedroom seniors housing units (5 - 8) at Lot 915 225 Ocean Drive, Port Denison

The housing units have been constructed on Council vested land with the Shire having a 100% share in the assets of this joint arrangement. All revenue and expenses of the joint arrangement are recognised in the relevant financial statements of Council. The Shire is required to provide for the long term maintenance needs of the properties.

| Statement of Financial Position | 2022 Actual | 2021 Actual |
|---|---|---|
| | $ | $ |
| Buildings - specialised | 265,059 | 465,120 |
| Less - accumulated depreciation | 0 | (61,961) |
| **Total assets** | 265,059 | 403,159 |
| | | |
| **Statement of Comprehensive Income** | | |
| | | |
| Revenue | 27,070 | 23,569 |
| Expenses | (38,984) | (37,671) |
| **Profit/(loss) for the period** | (11,914) | (14,102) |
| Other comprehensive income | (138,100) | 0 |
| **Total comprehensive income for the period** | (150,014) | (14,102) |

## 21. JOINT ARRANGEMENTS

### Share of joint operations (Continued)

**Stage 2 - JV Agreement Dated 24/06/1993**
The Shire has participated in a joint arrangement with Homeswest for the construction the following:

- Six 1 bedroom seniors housing units (9 - 14) at Lot 915 225 Ocean Drive, Port Denison

The housing units have been constructed on Council vested land with the Shire having a 18.03% share in the assets of this joint arrangement. All revenue and expenses of the joint arrangement are recognised in the relevant financial statements of Council. The Shire is required to provide for the long term maintenance needs of the properties.

| Statement of Financial Position | 2022 Actual | 2021 Actual |
|---|---|---|
| | $ | $ |
| Buildings - specialised | 193,896 | 115,666 |
| Less - accumulated depreciation | 0 | (32,779) |
| **Total assets** | 193,896 | 82,887 |
| | | |
| **Statement of Comprehensive Income** | | |
| | | |
| Revenue | 44,090 | 42,499 |
| Expenses | (42,021) | (43,791) |
| **Profit/(loss) for the period** | 2,069 | (1,292) |
| Other comprehensive income | 93,578 | 0 |
| **Total comprehensive income for the period** | 95,647 | (1,292) |

## 21. JOINT ARRANGEMENTS

### Share of joint operations (Continued)

**Stage 3 - JV Agreement Dated 26/06/1996**
The Shire has participated in a joint arrangement with Homeswest for the construction the following:

- Four 1 bedroom seniors housing units (15 - 18) at Lot 915 225 Ocean Drive, Port Denison
- Six 2 bedroom seniors housing units (19 - 24) at Lot 915 225 Ocean Drive, Port Denison

The housing units have been constructed on Council vested land with the Shire having a 19.18% share in the assets of this joint arrangement. All revenue and expenses of the joint arrangement are recognised in the relevant financial statements of Council. The Shire is required to provide for the long term maintenance needs of the properties.

| Statement of Financial Position | 2022 Actual | 2021 Actual |
|---|---|---|
| | $ | $ |
| Buildings - specialised | 154,539 | 289,962 |
| Less - accumulated depreciation | 0 | (68,111) |
| **Total assets** | 154,539 | 221,851 |
| | | |
| **Statement of Comprehensive Income** | | |
| | | |
| Revenue | 77,558 | 75,074 |
| Expenses | (67,033) | (67,616) |
| **Profit/(loss) for the period** | 10,525 | 7,458 |
| Other comprehensive income | (102,255) | 0 |
| **Total comprehensive income for the period** | (91,730) | 7,458 |

## 21. JOINT ARRANGEMENTS

### Share of joint operations (Continued)

**Stage 4 - JV Agreement Dated 14/06/2002**
The Shire has participated in a joint arrangement with Homeswest for the construction the following:

- Five 1 bedroom seniors housing units (25 - 28 and 30) at Lot 915 225 Ocean Drive, Port Denison
- One 2 bedroom seniors housing unit (29) at Lot 915 225 Ocean Drive, Port Denison

The housing units have been constructed on Council vested land with the Shire having a 12.23% share in the assets of this joint arrangement. All revenue and expenses of the joint arrangement are recognised in the relevant financial statements of Council. The Shire is required to provide for the long term maintenance needs of the properties.

| Statement of Financial Position | 2022 Actual $ | 2021 Actual $ |
|---|---|---|
| Buildings - specialised | 98,906 | 122,143 |
| Less - accumulated depreciation | 0 | (34,128) |
| **Total assets** | 98,906 | 88,015 |
| **Statement of Comprehensive Income** | | |
| Revenue | 44,606 | 44,210 |
| Expenses | (38,868) | (35,732) |
| **Profit/(loss) for the period** | 5,738 | 8,478 |
| Other comprehensive income | (11,023) | 0 |
| **Total comprehensive income for the period** | (5,285) | 8,478 |

# 21. JOINT ARRANGEMENTS

## Share of joint operations (Continued)

**Stage 5 - JV Agreement Dated 21/12/2003**
The Shire has participated in a joint arrangement with Homeswest for the construction the following:

- Five 1 bedroom seniors housing units (31 - 35) at Lot 915 225 Ocean Drive, Port Denison
- Four 2 bedroom seniors housing units (36 - 39) at Lot 915 225 Ocean Drive, Port Denison

