SHIRE OF IRWIN
DONGARA-PORT DENISON
A BRILLIANT BLEND

ANNUAL REPORT 2022/23













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Document Control

Document Number	Responsible Officer	Date Adopted
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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 share the 2022/23 Shire of Irwin Annual Report. It's been an incredibly productive year as we've made substantial headway on projects that were top priorities within our community.

Each year Council and Shire staff work hard to leverage revenue from sources other than rates to minimise the impact on ratepayers and in October 2022 it was announced that the Shire of Irwin had been successful in its application for grant funding through the WA Government's coastal erosion program.

The Shire received $77,583 to be used to fund Stage 3 of the successful Surf Beach stabilisation project, a Council initiative that began in March 2021 as an attempt to solve the massive erosion problem at Surf Beach that was threatening road infrastructure and assets.

Using a unique local design that had never been attempted before and local contractors, the Shire completed 150m of stabilisation and maintenance works.

Stage One involved stabilisation and rehabilitation works with large amounts of sand brought in to help reshape the dune system. During Stage 2 of the project Shire staff planted 2500 young seedlings with the matting providing support to hold and condition the soil until the new vegetation naturally establishes into the dune system.
In December, we hosted our second Magic on Moreton event, a tremendous evening that wouldn't have been possible without the generous support of our sponsors: Mitsui E&P Australia, Beach Energy, and the Dongara Port Denison Larry Lobster Festival Committee. This year, the Shire collaborated with various community groups to illuminate the town for our Magic on Moreton event, with special thanks to the Dongara Men in Sheds for their involvement in a Christmas community collaboration project. They crafted twenty mini-Christmas Trees, decorated by local children from Dongara District High School, Ready Set Grow Dongara, and the Dongara Playgroup, all of which were showcased on the main street during Magic on Moreton.

In January 2022, the Shire of Irwin hosted an Industry Leaders Forum in Perth, bringing together State Government, industry leaders, and stakeholders to discuss the substantial economic growth taking place in Arrowsmith. This collaborative event allowed for a comprehensive discussion on the impact of these projects on our region and the opportunities they offer to local businesses. A significant outcome was the establishment of the Arrowsmith Development Cluster, fostering cohesive industry collaboration to bring these projects to fruition.

The maintenance and management of our rural roads and the safety of all road users remained a central focus for the Shire of Irwin Council in the 2022/23 financial year. In February, we acquired a new loader and grader to enhance our operations team's capabilities for rural road maintenance and construction projects. This acquisition is a part of our ongoing efforts to renew the Shire's machinery fleet, aligning with our Strategic Community Plan (SCP) and Long Term Financial Plan (LTFP), which identified the need to bolster our internal capacity for road maintenance renewal work, including equipment upgrades and additions.

In May we held a series of Community Consultation sessions where we gave progress updates on our Strategic Community Plan and gave the community the opportunity to express their opinion on major local projects such as the recreational jetty, the boat ramp design, and the Surf Beach Revitalisation project. I would like to thank the community members who attended and provided vital feedback.

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 2022/23. I would also like to thank the community for their ongoing support.

Mike Smith
Shire President



Chief Executive Officer's Report



I would like to acknowledge the 2022/23 Shire President, Mike Smith and all the Councillors for their strategic oversight guiding the Shire through another productive year. I also sincerely thank all staff for their hard work and dedication to the Shire and our community for their continued support.

The Shire received over $500,000 of funding for community-based projects. A critical activity under the funding was to undertake bushfire mitigation work around the Shire. The mitigation work involved the strategic clearing of bushland to protect residents should a major fire advance towards the townships. The work was completed using the Shire's recently purchased Posi-Track mulcher. Whilst this was a significant achievement, much more work is still required.

Still on the theme of fire protection, the Shire was successful in acquiring a grant through the WA Government's Community Water Supply Program and installed three strategically located high-capacity water tanks with bores in Springfield, Mount Adams and on Casuarina Road. These tanks are primarily to assist firefighting, but also available for emergency supply of water for livestock and can be used to support road works in these areas. Continuing the theme of emergency provisions and given the Recreational Centre is currently the Shire's emergency welfare centre, funding was received under the Preparing Australian Communities Program to refurbish the recreational centre roof. It was also great to receive funds from the Australian Government's Local Roads and Community Infrastructure Program to convert an existing office space at the Denison Bowling Club into a new much needed, universally accessible ablution. Additionally, the ablution is closer and is more easily accessible from outside the club rooms on the greens side. A combination of funding from the Australian Government Local Roads and Community Infrastructure Program and Beach Energy saw the commencement of an entry statement promoting Dongara Port Denison at the Brand Highway and Kailis Drive intersection.

The lighting upgrade of Memorial Park was completed. This was coordinated by the Shire and Dongara Men in Sheds and sponsored by Mitsui with joint venture partner Beach Energy. The Henry Road communal outdoor area shelter and barbeque were also completed, being a mandatory condition of the funding received to build the Independent Living units the previous year. Lastly, funding was received from the Recreational Boating Facilities Grant for the detailed design work needed to upgrade the Port Denison Boat Ramp Precinct. The design work for the boat ramp is complete.

The Shire held its biannual Community Consultation sessions in May where we provided progress updates on our Strategic Community Plan and gave the community the opportunity to express their opinion on major local projects such as the recreational jetty, the boat ramp design, and the Surf Beach revitalisation project. The Port Denison Foreshore Masterplan, Irwin River Walking Trail Amenity Upgrades Masterplan, and the Extended Entry Statement Masterplan, which have been guided by the community were also available for comment as was the Shire of Irwin's Local Planning Strategy that will act as a guide for the progressive development of the Shire over the next 10 to 15 years. We had a good turn out and positive feedback from both sessions and I would like to thank those community members who were able to come along.

The Shire was a finalist in the Tidy Towns Sustainable Communities Awards 2022. In celebration of regional and community action, the Shire of Irwin community were recognised as finalists for Heritage and Culture in the 2022 Tidy Towns Sustainable Communities Awards for work relating to the preservation of our Heritage Listed Moreton Bag Fig Trees along Moreton Terrace. The Shire of Irwin and the Moreton Terrace streetscape is renowned for its heritage-listed Moreton Bay Fig Trees. To prolong the life of the trees and allow for projected root system spread well into the future, a realignment of carparks, kerbing and pathways was necessary and implemented as part of the Moreton Terrace Revitalisation project.

The 2023 Australia Day Event was a great success with the Shire Events Team taking the day to the next level in terms of presentation and entertainment. I particularly want to again congratulate the Young Citizen of the Year, Raine Jeffery; Senior Citizen of the Year, Graeme Roberts; Community Group of the Year, Dongara Osprey Girl Guides and the Citizen of the Year, Jim Phillips. The Denison Foreshore Sprint and Midwest Show & Shine again was a fantastic day with strong attendance.

The gym received a complete refit - out with the old and in with the new. Having had a great run from a lot of our old gear (the pin loaded, benches and free weights being original), they were getting tired. The new equipment has been very well received and created a lot of anticipation and excitement from our gym users. The gym received close to 10,000 member visits including some casual visits plus a strong participation in the Fit2Live Gold Program. The Recreational Centre continued with its School Holiday Program with bookings for the function rooms on the rise again.

