Shire of Yilgarn

Visit the Southern Cross Skies

Attachments

Annual Electors Meeting

February 2024

Minutes

Annual Electors Meeting

20 April 2023

Unconfirmed

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The Presiding Member declared the meeting open at 6pm

1 ATTENDANCE AND APOLOGIES

Presiding Member	Cr W Della Bosca	President
Members	Cr B Close Cr Granich Cr G Guerini Cr Nolan Cr Rose	Deputy President
Council Officers	N Warren C Watson G Brigg F Mudau	Chief Executive Officer Executive Manager Corporate Services Executive Manager Infrastructure Finance Manager
Apologies:	Cr Cobden and Mrs. Diane Della Bosca	
Observers:	Nil	
Leave of Absence:	Nil	

Unconfirmed

2 CONFIRMATION OF PREVIOUS MINUTES

Annual Electors Meeting, 17 March 2022

AE1/2023
Moved Cr Close/Seconded Cr Guerini
That the minutes from the Annual Electors Meeting held on the 17 March 2022 be confirmed as a true record of proceedings.

CARRIED (6/0)

3 ADOPTION OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE 2021/2022 FINANCIAL YEAR

AE2/2023
Moved Cr Close/Seconded Cr Rose
That the Shire of Yilgarn Annual Report and Financial Statements for the 2021/2022 financial year be received and adopted.

CARRIED (6/0)

4 ADOPTION OF THE 2021/2022 AUDITORS REPORT

AE3/2023
Moved Cr Guerini/Seconded Cr Close
That the Auditors Report for the 2021/2022 financial year be received and adopted.

CARRIED (6/0)

5 ADOPTION OF THE SHIRE PRESIDENTS REPORT

AE4/2023
Moved Cr Rose/Seconded Cr Guerini
That the Shire Presidents Report for the 2021/2022 financial year be received and adopted.

CARRIED (6/0)

6 ADOPTION OF THE CHIEF EXECUTIVE OFFICERS REPORT

AE5/2023
Moved Cr Close/Seconded Cr Granich
That the Chief Executive Officers Report for the 2021/2022 financial year be received and adopted.

CARRIED (6/0)

7 GENERAL BUSINESS OR OTHER BUSINESS AT THE DISCRETION OF THE SHIRE PRESIDENT OR AS APPROVED BY THE ELECTORS PRESENT

All questions submitted to the Annual Electors meeting held on the 17 March 2022 were subsequently answer during the meeting and can be found in the minutes of the Annual Electors Meeting held 17 March 2022.

No further General Business received.

8 CLOSURE

With there being no further business to discuss the Presiding Member declared the meeting closed at 6.02pm

Unconfirmed

Shire of Yilgarn

*Visit the **Southern Cross** Skies*

ANNUAL REPORT

2022 - 2023

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Shire of Yilgarn Profile

The Shire of Yilgarn, situated along the Great Eastern Highway 380 km east of Perth, spans 30,720 square km with a population of approximately 1200. Known as the gateway to the Wheatbelt and the Goldfields, "Yilgarn" in Aboriginal language means "white stone or quartz."

The two major industries in the area are mining and agriculture. Gold, gypsum, salt, and iron ore are mined, while the rural industry focuses on grain, wool, sheep, cattle, and pigs. The co-existence of mining and agriculture has balanced the Yilgarn economy, with the two complementing each other through their respective boom and bust cycles.

Gold was first discovered at Eenuin and Golden Valley in late 1887. In early 1888, Tom Riseley and Mick Toomey discovered gold in the locality they named "Southern Cross" after the guiding stars. Streets, parks, and the salt lake around the town are named after stars and constellations.

Southern Cross is the major town centre, with other townsites including Bodallin, Bullfinch, Ghooli, Marvel Loch, Koolyanobbing, Moorine Rock, and Yellowdine. Tourism is a growing industry in the Yilgarn, with attractions like Frog Rock, Karalee Dam, Hunts Soak, and the Yilgarn History Museum.

Our Vision

We are a proud agricultural and mining based economy, providing opportunities for our residents that will build an inclusive and prosperous community in the future. We are a resilient community best described by our motto “Good Country for Hardy People”.

Our Mission

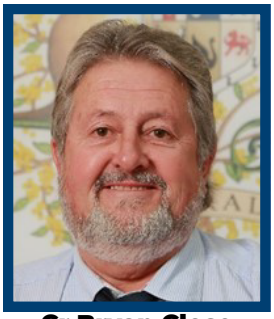
The Shire of Yilgarn will deliver quality service, facilities and representation in order to achieve our Vision

Our values

- Honesty
- Commitment
- Consistency
- Teamwork
- Caring
- Integrity
- Responsive
- Effective Communication

Our Councillors

Cr Wayne Della Bosca
Shire President
Term
2021-2025



Cr Bryan Close
Deputy Shire President
Term
2021-2025

Cr Gary Guerini
Term
2021-2025

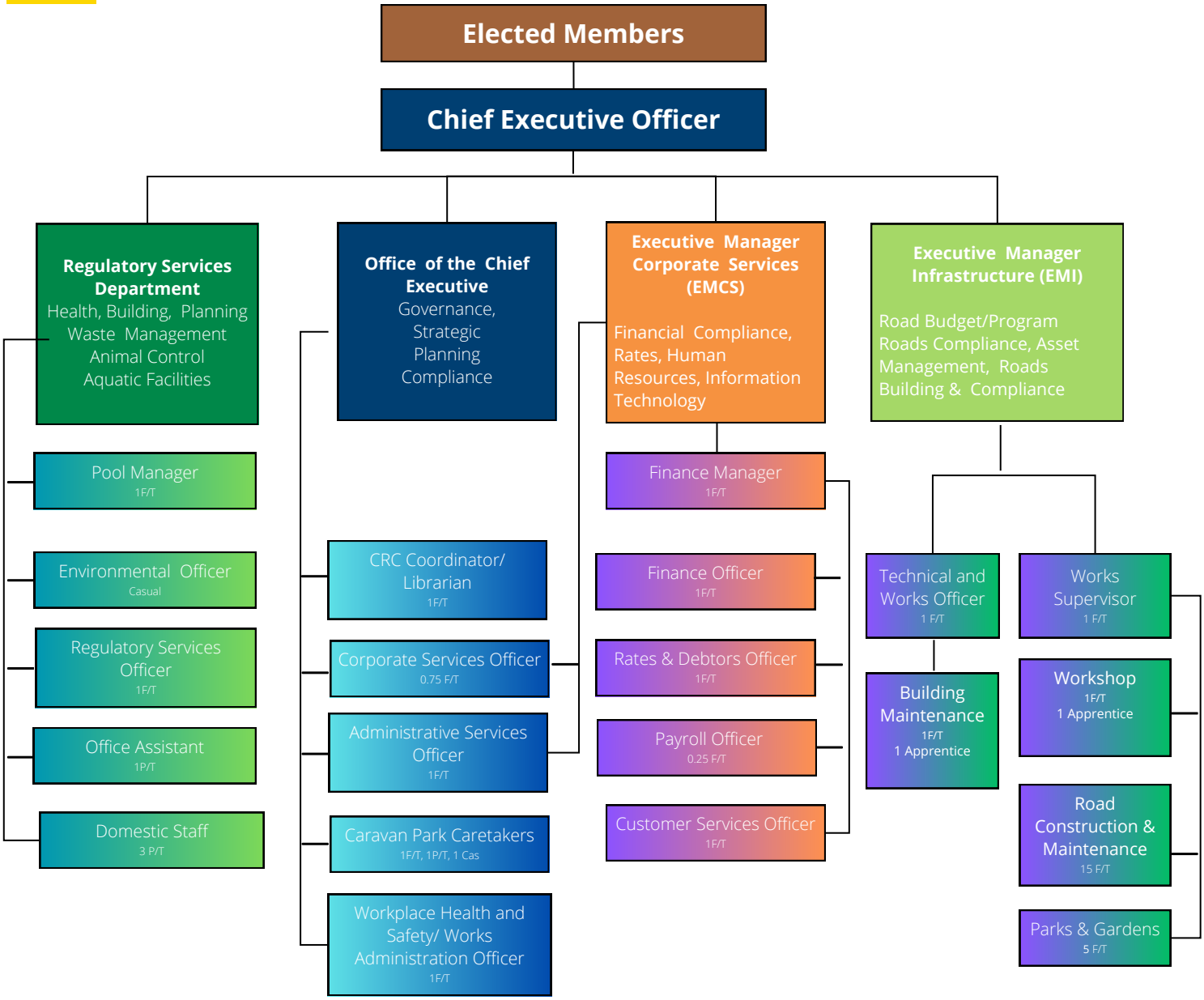
Cr Lisa Granich
Term
Mar 2022-2025

Cr Jodie Cobden
Term
2019-2023

Cr Phil Nolan
Term
2019-2023

Cr Linda Rose
Term
2019-2023

The Organisational Structure



The Shire President's Report

I am pleased to present the Annual Report to the ratepayers and residents of the district on the activities of the Shire of Yilgarn for the 2022/2023 financial year in my capacity as Shire President.

The 2022/2023 financial year was dominated by mining, asset reviews, and Local Government Act reforms, detailed further in this report. The Shire also commenced several significant community projects in addition to ongoing capital upgrades and maintenance of assets.

From a Council administration point of view, staffing was generally stable. However, the Shire did lose the Executive Manager Regulatory Services position, which the CEO will detail further in his report.

Council and Executive staff devoted a significant portion of their time to mining operations during the financial year, working through various agreements relating to road upgrades and road use. These arrangements are crucial and the Shire is committed to taking the necessary time to ensure they do not create a future liability for the ratepayers of the Yilgarn. Shire Executive staff have invested substantial effort in researching and assessing available options in each scenario. I am confident that agreements executed and those in negotiations will minimise risks to the Council and community.

Staff are progressing with the Shire's asset review, seeking to understand all assets the Shire is responsible for, their condition, and the expected costs over 10 years to maintain. Council will be able to make informed decisions regarding levels of service, asset retention, and maintenance, with a full understanding of the cost. The CEO will expand on the process in his report. The State Government has been steadily progressing reforms to the Local Government Act 1995, of which Council and Executive staff have been monitoring and altering operations to comply with. Some changes through these reforms will include:

-Changes to the electoral system, including preferential voting for Council elections.

-Requirements relating to online public registers.

-Mandating audio recording of Council meetings.

-Mandating communication agreements.

-Standardisation of meeting procedures.

While the CEO will detail some of the operational work the Shire has undertaken, I wish to mention two major projects the Shire has commenced under the Local Roads and Community Infrastructure Funding program:

-Satellite Townsite Playground Upgrades ($650,000) involving the upgrade/renewal of playground equipment in Bodallin, Bullfinch, Marvel Loch, Moorine Rock, and Mt Hampton. Due for completion by the end of 2023.

Southern Cross Sports Complex upgrade ($1,237,044), involving the extension of the complex to include new changerooms, storage, and a viewing lounge. Plans and specifications are being progressed by an external consultant, with a hope to tender these works at the end of 2023.