The housing units have been constructed on Council vested land with the Shire having a 14.38% share in the assets of this joint arrangement. All revenue and expenses of the joint arrangement are recognised in the relevant financial statements of Council. The Shire is required to provide for the long term maintenance needs of the properties.

| Statement of Financial Position | 2022 Actual | 2021 Actual |
|---|---|---|
| | $ | $ |
| Buildings - specialised | 162,656 | 246,876 |
| Less - accumulated depreciation | 0 | (60,641) |
| **Total assets** | 162,656 | 186,235 |
| **Statement of Comprehensive Income** | | |
| Revenue | 67,097 | 66,192 |
| Expenses | (61,228) | (56,850) |
| **Profit/(loss) for the period** | 5,869 | 9,342 |
| Other comprehensive income | (60,326) | 0 |
| **Total comprehensive income for the period** | (54,457) | 9,342 |

**SIGNIFICANT ACCOUNTING POLICIES**

**Joint operations**

A joint operation is a joint arrangement where the Shire has joint control with another party to the joint arrangement. All parties to joint arrangementhave rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

## 22. FINANCIAL RISK MANAGEMENT

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

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

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

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

### (a) Interest rate risk

#### Cash and cash equivalents

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

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds 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 |
|---|---|---|---|---|---|
| | % | $ | $ | $ | $ |
| **2022** | | | | | |
| Cash and cash equivalents | 0.75% | 5,010,850 | 0 | 5,008,750 | 2,100 |
| **2021** | | | | | |
| Cash and cash equivalents | 0.10% | 5,014,331 | 0 | 5,011,881 | 2,450 |

#### Sensitivity

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

| | 2022 | 2021 |
|---|---|---|
| | $ | $ |
| Impact of a 1% movement in interest rates on profit and loss and equity* | 50,088 | 50,119 |

* Holding all other variables constant

#### Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 28(a).

## 22. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk

***Trade and Other Receivables***

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

| | Less than 1 year past due | More than 1 year past due | More than 2 years past due | More than 3 years past due | Total | Note |
|---|---|---|---|---|---|---|
| **30 June 2022** | | | | | | |
| Rates receivable | | | | | | |
| Expected credit loss | 0.00% | 0.61% | 0.00% | 0.00% | | |
| Gross carrying amount | 10,523 | 83,008 | 99,660 | 172,356 | 365,547 | |
| Loss allowance | 0 | 503 | 0 | 0 | 503 | 5,12 |
| **30 June 2021** | | | | | | |
| Rates receivable | | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 0.00% | | |
| Gross carrying amount | 3,709 | 157,404 | 109,433 | 174,429 | 444,975 | |
| Loss allowance | 0 | 0 | 0 | 0 | 0 | 5,12 |

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

| | Less than 1 year past due | More than 30 days past due | More than 60 days past due | More than 90 days past due | Total | |
|---|---|---|---|---|---|---|
| **30 June 2022** | | | | | | |
| Trade and other receivables | | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 0.70% | | |
| Gross carrying amount | 320,220 | 5,191 | 436 | 81,685 | 407,532 | |
| Loss allowance | 0 | 0 | 0 | 572 | 572 | 5 |
| **30 June 2021** | | | | | | |
| Trade and other receivables | | | | | | |
| Expected credit loss | 0.01% | 0.00% | 1.07% | 0.84% | | |
| Gross carrying amount | 84,689 | 17,145 | 2,217 | 33,285 | 137,336 | |
| Loss allowance | 8 | 0 | 24 | 281 | 313 | 5 |

## 22. FINANCIAL RISK MANAGEMENT (Continued)

### (b) Credit risk

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

| | Rates receivable | | Trade and other receivables | |
|---|---|---|---|---|
| | 2022 Actual | 2021 Actual | 2022 Actual | 2021 Actual |
| | $ | $ | $ | $ |
| **Opening loss allowance as at 1 July** | 0 | 0 | 334 | 313 |
| Increase in loss allowance recognised in profit or loss during the year | 503 | 0 | 238 | 21 |
| **Closing loss allowance at 30 June** | 503 | 0 | 572 | 334 |

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

## 22. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Liquidity risk

#### Payables and borrowings

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

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

| | Due within 1 year | Due between 1 & 5 years | Due after 5 years | Total contractual cash flows | Carrying values |
|---|---|---|---|---|---|
| **2022** | $ | $ | $ | $ | $ |
| Trade and other payables | 1,310,318 | 0 | 0 | 1,310,318 | 1,310,318 |
| Borrowings | 790,925 | 3,005,660 | 3,627,465 | 7,424,050 | 6,022,208 |
| Lease liabilities | 17,706 | 0 | 0 | 17,706 | 17,489 |
| | 2,118,949 | 3,005,660 | 3,627,465 | 8,752,074 | 7,350,015 |
| **2021** | | | | | |
| Trade and other payables | 1,609,703 | 0 | 0 | 1,609,703 | 1,609,703 |
| Borrowings | 623,166 | 2,298,092 | 3,633,657 | 6,554,915 | 5,160,113 |
| Lease liabilities | 21,247 | 17,706 | 0 | 38,953 | 37,963 |
| | 2,254,116 | 2,315,798 | 3,633,657 | 8,203,571 | 6,807,779 |

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

The Shire does not have any subsequent events after balance sheet date.

## 24. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

**h) Interest earnings**
Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost 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).

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

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

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

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

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

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

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

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

**Cost approach**
Valuation techniques that reflect the current replacement cost of the service capacity of an asse

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.

