



ANNUAL REPORT 2021/22

Shire of West Arthur

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TABLE OF CONTENTS

About our annual report	3
Acknowledgement of country	4
Shire president's report	5
Chief Executive Officer's Report	6
Your Council	8
Portfolios and Roles	8
Meeting Attendances	10
Council Structure (at 30 th June 2022)	10
Executive officers and organisation structure	11
Quick Facts	12
The Year in review	13
Community – Safe, Friendly, Inclusive	13
Local Economy - Stable, sustainable agricultural industry, a dynamic and growing business sector	17
Natural Environment – our natural assets are valued and meet the needs of the community	19
Built Environment - well maintained roads and infrastructure which reflects our identity	21
Leadership and Management - inspirational, dynamic and transparent	23
Statutory reporting requirements	25
Disability Access and Inclusion Plan (DAIP)	25
Complaints Register	26
State Records Act	26
Public Interest Disclosure	26
Freedom of Information Statement	26
Employee Remuneration	26
Remuneration provided to CEO	27
The year ahead 2022/23	28
Annual Financial Report	30

ABOUT OUR ANNUAL REPORT

The Shire of West Arthur presents this document, our Annual Report, which showcases our activities and achievements throughout the 2021/22 financial year.

Our vision is to provide a safe, friendly welcoming community with a dynamic and expanding local economy. In order to achieve this vision the Shire has committed to the following goals:

Our Community – We live in a safe, friendly and inclusive community

Local Economy – We have a sustainable and stable agricultural industry, supported by a dynamic, growing business sector

Built Environment – We have well maintained roads and attractive surrounds that reflect our heritage and rural character

Natural Environment – We value our natural assets and manage these to meet the needs of the community.

Governance and Organisation – The Shire of West Arthur has inspirational strong leaders providing transparent and effectively managed governance.

This annual report is organised to align with these goals which are outlined in more detail in our Strategic Community Plan “Towards 2031”. Copies of the Strategic Community Plan and Corporate Business Plan are available from our web site www.westarthur.wa.gov.au and the Shire Office.

Our Annual Financial Statements are included at the rear of the Annual Report and are shown separately on the web site. They have been independently audited and certified by the Auditor General for Western Australia.

ACKNOWLEDGEMENT OF COUNTRY

The Shire of West Arthur respectfully acknowledges that the land upon which we work and live, is the traditional land of the Wilman Nyoongar people. We recognise their cultural heritage, beliefs and continuing relationship with the land. We honour Elders past, present and emerging and we support the principles of a reconciled Australia for all its people.



Photo credits throughout the report: Kerryn Chia, Frank Chia, Carolyn Telfer and Astrid Volzke

SHIRE PRESIDENT'S REPORT

I am honoured to provide my report to the residents and rate payers of the Shire of West Arthur, in what has been another busy and progressive year in which several projects have either come to completion or neared completion.

The office has had an influx of new staff this year with the appointment of new Chief Executive Officer (Vin Fordham Lamont), Manager of Corporate Services (Rajnder Sunner), and administration staff (Renee Schinzig, Beth Moses, Cassandra Squires and Kylie Whitaker). The Council had the pleasure working with Acting CEOs Ian Fitzgerald and Ian McCabe for six months at the end of 2021, until Vin was appointed as CEO.

The new Council is united and works well together. It is a pleasure working with people that have specific areas of knowledge and are passionate about improving West Arthur. All community members are welcome to attend monthly Council meetings and hear the issues being discussed.

This year Council have amended numerous bylaws, completed the Heritage List and Survey and implemented the Heritage Local Planning Policy. We will hopefully be welcoming new people to the town with the sale of all of the King Street blocks in the Darkan townsite.

The Darkan Railway Reserve has seen the installation of nature playground and trampolines and the upcoming year will see the continued development of this area for the local community. We hope you see many families and friends enjoying this area in the future.

Shade shelters with tables and stools have been installed on the lawn at Lake Towerrinning and the boat ramp has had been extended to allow boats to be loaded and unload when the lake gets lower towards the end of summer. We are extremely lucky to have such a unique body of water for all to enjoy within the Shire and it a magnificent place to hold the Annual Australia Day Breakfast on the 26th January every year.

The upcoming 2022/2023 year brings excitement for the Shire with the continuation of the Local Roads and Community Infrastructure projects, an economic development strategy to direct development with the Shire, new staff, becoming a small business friendly shire and key worker housing report.

The closure of the hotel at the beginning on 2022 has had a huge economic and social impact on the community. This is critical to the economic development of the town and it is hoped that in the future we will see it return to its former glory.

Farming is a major contributor to our economy, and the 2021/22 year was successful with rainfall occurring at the right times and the 2022/23 season is looking just as promising.

Cr Neil Morrell
Shire President

CHIEF EXECUTIVE OFFICER'S REPORT

I am very pleased to complete my first five months as the CEO of the Shire of West Arthur at the end of the 2021/2022 financial year.

This financial year at the Shire started off with significant change but finished with a degree of stability. Several new councillors came on board through the October election process and Cr Neil Morrell was voted in as the new Shire President.

During the year we said farewell to the following staff members:

- Nicole Wasmann (CEO)
- Maxine McKenzie (Manager Financial Operations)
- Jamie Muir (Manager Works and Services)
- Tanya Martin (Finance Officer)
- Cheryl King (Finance Officer)
- Jo-Anne May (Cleaner)

We also were fortunate to have some acting staff members to help us through the period of change:

- Ian Fitzgerald (Acting CEO)
- Ian McCabe (Acting CEO)
- Darren Friend (Acting Manager Corporate Services)

I would particularly like to thank Brian and Darren Fleay who both stepped up to assume extra duties in the absence of a Manager Works and Services for several months.