I also wish to mention the Australia Day Awards for 2023, where Mr. Dave Pasini was awarded the Premier's Citizenship Award, and Mr. Toby Hilder, was awarded the Premier's Citizenship Award for a person under 25. On behalf of Council and the community, I would like to congratulate Dave and Toby for their involvement in many community and sporting committees. They were both very worthy recipients.

I would like to sincerely thank my fellow Councillors for their support in the year under review, particularly Cr. Bryan Close as Deputy Shire President for his loyal support. I would also like to thank the Shire staff, for their efforts during the financial year.

Last, but not least, I extend my appreciation to all of our very important volunteers in the district who make up the fabric of our community. Whether you are a Volunteer Fire Fighter, Ambulance Officer or Office Bearer of a local community or sporting group, your work is truly valued. Your involvement in these important groups is what makes our community tick, and without your input, our district would not have the heart that it does.

Cr Wayne Della Bosca
SHIRE PRESIDENT

The CEO's Report

It is with pleasure that I present this Report to the residents of the district, outlining the activities of the Shire of Yilgarn throughout the 2022/2023 financial year.

At the commencement of the financial year, the peak of the COVID-19 pandemic was behind us; however, the ongoing cost of living pressures were still being experienced by many in the community. To assist local ratepayers, the 2022/2023 budget saw a minimal rate increase of 0.5% to the rate in the dollar, in line with Council's commitment to keep rate increases as low as possible without affecting the ongoing services provided by the Shire.

As mentioned by the Shire President in his report, several managerial staffing changes were undertaken, most notably the dissolution of the Executive Manager Regulatory Services position. This decision was due to a lack of suitable and qualified personnel available and willing to take on the role, a challenge experienced by many regional municipalities.The position was transitioned into the Regulatory Services Officer role, supported by external consultants, and some managerial functions were delegated to other positions within the organisation. The Shire also welcomed a new Finance Manager, in addition to several non-managerial staff changes. Staff retention and attraction will continue to be a focus of management during this current mining boom.

Mining and renewable energy operations are experiencing a boom locally, with the expansion of existing operations and new entities commencing operations within the region. A significant amount of staff resources has been applied to regulatory applications relating to these operations, as well as negotiations regarding Shire road upgrades and use. Staff and Council are committed to ensuring these road access arrangements will not leave a financial liability for future ratepayers, taking the necessary time to ensure all aspects are assessed.

Local Government reforms are being implemented in multiple tranches by the State Government. The reforms, generally positive and welcomed by staff and Council, will provide greater transparency throughout Local Governments. The reforms can be followed via the Department of Local Government Sport and Cultural Industries website.

Shire staff are undertaking a full asset pickup and condition review, from the town hall to road signs. Understanding what the Shire is responsible for, its current condition and it's expected long-term costs is vital information for staff and Council. It enables Council to make informed decisions on required levels of service, building retention, renewal and maintenance strategies and ensures budgets are set with a full understanding of assets and liabilities.

Shire asset management staff have put a significant amount of work into this space, partly due to a substantial amount of the existing asset data being either missing or false. Staff are progressing well with the asset review and once compiled, asset and service level strategies will be drafted for Council's informed consideration and the community's information.

Operationally, several infrastructure projects were undertaken, including:

Road Construction:
-Koolyanobbing Rd - Construct To 8m Prime Seal - SLK 0.0 - 2.1
-Koolyanobbing Rd - Reseal - SLK 14.0 - 17.0
-Moorine South Rd - Reseal - SLK 41.4 - 52.5
-Koorda Bullfinch Rd - Reseal - SLK 1.5 To 2.5
-Bodallin South Rd - Construct To 8M Seal - SLK 9.4 To 10.6
-Bodallin South Rd - Reseal - SLK 7.8 To 9.4
-Cramphorne Rd - Gravel Overlay - SLK 10.2 To 15.0
-Cramphorne Rd - Reseal - SLK 8.2 To 9.9
-Emu Fence Rd - Gravel Overlay - SLK 89.4 To 95.0
-Southern Cross South Rd - Gravel Overlay - SLK 25.6 To 30.6
-Koorda Bullfinch Rd - Gravel Shoulders - SLK 13.0 To 24.3
-Marvel Loch Forrestania Rd - Reseal - SLK 0.0 To 1.0
-Capito Rd - Gravel Overlay - SLK 0.0 To 5.0

Assets:
-Homes for the Aged Carport upgrades;
-Genset install at General Medical Practice;
-Community Christmas Tree install;
-Treated Effluent Reuse System upgrades;
-Upgrades to radio and lighting system at Southern Cross Aerodrome
-Upgrades to Tourism Signage
-Upgrade to 11E Antares Street Dwelling for visiting professionals use.

The Shire has also progressed the two major current Local Roads and Community Infrastructure (LRCI) funding projects, as detailed in the Shire Presidents report. These projects are progressing, and once completed, will benefit the wider community for many years to come.

It is challenging to detail all that happens throughout the year within these annual reports; however, Council's Executive team is more than happy to expand further on any matters that residents may wish to discuss relating to Shire operations or projects.

I would like to thank my management team, Executive Manager Corporate Services Cameron Watson, Executive Manager Infrastructure Glen Brigg and Finance Manager Fadzai Mudau, for their support throughout the year. I would also like to thank all staff members and volunteers of the Shire, their hard work and dedication are very much appreciated, and reflected in the Shire's ability to provide quality assets and services to the community.

I would also like to thank the Shire of Yilgarn Councillors, who have been very supportive throughout the year in review. I would specifically like to thank the Shire President, Cr Wayne Della Bosca, who has been an ongoing support for me.

I look forward to another prosperous year working with the Council, Executive, staff, and community.

Nic Warren
CHIEF EXECUTIVE OFFICER

Image by Jarrad Seng

Corporate Services Report

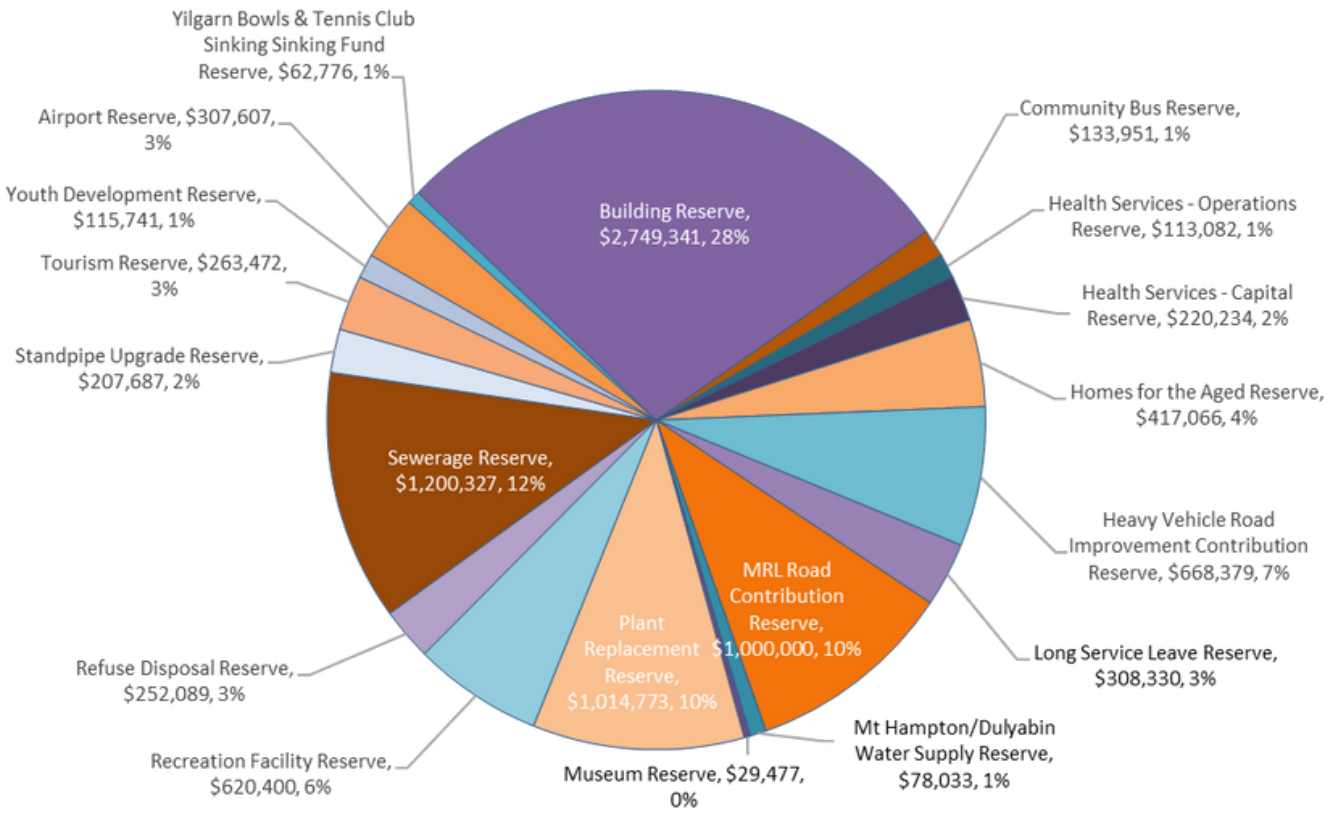
Financial Summary

Council concluded the financial year with an unadjusted nett current asset position of $17.257m, which is an increase of $2.901m on the 2022 reported figure of $14.355m. This increase is primarily due to the prepayment of approximately 100% of Councils 2023/24 Federal Assistance Grants allocation ($4.411m).

Reserve funds increased by $0.547m to $9.763m. This was made possible by transfers to reserve totaling $0.228m and interest earnings of $0.319m.

Reserve Funds

As at 30th June 2023, Council held $9,762,765 within several different special purpose Reserve accounts, as per the following chart



Fair Value of Assets

11

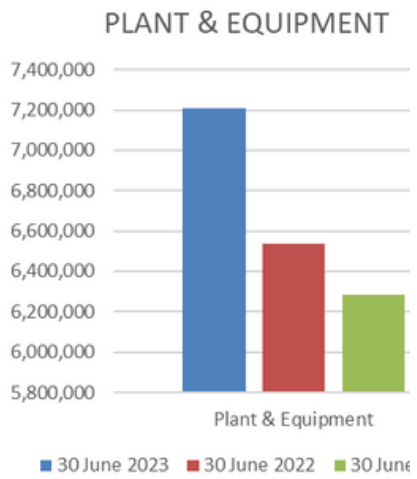
With the gazettal of the Local Government (Financial Management) Amendment Regulations 2020 on the 6th November 2020, the effect of this Amendment Regulation was that Council is to:

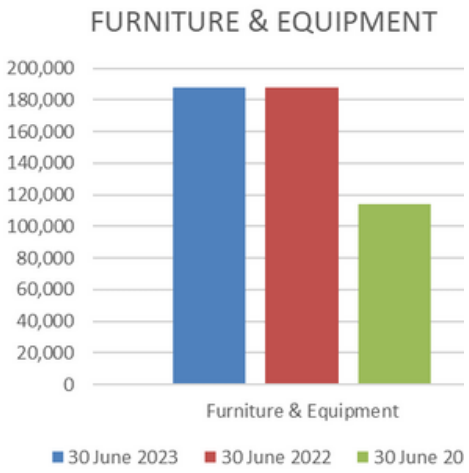
Recognize its Plant and Equipment asset class including Right of Use assets, not at Fair Value but instead recognize this asset class at cost; and

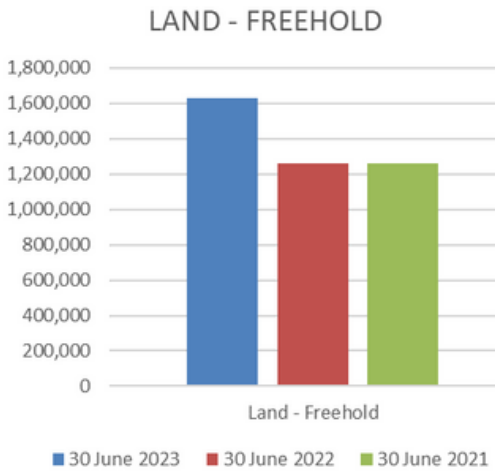
Recognize Crown Land vested with Council as a Right of Use asset but at nil cost.