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

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

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

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

**k) Initial application of accounting standards**
During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

**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*
- *AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*

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

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## 25. FUNCTION AND ACTIVITY

### (a) Service objectives and descriptions

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

| Objective | Description |
|---|---|
| **Governance** | |
| To provide a decision making process for the efficient allocation of scarce resources. | Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern a specific council services. |
| **General purpose funding** | |
| To collect revenue to allow for the provision of services. | Rates, general purpose government grants and interest revenue. |
| **Law, order, public safety** | |
| To provide services to help ensure a safer and environmentally conscious community. | Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services. |
| **Health** | |
| To provide an operational framework for environmental and community health. | Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance. |
| **Education and welfare** | |
| To provide services to the elderly, children and youth. | Maintenance of playgroup centre and senior citizen centre. Provision of youth services. |
| **Housing** | |
| To provide and maintain elderly residents housing. | Provision and maintenance of elderly residents housing. |
| **Community amenities** | |
| To provide services required by the community. | Rubbish collection services, operation of rubbish transfer site, litter control, protection of the environment and administration of town planning schemes, cemetery and public conveniences. |
| **Recreation and culture** | |
| To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community. | Maintenance of public halls, heritage buildings, civic centres, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, television and radio rebroadcasting and other cultural facilities. |
| **Transport** | |
| To provide safe, effective and efficient transport services to the community. | Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc. |
| **Economic services** | |
| To help promote the Shire and its economic wellbeing. | Tourism and area promotion. Provision of rural services including weed control, vermin control and standpipes. Building control. |
| **Other property and services** | |
| To monitor and control Shire's overheads operating accounts. | Private works operation, plant repair and operation costs and engineering operation costs. |

## 25. FUNCTION AND ACTIVITY (Continued)

### (b) Income and expenses

| | 2022 Actual | 2022 Budget | 2021 Actual |
|---|---|---|---|
| | $ | $ | $ |
| **Income excluding grants, subsidies and contributions** | | | |
| Governance | 1,738 | 0 | 0 |
| General purpose funding | 5,770,594 | 5,697,606 | 5,470,370 |
| Law, order, public safety | 48,135 | 51,000 | 18,643 |
| Health | 88,478 | 85,700 | 91,744 |
| Education and welfare | 5,510 | 3,000 | 5,131 |
| Housing | 429,036 | 426,600 | 360,959 |
| Community amenities | 1,173,911 | 1,074,600 | 1,092,274 |
| Recreation and culture | 383,147 | 337,478 | 295,401 |
| Transport | 16,732 | 23,000 | 5,358 |
| Economic services | 290,176 | 245,250 | 259,643 |
| Other property and services | 113,232 | 101,000 | 81,172 |
| | 8,320,689 | 8,045,234 | 7,680,695 |
| **Grants, subsidies and contributions** | | | |
| General purpose funding | 1,044,345 | 393,627 | 546,559 |
| Law, order, public safety | 472,118 | 166,020 | 150,857 |
| Housing | 1,063,634 | 1,040,774 | 518,865 |
| Community amenities | 9,091 | 0 | 18,600 |
| Recreation and culture | 58,674 | 0 | 250,000 |
| Transport | 1,700,854 | 2,587,734 | 2,292,088 |
| Other property and services | 142,319 | 0 | 30,000 |
| | 4,491,035 | 4,188,155 | 3,806,969 |
| **Total Income** | 12,811,724 | 12,233,389 | 11,487,664 |
| **Expenses** | | | |
| Governance | (676,271) | (743,696) | (544,800) |
| General purpose funding | (742,967) | (761,300) | (621,664) |
| Law, order, public safety | (693,034) | (546,387) | (510,173) |
| Health | (542,595) | (474,816) | (490,795) |
| Education and welfare | (71,913) | (64,931) | (67,832) |
| Housing | (432,849) | (752,781) | (830,379) |
| Community amenities | (1,614,486) | (1,303,231) | (1,434,950) |
| Recreation and culture | (2,945,470) | (2,996,912) | (2,757,383) |
| Transport | (3,835,290) | (3,099,919) | (3,802,912) |
| Economic services | (465,498) | (463,022) | (433,670) |
| Other property and services | (195,995) | (70,000) | (461,524) |
| **Total expenses** | (12,216,368) | (11,276,995) | (11,956,082) |
| **Net result for the period** | 595,356 | 956,394 | (468,418) |

## 25. FUNCTION AND ACTIVITY (Continued)

| (c) Fees and Charges | 2022 Actual $ | 2022 Budget $ | 2021 Actual $ |
|---|---|---|---|
| General purpose funding | 29,994 | 14,000 | 24,294 |
| Law, order, public safety | 11,724 | 12,000 | 12,406 |
| Health | 5,483 | 5,700 | 6,110 |
| Education and welfare | 45 | 0 | 45 |
| Housing | 429,035 | 426,600 | 360,960 |
| Community amenities | 1,173,911 | 1,074,600 | 1,092,274 |
| Recreation and culture | 329,127 | 322,000 | 273,988 |
| Transport | 6,421 | 3,000 | 4,741 |
| Economic services | 244,656 | 197,250 | 210,919 |
| Other property and services | 16,062 | 8,000 | 5,088 |
| | 2,246,458 | 2,063,150 | 1,990,825 |

| (d) Total Assets | 2022 $ | 2021 $ |
|---|---|---|
| Governance | 2,729 | 4,996 |
| General purpose funding | 506,775 | 1,220,045 |
| Law, order, public safety | 681,227 | 510,725 |
| Health | 1,520,879 | 1,297,567 |
| Education and welfare | 686,467 | 597,594 |
| Housing | 8,621,521 | 7,094,737 |
| Community amenities | 513,402 | 578,160 |
| Recreation and culture | 26,699,484 | 23,655,049 |
| Transport | 68,180,020 | 51,282,232 |
| Economic services | 2,006,871 | 1,533,439 |
| Other property and services | 3,704,974 | 8,553,795 |
| Unallocated | 2,511,752 | 2,217,392 |
| | 115,636,101 | 98,545,731 |