We welcomed the following new staff in 2021/2022:

- Vincent (Vin) Fordham Lamont (CEO)
- Rajinder (Raj) Sunner (Manager Corporate Services)
- Krista Etheridge (Cleaner)
- Daryl Melbourne (Plant Operator)
- Renee Schinzig (Customer Service Officer)
- Beth Moses (Office Trainee)
- Kylie Whitaker (Finance Officer)
- Julie Hosking (Cleaner)

Thank you to all the departing staff for their valuable contributions to the organisation and the community over many years. We wish them well in their future endeavours.

During the reporting period we were able to formalise some arrangements which had previously been operating informally. These included the town planning consultancy and ranger services contract.

After a truck rollover at the Hillman Bridge on Coalfields Rd, we were able to come to an agreement with Main Roads WA for appropriate staff members to provide emergency traffic management on State-controlled roads. This was done to address delays in Main Roads' crews arriving at incidents.

A Local Heritage survey, list and planning policy were adopted by Council this year, pursuant to the requirements of the *Heritage Act 2018*. Significant heritage sites (category 1) on the shire's heritage survey include:

- The Arthur Wool Shed Group (including Shearers' Quarters)
- St Paul's Anglican Church, Arthur River
- Arthur River Historical Precinct

The Shire of West Arthur entered into a resource sharing arrangement with the Shire of Collie for a Community Emergency Services Manager (CESM). This was quite an achievement as it involved dealing with two separate DFES regions, something that had never been done before. The new CESM, Kohdy Flynn, works closely with our Bush Fire Brigades and Local Emergency Management Committee on matters relating to the management of fire and other emergencies.

I would like to extend a big thank you to councillors, team members and the entire community for continuing to make the Shire of West Arthur a wonderful place to live. We look forward to completing some major projects next year which will further enhance the facilities we already enjoy.

Vin Fordham Lamont
Chief Executive Officer



YOUR COUNCIL

Portfolios and Roles

The Shire of West Arthur has seven Elected Members representing the local community. The Councillors elect the President and Deputy President every two years. The following councillors represented the community in the 2021/22 financial year.



Shire of West Arthur Councillors – Left to Right – Karen Harrington, Duncan South, Neil Morrell (Shire President), Graeme Peirce (Deputy Shire President), Neil Manual and Robyn Lubcke.
Absent: Adam Squires.

Cr Neil Morrell (President) - Elected to Office in 2019 Retiring 2023

- Audit Committee
- Executive Appraisal Committee
- CEO Recruitment and Selection Panel
- Proxy to West Arthur Bushfire Advisory Committee
- Chair of the Lake Towerrinning Strategic Plan Reference group
- Proxy to the Development Assessment Panel
- Central Country Zone of WALGA
- 4WDL VROC Committee
- Sub-group of the Regional Roads Group
- Local Emergency Management Committee

Cr Graeme Peirce (Deputy President) - Elected to Office in 2019 Retiring 2023

- Executive Appraisal Committee
- CEO Recruitment and Selection Panel
- 4WDL VROC Committee
- Proxy to the Development Assessment Panel
- West Arthur-Collie Senior School Bus Working Group

Cr Neil Manuel - Elected to Office in 2009 Retiring 2025

- Audit Committee
- CEO Recruitment and Selection Panel
- Development Assessment Panel
- Proxy to the Regional Road Group
- Tidy Towns Committee
- Arthur River Development Group

Cr Adam Squires - Elected to Office in 2019 Retiring 2023

- CEO Recruitment and Selection Panel
- Pool Committee
- West Arthur Cottage Homes Committee

Cr Karen Harrington - Elected to Office in 2021 Retiring 2025

- Audit Committee
- CEO Recruitment and Selection Panel
- Central Country Zone of WALGA
- Local Emergency Management Committee
- Westcare Committee

Cr Robyn Lubcke - Elected to Office in 2021 Retiring 2025

- CEO Recruitment and Selection Panel
- Tidy Towns Committee
- Development Assessment Panel
- 4WDL VROC Committee
- Museum Reference Group
- West Arthur Community Resource Centre Committee

Cr Duncan South - Elected to Office in 2021 Retiring 2025

- Executive Appraisal Committee
- CEO Recruitment and Selection Panel
- West Arthur Bushfire Advisory Committee

Cr Kevin King (President) - Elected to Office in 2005 Retired October 2021

- Audit Committee
- Executive Appraisal Committee
- Tidy Towns Committee
- Central Country Zone of WALGA
- Regional Road Group

Cr Julie McFall - Elected to Office in 2017 Retired October 2021

- Audit Committee,
- Development Assessment Panel
- Central Country Zone of WALGA
- Museum Reference Group

Cr Marie Lloyd - Elected to Office in 2017 Retired October 2021

- Executive Appraisal Committee,
- Development Assessment Panel
- West Arthur Community Resource Centre Committee

Meeting Attendances

COUNCILLOR	GENDER	LINGUISTIC BACKGROUND	ORDINARY MEETING	ANNUAL ELECTORS
Cr Neil Morrell	Male	English	11	1
Cr Graeme Pierce	Male	English	11	1
Cr Neil Manuel	Male	English	7	
Cr Adam Squires	Male	English	8	
Cr Karen Harrington	Female	English	8	
Cr Robyn Lubcke	Female	English	8	
Cr Duncan South	Male	English	8	1
Cr Kevin King	Male	English	3	
Cr Marie Lloyd	Female	English	3	
Cr Julie McFall	Female	English	1	

Council Structure (at 30th June 2022)