The annual planting program was completed with approximately 90 mature trees planted along Point Leander Drive. Some of the plants experienced transplant shock, however they have now bounced back. There have been many positive comments from the community regarding this program. Stabilisation and underpinning work to the Denison Chapel east wall was completed as per the architects' advised scope. Denison House render repairs were also completed by a stonemason and is looking fantastic, and crack repair works to the exterior walls were also undertaken at Denison House.

The wall reinforcing at the Transfer Station was completed although there was a delay to installing the new safety railing. Containers for change (CDS) saw a significant number of containers recycled each month which kept the team extremely busy. There was an even split with payment types, though more people over time are changing from cash to the CDS scheme payment option.

The arrival of the new grader allowed for the first time in a long time, for the Shire to have two grading teams with one to focus on re-sheeting works and the other on gravel road maintenance. New spray equipment is considered state of the art and allows for hydraulic actuators to be operated from the cab, giving the ability to spray a kerb line out to 8 meters. It also has a 200-meter electric hose enabling staff to access difficult terrain. This is critical for weed management and considerably reduces the labour required to slash road verges and contain the spread of Crown Beard Daisy. Mitigation work continued as per the operational program and included road verges such Bookara East Road.

The Inspiring a Connected Irwin project was supported through two grants from the State Library of WA to enhance reading and retention as well as building on digital literacy skills across demographics. The Dongara library facility now offers digital inclusion, social inclusion, and well-being opportunities - catering for families, seniors, and youth currently without or limited access to these resources. Featuring an accessible and all-inclusive public space fitted with furniture and access to two desktop computers and two iPads.

By creating the space where people of all ages can come to sit, relax, read, and access resources has broadened the service capabilities of the Dongara Library, and benefits the community by increasing access to information and opportunities for engagement within the library space. I wish to thank the library volunteers for their continued support of the Dongara Library.

The proposed industry growth in Arrowsmith represents an unprecedented opportunity for social and economic participation by the local community. However, the flow on impacts from increased economic activity can have detrimental effects on local residents, business operators and the thriving tourism sector. The Shire carried out extensive consultation with the State Government during 2022 which culminated in a Forum being held in February this year led by the then Deputy Premier of Western Australia. The goal of the forum was to create State Government awareness such that the funding and coordination requirements for critical infrastructure could be considered at a state level.

Shane Ivers
Chief Executive Officer



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	11	2	0
Cr Isabelle Scott	10	2	3
Cr Barry Wyse	8	2	0
Cr Andrew Gillam	11	2	1
Cr Mark Leonard	11	2	3
Cr Hayley Palmer	11	1	4
Cr Grant Eva	10	2	2
Cr Elyce Tunbridge	11	2	2

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 2023.

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 2023 being one (2) employee; and the number of employees that fall within each band of $10,000 over $130,000 As at the 30 June 2023 was (1).

Remuneration and allowances as payment to elected members totalled $88,816 as at 30 June 2023.

Remuneration paid or provided to the CEO during the financial year is $273,261 calculated in accordance with Part 2: Total Reward Package of the Local Government Chief Executive Officers and Elected Members Determination No. 1 of 2023 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. The Shire also has undertaken further community engagement activities in May 2023 to begin updating the strategic community plan.

Corporate Business Plan

As the next step to completing Shire's integrated planning suite, the Long Term Financial Plan 2022-2037 was completed and adopted by Council April 2022.
The engagement activities undertaken in May 2023 will provide relevant information in relation to the direction of the Corporate Business Plan.









Disability Access and Inclusion Plan

The Shire has reviewed its existing plan and has undertaken engagement activities with members of the local community with
disability and members of their families, as to issues that they experience within the community. The new 2023-2028 DAIP has been completed and was advertised for public comment, attracting no submissions.

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 disability, 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. Works completed over the reporting period focussed on the Shires self-contained aged pension units in Port Denison.

The Village Audit

The Village complex consists of 39 self-contained aged/pension units. Audits of the disability access compliance Identified further failures in the complexes pathways and ramps necessitating improvements to pathways where they terminate at
inter-traffic zones within the complex, to enhance accessibility. Improved 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.




SUPREME




ACROMAT

SHIRE OF IRWIN

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

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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

ML 29/11/2023

SHIRE OF IRWIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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

STATEMENT BY CEO

The accompanying financial report of the Shire of Irwin has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 29 day of November 2023

Chief Executive Officer

SHANE IVERS
Name of Chief Executive Officer

OAG AUDITED

ML 29/11/2023

SHIRE OF IRWIN
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual	2023 Budget	2022 Actual
		$	$	$
Revenue				
Rates	2(a),25	5,985,947	5,949,556	5,679,064
Grants, subsidies and contributions	2(a)	1,406,119	822,450	1,529,910
Fees and charges	2(a)	2,433,239	2,202,999	2,246,458
Interest revenue	2(a)	211,177	54,872	62,225
Other revenue	2(a)	399,452	276,000	226,127
		10,435,934	9,305,877	9,743,784
Expenses				
Employee costs	2(b)	(3,973,011)	(3,164,662)	(3,018,767)
Materials and contracts		(4,346,442)	(3,909,830)	(3,630,134)
Utility charges		(491,619)	(477,400)	(485,453)
Depreciation		(4,551,218)	(4,366,569)	(4,289,602)
Finance costs	2(b)	(255,207)	(263,044)	(244,696)
Insurance		(240,411)	(237,367)	(230,089)
Other expenditure	2(b)	(203,875)	(200,916)	(235,192)
		(14,061,783)	(12,619,788)	(12,133,933)
		(3,625,849)	(3,313,911)	(2,390,149)
Capital grants, subsidies and contributions	2(a)	1,197,091	5,391,447	2,961,125
Profit on asset disposals		118,538	119,916	101,878
Loss on asset disposals		0	0	(82,435)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,744	0	4,937
		1,318,373	5,511,363	2,985,505
Net result for the period		**(2,307,476)**	**2,197,452**	**595,356**
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	16	0	0	16,744,544
Total other comprehensive income for the period	16	**0**	**0**	**16,744,544**
Total comprehensive income for the period		**(2,307,476)**	**2,197,452**	**17,339,900**