## 26. RATING INFORMATION

### (a) General Rates

| RATE TYPE<br>Rate Description | Basis of valuation | Rate in $ | Number of Properties | 2021/22 Actual Rateable Value * | 2021/22 Actual Rate Revenue | 2021/22 Actual Interim Rates | 2021/22 Actual Back Rates | 2021/22 Actual Total Revenue | 2021/22 Budget Rate Revenue | 2021/22 Budget Interim Rate | 2021/22 Budget Back Rate | 2021/22 Budget Total Revenue | 2020/21 Actual Total Revenue |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Residential | Gross rental valuation | 0.116239 | 1,357 | 17,289,532 | 2,009,718 | 3,716 | (2,057) | 2,011,377 | 2,014,718 | 0 | 0 | 2,014,718 | 1,921,192 |
| Commercial | Gross rental valuation | 0.116239 | 121 | 3,983,300 | 463,015 | 345 | 0 | 463,360 | 463,015 | 0 | 0 | 463,015 | 442,012 |
| Undeveloped | Gross rental valuation | 0.116239 | 21 | 320,826 | 37,292 | (2,345) | 0 | 34,947 | 37,292 | 0 | 0 | 37,292 | 34,859 |
| Residential - R50 Developed | Gross rental valuation | 0.116239 | 76 | 1,305,602 | 151,762 | 577 | 0 | 152,339 | 151,762 | 0 | 0 | 151,762 | 144,506 |
| Residential - R50 Undeveloped | Gross rental valuation | 0.116239 | 11 | 155,850 | 18,116 | 0 | 0 | 18,116 | 18,116 | 0 | 0 | 18,116 | 18,566 |
| Policy Area A | Unimproved valuation | 0.014756 | 5 | 3,261,000 | 48,119 | 0 | 0 | 48,119 | 48,119 | 0 | 0 | 48,119 | 44,850 |
| Policy Area B | Unimproved valuation | 0.014756 | 12 | 3,936,500 | 58,087 | 0 | 0 | 58,087 | 58,087 | 0 | 0 | 58,087 | 62,119 |
| Policy Area C | Unimproved valuation | 0.014756 | 120 | 79,422,200 | 1,171,954 | 5,866 | 68 | 1,177,888 | 1,167,188 | 0 | 0 | 1,167,188 | 1,064,353 |
| Policy Area D | Unimproved valuation | 0.014756 | 103 | 13,373,100 | 197,333 | 0 | 0 | 197,333 | 196,920 | 0 | 0 | 196,920 | 201,552 |
| Policy Area E | Unimproved valuation | 0.014756 | 40 | 9,600,750 | 141,669 | 0 | 0 | 141,669 | 141,669 | 0 | 0 | 141,669 | 140,763 |
| Policy Area F | Unimproved valuation | 0.014756 | 24 | 4,886,050 | 72,099 | 0 | 0 | 72,099 | 72,099 | 0 | 0 | 72,099 | 73,936 |
| Policy Area G | Unimproved valuation | 0.014756 | 27 | 3,576,000 | 52,767 | 0 | 0 | 52,767 | 52,767 | 0 | 0 | 52,767 | 52,582 |
| Mining | Unimproved valuation | 0.197408 | 27 | 1,488,539 | 293,850 | 25,563 | 95 | 319,508 | 293,850 | 0 | 0 | 293,850 | 282,545 |
| Mining Developed | Unimproved valuation | 0.197408 | 9 | 887,524 | 175,204 | 0 | 0 | 175,204 | 175,204 | 0 | 0 | 175,204 | 168,524 |
| **Sub-Total** | | | 1,953 | 143,486,773 | 4,890,985 | 33,722 | (1,894) | 4,922,813 | 4,890,806 | 0 | 0 | 4,890,806 | 4,652,359 |
| **Minimum payment** | | **Minimum $** | | | | | | | | | | | |
| Residential | Gross rental valuation | 1,050 | 89 | 678,576 | 93,450 | 0 | 0 | 93,450 | 93,450 | 0 | 0 | 93,450 | 100,058 |
| Commercial | Gross rental valuation | 1,050 | 65 | 295,668 | 68,250 | 0 | 0 | 68,250 | 68,250 | 0 | 0 | 68,250 | 66,365 |
| Undeveloped | Gross rental valuation | 1,050 | 450 | 1,283,937 | 472,500 | 0 | 0 | 472,500 | 472,500 | 0 | 0 | 472,500 | 466,597 |
| Residential - R50 Developed | Gross rental valuation | 1,050 | 7 | 58,656 | 7,350 | 0 | 0 | 7,350 | 7,350 | 0 | 0 | 7,350 | 7,147 |
| Residential - R50 Undeveloped | Gross rental valuation | 1,050 | 14 | 73,830 | 14,700 | 0 | 0 | 14,700 | 14,700 | 0 | 0 | 14,700 | 14,294 |
| Policy Area A | Unimproved valuation | 1,050 | 4 | 200,000 | 4,200 | 0 | 0 | 4,200 | 4,200 | 0 | 0 | 4,200 | 4,084 |
| Policy Area B | Unimproved valuation | 1,050 | 3 | 134,500 | 3,150 | 0 | 0 | 3,150 | 3,150 | 0 | 0 | 3,150 | 2,042 |
| Policy Area C | Unimproved valuation | 1,050 | 38 | 2,003,125 | 39,900 | 0 | 0 | 39,900 | 38,850 | 0 | 0 | 38,850 | 27,567 |
| Policy Area D | Unimproved valuation | 1,050 | 17 | 975,500 | 17,850 | 0 | 0 | 17,850 | 17,850 | 0 | 0 | 17,850 | 11,231 |
| Policy Area E | Unimproved valuation | 1,050 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Policy Area F | Unimproved valuation | 1,050 | 11 | 598,500 | 11,550 | 0 | 0 | 11,550 | 11,550 | 0 | 0 | 11,550 | 11,231 |
| Policy Area G | Unimproved valuation | 1,050 | 1 | 65,000 | 1,050 | 0 | 0 | 1,050 | 1,050 | 0 | 0 | 1,050 | 0 |
| Mining | Unimproved valuation | 1,050 | 18 | 39,975 | 18,900 | 0 | 0 | 18,900 | 18,900 | 0 | 0 | 18,900 | 18,378 |
| Mining Developed | Unimproved valuation | 1,050 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub-Total** | | | 717 | 6,407,267 | 752,850 | 0 | 0 | 752,850 | 751,800 | 0 | 0 | 751,800 | 728,994 |
| | | | 2,670 | 149,894,040 | 5,643,835 | 33,722 | (1,894) | 5,675,663 | 5,642,606 | 0 | 0 | 5,642,606 | 5,381,353 |
| **Total amount raised from general rates** | | | | | | | | 5,675,663 | | | | 5,642,606 | 5,381,353 |