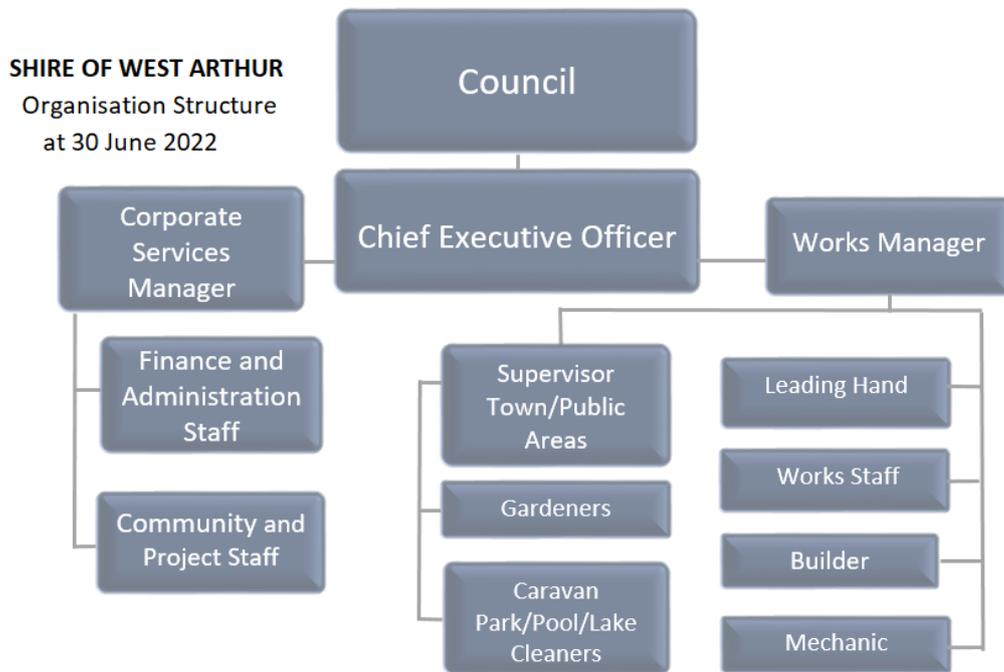
Elected Members aged between 18-24 years old	0
Elected Members aged between 25-34 years old	0
Elected Members aged between 35-44 years old	2
Elected Members aged between 45-54 years old	2
Elected Members aged between 55-64 years old	3
Elected Members aged 65 and over	0
Aboriginal of Torres Strait Islander Councillors	0



EXECUTIVE OFFICERS AND ORGANISATION STRUCTURE

As at June 30th 2022 our management team consisted of:

Chief Executive Officer	Vin Fordham Lamont
Manager Works:	Position Vacant
Manager Financial Reporting:	Melinda King
Manager Corporate Services:	Rajinder Sunner
Manager Community Services:	Position Vacant



QUICK FACTS

Area: 283,182.7ha

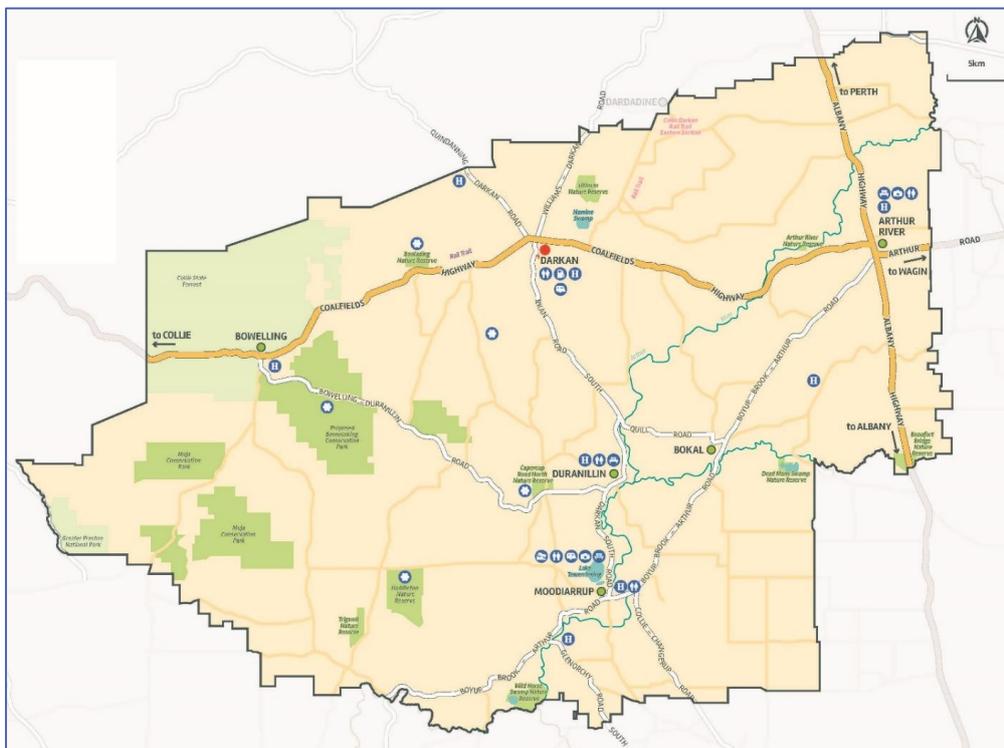
Roads length: 208 km sealed roads and 652 km unsealed roads.