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

OAG AUDITED

ML 29/11/2023

SHIRE OF IRWIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTE	2023	2022
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	3,685,139	5,010,850
Trade and other receivables	5	1,082,341	987,962
Other financial assets	4(a)	34,194	37,930
Inventories	6	32,618	21,521
Other assets	7	4,515	4,891
TOTAL CURRENT ASSETS		4,838,807	6,063,154
NON-CURRENT ASSETS			
Trade and other receivables	5	43,472	43,220
Other financial assets	4(b)	315,011	346,461
Property, plant and equipment	8	41,635,542	41,527,346
Infrastructure	9	65,760,798	67,573,407
Right-of-use assets	11(a)	218,794	82,513
TOTAL NON-CURRENT ASSETS		107,973,617	109,572,947
TOTAL ASSETS		112,812,424	115,636,101
CURRENT LIABILITIES			
Trade and other payables	12	1,032,493	1,310,318
Other liabilities	13	515,074	499,946
Lease liabilities	11(b)	32,860	17,489
Borrowings	14	576,842	560,352
Employee related provisions	15	705,081	547,240
TOTAL CURRENT LIABILITIES		2,862,350	2,935,345
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	104,720	0
Borrowings	14	4,885,432	5,461,856
Employee related provisions	15	68,744	40,246
TOTAL NON-CURRENT LIABILITIES		5,058,896	5,502,102
TOTAL LIABILITIES		7,921,246	8,437,447
NET ASSETS		104,891,178	107,198,654
EQUITY			
Retained surplus		39,650,352	42,165,339
Reserve accounts	28	1,600,342	1,392,831
Revaluation surplus	16	63,640,484	63,640,484
TOTAL EQUITY		104,891,178	107,198,654

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

OAG AUDITED

ML 29/11/2023

SHIRE OF IRWIN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	RETAINED SURPLUS	RESERVE ACCOUNTS	REVALUATION SURPLUS	TOTAL EQUITY
		$	$	$	$
Balance as at 1 July 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 reserve accounts	28	384,656	(384,656)	0	0
Transfers to reserve accounts	28	(296,942)	296,942	0	0
Balance as at 30 June 2022		**42,165,339**	**1,392,831**	**63,640,484**	107,198,654
Comprehensive income for the period					
Net result for the period		(2,307,476)	0	0	(2,307,476)
Total comprehensive income for the period		(2,307,476)	0	0	(2,307,476)
Transfers from reserve accounts	28	60,000	(60,000)	0	0
Transfers to reserve accounts	28	(267,511)	267,511	0	0
Balance as at 30 June 2023		**39,650,352**	**1,600,342**	**63,640,484**	**104,891,178**

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

ML 29/11/2023

SHIRE OF IRWIN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual $	2022 Actual $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		5,978,424	5,747,120
Grants, subsidies and contributions		1,233,795	1,329,605
Fees and charges		2,445,759	2,247,199
Interest revenue		211,177	62,225
Goods and services tax received		731,822	712,378
Other revenue		399,452	226,127
		11,000,429	10,324,654
Payments			
Employee costs		(3,749,395)	(2,922,068)
Materials and contracts		(4,647,259)	(3,744,263)
Utility charges		(491,619)	(485,453)
Finance costs		(255,207)	(228,938)
Insurance paid		(240,411)	(230,089)
Goods and services tax paid		(728,117)	(615,824)
Other expenditure		(191,506)	(234,954)
		(10,303,514)	(8,461,589)
Net cash provided by (used in) operating activities		696,915	1,863,065
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(1,414,264)	(2,341,399)
Payments for construction of infrastructure	9(a)	(1,609,987)	(2,537,529)
Capital grants, subsidies and contributions		1,243,835	1,989,836
Proceeds from financial assets at amortised cost - self supporting loans		37,930	41,513
Proceeds from sale of property, plant & equipment		299,955	139,412
Net cash provided by (used in) investing activities		(1,442,531)	(2,708,167)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27(a)	(559,934)	(427,905)
Payments for principal portion of lease liabilities	27(c)	(20,161)	(20,474)
Proceeds from new borrowings	27(a)	0	1,290,000
Net cash provided by (used in) financing activities		(580,095)	841,621
Net increase (decrease) in cash held		(1,325,711)	(3,481)
Cash at beginning of year		5,010,850	5,014,331
Cash and cash equivalents at the end of the year		3,685,139	5,010,850

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

ML 29/11/2023

SHIRE OF IRWIN
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual	2023 Budget	2022 Actual
		$	$	$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	5,982,204	5,946,056	5,675,663
Rates excluding general rates	25	3,743	3,500	3,401
Grants, subsidies and contributions		1,406,119	822,450	1,529,910
Fees and charges		2,433,239	2,202,999	2,246,458
Interest revenue		211,177	54,872	62,225
Other revenue		399,452	276,000	226,127
Profit on asset disposals		118,538	119,916	101,878
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,744	0	4,937
		10,557,216	9,425,793	9,850,599
Expenditure from operating activities				
Employee costs		(3,973,011)	(3,164,662)	(3,018,767)
Materials and contracts		(4,346,442)	(3,909,830)	(3,630,134)
Utility charges		(491,619)	(477,400)	(485,453)
Depreciation		(4,551,218)	(4,366,569)	(4,289,602)
Finance costs		(255,207)	(263,044)	(244,696)
Insurance		(240,411)	(237,367)	(230,089)
Other expenditure		(203,875)	(200,916)	(235,192)
Loss on asset disposals		0	0	(82,435)
		(14,061,783)	(12,619,788)	(12,216,368)
Non-cash amounts excluded from operating activities	26(a)	4,405,392	4,247,443	4,379,240
Amount attributable to operating activities		900,825	1,053,448	2,013,471
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		1,197,091	5,391,447	2,961,125
Proceeds from disposal of assets		299,955	312,000	139,412
Proceeds from financial assets at amortised cost - self supporting loans	27(a)	37,930	37,931	41,513
		1,534,976	5,741,378	3,142,050
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(1,414,264)	(2,120,490)	(2,341,399)
Purchase and construction of infrastructure	9(a)	(1,609,987)	(6,331,657)	(2,537,529)
		(3,024,251)	(8,452,147)	(4,878,928)
Amount attributable to investing activities		(1,489,275)	(2,710,769)	(1,736,878)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	27(a)	0	0	1,290,000
Transfers from reserve accounts	28	60,000	0	384,656
Transfers to restricted cash (other)		0	(40,000)	(11,060)
		60,000	(40,000)	1,663,596
Outflows from financing activities				
Repayment of borrowings	27(a)	(559,934)	(559,935)	(427,905)
Payments for principal portion of lease liabilities	27(c)	(20,161)	(17,436)	(20,474)
Transfers to reserve accounts	28	(267,511)	(176,868)	(296,942)
Transfer from Restricted Cash - Other		0	195,813	0
		(847,606)	(558,426)	(745,321)
Amount attributable to financing activities		**(787,606)**	(598,426)	918,275
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(b)	2,120,971	2,256,461	926,103
Amount attributable to operating activities		900,825	1,053,448	2,013,471
Amount attributable to investing activities		(1,489,275)	(2,710,769)	(1,736,878)
Amount attributable to financing activities		(787,606)	(598,426)	918,275
Surplus or deficit after imposition of general rates	26(b)	**744,915**	**714**	**2,120,971**

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

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SHIRE OF IRWIN
FOR THE YEAR ENDED 30 JUNE 2023
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SHIRE OF IRWIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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 (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance 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 except for disclosure requirements of:

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 140 Investment Property paragraph 75(f)
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

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.