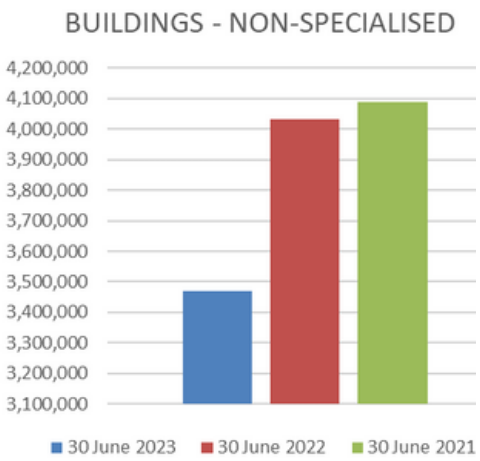
The Shire's Land and Buildings underwent a Fair Value assessment valuation in the 2022/2023 financial year.

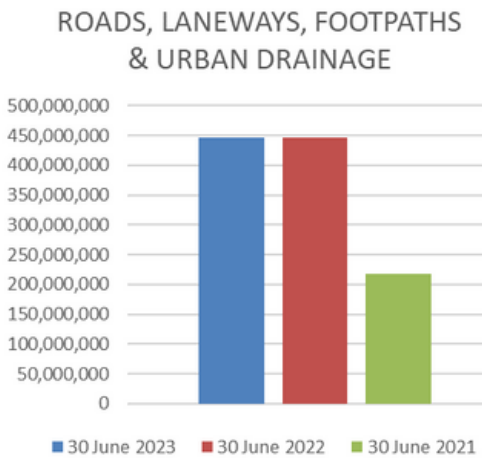
The Shire of Yilgarn's Infrastructure asset depreciated valuations by class are as follows:

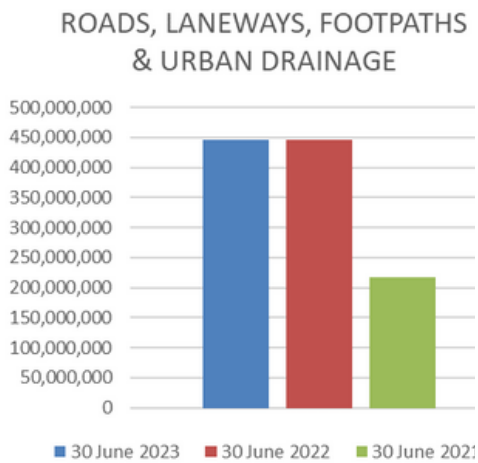

PLANT & EQUIPMENT
7,400,000
7,200,000
7,000,000
6,800,000
6,600,000
6,400,000
6,200,000
6,000,000
5,800,000
Plant & Equipment
30 June 2023
30 June 2022
30 June

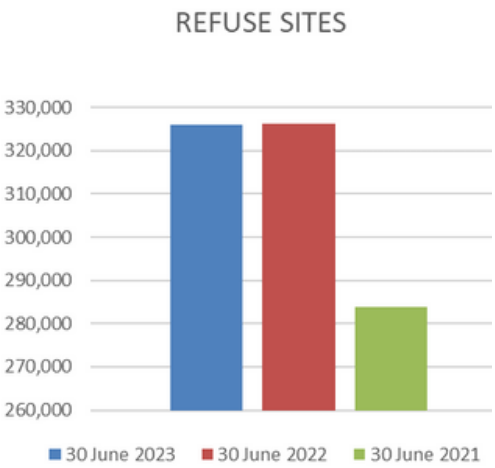

FURNITURE & EQUIPMENT
200,000
180,000
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
Furniture & Equipment
30 June 2023
30 June 2022
30 June 20

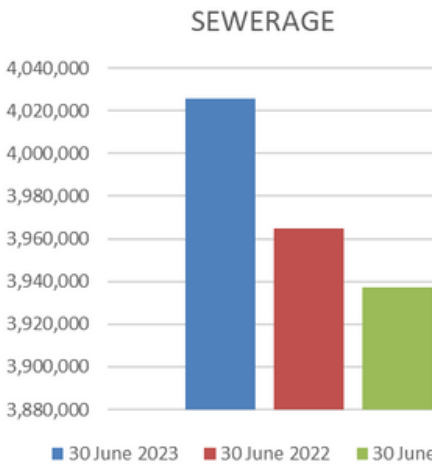

LAND - FREEHOLD
1,800,000
1,600,000
1,400,000
1,200,000
1,000,000
800,000
600,000
400,000
200,000
0
Land - Freehold
30 June 2023
30 June 2022
30 June 2021

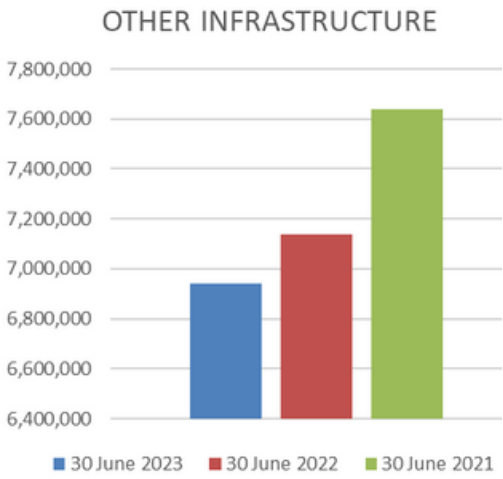

BUILDINGS - NON-SPECIALISED
4,200,000
4,100,000
4,000,000
3,900,000
3,800,000
3,700,000
3,600,000
3,500,000
3,400,000
3,300,000
3,200,000
3,100,000
30 June 2023
30 June 2022
30 June 2021


ROADS, LANEWAYS, FOOTPATHS & URBAN DRAINAGE
500,000,000
450,000,000
400,000,000
350,000,000
300,000,000
250,000,000
200,000,000
150,000,000
100,000,000
50,000,000
0
30 June 2023
30 June 2022
30 June 2021


ROADS, LANEWAYS, FOOTPATHS & URBAN DRAINAGE
500,000,000
450,000,000
400,000,000
350,000,000
300,000,000
250,000,000
200,000,000
150,000,000
100,000,000
50,000,000
0
30 June 2023
30 June 2022
30 June 2021


REFUSE SITES
330,000
320,000
310,000
300,000
290,000
280,000
270,000
260,000
30 June 2023
30 June 2022
30 June 2021


SEWERAGE
4,040,000
4,020,000
4,000,000
3,980,000
3,960,000
3,940,000
3,920,000
3,900,000
3,880,000
30 June 2023
30 June 2022
30 June


OTHER INFRASTRUCTURE
7,800,000
7,600,000
7,400,000
7,200,000
7,000,000
6,800,000
6,600,000
6,400,000
30 June 2023
30 June 2022
30 June 2021

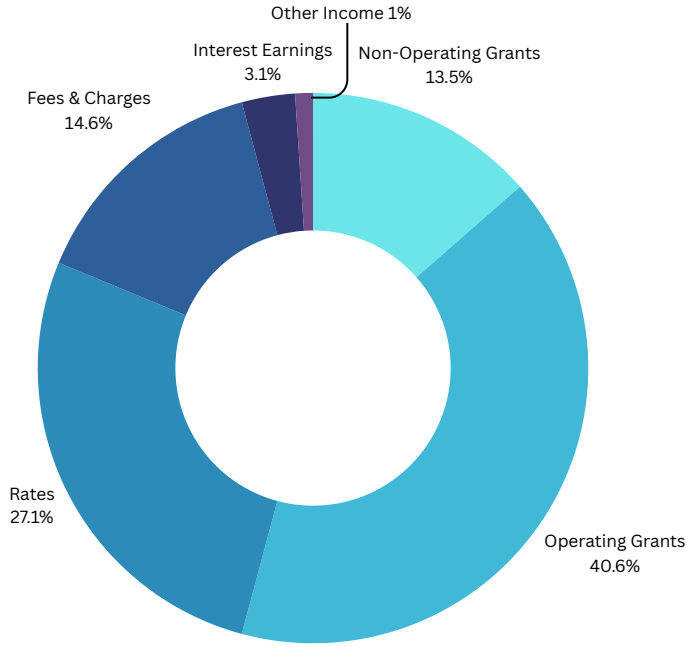
Charles Jenkins, www.cjphotoau.com

Revenue

Council derives its revenue from various sources, notably Rates & Service Charges, User Fees & Charges, Interest Earnings, and Operating & Non-Operating Grants.

Among these, Rates & Service Charges and User Fees & Charges are the only income streams where the Council has influence to impact the desired outcome.

Revenue Sources



Council Revenue By Program Excluding Rates

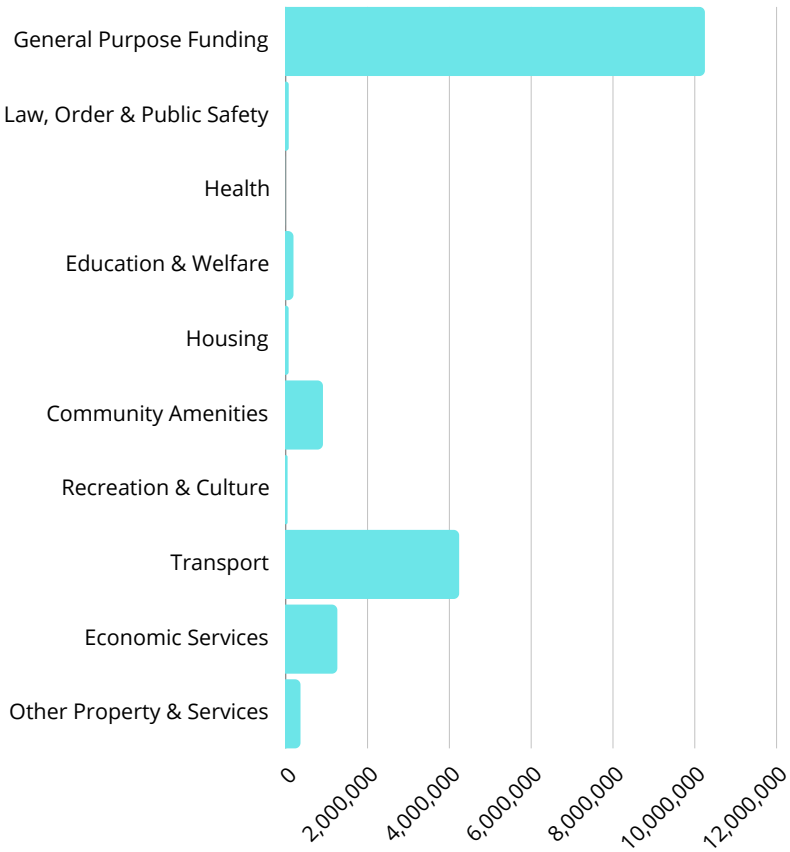


Image by Jarrad Seng

Rating

The revenue from rates is influenced by three factors:

- the type of rate (Gross Rental Value or Unimproved Value),
- property valuation, and
- the rate in the dollar for each rate type.