Population – 786 ABS Statistics 2021

Number of electors – 624

When Shire established – 1896

Public Facilities – Darkan Town Hall, Darkan Pioneer Hall, Arthur River Hall, Moodiarrup Hall, Duranillin Town Hall, Darkan Sports Complex, Arthur River Country Club, Moodiarrup Sports Complex, Lake Towerrinning, Darkan to Collie Rail Trail, Arthur River Historical Precinct, Darkan Railway Station, Darkan Station Masters House, Bowelling Railway Station, Six Mile Cottage, Betty Brown Historical Centre, Duranillin School, Glenorchy School, Darkan Swimming Pool, The Shed, Community Gym.



Total capital works value for 2021/22	\$2,709,247
Total operating revenue in 2021/22	\$4,117,579
Total non-operating revenue in 2022/22	\$1,630,953
Total income from rates in 2021/22	\$1,778,616

THE YEAR IN REVIEW

In July 2021 we released our fully revised Strategic Community Plan – West Arthur Towards 2031. The plan was completed after extensive community consultation and it identifies the community desired goals and outcomes for the Shire for the upcoming 10 years.

The Corporate Business Plan was released at the same time and it expands on the outcomes identified in the Community Plan with strategies and actions. It translates the strategic direction of the Shire into specific priorities and actions as well as drawing together actions from the Shire's informing strategies. It informs the annual planning and budgeting process.

The plans are broken down into five key themes of Community, Local Economy, Natural Environment, Built Environment and Leadership and Management. The following pages summarise our progress during the 2021/22 financial year towards achieving the actions and priorities identified in our Corporate Plan 2021-2025 based on these five key themes.

Many of the projects listed in this annual report have been made possible by Economic Stimulus funding provided by the Federal Government through the Local Roads and Community Infrastructure (LRCI) program.

Community – Safe, Friendly, Inclusive

Outcome 1.1: A safe place to work, live and visit

The Shire is actively involved in managing bushfires and other emergencies in our district. A new Community Emergency Services Manager has been appointed in a resource sharing arrangement with the Collie Shire.

Communication about harvest and vehicle movement bans and fire risks throughout West Arthur was previously communicated on a WhatsApp Group. The numbers of subscribers this year reached a level which meant that a new app was required. The Shire now communicates through the Signal App which allows more subscribers to a group. Information is also published on the Shire Facebook page. This information includes awareness of harvest and vehicle movement bans and fire risks through the West Arthur and information on training and equipment availability.

Due to changes in management over the past year the LEMC committee did not meet. The Local Recovery Plan is in the process of being reviewed. A rural fire awareness training course was held in January and Fire Control Officer training held in May.

Staff raise awareness of harvest and vehicle movement bans and fire risks through the West Arthur Fire Fighters WhatsApp group and on the Shire Webpage. Due to the high number of participants, the upcoming fire season will see the Shire switch to the App called Signal to update everyone on the vehicle movement bans and fires risks. Hazard reduction around the Darkan

town site is undertaken on a regular basis and the Shire manages the Emergency Services Levy funds.

A total of 33 fires were attended by local fire brigades in the 2021/22 fire season, two of which were sizeable in nature. One fire on Agg Road required 90 volunteers over two days in December and 27 volunteers attended a fire on Albany Highway in January.

The Shire works collaboratively with the local brigades and we acknowledge the dedication of the volunteers, especially that of the Chief Fire Control Officer, Ben Robinson and Deputy Graeme Pierce.



The Shire met with St John Ambulance during the year to discuss the proposed relocation and construction of a new headquarters. Further consideration by the St John Ambulance committee resulted in a change of direction for the group and the Shire is looking forward to working with the St John volunteers to achieve the outcome that they prefer.

The Shire has a great working relationship with the local Police Officers, and this resulted in a Park Party for school aged children to assist with education about the Blue Tree Project and respect.

The COVID pandemic resulted in a brief lock down in February 2022 although the impacts throughout our Shire were minimal. During this period the Shire implemented its West Arthur Buddy Volunteers Whats App group to assist those that were affected by COVID. Only a few requests for assistance were received during the COVID lock down but the group has inadvertently carried on assisting each other with things throughout the year.

Outcome 1.2: Support available for people of all ages

The Darkan Railway Reserve Development has provided a space for the youth of the district to play and interact. New trampolines, a blue tree and a large nature play playground have all been installed as a result of Local Roads and Community Infrastructure funding. Further construction will be undertaken in 2022/23.



The Shire continues to liaise with Shire of Wagin Home and Community Care and Westcare with the aim of keeping elderly in their own homes and close to family and friends for as long as possible. The Shire Senior's Meals programme provides an additional service to the elderly or vulnerable in the district. We currently have 25 registered volunteers each contributing when they are able to including a number of school aged young adults. We also have a dedicated 'washing up' person each week.

Approximately 1626 meals were prepared over the 2021/22 year and these were subsidised through Shire coordination time to a value of \$5,619. In addition, the Shire continues to manage the funds associated with the annual Seniors Christmas Luncheon.

The Shire's Disability Access and Inclusion Plan was reviewed this year ensuring that we continue to improve access and inclusion for people with disabilities who are visiting, living and working in our Shire. This can be viewed at <https://www.westarthur.wa.gov.au/documents/539/disability-access-and-inclusion-plan-2022-2027>

The medical services provided at the CRC are considered essential to the community and the Shire continues to subsidise the operational costs of the CRC in order that these services can continue to be provided.

The Shire together with the CRC hosted Evan Ayers and the Swing Kings for a night of swing music at the rear of the CRC building. The event was put together very quickly and was thoroughly enjoyed by those that attended.