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

Initial application of accounting standards
During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- *AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- *AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date*
- *AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]*
- *AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15*

These amendments have no material impact on the current annual financial report

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

- *AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2020-1 Amendments to Australian Accounting* Standards - *Classification of Liabilities as Current or Non-current*
- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*
  This standard will result in a terminology change for significant accounting policies
- *AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- *AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*
- *AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
- *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*
  The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

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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
Grants, subsidies and contributions	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
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - 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
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - 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	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	$	$	$	$	$
Rates	0	0	5,982,204	3,743	5,985,947
Grants, subsidies and contributions	385,638	0		1,020,481	1,406,119
Fees and charges	2,343,378	0	89,861	0	2,433,239
Interest revenue	0	0	45,888	165,289	211,177
Other revenue	67,666	0	0	331,786	399,452
Capital grants, subsidies and contributions	0	1,197,091	0	0	1,197,091
Total	2,796,682	1,197,091	6,117,953	1,521,299	11,633,025

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	$	$	$	$	$
Rates	0	0	5,675,663	3,401	5,679,064
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 revenue	0	0	43,759	18,466	62,225
Other revenue	84,683	0	0	141,444	226,127
Capital grants, subsidies and contributions	0	2,961,125	0	0	2,961,125
Total	2,535,177	2,961,125	5,792,810	1,415,797	12,704,909

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2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	Note	2023 Actual	2022 Actual
		$	$
Interest revenue			
Financial assets at amortised cost - self supporting loans		4,387	9,625
Interest on reserve account funds		45,643	6,943
Trade and other receivables overdue interest		45,888	43,759
Other interest revenue		115,259	1,898
		211,177	62,225
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was $30,000			
Fees and charges relating to rates receivable			
Charges on instalment plan		150	420
The 2023 original budget estimate in relation to: Charges on instalment plan was $10,000.			

(b) Expenses

Auditors remuneration			
- Audit of the Annual Financial Report		53,400	51,000
- Other services		12,170	10,600
		65,570	61,600
Employee Costs			
Employee benefit costs		3,973,011	3,018,767
Other employee costs			
		3,973,011	3,018,767
Finance costs			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss		255,207	244,696
		255,207	244,696
Impairment losses on rates and statutory receivables		151	503
Impairment losses on trade receivables		12,369	238
Sundry expenses		191,355	234,451
		203,875	235,192

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3. CASH AND CASH EQUIVALENTS

	Note	2023	2022
		$	$
Cash at bank and on hand		3,685,139	5,010,850
Total cash and cash equivalents		3,685,139	5,010,850
Held as			
- Unrestricted cash and cash equivalents		419,704	1,001,449
- Restricted cash and cash equivalents		3,265,435	4,009,401
		3,685,139	5,010,850

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 reserve accounts, 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.

4. OTHER FINANCIAL ASSETS

		2023	2022
		$	$
(a) Current assets			
Financial assets at amortised cost		34,194	37,930
		34,194	37,930
Other financial assets at amortised cost			
Self supporting loans receivable	26(b)	34,194	37,930
		34,194	37,930
Held as			
- Unrestricted other financial assets at amortised cost		34,194	37,930
		34,194	37,930
(b) Non-current assets			
Financial assets at amortised cost		253,914	288,108
Financial assets at fair value through profit or loss		61,097	58,353
		315,011	346,461
Financial assets at amortised cost			
Self supporting loans receivable		253,914	288,108
		253,914	288,108
Financial assets at fair value through profit or loss			
Units in Local Government House Trust - opening balance		58,353	53,416
Movement attributable to fair value increment		2,744	4,937
Units in Local Government House Trust - closing balance		61,097	58,353

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 27(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

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 or loss
The Shire has elected to classify the following financial assets at fair value through profit or 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 elected to recognise as fair value gains and losses through profit or loss.

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5. TRADE AND OTHER RECEIVABLES

	Note	2023	2022
		$	$
Current			
Rates and statutory receivables		446,323	473,886
Trade receivables		485,141	407,532
GST receivable		68,869	72,574
Receivables for employee related provisions	15	95,603	35,045
Allowance for credit losses of rates and statutory receivables		(654)	(503)
Allowance for credit losses of trade receivables	22(b)	(12,941)	(572)
		1,082,341	987,962
Non-current			
Rates and statutory receivables		43,472	33,392
Receivables for employee related provisions		0	9,828
		43,472	43,220

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:	Note	30 June 2023 Actual	30 June 2022 Actual	1 July 2021 Actual
		$	$	$
Allowance for credit losses of trade receivables	5	(12,941)	(572)	(374)
Total trade and other receivables from contracts with customers		(12,941)	(572)	(374)

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables
Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables
Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

Other receivables
Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non financial assets.

Measurement
Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

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.

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6. INVENTORIES

	Note	2023	2022
		$	$
Current			
Fuel and materials		32,618	21,521
		32,618	21,521

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7. OTHER ASSETS

	2023	2022
	$	$
Other assets - current		
Accrued income	4,515	4,208
Contract assets	0	683
	4,515	4,891

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.

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Contract assets

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at the end of the period.

Impairment of assets associated with contracts with customers are detailed at Note 2(b).

Non-current assets held for sale (Continued)

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value heirachy set out in Note 24(i).

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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.

	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings not subject to operating lease	Total land and buildings	Furniture and equipment	Plant and equipment	Buildings - work in progress	Total property, plant and equipment
	$	$	$	$		$	$	$	$
Balance at 1 July 2021	5,261,300	2,665,131	28,055,302	35,981,733	35,981,733	334,099	1,974,182	566,812	38,856,826
Additions	0	0	1,629,332	1,629,332	1,629,332	30,996	681,071	0	2,341,399
Disposals	0	0	(74,701)	(74,701)	(74,701)		(38,896)	0	(113,597)
Revaluation increments / (decrements) transferred to revaluation surplus	263,104	67,459	2,974,331	3,304,894	3,304,894				3,304,894
Depreciation	0	(220,364)	(781,156)	(1,001,520)	(1,001,520)	(67,533)	(442,935)	0	(1,511,988)
Transfers	0	(2,142,226)	1,308,131	(834,095)	(834,095)		50,719	(566,812)	(1,350,188)
Balance at 30 June 2022	5,524,404	370,000	33,111,239	39,005,643	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	39,005,643	735,759	4,230,700	0	43,972,102
Accumulated depreciation at 30 June 2022	0	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	39,005,643	297,562	2,224,141	0	41,527,346
Additions	0		289,746	289,746	289,746	54,825	1,042,420	27,273	1,414,264
Disposals	0		0	0	0		(181,417)	0	(181,417)
Assets classified as held for sale	0		0	0	0		0	0	0
Depreciation	0	(8,362)	(628,361)	(636,723)	(636,723)	(55,054)	(432,874)	0	(1,124,651)
Balance at 30 June 2023	5,524,404	361,638	32,772,624	38,658,666	38,658,666	297,333	2,652,270	27,273	41,635,542
Comprises:									
Gross balance amount at 30 June 2023	5,524,404	370,000	33,400,985	39,295,389	39,295,389	790,584	4,895,883	27,273	45,009,129
Accumulated depreciation at 30 June 2023	0	(8,362)	(628,361)	(636,723)	(636,723)	(493,251)	(2,243,613)	0	(3,373,587)
Balance at 30 June 2023	5,524,404	361,638	32,772,624	38,658,666	38,658,666	297,333	2,652,270	27,273	41,635,542

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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			Purchase Cost
Plant and equipment		Cost			Purchase Cost

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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.