Gross Rental Values apply to town properties and mining infrastructure, while Unimproved Values are relevant to rural farmland and mining tenements. Gross Rental Values in towns are revalued every 5 years (last in 2018), while Unimproved Values are revalued annually by the Valuer General, beyond Council's control.

Variations in valuations across the Shire can lead to inconsistencies in applied rates, causing confusion. Council establishes its rate budget to generate overall revenue for each rating type and understands concerns about higher increases due to valuations. While Councils have limited control, they encourage dissatisfied ratepayers to appeal to the Valuer General, offering guidance through the process.

Council has elected to use a Differential Rating Model based on the individual lands zoning.

Rate Type	Rate in $/ Min	Number of Properties	Rate Revenue	Average Valuation	Average Rate Revenue
Differential General Rate					
GRV - Residential / Industrial	11.3458	388	$383,705	8,741	989
GRV - Commercial	7.9568	34	$78,367	28,859	2,305
GRV - Minesites	15.9734	4	$84,590	132,391	21,147
GRV - Single Persons Quarters	15.9734	10	$130,378	81,622	13,038
UV - Rural	1.4745	352	$1,892,360	364,176	5,376
UV - Mining	15.9060	364	$1,590,161	27,230	4,369
Minimum Payment					
GRV - Residential / Industrial	$500	117	$58,500		
GRV - Commercial	$400	7	$2,800		
GRV - Minesites	$400	3	$1,200		
GRV - Single Persons Quarters	$400	2	$800		
UV - Rural	$400	41	$16,400		
UV - Mining	$400	241	$95,600		

Where Your Rate Dollar Goes

19% Roads & Aerodrome

6% Health

1% Housing

8% Governance

5% General Administration

12% Sanitation & Town Planning

4% Aged Care, Education& CRC

5% Fire prevention & Animal control

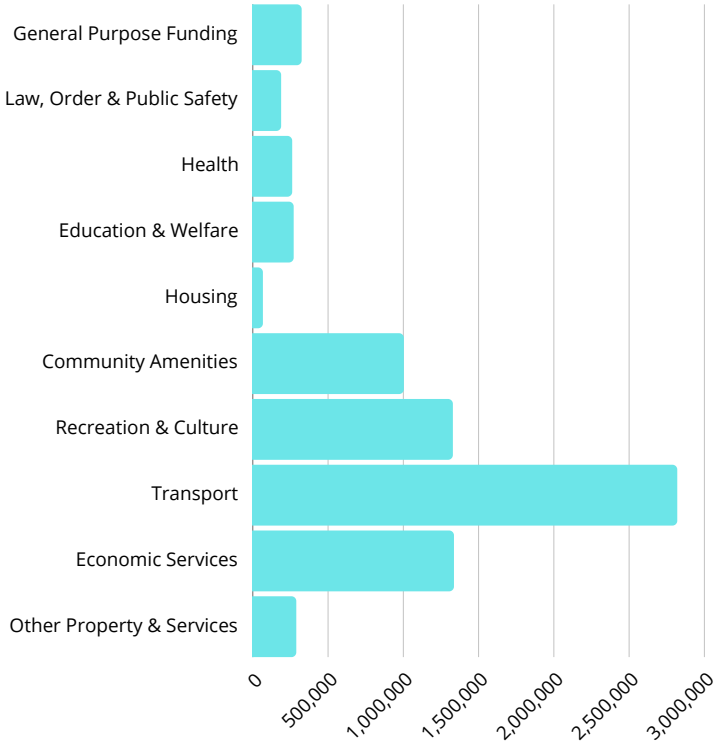
3% Tourism & other Economic services

37% Recreation, Parks & Culture

Expenditure

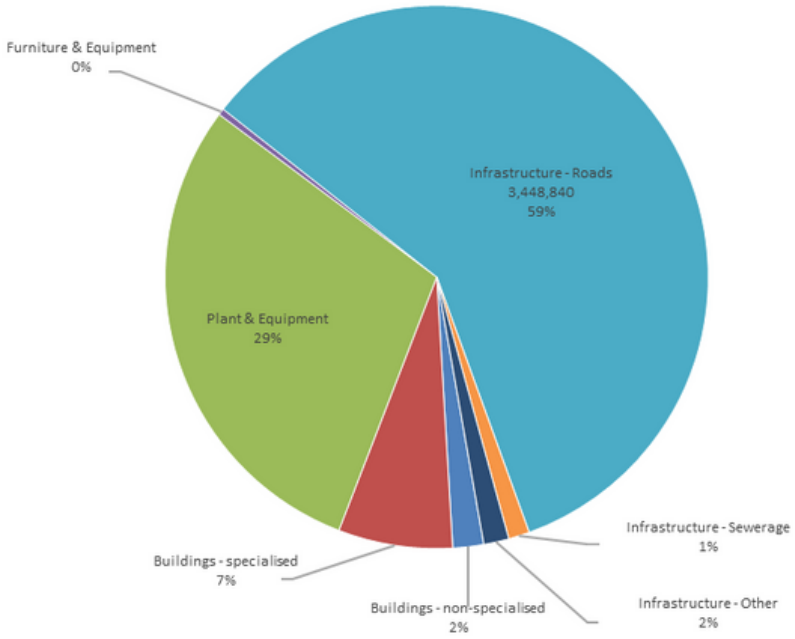
Council's operating expenditure was mainly in the areas of transport, recreation & culture, community amenities and economic services as can be seen from the following graph (figures adjusted for Depreciation).

Operating Expenditure



Capital Expenditure

Council's capital expenditure was mainly in the areas of roads and replacement of Plant & Equipment. Capital expenditure in 2022/2023 was broken down as follows.



Community Services

The Shire of Yilgarn supports local clubs and groups by allowing them to use facilities free of charge. Council also supports the community by providing facilities to important service providers such as chiropractors, physiotherapists, podiatrists and veterinarians. This support is made up of either cash or in-kind contributions, donations or waivers of fees and charges.

Image by Jarrad Seng

Support to Community Groups- Cash or In-kind

Moorine Rock Primary School	$242.29
St Joseph's Primary School	$238.64
Southern Cross District High School	$581.40
Yilgarn Netball Association	$187.20
Yilgarn Motoring Enthusiasts	$3,000
Yilgarn Agricultural Society	$9,100
Yilgarn History Museum	$233.18
Yilgarn Bowling Club	$163.64
Southern Cross Seniors	$3,545.45
Southern Cross Golf Club	$91.74
Bullfinch Progress Association	$1,727.27
Southern Cross Speedway Club	$409.08

Community Events

Comedy Gold event	$2,145.45
Trash Test Dummies	$4,936.36
Australia Day	$7,173.37
ANZAC Day	$149.43
Seniors Sundowner	$4,616.99
Winter Carnival	$6,351.79
Community Christmas Tree	$38,863.17

Donations and Support to Community Groups

Southern Cross Motorcycle Club	Urns, Bain Marie, Printer Square POS & Clocks	$1,720.39
Yilgarn's Men shed	Various tools	$1,336.01
Yilgarn Agricultural Society	Tablet Device & Square Register	$1,478
Moorine Rock Tennis Club	Concrete Basketball Court	$2,000
Yilgarn Netball Association	Uniform for Mixed Juniors	$2,000
Bullfinch Shooting Club	2x iPads	$1,406
St Joseph's Parents & Friends	Laptop & Software	$1,090.91

Donations and Support to Service Providers

$1418
Podiatrist

$381
Veterinary Services

$500
WheatBelt Agcare

$327
Pipeline Challenge

$95
Clontaf Foundation

$127
Big Morning Tea

Other Documents

Members of the public are encouraged to read Council's other publications which are available from the Shire Library / Community Resource Centre.

These include:

Community Strategic Plan 2020-2030

The four-yearly review (Regulation 19C (4)) of Councils Strategic Community Plan was adopted in mid-2020.The plan was again reviewed by Council in mid-2022 with the involvement of the district's electors and ratepayers. This community involvement process was carried out through online surveys. No material amendments were made at this interim review.

Corporate Business Plan 2023/24 to 2027/2028

This plan was reviewed in April 2023. It details the services, operations, and projects a local government will deliver within a defined period. It also includes the processes for delivery and associated costs.

Long Term Financial Plan 2023/2024 to 2032/2033

The Shire of Yilgarn's Long Term Financial Plant 2023/24 to 2032/33 which includes the Forward Capital Works Plan was reviewed April 2023 and its content assisted with the formulation of the 2023/24 Budget.

Adopted 2023/2024 Budget

Council's Budget is a working document used by Council's staff on a daily basis, detailing Council income and expenditure for the twelve months to 30 June 2024. Naturally, copies of the 2023/2024 adoptedbudget, which reflectedincome and expenditure associated with this Annual Report are alsoavailable.

Statutory Compliance

Remuneration

Regulation 19B (2) of the Local Government (Administration) Regulations 1996 states the Annual Report is to include the number of employees entitled to an annual salary of $130,000 or more, and the number of those employees that fall within each band of $10,000 over $130,000. As at 30 June 2023, the Shire had one employee entitled to an annual salary of more than $130,000:

Salary Range	Number of Employees
$130,000 to $140,000	0
$140,001 to $150,000	0
$150,001 to $160,000	1
$160,001 to $170,000	0
$170,001 to $180,000	0

The Chief Executive Officer's total remuneration package in 2022/23 totalled $202,964 inclusive of salary and other benefits.

Council Meetings Attended by each council member

	Ordinary Meetings of Council	Special Meetings of Council	Audit Committee Meetings	Annual Electors Meeting
Cr. W Della Bosca	10 of 11	1 of 3	1 of 1	1 of 1
Cr. B Close	10 of 11	3 of 3	1 of 1	1 of 1
Cr. J Cobden	7 of 11	3 of 3	1 of 1	1 of 1
Cr L Granich	9 of 11	3 of 3	1 of 1	n/a
Cr G Guerini	9 of 11	3 of 3	1 of 1	n/a
Cr. P Nolan	10 of 11	2 of 3	1 of 1	n/a
Cr. L Rose	9 of 11	2 of 3	1 of 1	1 of 1

Ordinary Meetings of Council are held on the third Thursday of each month except January. Council meetings are held in Council Chambers located in the Shire of Yilgarn administration building, 23 Antares Street, Southern Cross except for the October meeting (September meeting during election years) which is held at the Mt Hampton Hall located on the corner of Moorine South Rd and Dulyalbin Road, Mount Hampton.