The Local Roads and Community Infrastructure program has continued to allow us to deliver on the infrastructure improvements throughout the Shire. The cricket pitch at the Darkan Town Oval was replaced and the sides shaved to provide a new playing surface for junior cricket. New shade structures with additional seating were installed in the BBQ area at Lake Towerrinning to replace the trees that had died in the area. The Shire continues to manage the community gym, halls and the local swimming pool which will have a number of upgrades occurring in the next financial year.



Housing continues to be an issue throughout the Shire and together with the other five Shires in the 4WDL group (Williams, Wagin, Woodanilling, West Arthur, Dumbleyung and Lake Grace) and the Wheatbelt Development Commission a worker's housing study was initiated. A short stay accommodation study (tourism accommodation) has also been completed.

A regular email to sports and community groups throughout the year enabled us to communicate grant and training opportunities to these organisations.

Outcome 1.3: A unique identity and strong connection to our past

The Shire received grant funding from Department of Planning, Lands and Heritage to undertake a review of our Municipal Heritage Inventory. We now have a new Heritage Survey and Heritage List which is in line with current legislation. The places included on the Heritage List now have some degree of protection through the Local Heritage Planning Policy which requires Council to consider heritage values when reviewing changes to these places.

Historical assets that the Shire continued to assist with include Six Mile Cottage, Duranillin School, Glenorchy School, Bowelling and Darkan Railway Precincts and the Arthur River Historical precinct. The Shire also provided regular assistance with historical enquiries including assisting with access to the Community Archives.

This year Australia Day was once again celebrated at Lake Towerrinning and in April the ANZAC day service was held at the war memorial. Support was provided to the Sheepfest committee for the annual event which this year was able to go ahead for the first time in two years.

The Shire has begun to build relationships with the Aboriginal community. Discussions have been held in relation to the development of the area around the Nissen Hut. Initial conversations in relation to the appropriate people and families to speak with have commenced.

Local Economy – Stable, sustainable agricultural industry, a dynamic and growing business sector

Outcome 2.1: Improved employment through diversification in agriculture

The Shire continues to explore ways to engage with the business community and grow the economy in our Shire. In partnership with the CRC, regular business networking sundowners were offered to main street businesses throughout the year to provide an opportunity for those businesses to network and to liaise with Shire staff. Grant and training opportunities were also communicated throughout the year to businesses via email and our Facebook page.

The Shire Water Strategy was completed in March 2022. This comprehensive document reviewed the water usage within the Shire and the deficit that can be expected in the future. This will allow the Shire to investigate and implement the recommendations in the report to ensure water security for our community and businesses.

The Shire continued to partner with Blackwood Basin Group (BBG) for delivery of landcare services in the Shire. Support for businesses looking to diversify or value add to the agricultural businesses in the district was provided where required.

Outcome 2.2: A growing, diverse business community.

Tourism in our Shire is an emerging industry and the Shire continue to be involved with the Astrotowns network which provides a link to astro enthusiasts around the world and showcases our dark skies. Next year there is an international significant astro event (solar eclipse) and the best place in the world to view the event will be Exmouth. Funding received through Astrotourism WA will allow us to capitalise of visitors to the state and host an event that will be marketed to travellers who come to WA specifically to see the solar eclipse.

The Shire hosted a stall at Sheepfest in February 2022 to promote the area to people visiting the Shire. This was also used as an opportunity to engage with the local community. The Shire also assisted the ABC Great Southern to broadcast from Sheepfest providing a great opportunity to promote the event and the area to a wider audience. Other communication with our local community is through the Shire social media pages and in the local newsletter The Bleat.



The Shire continues to promote development in the area and looks to assist all new businesses to become operational. A Business and Residential Prospectus was produced to promote the area and was distributed at Sheepfest and is available in the Shire office and CRC. We continue to be a Film Friendly Shire and have had discussions with a film making crew about producing a film in the area.

Outcome 2.3: Existing Businesses develop and grow

The Shire, together with the CRC has hosted a number of Business Sundowners for the main street businesses to provide a networking opportunity, support and to provide resources and information to those business. It is anticipated that this will continue in the upcoming year with

the development of an economic development strategy to help guide economic development within the Shire.

Shire staff regularly communicate grant opportunities and information to local businesses through email and on the Shire social media pages.

Natural Environment – our natural assets are valued and meet the needs of the community

Outcome 3.1: Maintain and improve our key assets

Lake Towerrinning is our key natural asset and the Shire continues to liaise with DBCA in relation to management of the lake. A stakeholder meeting was held in June to update the Lake Management Plan and saw 14 people attend and discuss issues associated with the Lake. The updated Lake Management Plan can be viewed at

<https://www.westarthur.wa.gov.au/documents/604/lake-towerrinning-management-plan-2022>.

The LRCI funding program has enabled the Shire to upgrade the public facilities at the Lake over the past year.



The Rail trail continues to also be an important natural asset for the Shire. Maintenance has continued on the trail over the past year and the Shire continues to investigate the opportunities for development of a walk trail to Hillman Nature Reserve and the development of a trail from Duranillin to Bowelling.

The Shire continues to partner with Blackwood Basin Group to provide a Landcare service to the residents of the Shire of West Arthur. This service provides landowners with the opportunity to access any grants available for landcare projects.

Outcome 3.2: Our water resources are well defined and used sustainably

One of the big achievements this year was to complete the Shire Water Strategy document. This report was prepared by Water Technology and modelled water requirements in the Shire by 2030 based on drying climate information. This then allowed the development strategies that the Shire can implement to ensure water security. The Shire are now working through the recommendations in the report and implementing these recommendations.

The Shire continues to liaise with Department of Water, Environment and Regulation in relation to the Kylie Dam water project. Applications have been submitted for vegetation removal in order to clear the channels to improve water flow to the dam. It is anticipated that the tank and pipe infrastructure can be installed in the 2022/23 summer months.



