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.






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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
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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

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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)

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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 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* .

MF 3/5/2023

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