* Rateable value is based on the value of properties at the time the rate is raised.

### (b) Rates (excluding general rates)

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Ex-gratia Rates** | | | | | | | | | | | | | |
| Dampier to Bunbury Natural Gas Pipeline Corridor based on annual rate equivalent | | | | | 3,401 | 0 | 0 | 3,401 | 3,000 | 0 | 0 | 3,000 | 3,076 |
| **Sub-Total** | | | 0 | 0 | 3,401 | 0 | 0 | 3,401 | 3,000 | 0 | 0 | 3,000 | 3,076 |
| **Total amount raised from rates (excluding general rates)** | | | | | | | | 3,401 | | | | 3,000 | 3,076 |

### (c) Total Rates

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total Rates** | | | | | | | | **5,679,064** | | | | 5,645,606 | 5,384,429 |

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities* .

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## 26. RATING INFORMATION (Continued)

### (c) Discounts, Incentives, Concessions, & Write-offs

**Waivers or Concessions**

| Rate or Fee and Charge to which the Waiver or Concession is Granted | Type | Waiver/ Concession | Discount % | Discount $ | 2022 Actual $ | 2022 Budget $ | 2021 Actual $ |
|---|---|---|---|---|---|---|---|
| General - Hall Hire | Fee and charge | Waiver | 0.00% | Various | 0 | 5,000 | 318 |
| | | | | | 0 | 5,000 | 318 |

| Rate or Fee and Charge to which the Waiver or Concession is Granted | Circumstances in which the Waiver or Concession is Granted and to whom it was available | Objects of the Waiver or Concession | Reasons for the Waiver or Concession |
|---|---|---|---|
| General - Hall Hire | Provision of a local meeting place for the Shire's not for profit community groups - by application. | This support is provided for the overall benefit of the local community | To support the local community |

## 26. RATING INFORMATION (Continued)

### (d) Interest Charges & Instalments

| Instalment Options | Date Due | Instalment Plan Admin Charge | Instalment Plan Interest Rate | Unpaid Rates Interest Rate |
|---|---|---|---|---|
| | | $ | % | % |
| **Option One** | | | | |
| Single full payment | 4/10/2021 | 0 | 0.0% | 7.0% |
| **Option Two** | | | | |
| First instalment | 4/10/2021 | 0 | 5.5% | 7.0% |
| Second instalment | 6/12/2021 | 5 | 5.5% | 7.0% |
| **Option Three** | | | | |
| First instalment | 4/10/2021 | 0 | 5.5% | 7.0% |
| Second instalment | 6/12/2021 | 5 | 5.5% | 7.0% |
| Third instalment | 7/02/2022 | 5 | 5.5% | 7.0% |
| Fourth instalment | 11/04/2022 | 5 | 5.5% | 7.0% |

| | 2022 Actual | 2022 Budget | 2021 Actual |
|---|---|---|---|
| | $ | $ | $ |
| Interest on unpaid rates | 33,341 | 20,000 | 39,142 |
| Interest on instalment plan | 10,198 | 10,000 | 10,759 |
| Charges on instalment plan | 5,200 | 5,000 | 6,015 |
| Interest of deferred rates | 220 | 0 | 0 |
| | 48,959 | 35,000 | 55,916 |