The Shire continues to monitor the outcomes from the federally funded Southwest Drought Hub and promote any relevant information on the Shire social media pages.

New potable water tank has been installed at Growden Place to supply water to local users.

Outcome 3.3: Our natural biodiversity is maintained and valued

The Shire continues to undertake weed management throughout the Shire, in particular in parks and gardens and at Lake Towerrinning.

BBG will map the flora and fauna in a number of nature reserves in the Shire over the next year providing some useful baseline information.

The Council approved various planning applications and the environment was considered as part of this process.

Outcome 3.4: Waste is minimised and environmentally sustainable practices are employed

Ongoing waste programs included management of the Darkan and Duranillin refuse sites, refuse and recycling collections services and drum muster collection.

Built Environment – well maintained roads and infrastructure which reflects our identity

Outcome 4.1: Our road network is well maintained.

The Shire continues to maintain the road network and this year saw some challenges with damage to the roads as a result of significant rainfall events. The repair of these roads was covered by insurance however the process of obtaining the funds to repair the roads was arduous and meant that roads were not able to be repaired quickly. This has now been resolved and roads that had been damaged have now been fully repaired.

Road Name	Description of Works	Total Cost	Funding Received
State Regional Road Group			
Boyup Brook Arthur Road	Cement stabilisation and surface corrections, extend culverts and improve drainage. Reseal previous years works	\$322,517	\$183,979
Bowelling Duranillin Road	Reconstruct and widen.	\$250,827	\$166,905
Federal Roads to Recovery			
Darkan South Road (CA)	Slip lane and intersection with Capercup North Road	\$52,193	\$50,318
Darkan South Road (CA)	Widening corners	\$131,139	\$124,142
Sandalwood Road	Gravel Sheet	\$104,711	\$98,153
Moodiarrup South Road	Gravel Sheet	\$68,764	\$63,790
Darkan South Road	Reseal	\$29,204	\$29,000
Rees Road	Gravel Sheet	\$45,503	\$42,547
Local Roads and Community Infrastructure Funding			
Darkan South Road	Reseal	\$24,503	\$22,487
Boyup Brook Arthur Road	Reseal	\$98,628	\$80,513
Other			
Burnett Road	Resheet	\$86,820	\$0
Cordering North Road	Resheet	\$77,956	\$0
Collie South East Road	Reseal	\$6,269	\$0

Plant replacement in 2021/22 included the following:

- Prime mover \$163,656
- Side tipping trailer (Deposit only, balance to be paid in 22/23 financial year) - \$20,600
- Passenger vehicle - \$108,183
- Forklift - \$22,325
- Utes - \$147,307
- Mower - \$10,890
- Spray unit - \$9,393
- Arthur River Fire Truck - \$525,360



Outcome 4.2: Our built infrastructure is well maintained, attractive and inviting

The LRCI funding program has enabled the Shire to upgrade facilities at the Darkan Railway Reserve which, when complete, will provide a central focus and gathering place for the town and community. It is anticipated that the development will draw visitors into the town centre from the information bay providing a place for them to rest and relax.

In addition the LRCI program has allowed us to shave the edges of the cricket pitch, resurfaced the pitch and repair the practice pitches for the cricket community. Lake Towerrinning public space has also been refurbished using funds from this program.

Outcome 4.3: Our cultural heritage is preserved and promoted

Historical buildings play an important role in our identity and provide us with opportunities for tourism. Preservation of these buildings is important and the review of our 2009 Municipal Heritage Inventory was undertaken to create a new Heritage Survey and List which were used to inform the Heritage Local Planning Policy which has now been implemented to protect heritage buildings and ensure that development is in keeping with the heritage values of the building.

The Shire regularly maintains historical buildings in its care. An enquiry regarding the possibility of developing the Darkan Station Masters House has been made to the State Government and we are awaiting a response. The Shire investigated the possibility of purchasing and restoring the Arthur River Shearing Shed but has not been able to reach an agreement with the land owner.

Outcome 4.4: Appropriate planning and development

A full review of the Shire Policy Register was undertaken over the past year. All policies were updated and a number of new policies were implemented. Shire policies can be viewed on the Shire website at <https://www.westarthur.wa.gov.au/documents/>.

Leadership and Management – inspirational, dynamic and transparent

Outcome 5.1: Councillors represent the community and are well trained.

The election in October saw a number of new councillors elected to Council and the resultant council is significantly younger than in previous years. All councillors undergo regularly training with WALGA about serving on local government, understanding local government, meeting procedures, conflicts of interest and understanding financial reports and budgets. Councillors are regularly updated about ongoing issues at closed briefing sessions held prior to council meetings. Council meetings are open for the general public to attend.

Outcome 5.2: Shire staff are well trained, motivated and customer focused.

Shire staff continue to attend training days and stay abreast of current issues and services. The continued use of webinars means that Shire staff are able to attend training sessions without leaving Darkan. A number of staff are members of professional support organisations.

The staff have been provided with flexible work arrangements with some staff job sharing and others working from home. Staff communicate effectively between each other to ensure a seamless experience for the general public.

Outcome 5.3: Establish and maintain sound business and governance structures.

The Shire released its Community Strategic Plan and Corporate Business Plan in July 2021 and these documents continue to guide our day to day operations. The budgeting process and review of the forward financial plan is undertaken by the leadership team within the Shire on an annual basis. The Shire continually monitors grant availability to ensure that additional finances can be included in the Shire's annual budget.