	Infrastructure - roads	Other infrastructure [describe]	Other infrastructure [work in progress]	Infrastructure roads [work in progress]	Total Infrastructure
	$	$	$	$	$
Balance at 1 July 2021	46,776,873	4,724,127	64,781	1,530,500	53,096,281
Additions	2,360,902	168,802	7,825		2,537,529
(Disposals)	0	(6,372)	0	0	(6,372)
Revaluation increments / (decrements) transferred to revaluation surplus	10,222,284	3,217,366	0	0	13,439,650
Depreciation	(2,525,532)	(248,111)	0		(2,773,643)
Transfers	1,646,584	1,228,659	(64,781)	(1,530,500)	1,279,962
Balance at 30 June 2022	58,481,111	9,084,471	7,825	0	67,573,407
Comprises:					
Gross balance at 30 June 2022	72,081,720	11,956,909	7,825	0	84,046,454
Accumulated depreciation at 30 June 2022	(13,600,609)	(2,872,438)	0	0	(16,473,047)
Balance at 30 June 2022	58,481,111	9,084,471	7,825	0	67,573,407
Additions	1,078,019	256,437	275,531	0	1,609,987
Depreciation	(2,912,102)	(510,494)	0	0	(3,422,596)
Balance at 30 June 2023	56,647,028	8,830,414	283,356	0	65,760,798
Comprises:					
Gross balance at 30 June 2023	73,159,739	12,213,346	283,356	0	85,656,441
Accumulated depreciation at 30 June 2023	(16,512,711)	(3,382,932)	0	0	(19,895,643)
Balance at 30 June 2023	56,647,028	8,830,414	283,356	0	65,760,798

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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.
Other 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.

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10. FIXED ASSETS

(a) Depreciation

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 - freehold 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

Revision of useful lives of plant and equipment
None

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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 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.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, 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 Shire's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair They are subject to subsequent revaluation at the next revaluation consistent with *Financial Management Regulation 17A(4)*.

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 consistent with *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 asset classes 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.

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.

(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).

Impairment

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 or losses on disposal

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.

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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 - plant and equipment	Right-of-use assets Total
		$	$	$
Balance at 1 July 2021		86,484	0	86,484
Depreciation		(3,971)	0	(3,971)
Balance at 30 June 2022		82,513	0	82,513
Gross balance amount at 30 June 2022		86,484	0	86,484
Accumulated depreciation at 30 June 2022		(3,971)	0	(3,971)
Balance at 30 June 2022		82,513	0	82,513
Additions		0	140,252	140,252
Depreciation		(3,971)	0	(3,971)
Balance at 30 June 2023		78,542	140,252	218,794
Gross balance amount at 30 June 2023		222,766	0	222,766
Accumulated depreciation at 30 June 2023		(3,971)	0	(3,971)
Balance at 30 June 2023		218,795	0	218,795

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:		2023 Actual	2022 Actual
		$	$
Depreciation on right-of-use assets		(3,971)	(3,971)
Finance charge on lease liabilities	27(c)	(4,284)	(773)
Total amount recognised in the statement of comprehensive income		(8,255)	(4,744)
Total cash outflow from leases		(24,445)	(21,247)

(b) Lease Liabilities

Current		32,860	17,489
Non-current		104,720	0
	27(c)	137,580	17,489

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 27(c).

Right-of-use assets - measurement
Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised 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 depreciated over the useful life of the underlying asset.

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11. LEASES (Continued)

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

	2023 Actual $	2022 Actual $
The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.		
Less than 1 year	23,301	203,583
1 to 2 years	13,203	23,301
2 to 3 years	12,051	13,203
3 to 4 years	12,051	12,051
4 to 5 years	24,152	12,051
> 5 years	0	24,152
	84,758	288,341

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.

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12. TRADE AND OTHER PAYABLES

	2023	2022
	$	$
Current		
Sundry creditors	411,906	766,439
Prepaid rates	116,725	141,731
Accrued payroll liabilities	100,429	58,519
ATO liabilities	66,746	71,379
Bonds and deposits held	236,084	202,689
Accrued interest	18,233	37,012
Financial liabilities	31,331	31,331
Accrued expenditure	51,039	1,218
	1,032,493	1,310,318

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 any 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 income for the prepaid rates that have not been refunded.

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13. OTHER LIABILITIES

	2023	2022
	$	$
Current		
Contract liabilities	165,793	197,409
Capital grant/contributions liabilities	349,281	302,537
	515,074	499,946
Reconciliation of changes in contract liabilities		
Opening balance	197,409	82,407
Additions	165,793	197,409
Revenue from contracts with customers included as a contract liability at the start of the period	(197,409)	(82,407)
	165,793	197,409

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was $349,281 (2022: $302,537)

The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.

Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	302,537	1,273,826
Additions	349,281	302,537
Revenue from capital grant/contributions held as a liability at the start of the period	(302,537)	(1,273,826)
	349,281	302,537
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	349,281	302,537
	349,281	302,537

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 by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, 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 hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

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14. BORROWINGS

		2023			2022		
	Note	Current	Non-current	Total	Current	Non-current	Total
Secured		$	$	$	$	$	$
Long Term Borrowing		576,842	4,885,432	5,462,274	560,352	5,461,856	6,022,208
Total secured borrowings	27(a)	576,842	4,885,432	5,462,274	560,352	5,461,856	6,022,208

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 2023 and 2022 years.

SIGNIFICANT ACCOUNTING POLICIES
Borrowing costs
The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially 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
Details of individual borrowings required by regulations are provided at Note 27(a).

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15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
Current provisions	$	$
Employee benefit provisions		
Annual leave	253,778	216,687
Long service leave	349,168	253,130
Annual leave on cost	44,139	34,840
Long service leave on cost	57,996	42,583
	705,081	547,240
Total current employee related provisions	705,081	547,240
Non-current provisions		
Employee benefit provisions		
Long service leave	61,956	34,333
Long service leave on cost	6,788	5,913
	68,744	40,246
Total non-current employee related provisions	68,744	40,246
Total employee related provisions	773,825	587,486

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.

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.