## 27. RATE SETTING STATEMENT INFORMATION

| | Note | 2021/22 (30 June 2022 Carried Forward) | 2021/22 Budget (30 June 2022 Carried Forward) | 2020/21 (30 June 2021 Carried Forward |
|---|---|---|---|---|
| | | $ | $ | $ |
| **(a) Non-cash amounts excluded from operating activities** | | | | |
| The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32.* | | | | |
| **Adjustments to operating activities** | | | | |
| Less: Profit on asset disposals | 10(d) | (101,878) | (100,000) | (12,524) |
| Less: Fair value adjustments to financial assets at fair value through profit and loss | | (4,937) | 0 | 0 |
| Add: Loss on disposal of assets | 10(d) | 82,435 | 0 | 189,002 |
| Add: Depreciation | 10(a) | 4,289,602 | 4,373,611 | 4,485,327 |
| Non-cash movements in non-current assets and liabilities: | | | | |
| Pensioner deferred rates | | 24,196 | | 11,734 |
| Employee benefit provisions (non-current) | | (66,845) | 0 | 29,563 |
| Leave reserve | | 96,269 | 190,418 | 562 |
| Assets expensed | | 70,226 | 0 | 0 |
| **Non-cash amounts excluded from operating activities** | | 4,389,068 | 4,464,029 | 4,703,664 |
| **(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: Reserve accounts | 29 | (1,392,831) | (1,485,200) | (1,480,545) |
| Less: Financial assets at amortised cost - self supporting loans | 4(a) | (37,930) | (41,513) | (41,513) |
| Less: Current assets not expected to be received at end of year | | | | |
| - Restricted cash - other | | (373,935) | (493,302) | (362,875) |
| Add: Current liabilities not expected to be cleared at end of year | | | | |
| - Current portion of borrowings | 14 | 560,352 | 2 | 427,905 |
| - Current portion of lease liabilities | 11(b) | 17,489 | 20,474 | 20,474 |
| - Employee benefit provisions held in reserves | | 220,017 | 314,166 | 123,748 |
| **Total adjustments to net current assets** | | (1,006,838) | (1,685,373) | (1,312,806) |
| **Net current assets used in the Rate Setting Statement** | | | | |
| Total current assets | | 6,072,982 | 3,486,349 | 6,069,098 |
| Less: Total current liabilities | | (2,935,345) | (1,597,246) | (3,830,189) |
| Less: Total adjustments to net current assets | | (1,006,838) | (1,685,373) | (1,312,806) |
| **Net current assets used in the Rate Setting Statement** | | 2,130,799 | 203,730 | 926,103 |

## 28. BORROWING AND LEASE LIABILITIES

### (a) Borrowings

| | | Actual | | | | | | | Budget | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Purpose | Note | Principal at 1 July 2020 | New Loans During 2020-21 | Principal Repayments During 2020-21 | Principal at 30 June 2021 | New Loans During 2021-22 | Principal Repayments During 2021-22 | Principal at 30 June 2022 | Principal at 1 July 2021 | New Loans During 2021-22 | Principal Repayments During 2021-22 | Principal at 30 June 2022 |
| | | $ | $ | $ | $ | $ | $ | $ | | $ | $ | $ |
| Medical Centre | | 1,450,000 | 0 | (58,961) | 1,391,039 | 0 | (60,211) | 1,330,828 | 1,391,039 | 0 | (60,211) | 1,330,828 |
| SIHI Aged Housing | | 0 | 700,000 | 0 | 700,000 | 0 | (40,351) | 659,649 | 700,000 | 0 | (40,351) | 659,649 |
| Recreation Centre | | 2,105,156 | 0 | (109,992) | 1,995,164 | 0 | (117,650) | 1,877,514 | 1,995,164 | 0 | (117,650) | 1,877,514 |
| Tennis Courts Resurfacing | | 79,897 | 0 | (39,478) | 40,419 | 0 | (40,419) | 0 | 40,418 | 0 | (40,418) | 0 |
| Plant | | 791,096 | 0 | (125,155) | 665,941 | 0 | (127,761) | 538,180 | 665,941 | 0 | (127,760) | 538,181 |
| Plant | | 0 | 0 | 0 | 0 | 1,290,000 | 0 | 1,290,000 | 0 | 674,000 | 0 | 674,000 |
| **Total** | | 4,426,149 | 700,000 | (333,586) | 4,792,563 | 1,290,000 | (386,392) | 5,696,171 | 4,792,562 | 674,000 | (386,390) | 5,080,172 |
| **Self Supporting Loans** | | | | | | | | | | | | |
| Golf Club SSL | | 20,638 | 0 | (8,098) | 12,540 | 0 | (8,307) | 4,233 | 12,541 | 0 | (8,307) | 4,234 |
| Bowling Club SSL | | 0 | 355,010 | 0 | 355,010 | 0 | (33,206) | 321,804 | 355,010 | 0 | (33,206) | 321,804 |
| **Total Self Supporting Loans** | | 20,638 | 355,010 | (8,098) | 367,550 | 0 | (41,513) | 326,037 | 367,551 | 0 | (41,513) | 326,038 |
| **Total Borrowings** | 14 | 4,446,787 | 1,055,010 | (341,684) | 5,160,113 | 1,290,000 | (427,905) | 6,022,208 | 5,160,113 | 674,000 | (427,903) | 5,406,210 |

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost.
All other loan repayments were financed by general purpose revenue.