Outcome 5.4: Actively engage with the community, business and other stakeholders to grow and develop the community

This year's rate payers meeting was once again well attended by the general public who showed a keen interest in seeing that Council delivered an accountable service. The public are welcome to attend Council meetings at any time throughout the year. Councillors and staff represent the Shire on various committees and regularly meet with these committees to provide a conduit of information and support the community.

Attendance at 4WDL Voluntary Regional Organisation of Councils, Regional Road Group and the Central Zone of WALGA by Shire staff and Councillors ensures that the Shire is well represented regionally, remains up to date with current issues and can advocate in relation to those areas that impact the Shire.

The Shire continues to engage with the public through Council meetings and our website and Facebook pages. In addition, a fortnightly shire report is provided to the Bleat for inclusion in its publication.



STATUTORY REPORTING REQUIREMENTS

Disability Access and Inclusion Plan (DAIP)

In 2021/22, the Shire undertook a review of its Disability Access and Inclusion Plan (DAIP) including consultation with key stakeholders and updating the DAIP to guide further improvements to access and inclusion.

The process included:

- examination of the initial DAIP and subsequent progress reports to see what has been achieved and what still needs work;
- consultation with key staff;
- consultation with the community;
- reference to the Age-Friendly Communities study conducted in 2010
- information from the 2015 Age Friendly Communities in Small Towns project and
- consultation with HACC, St John's Ambulance, Seniors Coordinator, Shire staff, seniors and community members.

Key improvements to access and inclusion over the past year were:

- improved access into the pool area via a ramp through the entrance gate;
- dedicated ACROD permit parking bay at swimming pool;
- wheelchair accessible chalet at the caravan park;
- wheelchair access to Nissen Hut;
- wheelchair accessibility to the camp kitchen and ablutions at the caravan park;
- environmental audit of Shire and public facilities to identify areas that require improvement to be an inclusive community;
- dementia and Alzheimer's information sessions organised; and
- modifications to signage and billboard at front office to improve visibility.

This review found that whilst a large number of initiatives had been implemented since the plans adoption in 2017, there were still issues that people with disabilities have to navigate in our community on a regular basis. The revised DAIP looks to address these issues.

Some specific outcomes to be implemented include:

- access to the town oval;
- access to the beach area at lake Towerrinning and better access to the BBQ area;
- review of ACROD parking in the main street and at the sports complex;
- all access toilet at the swimming pool;
- upgrade of the footpaths around the town site; and
- inclusion of accessible play equipment in the Darkan Railway Reserve.

Complaints Register

Section 5.121 of the Local Government Act 1995 requires the Annual Report to contain details of the entries made in the Complaints Register regarding complaints about elected members. There were two complaints that were referred to the Local Government Standards Panel and the outcomes of these referrals can be viewed at:

<https://www.dlgsc.wa.gov.au/local-government/local-governments/compliance-and-governance/breaches-of-the-local-government-act/minor-breach-findings>

State Records Act

The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed manner. The State Records Act 2000 also requires all local authorities to produce a Record Keeping Plan to be endorsed by the State Records Commission.

A full review of the Shire's record keeping was undertaken in 2021/22 and in the upcoming financial year the recommendations from this review will be implemented as the Shire gradually moves towards a dual electronic and hardcopy record system.

Public Interest Disclosure

In accordance with legislation, procedures have been implemented to facilitate reporting and action on public interest disclosures. During the 2021/22 reporting period, no public interest disclosures were lodged.

Freedom of Information Statement

In complying with the Freedom of Information Act 1992, the Shire of West Arthur is required to prepare and publish an information statement. The Shire's Information Statement was updated in June 2022 and a copy is available from the Shire Office and on Shire website at the following link: <https://www.westarthur.wa.gov.au/documents/616/freedom-of-information-statement-2022>. A printed version of this statement can be viewed at the Shire office.

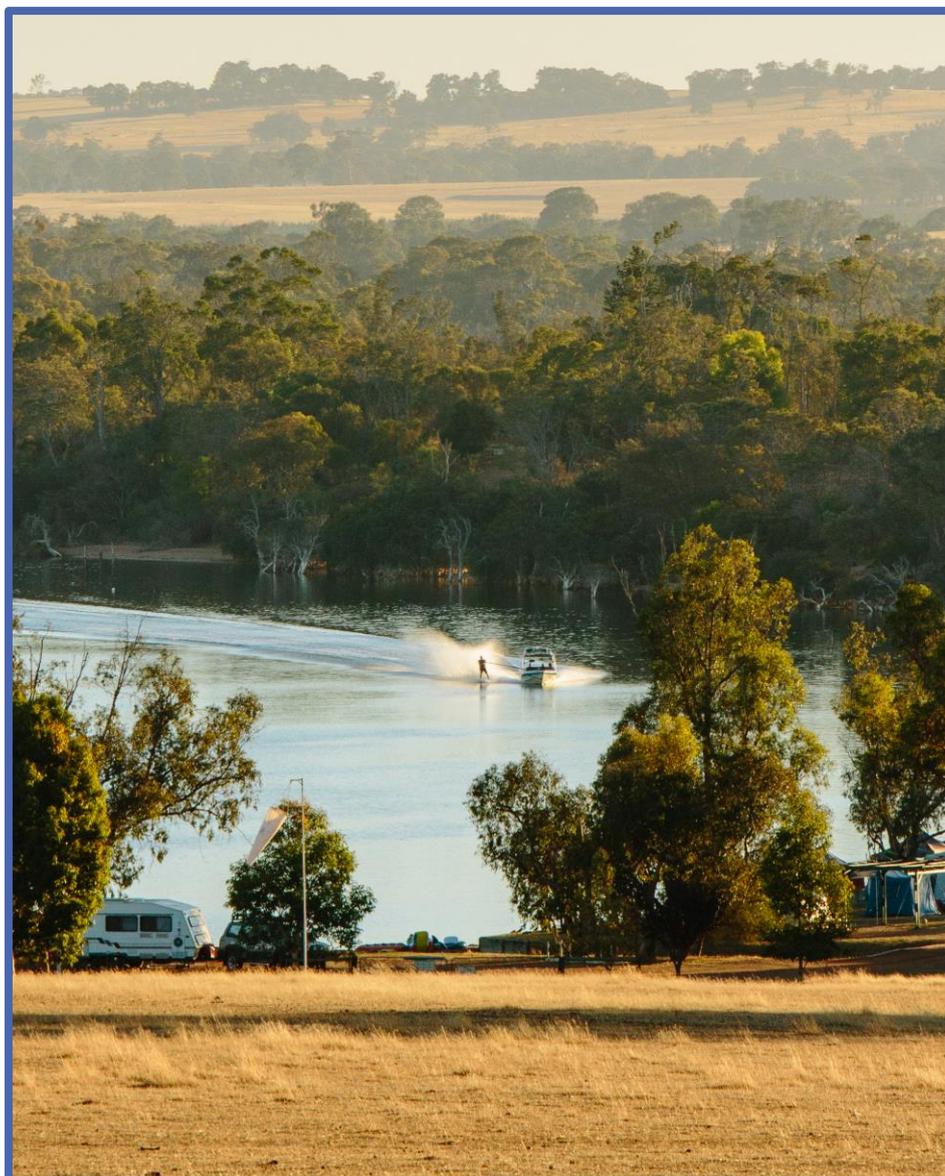
The information statement contains information on the type of documents available to the public and how to access those documents. During the 2021/22 year the Shire had nil Freedom of Information request in the 2021/22 year.