The Council and Committee meetings are open to the public with public question time at the beginning of both Council and Committee meetings, at which time, the general public may ask questions on any Local Government matter. Meeting dates and times are subject to change, if this does occur, notice of such change is advertised as per the requirements of the Local Government Act 1995.

Councillor Allowances

	Sitting Fees	ICT Allowance	Travel Allowance
Cr W Della Bosca	$9,880	$1,180	$-
Cr B Close	$7,000	$-	$742.58
Cr J Cobden	$4,480	$1,180	$-
Cr L Granich	$5,600	$1,180	$2,57.14
Cr G Guerini	$6,000	$1,180	$965.31
Cr P Nolan	$5,200	$1,180	$1,782.18
Cr L Rose	$ 5,600	$1,180	$2,721.88

The Shire President received $12,000 Presidents allowance.

The Deputy President received $3,000 Deputy President allowance

Register of Complaints & Minor Breach

Under sections 5.53(2) and 5.121 of the Local Government Act 1995, the Annual Report is required to disclose the number of Complaints of Minor Breach received each year.
For the year 2022-2023, the Shire of Yilgarn received no Complaints of Minor Breach

Disability Access and Inclusion Plan

The Shire of Yilgarn is committed to ensuring that the community is accessible and inclusive for people with disabilities, their families, and carers. The Shires Disability Access and Inclusion Plan addressed our commitments and can be found on the Shires website. Whilst no capital upgrades were undertaken, the Shire staff continued to ensure all residents and visitors to the Shire had access to facilities and events.

National Competition Policy

In 1995 the Council of Australian Governments entered into several agreements, collectively known as the National Competition Policy. Local Government is affected mainly where it operates significant business activities which compete or could compete, with private sector businesses. Local Government will also be affected where local laws unnecessarily affect competition.

The Shire is required to comply with certain policies contained within the National Competition Policy statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws

Competitive Neutrality

It is the Shire of Yilgarn's responsibility to determine whether it is engaged in “significant business activities” within the context of its operations and therefore whether it is required to apply the competitive neutrality principles. Local government is only required to implement the above principles to the extent that the benefits to be realised from implementation outweigh the costs in respect of individual business activities exceeding an annual income of $500,000. Within these criteria, the Shire has not identified any business activities for the 2022/23 financial year.
Local Laws
In 2022/2023 the Shire of Yilgarn did not review any of its Local Laws

State Records Act 2000- Record Keeping Plan

In compliance with the State Records Act 2000, as required by Standard 2, Principle 6, Council maintains a Record Keeping Plan, the Shire of Yilgarn Record Keeping Plan was evaluated and updated during the 2022 year and approved by the State Records Commission. Both Councillors and staff are informed and educated with training ongoing in record management compliance. An onboarding training schedule is in the process of being investigated and implemented.

Public Interest Disclosures

In compliance with the Public Interest Disclosure Act 2003, as required by Section 23, part 1, Council has appointed a PID Officer in the agency, being the Chief Executive Officer, and Council has published internal procedures relating to the agency's obligations.
For the 2022-2023 the Shire of Yilgarn received no Public Interest Disclosures

Freedom of Information Act 1992 - Information Statement

In compliance with the Freedom of Information Act 1992 Council has an Information Statement that can be obtained from the Shire's Administration Office or Shire of Yilgarn Website Councils Freedom of Information Statement was reviewed during 2022.

Financial Management Review

As per the Local Government (Financial Management) Regulations 1996, the Chief Executive Officer is to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

The last review was undertaken in 2022-2023.

Audit Regulation 17 Review

Guidelines released from the Department of Local Government, Sport and Cultural Industries has revised the timeframes surrounding this audit. An amendment to Regulation 17(2) of the Local Government (Audit) Regulations 1996 requires the CEO to undertake a review of audit systems and procedures no less than once in every 3 financial years. This change will introduce consistency in CEO responsibilities to review financial management and audit systems and procedures in a timely manner.
The last review was carried out during 2022-2023.

Plan for the future

The current Shire of Yilgarn Strategic Community Plan was adopted in June 2020 and conducted a 'desktop review' in September 2022. Community consultation was sought however with no submission received all Goals, Outcomes, and Strategies in the plan are considered to be still relevant except Outcome 3.2.2.

Outcome 3.2.2 sought to "Continue to provide administrative support for Skeleton Weed Local Action Group". As the Shire ceased administrative and management functions of the Skeleton Weed program, this outcome is no longer relevant and was removed.

The Strategic Community Plan based on community engagement and is developed around four key themes of community interest being;

Environment

Protecting, utilising and enhancing our beautiful natural heritage

Social

An inclusive, secure and welcoming community that encourages families, youth and aged to remail and contribute to our Shire in the long term

Economic

A prosperous future for our community

Civic Leadership

Dynamic and visionary leadership guiding our community into the future

Council's other planning documents, including the Corporate Business Plan, Annual Budget, Forward Capital Works Plan, Workforce Plan and Long-Term Financial Plan collectively form the Shire's plan for the future.

The Local Government Act, 1995 requires that Council provide an overview of the Plan for the Future, detailing activities that are prepared to commence or continue in the next financial year be included in the Shire's Annual Report.

Road Construction & Maintenance

Road/Street	Proposed Works	Section (SLK)	Budget	Funding Source
Marvel Loch/Forrestania Rd	Construct to 8m Seal	0.0 to 3.0	$ 1,167,632	Main Roads WA / Shire
Koolyanobbing Rd	10mm Bitumen Reseal	37.0 to 41.0	$ 243,955	Main Roads WA / Shire
Moorine South Rd	10mm Bitumen Reseal	52.5 to 57.5	$ 251,907	Main Roads WA / Shire
Bodallin South Rd	Gravel Resheet	11.8 to 17.0	$ 265,158	Federal Roads to Recoveries
Noongar North Rd	Formation & Gravel Overlay	11.1 to 17.6	$ 315,919	Federal Roads to Recoveries
Frog Rock/Marvel Loch Rd	Reseal	17.9 to 22.1	$ 321,331	Federal Roads to Recoveries
Southern Cross South Rd	Formation & Gravel Overlay	30.6 to 36.6	$ 281,557	Shire
Koorda-Bullfinch Rd	Gravel Shoulders	9.0 to 14.0	$ 195,100	Shire
Emu Fence Rd	Formation & Gravel Overlay	75.9 to 81.0	$ 56,312	Shire
Dulyalbin Rd	Formation & Gravel Overlay	0.0 to 5.0	$ 256,548	Shire
Bodallin South Rd	Culvert Concrete Overlay	0.9	$ 100,000	Shire
Emu Park, Southern Cross	Hardstand-EV Charging Station		$ 139,951	Shire

Building Upgrades & Renewals

PROJECT		Budget	Funding Source
Facility	**Proposed Works**		
Southern Cross Child Care Centre	Replace Asbestoses Roof & Eaves	$ 45,000	
Homes for the Aged	Carport Upgrades and Replace Front Fences	$ 126,724	Shire
Staff and General Housing	Internal and External Renewals and Upgrades	$ 102,236	Shire
Housing Construction	Construct New Executive Residence	$ 626,477	Shire
Swimming Pool	Install Solar Panels	$ 30,000	Shire
Southern Cross Community Centre	General Renewals	$ 25,454	Shire
Mt Hampton Hall	Replace Mezzanine Carpet & Ceiling Panel	$ 20,000	Shire
Southern Cross Recreation Centre	Renovation & Improvements	$ 1,237,044	Federal LRCI Grant
Yilgarn History Museum	Restump & Replace Flooring in Office Area	$ 15,000	Shire
Southern Cross Caravan Park	Renovate 2 x Sandalwood Rooms & Upgrade 5 x Bays	$ 178,171	Shire
Caravan Park Residence	Bathroom Upgrades & Fencing Replacement	$ 25, 986	Shire
Residence-11 Antares St	Completion of Renovation	$ 85,907	Shire

2022-2023 Annual Financial Report & Auditor General's Report

SHIRE OF YILGARN

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

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

A strong, vibrant and progressive Shire that retains strength in its communities by way of continual promotion of agriculture and mining as the Shire's major industries, with an added focus on tourism, to ensure a robust economic and social base is retained for all residents

Principal place of business:
23 Antares Street
Southern Cross
WA 6426

SHIRE OF YILGARN
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 Yilgarn 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 28 day of November 2023

Chief Executive Officer

Nic Warren
Name of Chief Executive Officer

DRY KIRKNESS

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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		$	$	$
Revenue				
Rates	2(a),25	4,207,039	4,196,720	4,165,046
Grants, subsidies and contributions	2(a)	6,911,256	2,130,466	5,281,044
Fees and charges	2(a)	2,438,200	2,046,918	2,065,341
Interest revenue	2(a)	479,452	381,255	70,712
Other revenue	2(a)	949,501	722,023	782,330
		14,985,448	9,477,382	12,364,473
Expenses				
Employee costs	2(b)	(3,975,413)	(3,842,382)	(2,913,724)
Materials and contracts		(1,634,117)	(2,545,177)	(2,255,037)
Utility charges		(1,000,941)	(878,215)	(1,017,137)
Depreciation		(4,842,019)	(4,707,150)	(4,003,798)
Finance costs	2(b)	(19,619)	(8,967)	(11,694)
Insurance		(335,304)	(333,166)	(316,549)
Other expenditure	2(b)	(891,508)	(834,102)	(760,520)
		(12,698,921)	(13,149,159)	(11,278,459)
		2,286,527	(3,671,777)	1,086,014
Capital grants, subsidies and contributions	2(a)	2,352,021	3,541,599	2,602,788
Profit on asset disposals		54,569	26,462	16,976
Loss on asset disposals		(394,174)	(259,490)	(44,581)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	3,685	0	3,997
		2,016,101	3,308,571	2,579,180
Net result for the period	24(b)	**4,302,628**	**(363,206)**	**3,665,194**
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	17	2,545,973	0	227,486,726
Total other comprehensive income for the period	17	**2,545,973**	**0**	**227,486,726**
Total comprehensive income for the period		**6,848,601**	**(363,206)**	**231,151,920**

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

OAG AUDITED

DRY KIRKNESS

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

	NOTE	2023	2022
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	17,257,362	14,355,911
Trade and other receivables	5	678,977	887,316
Inventories	6	14,114	47,225
Other assets	7	1,069,179	186,237
TOTAL CURRENT ASSETS		19,019,632	15,476,689
NON-CURRENT ASSETS			
Trade and other receivables	5	62,288	54,233
Other financial assets	4(b)	81,490	77,805
Property, plant and equipment	8	33,139,865	30,098,152
Infrastructure	9	457,089,052	457,429,308
Right-of-use assets	11(a)	4,424	16,903
TOTAL NON-CURRENT ASSETS		490,377,119	487,676,401
TOTAL ASSETS		509,396,751	503,153,090
CURRENT LIABILITIES			
Trade and other payables	12	570,069	1,098,194
Other liabilities	13	986,988	1,004,129
Lease liabilities	11(b)	1,326	9,260
Borrowings	14	97,695	96,588
Employee related provisions	15	425,957	471,302
TOTAL CURRENT LIABILITIES		2,082,035	2,679,473
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	2,979	7,054
Borrowings	14	662,883	760,578
Employee related provisions	15	62,432	76,369
Other provisions	16	242,524	134,316
TOTAL NON-CURRENT LIABILITIES		970,818	978,317
TOTAL LIABILITIES		3,052,853	3,657,790
NET ASSETS		506,343,899	499,495,300
EQUITY			
Retained surplus		66,181,494	62,425,958
Reserve accounts	28	9,762,740	9,215,647
Revaluation surplus	17	430,399,665	427,853,692
TOTAL EQUITY		506,343,899	499,495,300