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16. REVALUATION SURPLUS

	2023 Opening Balance	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	$	$	$	$	$
Revaluation surplus - Furniture and equipment	380,764	380,764	380,764	0	380,764
Revaluation surplus - Plant and equipment	699,454	699,454	699,454	0	699,454
Revaluation surplus - Land & building	21,751,469	21,751,469	18,446,575	3,304,894	21,751,469
Revaluation surplus - Infrastructure - roads	36,139,937	36,139,937	25,917,653	10,222,284	36,139,937
Revaluation surplus - Other infrastructure other	4,668,860	4,668,860	1,451,494	3,217,366	4,668,860
	63,640,484	63,640,484	46,895,940	16,744,544	63,640,484

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17. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2023 Actual	2022 Actual
		$	$
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	3,265,435	4,009,401
- Financial assets at amortised cost	4	0	
		3,265,435	4,009,401
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	1,600,342	1,392,831
Contract liabilities	13	165,793	197,409
Capital grant liabilities	13	349,281	302,537
Bonds and deposits held	12	236,084	202,689
Village		373,935	373,935
Unspent loans	27(b)	540,000	1,540,000
Total restricted financial assets		3,265,435	4,009,401

18. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS

Bank overdraft limit			
Bank overdraft at balance date		0	0
Credit card limit		50,000	20,000
Credit card balance at balance date		(6,801)	(4,680)
Total amount of credit unused		43,199	15,320
Loan facilities			
Loan facilities - current		576,842	560,352
Loan facilities - non-current		4,885,432	5,461,856
Total facilities in use at balance date		5,462,274	6,022,208
Unused loan facilities at balance date		540,000	1,540,000

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19. CONTINGENT LIABILITIES

In Compliance with the Contaminated Site Act 2003
The Shire has listed the below to be a possible sources of contamination:

Shire of Irwin landfill / sewage disposal site

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of the site, the Shire is unable to estimate the potential costs associated with remediation of this site.
This approach is consistent with Department of Water and Environmental Regulation Guidelines.

20. CAPITAL COMMITMENTS

	2023	2022
	$	$
Contracted for:		
- capital expenditure projects	436,301	161846
- plant & equipment purchases	390,786	28317
	827,087	190,163
Payable.		
- not later than one year	827,087	190,163

The capital expenditure projects outstanding at the end of the current reporting period represents construction works for the Depot Washdown Bay, Bowling Club Accessible Ablution, Boat Ramp, Surf Beach, Blenham Road, Kalis Drive Entry Statement, Mount Adamas Road, Prime Mover and Toro Mower

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21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.	Note	2023 Actual	2023 Budget	2022 Actual
Cr Michael Smith		$	$	$
President's annual allowance		20,000	20,000	20,000
President's meeting attendance fees		10,000	10,000	10,000
President's annual allowance for ICT expenses		285	275	225
President's travel and accommodation expenses		1,276	250	492
		31,561	30,525	30,717
Cr Isabelle Scott				
Deputy President's annual allowance		5,000	5,000	5,000
Deputy President's meeting attendance fees		7,688	7,688	7,688
Deputy President's annual allowance for ICT expenses		243	275	222
Deputy President's travel and accommodation expenses			250	1,704
		12,931	13,213	14,614
All other council member's meeting attendance fees		46,128	46,128	46,128
All other council member's annual allowance for ICT expenses		1,749	1,650	1,565
All other council member's travel and accommodation expenses		1,308	1,500	1,403
		49,185	49,278	49,096
	21(b)	93,677	93,016	94,427

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:	Note	2023 Actual	2022 Actual
		$	$
Short-term employee benefits		748,821	658,915
Post-employment benefits		137,875	110,414
Employee - other long-term benefits		65,235	14,830
Employee - termination benefits		44,574	0
Council member costs	21(a)	93,677	94,427
		1,090,182	878,586

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.

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

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

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21. RELATED PARTY TRANSACTIONS

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:	2023 Actual $	2022 Actual $
Sale of goods and services	357	1,090
Purchase of goods and services	69,997	73,851
Amounts outstanding from related parties:		
Trade and other receivables	189	435
Amounts payable to related parties:		
Trade and other payables	0	2,672

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 and are detailed in Notes 21(a) and 21(b)

ii. Other Related Parties

During the previous year, a company controlled by a related party of a council member, was awarded a contract under the selective tender process on terms and conditions equivalent for those that prevail in arm's length transactions under the Shire's procurement process.

The contract involved roadworks in the Shire, and amounted to $265,941 in the current year ($369,871 in the prior year).

Short-term employee benefits related to an associate person of the CEO who was employed by the Shire under normal employment terms and conditions.

Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

iii. Entities subject to significant influence by the Shire

There were no such entities requiring disclosure during the current or previous year.

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22. 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	**2023 Actual**	**2022 Actual**
	$	**$**
Buildings - specialised	265,059	265,059
Less - accumulated depreciation	(9,186)	0
Total assets	255,873	265,059
Statement of Comprehensive Income		
Other revenue	27,981	27,070
Other expense	(22,561)	(38,984)
Profit/(loss) for the period	5,420	(11,914)
Other comprehensive income	0	(138,100)
Total comprehensive income for the period	5,420	(150,014)

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22. 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	2023 Actual	2022 Actual
	$	$
Buildings - specialised	193,896	193,896
Less - accumulated depreciation	(9,186)	0
Total assets	184,710	193,896
Reserve accounts	193,896	193,896
Total equity	193,896	193,896
Statement of Comprehensive Income		
Other revenue	27,981	44,090
Depreciation		
Other expense	(22,561)	(42,021)
Profit/(loss) for the period	5,420	2,069
Other comprehensive income	0	93,578
Total comprehensive income for the period	5,420	95,647

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22. 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	2023 Actual	2022 Actual
	$	$
Buildings - specialised	154,539	154,539
Less - accumulated depreciation	(5,070)	0
Total assets	149,469	154,539
Reserve accounts	154,539	154,539
Total equity	154,539	154,539
Statement of Comprehensive Income		
Other revenue	79,496	77,558
Other expense	(67,616)	(67,033)
Profit/(loss) for the period	11,880	10,525
Other comprehensive income	0	(102,255)
Total comprehensive income for the period	11,880	(91,730)

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22. 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	2023 Actual	2022 Actual
	$	$
Buildings - specialised	98,906	98,906
Less - accumulated depreciation	(2,252)	0
Total assets	96,654	98,906
Reserve accounts	98,906	98,906
Total equity	98,906	98,906
Statement of Comprehensive Income		
Other revenue	46,225	44,606
Other expense	(28,797)	(38,868)
Profit/(loss) for the period	17,428	5,738
Other comprehensive income	0	(11,023)
Total comprehensive income for the period	17,428	(5,285)

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22. 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	2023 Actual	2022 Actual
	$	$
Buildings - specialised	162,656	162,656
Less - accumulated depreciation	(4,868)	0
Total assets	157,788	162,656
Reserve accounts	162,656	162,656
Total equity	162,656	162,656
Statement of Comprehensive Income		
Other revenue	76,886	67,097
Depreciation		
Other expense	(53,612)	(61,228)
Profit/(loss) for the period	23,274	5,869
Other comprehensive income	0	(60,326)
Total comprehensive income for the period	23,274	(54,457)

SIGNIFICANT ACCOUNTING POLICIES
Joint operations
A joint operation is a joint arrangement where the Shire has joint control with two or more parties to the joint arrangement. All parties to joint arrangement have 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.

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23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

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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 report 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 revenue
Interest revenue 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 asset.

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

j) Impairment of assets
In accordance with Australian Accounting Standards the Shire's 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.