**Borrowing Interest Repayments**

| Purpose | Note | Function and activity | Loan Number | Institution | Interest Rate | Actual for year ending 30 June 2022 | Budget for year ending 30 June 2022 | Actual for year ending 30 June 2021 |
|---|---|---|---|---|---|---|---|---|
| | | | | | | $ | $ | $ |
| Medical Centre | | Health | 99 | WATC* | 2.11% | (43,092) | (38,601) | (40,072) |
| SIHI Aged Housing | | Housing | 100 | WATC* | 2.03% | (20,958) | (18,799) | (2,994) |
| Recreation Centre | | Recreation and culture | 93 | WATC* | 6.80% | (150,672) | (144,590) | (153,471) |
| Tennis Courts Resurfacing | | Recreation and culture | 96 | WATC* | 2.37% | (966) | (925) | (2,119) |
| Plant | | Transport | 98 | WATC* | 2.07% | (18,670) | (17,349) | (20,189) |
| Plant | | Transport | 103 | WATC* | 4.0097% | (763) | 0 | 0 |
| **Total** | | | | | | (235,121) | (220,264) | (218,845) |
| **Self Supporting Loans Interest Repayments** | | | | | | | | |
| Golf Club SSL | | Recreation and culture | 97 | WATC* | 2.57% | (275) | (324) | (523) |
| Bowling Club SSL | | Recreation and culture | 102 | WATC* | 1.47% | (8,527) | (7,478) | (1,623) |
| **Total Self Supporting Loans Interest Repayments** | | | | | | (8,802) | (7,802) | (2,146) |
| **Total Interest Repayments** | 2(b) | | | | | (243,923) | (228,066) | (220,991) |

## 28. BORROWING AND LEASE LIABILITIES (Continued)

### (b) New Borrowings - 2021/22

| Particulars/Purpose | Institution | Loan Type | Term Years | Interest Rate | Amount Borrowed 2022 Actual | Amount Borrowed 2022 Budget | Amount (Used) 2022 Actual | Amount (Used) 2022 Budget | Total Interest & Charges | Actual Balance Unspent |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | % | $ | $ | $ | $ | $ | $ |
| Plant | WATC* | Debenture | 7 | 4.0097% | 1,290,000 | 674,000 | 0 | (674,000) | 202,301 | 1,290,000 |
| | | | | | 1,290,000 | 674,000 | 0 | (674,000) | 202,301 | 1,290,000 |

* WA Treasury Corporation

### (c) Unspent Borrowings

| Particulars | Institution | Date Borrowed | Unspent Balance 1 July 2021 | Borrowed During Year | Expended During Year | Unspent Balance 30 June 2022 |
|---|---|---|---|---|---|---|
| | | | $ | $ | $ | $ |
| SIHI Aged Housing | WATC* | 15/04/2021 | 700,000 | 0 | (450,000) | 250,000 |
| Plant | WATC* | 24/06/2022 | 0 | 1,290,000 | 0 | 1,290,000 |
| | | | 700,000 | 1,290,000 | (450,000) | 1,540,000 |

* WA Treasury Corporation

### (d) Lease Liabilities

| Purpose | Note | Actual Principal at 1 July 2020 | Actual New Leases During 2020-21 | Actual Principal Repayments During 2020-21 | Actual Principal at 30 June 2021 | Actual New Leases During 2021-22 | Actual Principal Repayments During 2021-22 | Actual Principal at 30 June 2022 | Budget Principal at 1 July 2021 | Budget New Leases During 2021-22 | Budget Principal Repayments During 2021-22 | Budget Principal at 30 June 2022 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Solar Panels | | 39,333 | 0 | (13,541) | 25,792 | 0 | (13,910) | 11,882 | 25,796 | 0 | (13,910) | 11,886 |
| Solar Panels | | 18,560 | 0 | (6,389) | 12,171 | 0 | (6,564) | 5,607 | 12,171 | 0 | (6,564) | 5,607 |
| **Total Lease Liabilities** | 11(b) | 57,893 | 0 | (19,930) | 37,963 | 0 | (20,474) | 17,489 | 37,967 | 0 | (20,474) | 17,493 |

### Lease Interest Repayments

| Purpose | Note | Function and activity | Lease Number | Institution | Interest Rate | Actual for year ending 30 June 2022 | Budget for year ending 30 June 2022 | Actual for year ending 30 June 2021 | Lease Term |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | $ | $ | $ | |
| Solar Panels | | Recreation and culture | 1 | Macquire | 2.70% | (525) | (525) | (895) | 60 months |
| Solar Panels | | Other property and services | 1 | Macquire | 2.70% | (248) | (248) | (422) | 60 months |
| **Total Interest Repayments** | 2(b) | | | | | (773) | (773) | (1,317) | |