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

OAG AUDITED

DRY KIRKNESS

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

	NOTE	2023 Actual $	2022 Actual $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		4,464,818	4,293,254
Grants, subsidies and contributions		6,856,161	5,763,455
Fees and charges		2,438,200	2,101,362
Interest revenue		479,452	70,712
Goods and services tax received		0	11,372
Other revenue		949,501	782,330
		15,188,132	13,022,485
Payments			
Employee costs		(3,963,976)	(3,015,486)
Materials and contracts		(3,112,658)	(2,240,346)
Utility charges		(1,000,941)	(1,017,137)
Finance costs		(10,695)	(11,694)
Insurance paid		(335,304)	(316,549)
Goods and services tax paid		10,325	0
Other expenditure		(891,508)	(750,823)
		(9,304,757)	(7,352,035)
Net cash provided by (used in) operating activities	17(b)	5,883,375	5,670,450
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(2,255,561)	(1,278,083)
Payments for construction of infrastructure	9(a)	(3,610,266)	(3,694,538)
Capital grants, subsidies and contributions		2,352,021	2,602,788
Proceeds from sale of property, plant & equipment		640,482	439,932
Movements in Trust Funds		0	(179,247)
Net cash provided by (used in) investing activities		(2,873,324)	(2,109,148)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27(a)	(96,588)	(95,494)
Payments for principal portion of lease liabilities	27(b)	(12,009)	(14,047)
Net cash provided by (used In) financing activities		(108,597)	(109,541)
Net increase (decrease) in cash held		2,901,454	3,451,761
Cash at beginning of year		14,355,908	10,904,147
Cash and cash equivalents at the end of the year	17(a)	17,257,362	14,355,911

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

OAG AUDITED

DRY KIRKNESS

SHIRE OF YILGARN
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		**62,297,887**	**5,678,524**	**200,366,966**	**268,343,377**
Comprehensive income for the period					
Net result for the period		3,665,194	0	0	3,665,194
Other comprehensive income for the period	17	0	0	227,486,726	227,486,726
Total comprehensive income for the period		3,665,194	0	227,486,726	231,151,920
Transfers from reserve accounts	28	42,700	(42,700)	0	0
Transfers to reserve accounts	28	(3,579,823)	3,579,823	0	0
Balance as at 30 June 2022		**62,425,958**	**9,215,647**	**427,853,692**	**499,495,297**
Comprehensive income for the period					
Net result for the period		4,302,628	0	0	4,302,628
Other comprehensive income for the period	17	0	0	2,545,973	2,545,973
Total comprehensive income for the period		4,302,628	0	2,545,973	6,848,601
Transfers from reserve accounts	28	1,234,022	(1,234,022)	0	0
Transfers to reserve accounts	28	(1,781,115)	1,781,115	0	0
Balance as at 30 June 2023		**66,181,494**	**9,762,740**	**430,399,665**	**506,343,899**

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

OAG AUDITED

DRY KIRKNESS

SHIRE OF YILGARN
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	4,207,039	4,196,720	4,165,046
Grants, subsidies and contributions		6,911,256	2,130,466	5,281,044
Fees and charges		2,438,200	2,046,918	2,065,341
Interest revenue		479,452	381,255	70,712
Other revenue		949,501	722,023	782,330
Profit on asset disposals		54,569	26,462	16,976
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	3,685	0	3,997
		15,043,702	9,503,844	12,385,446
Expenditure from operating activities				
Employee costs		(3,975,413)	(3,842,382)	(2,913,724)
Materials and contracts		(1,634,117)	(2,545,177)	(2,255,037)
Utility charges		(1,000,941)	(878,215)	(1,017,137)
Depreciation		(4,842,019)	(4,707,150)	(4,003,798)
Finance costs		(19,619)	(8,967)	(11,694)
Insurance		(335,304)	(333,166)	(316,549)
Other expenditure		(891,508)	(834,102)	(760,520)
Loss on asset disposals		(394,174)	(259,490)	(44,581)
		(13,093,095)	(13,408,649)	(11,323,040)
Non-cash amounts excluded from operating activities	26(a)	5,155,947	4,927,181	3,989,221
Amount attributable to operating activities		7,106,554	1,022,376	5,051,627
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		2,352,021	3,541,599	2,602,788
Proceeds from disposal of assets		640,482	500,700	439,932
		2,992,503	4,042,299	3,042,720
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(2,255,561)	(4,571,947)	(1,278,083)
Purchase and construction of infrastructure	9(a)	(3,610,266)	(4,297,033)	(3,828,854)
		(5,865,827)	(8,868,980)	(5,106,937)
Non-cash amounts excluded from investing activities	26(b)	8,924	0	134,316
Amount attributable to investing activities		(2,864,400)	(4,826,681)	(1,929,901)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	28	1,234,022	1,112,469	42,700
		1,234,022	1,112,469	42,700
Outflows from financing activities				
Repayment of borrowings	27(a)	(96,588)	(97,140)	(95,494)
Payments for principal portion of lease liabilities	27(b)	(12,009)	0	(14,047)
Transfers to reserve accounts	28	(1,781,115)	(1,110,119)	(3,579,823)
		(1,889,712)	(1,207,259)	(3,689,364)
Amount attributable to financing activities		(655,690)	(94,790)	(3,646,664)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(c)	3,687,414	3,481,501	4,212,352
Amount attributable to operating activities		7,106,554	1,022,376	5,051,627
Amount attributable to investing activities		(2,864,400)	(4,826,681)	(1,929,901)
Amount attributable to financing activities		(655,690)	(94,790)	(3,646,664)
Surplus or deficit after imposition of general rates	26(c)	**7,273,878**	**(417,594)**	**3,687,414**

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

OAG AUDITED

DRY KIRKNESS

SHIRE OF YILGARN
FOR THE YEAR ENDED 30 JUNE 2023
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1. BASIS OF PREPARATION

The financial report comprises of general purpose financial statements for Shire of Yilgarn which is a Class 3 Local Government and the statements 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 were applied 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.

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

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

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

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

• estimated fair value of certain financial assets
• impairment of financial assets

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.

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	4,155,738	51,301	4,207,039
Grants, subsidies and contributions	0	0	0	6,911,256	6,911,256
Fees and charges	2,438,179	0	0	21	2,438,200
Service charges	157,792	0	0	(157,792)	0
Interest revenue	0	0	0	479,452	479,452
Other revenue	789,109	0	0	160,392	949,501
Capital grants, subsidies and contributions	0	1,441,852	0	910,169	2,352,021
Total	3,385,080	1,441,852	4,155,738	8,354,799	17,337,469

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	$	$	$	$	$
Rates	0	0	4,165,046	0	4,165,046
Grants, subsidies and contributions	0	0	0	5,281,044	5,281,044
Fees and charges	2,065,341	0	0	0	2,065,341
Interest revenue	0	0	0	70,712	70,712
Other revenue	782,330	0	0	0	782,330
Capital grants, subsidies and contributions	0	2,602,788	0	0	2,602,788
Total	2,847,671	2,602,788	4,165,046	5,351,756	14,967,261

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	Note	2023 Actual $	2022 Actual $
Interest revenue			
Interest on reserve account funds		311,291	23,336
Trade and other receivables overdue interest		30,069	35,120
Other interest revenue		138,092	12,256
		479,452	70,712

(b) Expenses

Auditors remuneration			
- Audit of the Annual Financial Report		31,300	28,000
- Other services – grant acquittals		0	2,127
		31,300	30,127
Employee Costs			
Employee benefit costs		3,975,413	2,913,724
Other employee costs			
		3,975,413	2,913,724
Finance costs			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss		10,695	11,694
Other provisions		8,924	0
		19,619	11,694
Other expenditure			
Impairment losses on other receivables		0	9,697
Sundry expenses		891,508	750,823
		891,508	760,520

3. CASH AND CASH EQUIVALENTS

	Note	2023	2022
		$	$
Cash at bank and on hand		17,257,362	14,355,911
Total cash and cash equivalents		17,257,362	14,355,911
Held as			
- Unrestricted cash and cash equivalents		6,550,015	4,181,853
- Restricted cash and cash equivalents	18	10,707,347	10,174,058
		17,257,362	14,355,911

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
	$	$
(b) Non-current assets		
Financial assets at fair value through profit or loss	81,490	77,805
	81,490	77,805
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	77,805	73,808
Movement attributable to fair value increment	3,685	3,997
Units in Local Government House Trust - closing balance	81,490	77,805

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.

5. TRADE AND OTHER RECEIVABLES

	Note	2023	2022
		$	$
Current			
Rates and statutory receivables		289,416	517,329
Trade receivables		299,137	273,328
GST receivable		74,291	84,616
Allowance for credit losses of rates and statutory receivables		(4,452)	(4,452)
Rate refund suspense		0	1,738
ESL payable		20,585	14,757
		678,977	887,316
Non-current			
Pensioner deferred rates		62,288	54,233
		62,288	54,233

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
		$	$	$
Contract assets	7	1,063,123		
Total trade and other receivables from contracts with customers		1,063,123	178,731	41,270

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.

6. INVENTORIES

	Note	2023	2022
Current		$	$
Fuel and materials		14,114	47,225
		14,114	47,225
The following movements in inventories occurred during the year:			
Balance at beginning of year		47,225	21,516
Inventories expensed during the year		(28,097)	0
Additions to inventory		(5,014)	25,709
Balance at end of year		14,114	47,225

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the council's intentions to release for sale.

7. OTHER ASSETS

	2023	2022
	$	$
Other assets - current		
Accrued income	6,056	7,506
Contract assets	1,063,123	178,731
	1,069,179	186,237

Land classified as held for sale

During the year council elected to dispose of vacant land on Main Street. The land is currently being marketed for sale. The property is to be disposed of by public auction in August 2023, with a number of parties having already shown an interest in the property.

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).