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25. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in $	Number of Properties	2022/23 Actual Rateable Value*	2022/23 Actual Rate Revenue	2022/23 Actual Interim Rates	2022/23 Actual Back Rates	2022/23 Actual Total Revenue	2022/23 Budget Rate Revenue	2022/23 Budget Interim Rate	2022/23 Budget Total Revenue	2021/22 Actual Total Revenue
				$	$	$		$	$	$	$	$
Residential	Gross rental valuation	0.11614	1,367	17,390,168	2,019,694	(238)	(36)	2,019,420	2,014,772	10,000	2,024,772	2,011,377
Commercial	Gross rental valuation	0.11614	120	3,944,560	458,121	0	0	458,121	457,427	0	457,427	463,360
Undeveloped	Gross rental valuation	0.11614	26	394,146	45,776	16,533	6,463	68,772	47,437	0	47,437	34,947
Residential - R50 Developed	Gross rental valuation	0.11614	77	1,320,058	153,312	0	0	153,312	153,312	0	153,312	152,339
Residential - R50 Undeveloped	Gross rental valuation	0.11614	11	155,850	18,100	(211)	(35)	17,854	18,100	0	18,100	18,116
Policy Area A	Unimproved valuation	0.014743	5	3,346,000	49,330	0	0	49,330	49,330	0	49,330	48,119
Policy Area B	Unimproved valuation	0.014743	12	4,139,000	61,021	229	720	61,970	61,021	0	61,021	58,087
Policy Area C	Unimproved valuation	0.014743	144	93,007,500	1,371,210	(1,109)	(355)	1,369,746	1,365,858	10,000	1,375,858	1,177,888
Policy Area D	Unimproved valuation	0.014743	113	16,779,500	247,380	4,193	1,059	252,632	247,380	0	247,380	197,333
Policy Area E	Unimproved valuation	0.014743	40	10,890,000	160,551	0	0	160,551	160,551	0	160,551	141,669
Policy Area F	Unimproved valuation	0.014743	25	5,748,000	84,743	0	0	84,743	84,743	0	84,743	72,099
Policy Area G	Unimproved valuation	0.014743	28	4,354,500	64,198	0	0	64,198	64,198	0	64,198	52,767
Mining	Unimproved valuation	0.19724	31	1,608,351	317,231	15,269	0	332,500	313,922	0	313,922	319,508
Mining Developed	Unimproved valuation	0.19724	9	887,524	175,055	0	0	175,055	175,055	0	175,055	175,204
Total general rates			2,008	163,965,157	5,225,722	34,666	7,816	5,268,204	5,213,106	20,000	5,233,106	4,922,813
		Minimum Payment										
		$										
Minimum payment												
Residential	Gross rental valuation	1,050	88	0	92,400	0	0	92,400	92,400	0	92,400	93,450
Commercial	Gross rental valuation	1,050	65	0	68,250	0	0	68,250	68,250	0	68,250	68,250
Undeveloped	Gross rental valuation	1,050	439	0	460,950	0	0	460,950	465,150	0	465,150	472,500
Residential - R50 Developed	Gross rental valuation	1,050	6	0	6,300	0	0	6,300	6,300	0	6,300	7,350
Residential - R50 Undeveloped	Gross rental valuation	1,050	14	0	14,700	0	0	14,700	14,700	0	14,700	14,700
Policy Area A	Unimproved valuation	1,050	4	0	4,200	0	0	4,200	4,200	0	4,200	4,200
Policy Area B	Unimproved valuation	1,050	3	0	3,150	0	0	3,150	3,150	0	3,150	3,150
Policy Area C	Unimproved valuation	1,050	21	0	22,050	0	0	22,050	21,000	0	21,000	39,900
Policy Area D	Unimproved valuation	1,050	7	0	7,350	0	0	7,350	7,350	0	7,350	17,850
Policy Area E	Unimproved valuation	1,050	0	0	0	0	0	0	0	0	0	0
Policy Area F	Unimproved valuation	1,050	10	0	10,500	0	0	10,500	10,500	0	10,500	11,550
Policy Area G	Unimproved valuation	1,050	0	0	0	0	0	0	0	0	0	1,050
Mining	Unimproved valuation	1,050	23	0	24,150	0	0	24,150	19,950	0	19,950	18,900
Mining Developed	Unimproved valuation	1,050	0	0	0	0	0	0	0	0	0	0
Total minimum payments			680	0	714,000	0	0	714,000	712,950	0	712,950	752,850
Total general rates and minimum payments			2,688	163,965,157	5,939,722	34,666		5,982,204	5,926,056	20,000	5,946,056	5,675,663
Ex-gratia Rates												
Dampier to Bunbury Natural Gas Pipeline Corridor based on annual rate equivalent			0	0	3,743	0	0	3,743	3,500	0	3,500	3,401
Total amount raised from rates (excluding general rates)			0	0	3,743	0	0	3,743	3,500	0	3,500	3,401
Total Rates								5,985,947	5,929,556		5,949,556	5,679,064

The rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

*Rateable Value at time of raising of rate.

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26. DETERMINATION OF SURPLUS OR DEFICIT

	Note	2022/23 (30 June 2023 Carried Forward)	2022/23 Budget (30 June 2023 Carried Forward)	2022/23 (1 July 2022 Brought Forward)	2021/22 (30 June 2022 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 Statement of Financial Activity in accordance with *Financial Management Regulation 32*.					
Adjustments to operating activities					
Less: Profit on asset disposals		(118,538)	(119,916)	(101,878)	(101,878)
Less: Fair value adjustments to financial assets at fair value through profit or loss		(2,744)	0	(4,937)	(4,937)
Add: Loss on disposal of assets		0	0	82,435	82,435
Add: Depreciation	10(a)	4,551,218	4,366,569	4,289,602	4,289,602
Non-cash movements in non-current assets and liabilities:					
Financial assets at amortised cost		0			
Pensioner deferred rates	5	(10,080)	0	24,196	24,196
Receivables for employee related provisions	5	9,828	0	(9,828)	0
Assets held for sale	7	0	0	70,226	70,226
Employee benefit provisions (non-current)		28,498	0	(66,845)	(66,845)
Leave reserve		(52,790)	790	96,269	96,269
Non-cash amounts excluded from operating activities		4,405,392	4,247,443	4,379,240	4,389,068
(b) Surplus or deficit after imposition of general rates					
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity 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	28	(1,600,342)	(1,569,699)	(1,392,831)	(1,392,831)
Less: Financial assets at amortised cost - self supporting loans	4(a)	(34,194)	0	(37,930)	(37,930)
Less: Current assets not expected to be received at end of year - Restricted cash - other		(373,935)	(218,122)	(373,935)	(373,935)
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings	14	576,842	0	560,352	560,352
- Current portion of lease liabilities	11(b)	32,860	17,434	17,489	17,489
- Employee benefit provisions		167,227	220,807	220,017	220,017
Total adjustments to net current assets		(1,231,542)	(1,549,580)	(1,006,838)	(1,006,838)
Net current assets used in the Statement of Financial Activity					
Total current assets		4,838,807	2,700,815	6,063,154	6,072,982
Less: Total current liabilities		(2,862,350)	(1,150,521)	(2,935,345)	(2,935,345)
Less: Total adjustments to net current assets		(1,231,542)	(1,549,580)	(1,006,838)	(1,006,838)
Surplus or deficit after imposition of general rates		744,915	714	2,120,971	2,130,799

(c)

Changes in reporting requirements relating to receivables for employee related provisions resulted in the opening surplus changing by the amount of $9,828. The non-current movement in receivables for employee related provisions is required to be shown as a non cash amount excluded from operating activities.