## 29. RESERVE ACCOUNTS

| | 2022 Actual Opening Balance | 2022 Actual Transfer to | 2022 Actual Transfer (from) | 2022 Actual Closing Balance | 2022 Budget Opening Balance | 2022 Budget Transfer to | 2022 Budget Transfer (from) | 2022 Budget Closing Balance | 2021 Actual Opening Balance | 2021 Actual Transfer to | 2021 Actual Transfer (from) | 2021 Actual Closing Balance |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| **Restricted by council** | | | | | | | | | | | | |
| (a) Leave Reserve | 123,748 | 190,580 | (94,311) | 220,017 | 123,748 | 190,418 | 0 | 314,166 | 123,184 | 564 | 0 | 123,748 |
| (b) Port Denison Foreshore Development Reserve | 241,058 | 1,130 | 0 | 242,188 | 241,058 | 815 | 0 | 241,873 | 239,960 | 1,098 | 0 | 241,058 |
| (c) Recreation Centre Equipment Reserve | 52,422 | 246 | (50,000) | 2,668 | 52,422 | 177 | (50,000) | 2,599 | 52,183 | 239 | 0 | 52,422 |
| (d) Sanitation Reserve | 1,257 | 6 | 0 | 1,263 | 1,257 | 4 | 0 | 1,261 | 21,160 | 97 | (20,000) | 1,257 |
| (e) Coastal Management Reserve | 31,169 | 146 | 0 | 31,315 | 31,169 | 105 | 0 | 31,274 | 138,669 | 635 | (108,135) | 31,169 |
| (f) Asset Management Reserve | 997,076 | 104,676 | (240,345) | 861,407 | 997,076 | 103,367 | (240,345) | 860,098 | 584,402 | 412,674 | 0 | 997,076 |
| (g) Plant Replacement Reserve | 9,234 | 43 | 0 | 9,277 | 9,234 | 31 | 0 | 9,265 | 108,736 | 498 | (100,000) | 9,234 |
| (h) Tourism and Area Promotion Reserve | 24,581 | 115 | 0 | 24,696 | 24,581 | 83 | 0 | 24,664 | 24,469 | 112 | 0 | 24,581 |
| | 1,480,545 | 296,942 | (384,656) | 1,392,831 | 1,480,545 | 295,000 | (290,345) | 1,485,200 | 1,292,763 | 415,917 | (228,135) | 1,480,545 |
| | 1,480,545 | 296,942 | (384,656) | 1,392,831 | 1,480,545 | 295,000 | (290,345) | 1,485,200 | 1,292,763 | 415,917 | (228,135) | 1,480,545 |

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

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

| Name of Reserve | Anticipated date of use | Purpose of the reserve |
|---|---|---|
| (a) Leave Reserve | Ongoing | - To fund leave requirements. |
| (b) Port Denison Foreshore Development Reserve | Ongoing | - To be used to fund the development works of the foreshore in Port Denison. |
| (c) Recreation Centre Equipment Reserve | Ongoing | - To be used to fund future equipment replacement. |
| (d) Sanitation Reserve | Ongoing | - To be used to develop facilities at the transfer station and future relocation. |
| (e) Coastal Management Reserve | Ongoing | - To be used to fund planning, research and project works in the management of coastline and adjacent areas within the Shire of Irwin. |
| (f) Asset Management Reserve | Ongoing | - To be used for the construction, major maintenance and retire debt associated with Council owned assets. |
| (g) Plant Replacement Reserve | Ongoing | - To be used for the purchase of plant and equipment as per plant replacement program. |
| (h) Tourism and Area Promotion Reserve | Ongoing | - To be used to fund future requirements of tourism promotions. |

## 30. CORRECTION OF ERROR

The following adjustment has been made to comparative amounts in the 30 June 2022 Financial Report to bring to account financial activity that were incorrectly stated in 2020/21. Details of this activity is below:-

In 2016/17 the Shire revalued it's Land and Buildings at fair value as at 30 June 2017. The Shire's percentage ownership in joint venture housing with Homeswest was not taken into account, instead the full fair value valuation was taken up in its accounts in error. This error has now been identifed and the necessary adjustments have been affected.

To correct this error the Gross Replacement Cost of $4,094,185 and Accumulated Depreciation of $328,418 relating to these assets have been adjusted. This net reduction in valuation of $3,765,767 has been adjusted against the Revaluation Surplus for Land and Buildings.

| Statement of Financial Position (Extract) | 30 June 2021 $ | Increase/ (Decrease) $ | 30 June 2021 (Restated) $ | 01 July 2020 $ | Increase/ (Decrease) $ | 01 July 2020 (Restated) $ |
|---|---|---|---|---|---|---|
| Property, plant and equipment | 42,622,593 | (3,765,767) | 38,856,826 | 44,304,551 | (3,765,767) | 40,538,784 |
| Net assets | 93,624,521 | (3,765,767) | 89,858,754 | 94,092,939 | (3,765,767) | 90,327,172 |
| Revaluation surplus - Land & building | 22,212,342 | (3,765,767) | 18,446,575 | 22,212,342 | (3,765,767) | 18,446,575 |
| Total equity | 93,624,521 | (3,765,767) | 89,858,754 | 94,092,939 | (3,765,767) | 90,327,172 |

Auditor General

**INDEPENDENT AUDITOR'S REPORT**
**2022**
**Shire of Irwin**

**To the Councillors of the Shire of Irwin**

## Opinion

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

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and 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.

In my opinion, the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

## Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

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 30 of the financial report which states that the amounts reported in the previously issued 30 June 2021 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

## Other information

The Chief Executive Officer (CEO) is responsible for preparing and the Council for overseeing, the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent



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with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

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

The Chief Executive Officer of the Shire is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- 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
- 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 responsibilities 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.

## My independence and quality control relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Irwin for the year ended 30 June 2022 included in the annual report 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. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Tim Sanya
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
5 May 2023