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	Furniture and equipment	Plant and equipment	Buildings - work in progress	Total property, plant and equipment
	$	$	$		$	$	$	$
Balance at 1 July 2021	1,262,000	4,087,267	18,338,186	23,687,453	114,019	6,285,868	0	30,087,340
Additions	0	39,319	162,341	201,660	39,625	1,036,798		1,278,083
Depreciation	0	(94,405)	(420,479)	(514,884)	(20,018)	(319,156)	0	(854,058)
Transfers	0	0	0	0	54,322	0		54,322
Balance at 30 June 2022	1,262,000	4,032,181	18,080,048	23,374,229	187,949	6,535,973	0	30,098,151
Comprises:								
Gross balance amount at 30 June 2022	1,262,000	4,588,586	20,651,484	26,502,070	243,160	7,705,915	0	34,451,145
Accumulated depreciation at 30 June 2022	0	(556,405)	(2,571,437)	(3,127,842)	(55,211)	(1,169,942)	0	(4,352,995)
Balance at 30 June 2022	1,262,000	4,032,181	18,080,047	23,374,228	187,949	6,535,973	0	30,098,152
Additions		107,829	398,770	506,599	22,507	1,719,580	6,875	2,255,561
Disposals	(40,000)	0	(226,686)	(266,686)	0	(713,399)	0	(980,085)
Revaluation increments / (decrements) transferred to revaluation surplus	405,000	(573,898)	2,814,155	2,645,257	0	0	0	2,645,257
Depreciation	0	(95,112)	(425,786)	(520,898)	(22,374)	(335,746)	0	(879,018)
Balance at 30 June 2023	1,627,000	3,471,000	20,640,500	25,738,500	188,082	7,206,408	6,875	33,139,867
Comprises:								
Gross balance amount at 30 June 2023	1,627,000	4,122,518	23,550,524	29,300,042	265,666	8,532,106	6,875	38,104,689
Accumulated depreciation at 30 June 2023	0	(651,518)	(2,910,024)	(3,561,542)	(77,584)	(1,325,698)	0	(4,964,824)
Balance at 30 June 2023	1,627,000	3,471,000	20,640,500	25,738,500	188,082	7,206,408	6,875	33,139,865

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	Level 2	Market Approach using recent observable market data or similar properties	Independent registered Valuers	June 2023	Price per hectare
Buildings - non-specialised	Level 2	Market Approach using observable market data or similar properties	Independent registered Valuers	June 2023	Price per square metre
Buildings - specialised	Level 2	Market Approach using observable market data or similar properties	Independent registered Valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

(ii) Cost					
Furniture and equipment		Cost	Cost		Asset purchase cost
Plant and equipment		Cost	Cost		Asset purchase cost

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - Roads	Other infrastructure - footpaths	Other infrastructure - drainage	Other infrastructure - refuse site	Other infrastructure - sewerage	Other infrastructure - townscape	Other infrastructure - parks and ovals	Other infrastructure - aerodromes	Other infrastructure - other (inc. digital infrastructure)	Total Infrastructure
	$	$	$	$	$	$	$	$	$	$
Balance at 1 July 2021	214,407,013	1,446,136	1,591,684	283,745	3937412	31,645	249,643	875,699	6,480,524	229,303,501
Additions	3,273,891	63,461	0	134,316	0	0	0	0	357,186	3,828,854
Revaluation increments / (decrements) transferred to revaluation surplus	196,470,488	(504,657)	32,112,928	(90,830)	39331	90,229	150,892	34,950	(816,606)	227,486,725
Depreciation	(2,783,374)	(37,340)	(39,820)	(1,013)	-12043	(874)	(14,435)	(25,349)	(221,202)	(3,135,450)
Transfers	0	0	0	0	0	0	0	0	(54,322)	(54,322)
Balance at 30 June 2022	411,368,018	967,600	33,664,792	326,218	3,964,700	121,000	386,100	885,300	5,745,580	457,429,308
Comprises:										
Gross balance at 30 June 2022	571,233,717	2,524,521	35,206,929	348,415	4,109,651	125,208	420,550	987,100	6,340,896	621,296,987
Accumulated depreciation at 30 June 2022	(159,865,699)	(1,556,921)	(1,542,137)	(22,197)	(144,951)	(4,208)	(34,450)	(101,800)	(595,316)	(163,867,679)
Balance at 30 June 2022	411,368,018	967,600	33,664,792	326,218	3,964,700	121,000	386,100	885,300	5,745,580	457,429,308
Additions	3,328,173	0	120,997	0	73,382	0	75,318	0	12,396	3,610,266
Depreciation	(3,178,683)	(33,135)	(442,670)	(323)	(12,609)	(4,454)	(21,925)	(26,315)	(230,408)	(3,950,522)
Balance at 30 June 2023	411,517,508	934,465	33,343,119	325,895	4,025,473	116,546	439,493	858,985	5,527,568	457,089,052
Comprises:										
Gross balance at 30 June 2023	574,577,094	2,524,520	35,327,925	348,415	4,183,032	125,208	495,869	987,100	6,353,295	624,922,458
Accumulated depreciation at 30 June 2023	(163,059,586)	(1,590,055)	(1,984,806)	(22,520)	(157,559)	(8,662)	(56,376)	(128,115)	(825,727)	(167,833,406)
Balance at 30 June 2023	411,517,508	934,465	33,343,119	325,895	4,025,473	116,546	439,493	858,985	5,527,568	457,089,052

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Value Hierarcl	Valuation Technique	Basis of Valuation	ate of Last Valuati	Inputs Used
(i) Fair Value					
Infrastructure - Roads	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)
Other infrastructure - footpaths	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)
Other infrastructure - drainage	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)
Other infrastructure - refuse site	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)
Other infrastructure - sewerage	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)
Other infrastructure - townscape	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)
Other infrastructure - parks and ovals	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)
Other infrastructure - aerodromes	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)
Other infrastructure - other (inc. digital infrastructure)	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition (Level 2), residual and remaining useful life assessments (Level 3 inputs)

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

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

10. FIXED ASSETS

(a) Depreciation

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	30 to 75 years
Buildings - specialised	30 to 75 years
Furniture and equipment	4 to 20 years
Plant and Equipment (Major Plant)	15 to 30 years
Plant and Equipment (Minor Plant)	5 to 20 years
Buildings - work in progress	
Infrastructure - roads	15 to 150 years
Infrastructure - footpath	10 to 80 years
Infrastructure - laneways	20 to 80 years
Infrastructure - aerodrome	10 to 30 years
Infrastructure - urban stormwater drainage	5 to 80 years
Infrastructure - parks and ovals	10 to 40 years
Infrastructure - refuse sites	Not depreciated
Infrastructure - sewerage	60 to 100 years
Infrastructure - townscape	20 to 35 years
Infrastructure - digital equipment	3 to 8 years
Infrastructure - other	10 to 80 years

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.

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 - plant and equipment	Right-of-use assets Total
		$	$
Balance at 1 July 2021		24,609	24,609
Additions		6,584	6,584
Depreciation		(14,290)	(14,290)
Balance at 30 June 2022		16,903	16,903
Balance at 30 June 2022		16,903	16,903
Depreciation		(12,479)	(12,479)
Balance at 30 June 2023		4,424	4,424
Balance at 30 June 2023		4,424	4,424

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		(12,479)	(14,290)
Finance charge on lease liabilities	27(b)	(1,176)	(1,081)
Total amount recognised in the statement of comprehensive income		(13,655)	(15,371)
Total cash outflow from leases		(13,185)	(15,128)
(b) Lease Liabilities			
Current		1,326	9,260
Non-current		2,979	7,054
	27(b)		16,314

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(b).

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.

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.		
Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease		
Rental income	70,135	70,394

The Shire leases houses to staff and aged persons with rent payable weekly or fortnightly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.
The staff houses are not considered investment property as they are leased for use in the supply of services to the community
The aged persons housing are not considered investment property as the primary purpose is provision of community housing.

12. TRADE AND OTHER PAYABLES

	2023	2022
	$	$
Current		
Sundry creditors	163,731	773,397
Prepaid rates	118,762	88,896
Accrued payroll liabilities	133,401	113,217
ATO liabilities	80,827	30,292
Bonds and deposits held	3,230	0
Trust Funds	70,118	92,392
	570,069	1,098,194

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 Financial liabilities are derecognised where the related 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, amounts of trade and other payables are 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.

13. OTHER LIABILITIES

	2023	2022
	$	$
Current		
Contract liabilities	944,607	958,411
Unearned Revenue	42,381	45,718
	986,988	1,004,129
Reconciliation of changes in contract liabilities		
Opening balance	958,411	321,233
Additions	944,607	958,411
Revenue from contracts with customers included as a contract liability at the start of the period	(958,411)	(321,233)
	944,607	958,411

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.

14. BORROWINGS

		2023			2022		
	Note	Current	Non-current	Total	Current	Non-current	Total
Secured		$	$	$	$	$	$
Debentures		97,695	662,883	760,578	96,588	760,578	857,166
Total secured borrowings	27(a)	97,695	662,883	760,578	96,588	760,578	857,166

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 Yilgarn.
Other loans relate to transferred receivables. Refer to Note 5.

The Shire of Yilgarn 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).

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
Current provisions	$	$
Employee benefit provisions		
Annual leave	239,183	287,735
Long service leave	186,774	183,567
	425,957	471,302
Total current employee related provisions	425,957	471,302
Non-current provisions		
Employee benefit provisions		
Long service leave	62,432	76,369
	62,432	76,369
Total non-current employee related provisions	62,432	76,369
Total employee related provisions	488,389	547,671

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.

16. OTHER PROVISIONS

	Note	Make good provisions	Total
		$	$
Opening balance at 1 July 2022			
Non-current provisions		134,316	134,316
		134,316	134,316
Additional provision	17	99,284	99,284
Finance Costs		8,924	8,924
Balance at 30 June 2023		242,524	242,524
Comprises			
Non-current		242,524	242,524
		242,524	242,524

Other provisions

Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

17. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	$	$	$	$	$	$
Revaluation surplus - Land and Buildings	12,466,588	2,645,257	15,111,845	12,466,588	0	12,466,588
Revaluation surplus - Plant and equipment	2,322,193	0	2,322,193	2,322,192	0	2,322,192
Revaluation surplus - Infrastructure	413,064,911	(99,284)	412,965,627	185,578,186	227,486,726	413,064,912
	427,853,692	2,545,973	430,399,665	200,366,966	227,486,726	427,853,692

18. 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	10,707,347	10,174,058
		10,707,347	10,174,058
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	9,762,740	9,215,647
Contract liabilities	13	944,607	958,411
Total restricted financial assets		10,707,347	10,174,058

19. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS

Loan facilities			
Loan facilities - current		97,695	96,588
Loan facilities - non-current		662,883	760,578
Total facilities in use at balance date		760,578	857,166
Unused loan facilities at balance date			

20. CONTINGENT LIABILITIES

The Shire of Yilgarn currently operates the Southern Cross airport, located at Lot 88 on plan 161201, Southern Cross, 6426. The site has a known contamination issue due to a pesticide leak from 2012, which the Shire has an obligation to remediate in the future.

These future remediation costs form contingent liabilities to the Shire of Yilgarn, as until the Shire conducts an investigation to determine the scope and risk of the contamination, the timing and costs cannot be reliably measured.

Further, there are four other contaminated sites within the district that are owned by the Shire of Yilgarn. These sites do not form a contingent liability to the Shire; management does not consider the Shire to be liable for the remediation costs, as all sites are contaminated by pumping stations and associated infrastructure operated by Water Corporation.