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27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

		Actual						Budget			
Purpose	Note	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
		$	$	$	$	$	$	$	$	$	$	$
Medical Centre		1,391,039	0	(60,211)	1,330,828	0	(61,489)	1,269,339	1,330,827	0	(61,489)	1,269,338
SIHI Aged Housing		700,000	0	(40,351)	659,649	0	(41,176)	618,473	659,649	0	(41,176)	618,473
Recreation Centre		1,995,164	0	(117,650)	1,877,514	0	(125,842)	1,751,672	1,877,514	0	(125,842)	1,751,672
Tennis Courts Resurfacing		40,419	0	(40,419)	0	0	0	0	0	0	0	0
Plant		665,941	0	(127,761)	538,180	0	(130,418)	407,762	538,181	0	(130,418)	407,763
Plant		0	1,290,000	0	1,290,000	0	(163,079)	1,126,921	1,290,000	0	(163,079)	1,126,921
Total		4,792,563	1,290,000	(386,392)	5,696,171	0	(522,004)	5,174,167	5,696,171	0	(522,004)	5,174,167
Self Supporting Loans												
Golf Club SSL		12,540	0	(8,307)	4,233	0	(4,233)	0	4,233	0	(4,234)	0
Bowling Club SSL		355,010	0	(33,206)	321,804	0	(33,697)	288,107	321,804	0	(33,697)	288,107
Total Self Supporting Loans		367,550	0	(41,513)	326,037	0	(37,930)	288,107	326,037	0	(37,931)	288,107
Total Borrowings	14	5,160,113	1,290,000	(427,905)	6,022,208	0	**(559,934)**	5,462,274	6,022,208	0	(559,935)	5,462,274

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 Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
						$	$	$
Medical Centre		99	WATC*	2.11%	4/05/2040	(32,004)	(37,111)	(43,092)
SIHI Aged Housing		100	WATC*	2.03%	15/04/2036	(15,181)	(17,832)	(20,958)
Recreation Centre		93	WATC*	6.80%	7/01/2033	(128,489)	(136,034)	(150,672)
Tennis Courts Resurfacing		96	WATC*	2.37%	21/06/2022	65	0	(966)
Plant		98	WATC*	2.07%	1/04/2026	(11,138)	(14,236)	(18,670)
Plant		103	WATC*	4.01%	27/06/2029	(58,673)	(50,107)	(763)
Total						(245,420)	(255,320)	(235,121)
Self Supporting Loans Finance Cost Payments								
Golf Club SSL		97	WATC*	2.57%	4/09/2022	(5)	(79)	(275)
Bowling Club SSL		101	*WATC	2.11%	15/04/3031	(5,498)	(6,872)	(8,527)
Total Self Supporting Loans Finance Cost Payments						(5,503)	(6,951)	(8,802)
Total Finance Cost Payments						(250,923)	(262,271)	(243,923)

* WA Treasury Corporation

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27. BORROWING AND LEASE LIABILITIES (Continued)

(b) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2022	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2023
			$	$	$	$
			1,540,000	0	(1,000,000)	540,000
			1,540,000	0	(1,000,000)	540,000

* WA Treasury Corporation

(c) Lease Liabilities

		Actual							Budget			
Purpose	Note	Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
Solar Panels		25,792	0	(13,910)	11,882	0	(11,882)	0	0	0	(11,883)	(11,883)
Solar Panels		12,171	0	(6,564)	5,607	0	(5,607)	0	0	0		0
Gym Equipment		0	0	0	0	140,252	(2,672)	137,580	0	0	(5,553)	(5,553)
Total Lease Liabilities	11(b)	37,963	0	(20,474)	17,489	140,252	(20,161)	137,580	0	0	(17,436)	(17,436)

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term
						$	$	$	
Solar Panels		1	Macquire	2.70%		(2,553)	(2,553)	(525)	60 months
Solar Panels		1	Macquire	2.70%		(1,205)	(1,205)	(248)	60 months
Gym Equipment		2	Westone Capital	4.50%	31/05/2027	(526)	(526)		48 months
Total Finance Cost Payments						(4,284)	(4,284)	(773)	

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28. RESERVE ACCOUNTS

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	$	$	$	$	$	$	$	$	$	$	$	$
Restricted by council												
(a) Leave Reserve	220,017	7,210	(60,000)	167,227	220,017	790	0	220,807	123,748	190,580	(94,311)	220,017
(b) Port Denison Foreshore Development Reser	242,188	7,937	0	250,125	242,189	870	0	243,059	241,058	1,130	0	242,188
(c) Recreation Centre Equipment Reserve	2,668	87	0	2,755	2,668	9	0	2,677	52,422	246	(50,000)	2,668
(d) Sanitation Reserve	1,263	41	0	1,304	1,263	5	0	1,268	1,257	6	0	1,263
(e) Coastal Management Reserve	31,315	1,026	0	32,341	31,315	112	0	31,427	31,169	146	0	31,315
(f) Asset Management Reserve	861,407	250,097	0	1,111,504	861,406	174,960	0	1,036,366	997,076	104,676	(240,345)	861,407
(g) Plant Replacement Reserve	9,277	304	0	9,581	9,277	33	0	9,310	9,234	43	0	9,277
(h) Tourism and Area Promotion Reserve	24,696	809	0	25,505	24,696	89	0	24,785	24,581	115	0	24,696
	1,392,831	267,511	(60,000)	1,600,342	1,392,831	176,868	0	1,569,699	1,480,545	296,942	(384,656)	1,392,831
	1,392,831	267,511	(60,000)	1,600,342	1,392,831	176,868	0	1,569,699	1,480,545	296,942	(384,656)	1,392,831

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

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 account	Purpose of the reserve account
Restricted by council	
(a) Leave Reserve	- To fund leave requirements.
(b) Port Denison Foreshore Development Reser	- To be used to fund the development works of the foreshore in Port Denison.
(c) Recreation Centre Equipment Reserve	- To be used to fund future equipment replacement.
(d) Sanitation Reserve	- To be used to develop facilities at the transfer station and future relocation.
(e) Coastal Management Reserve	- 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	- To be used for the construction, major maintenance and retire debt associated with Council owned assets.
(g) Plant Replacement Reserve	- To be used for the purchase of plant and equipment as per plant replacement program.
(h) Tourism and Area Promotion Reserve	- To be used to fund future requirements of tourism promotions.

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Auditor General

INDEPENDENT AUDITOR'S REPORT
2023
Shire of Irwin

To the Council 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 as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity 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 2023 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the 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.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation 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 2023, 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 with the financial report, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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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 (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the 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 management 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 ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management 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 2023 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
30 November 2023