The other contaminated sites are:
Lot 1588 on plan 127359, Carrabin, 6423
Lot 350 on plan 55290, Ghooli, 6426
Parcel 70083, Ghooli, 6426
Parcel 74577, Ghooli, 6426

21. CAPITAL COMMITMENTS

	2023	2022
	$	$
Contracted for:		
Plant & equipment purchases	401,465	410,348
	401,465	410,348
Plant and Equipment Purchases		
Caterpillar 299 D3XE Track Skid Steer	217,635	0
Caterpillar 444 Backhoe	183,830	0
Toyota Hilux - YL13 (works vehicle)	0	54,260
Toyota Hilux - YL150 (EMI vehicle)	0	58,174
Toyota Hilux - YL252 (EHO vehicle)	0	76,234
Toyota Hilux - YL333 (works vehicle)	0	74,722
Toyota Hilux - YL38 (works vehicle)	0	73,479
Toyota Hilux - YL50 (works vehicle)		73,479
	401,465	410,348

22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire had no reportable events occurring after the end of the reporting period.

23. 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
		$	$	$
President's annual allowance		12,000	12,000	12,000
President's meeting attendance fees		9,800	9,000	10,200
President's annual allowance for ICT expenses		1,180	1,180	1,180
		22,980	22,180	23,380
Deputy President's annual allowance		3,000	3,000	3,000
Deputy President's meeting attendance fees		6,200	6,200	5,600
Deputy President's annual allowance for ICT expenses		0	1,180	1,180
		9,200	10,380	9,780
All other council member's meeting attendance fees		24,000	31,000	25,600
All other council member's annual allowance for ICT expenses		5,900	5,900	7,940
All other council member's travel and accommodation expenses		6,050	8,000	4,794
		35,950	44,900	38,334
	23(b)	68,130	77,460	71,494

(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		555,536	750,387
Post-employment benefits		79,473	88,582
Employee - other long-term benefits		48,039	67,254
Council member costs	23(a)	68,130	71,494
		751,178	977,717

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

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

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

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

23. 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	14,214	8,825
Purchase of goods and services	332,001	366,770
Short term employee benefits - other related parties	139,332	55,600
Amounts payable to related parties:		
Trade and other payables	0	24,177

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 23(a) and 23(b)

ii. Other Related Parties

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

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

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.

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.

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 Total Revenue	2022/23 Budget Rate Revenue	2022/23 Budget Interim Rate	2022/23 Budget Total Revenue	2021/22 Actual Total Revenue
				$	$	$	$	$	$	$	$
Mine Sites	Gross rental valuation	0.159734	4	529,565	84,590	0	84,590	84,590	0	84,590	84,168
Single Persons Quarters	Gross rental valuation	0.159734	10	816,219	130,378	0	130,378	130,378	0	130,378	129,728
Residential	Gross rental valuation	0.113458	388	3,391,640	383,705	0	383,705	384,809	0	384,809	386,450
Commercial	Gross rental valuation	0.079568	34	981,205	78,367	0	78,367	78,367	0	78,367	77,975
Rural	Unimproved valuation	0.014745	352	128,190,117	1,892,360	0	1,892,360	1,890,163	0	1,890,163	1,880,752
Mining-tenement	Unimproved valuation	0.159060	364	9,911,612	1,590,161	0	1,590,161	1,576,541	0	1,576,541	1,568,662
Total general rates			1,152	42	4,159,561	0	4,159,561	4,144,848	0	4,144,848	4,127,735
Minimum payment		**Minimum Payment $**									
Mine Sites	Gross rental valuation	400	3	2,408	1,200	0	1,200	1,200	0	1,200	1,200
Single Persons Quarters	Gross rental valuation	400	2	1,075	800	0	800	800	0	800	800
Residential	Gross rental valuation	500	117	148,402	58,500	0	58,500	58,500	0	58,500	58,000
Commercial	Gross rental valuation	400	7	20,061	2,800	0	2,800	2,800	0	2,800	2,800
Rural	Unimproved valuation	400	41	305,145	16,400	0	16,400	16,400	0	16,400	16,000
Mining-tenement	Unimproved valuation	400	241	274,674	95,600	0	95,600	96,400	0	96,400	90,000
Total minimum payments			411	751,765	175,300	0	175,300	176,100	0	176,100	168,800
Total general rates and minimum payments			1,563	751,807	4,334,861	0	4,334,861	4,320,948	0	4,320,948	4,296,535
Ex-gratia Rates		**Rate in $**									
CBH Receival Bins		0.07240			49,837		36,050	35,772		35,772	35,871
Total amount raised from rates (excluding general rates)			0	0	49,837	0	36,050	35,772	0	35,772	35,871
Discounts							(163,872)			(160,000)	(167,360)
Total Rates							**4,207,039**			4,196,720	4,165,046

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.

26. DETERMINATION OF SURPLUS OR DEFICIT

	Note	2022/23 (30 June 2023 Carried Forward)	2022/23 Budget (30 June 2023 Carried 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		(54,569)	(26,462)	(16,976)
Less: Fair value adjustments to financial assets at fair value through profit or loss		(3,685)	(3,997)	(3,997)
Add: Loss on disposal of assets		394,174	259,490	44,581
Add: Depreciation	10(a)	4,842,019	4,707,150	4,003,798
Non-cash movements in non-current assets and liabilities:				
Financial assets at amortised cost		0		
Pensioner deferred rates		(8,055)	(9,000)	32,772
Assets held for sale	7	0		
Employee benefit provisions		(13,937)		(70,957)
Non-cash amounts excluded from operating activities		5,155,947	4,927,181	3,989,221
(b) Non-cash amounts excluded from investing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32.*				
Adjustments to investing activities				
Movement in non-current capital expenditure provisions		8,924	0	134,316
Non-cash amounts excluded from investing activities		8,924	0	134,316
(c) 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	(9,762,740)	(9,213,323)	(9,215,647)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	97,695	97,695	96,588
- Current portion of lease liabilities	11(b)	1,326	1,326	9,260
Total adjustments to net current assets		(9,663,719)	(9,114,302)	(9,109,799)
Net current assets used in the Statement of Financial Activity				
Total current assets		19,019,632	10,267,660	15,476,686
Less: Total current liabilities		(2,082,035)	(1,570,952)	(2,679,473)
Less: Total adjustments to net current assets		(9,663,719)	(9,114,302)	(9,109,799)
Surplus or deficit after imposition of general rates		7,273,878	(417,594)	3,687,414

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
		$	$	$	$	$	$	$	$	$	$	$
WA Treasury, Southern Cross swimming pool		952,660	0	(95,494)	857,166	0	(96,588)	760,578	854,999	0	(97,140)	757,859
Total		952,660	0	(95,494)	857,166	0	(96,588)	760,578	854,999	0	(97,140)	757,859

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
						$	$	$
WA Treasury, Southern Cross swimming pool		0001	WA Treasury Corporation	1.1426%	10/09/2030	(9,519)	8,967	10,613
Total						(9,519)	8,967	10,613
Total Finance Cost Payments						**(9,519)**	**8,967**	**10,613**

27. BORROWING AND LEASE LIABILITIES (Continued)

(b) 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
		$	$	$	$	$	$	$	$	$	$	$
Right of Use assets		23,776	6,584	(14,047)	16,314	0	(12,009)	4,305				0
Total Lease Liabilities	11(b)	23,776	6,584	(14,047)	16,314	0	(12,009)	4,305	0	0	0	0

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
						$	$	$	
Right of Use assets			Various	2.30%	30/10/2026	(1,176)		(1,081)	
Total Finance Cost Payments						(1,176)	0	(1,081)	

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 legislation/agreement												
(a) Leave reserve	297,148	11,181		308,329	297,148	1,040		298,188	295,937	1,211		297,148
(b) Plant reserve	894,945	233,677	(113,850)	1,014,772	894,945	203,132		1,098,077	891,301	3,644		894,945
(c) Building reserve	2,649,632	99,711		2,749,343	2,649,632	9,274		2,658,906	1,144,951	1,504,681		2,649,632
(d) Aerodrome reserve	296,452	11,155		307,607	296,452	1,038		297,490	295,244	1,208		296,452
(e) Sewerage upgrade reserve	1,156,795	43,533		1,200,328	1,156,795	4,049		1,160,844	654,121	502,674		1,156,795
(f) Mt Hampton/Dulyalbin water supply reserve	54,691	23,342		78,033	54,691	7,691		62,382	48,843	5,848		54,691
(g) Recreation facility reserve	597,900	22,500		620,400	597,900	2,093		599,993	346,483	251,417		597,900
(h) Homes for the aged reserve	401,940	15,126		417,066	401,940	1,407		403,347	400,304	1,636		401,940
(i) Southern Cross refuse disposal site reserve	242,947	9,143		252,090	242,947	850		243,797	241,958	989		242,947
(j) Community bus reserve	129,093	4,858		133,951	129,093	452		129,545	128,567	526		129,093
(k) Museum reserve	24,827	4,625		29,452	24,853	3,087		27,940	35,431	4,396	(15,000)	24,827
(l) Health services (capital) reserve	212,247	7,987		220,234	212,247	743		212,990	238,970	977	(27,700)	212,247
(m) Unspent grant funding reserve	943,522	7,703	(951,225)	0	943,522	0	(943,522)	0	0	943,522		943,522
(n) HVRIC reserve	584,839	252,487	(168,947)	668,379	584,839	156,047	(168,947)	571,939	443,296	141,543		584,839
(o) Youth development reserve	111,543	4,197		115,740	111,543	390		111,933	111,089	454		111,543
(p) Tourism reserve	253,916	9,555		263,471	253,916	889		254,805	252,883	1,033		253,916
(q) Health services (operations) reserve	108,981	4,101		113,082	108,981	381		109,362	108,571	410		108,981
(r) Yilgarn bowls and tennis club reserve	54,074	8,702		62,776	54,074	6,855		60,929	40,575	13,499		54,074
(s) Standpipe upgrade reserve	200,155	7,532		207,687	200,155	701		200,856	0	200,155		200,155
(t) Mineral Resources Contributions	0	1,000,000		1,000,000	0	710,000		710,000	0			0
	9,215,647	**1,781,115**	**(1,234,022)**	**9,762,740**	9,215,673	1,110,119	(1,112,469)	9,213,323	5,678,524	3,579,823	(42,700)	9,215,647
	9,215,647	1,781,115	(1,234,022)	9,762,740	9,215,673	1,110,119	(1,112,469)	9,213,323	5,678,524	3,579,823	(42,700)	9,215,647

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

29. TRUST FUNDS

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

Description	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	$	$	$	$
Police Licensing	(44)	803	0	759
Builders Levy	16,374	583	(284)	16,673
Transwa Bookings	3,514	2,687	(3,154)	3,047
Staff Personal Dedns	45,787	14,080	(59,868)	(1)
Housing Tenancy Bonds	5,460	0	(920)	4,540
Hall Hire Bonds And Deposits	1,115	0	0	1,115
Security Key System - Key Bonds	1,830	0	0	1,830
Clubs & Groups	220	0	(330)	(110)
Third Party Contributions	6,338	0	0	6,338
Rates Overpaid	17,345	13,082	(14,501)	15,926
Retention Monies	20,000	0		20,000
	117,939	31,235	(79,057)	70,117

Auditor General

INDEPENDENT AUDITOR'S REPORT
2023
Shire of Yilgarn

To the Council of the Shire of Yilgarn

Opinion

I have audited the financial report of the Shire of Yilgarn (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 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 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 Yilgarn 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.

Patrick Arulsingham
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
1 December 2023

Contact Us

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Shire of Yilgarn

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