Employee Remuneration

Section 5.53(2)(g) of the Local Government Act 1995 requires the Shire to report on such information as may be prescribed in relation to the payments made to employees. The Shire had one employee with an annual salary between \$140,000 and \$150,000.

Remuneration provided to CEO

This year the Shire had two acting CEOs, a leaving CEO and an incoming CEO. The total remuneration provided to those in the CEO position during financial year 2020/21 pursuant to (regulation 19B(2)(e) Local Government (Administration) Regulations 1996 including all benefits such housing, vehicle provision, superannuation and severance pay was \$295,254.



THE YEAR AHEAD 2022/23

The year ahead looks very exciting with the continued investment of \$733,388 by the Federal Government in the Local Roads and community infrastructure programme. These funds will be invested in:

- The continued upgrade of the Darkan Railway Reserve including the completion of the playground and the construction of a large shade structure for community gatherings.
- Upgrade of the Lake Towerrinning boat ramp and old change rooms and the installation of an all-access boardwalk from the boat ramp to the beach shade structures.
- Upgrade of the power supply to the sports precinct.
- Upgrade of the solar heating, installation of a solar system and upgrade of the ablution facilities at the Darkan Swimming Pool.
- Upgrade of the Moodiarrup Hall toilets.

The Shire has budgeted to spend \$635,696 on plant replacement including a loader, water tanker, passenger vehicles, mower, and trailer. An alternative power supply has also been included in the budget to supply power during emergency events to the Shire building which will act as the Incident Response Centre and to the Sports Complex which is the primary Welfare Centre in the case of an emergency.

The Shire will continue to work with the 4WDL group to advocate for more rural and regional housing. The compilation of a key worker accommodation report outlining the gaps in accommodation in our area will be prepared to highlight the issue to State and Federal governments

The Shire will continue to support local businesses and will continue to look for opportunities to diversify our economy and assist new businesses to establish in the shire. The implementation of the Charter for the Small Business Friendly program and the development of an Economic Development Strategy will enable us to strengthen our economy over the coming years.

Support will be provided to the Community Builder program to bring together the community and to assist the community with its own development.

Major road works in the next financial year will include:

- Boyup Brook Arthur Road - cement stabilisation and surface corrections; improve drainage and clear roadside vegetation; reinstate headwalls; and reinstall guideposts and signage
- Darkan Williams Road - widen shoulder and culverts, pruning, drainage
- Trigwell Bridge Road - gravel resheeting
- Howie Road - gravel resheeting

Quill Road bridge and Bunce-King road bridge will be completed in the 2022/23 financial year.

The Betty Brown Historical Centre will continue to be an important historical draw card for our area and the continued cataloguing and development of exhibitions will ensure that people return for repeat visits. A new exhibit will be developed in 2023 to replace the Play Time exhibit.

We will continue to promote our area to the intrastate and interstate travel market including through the Astrotowns project with a particular focus on the solar eclipse event in April 2023. In addition, we will

continue to maintain our rail trail and develop new trails within the Shire, working with Department of Biodiversity, Conservation and Attractions Collie office to install new signs along the trail.

The next year promises to be a busy one with lots of new and exciting developments around the Shire. We look forward to continuing to make the Shire of West Arthur a great place to work, live and play.

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31 Burrowes Street
DARKAN WA 6392

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Instagram

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Facebook

<https://www.facebook.com/ShireofWestArthur/>



Annual Financial Report



SHIRE OF WEST ARTHUR
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

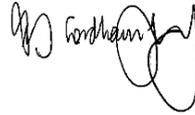
Certification of Financial Report	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Rate Setting Statement	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	46

Principal place of business: 31 Burrowes Street
Darkan WA 6392

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

The attached financial report of the Shire of West Arthur for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of West Arthur at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 14th day of February 2023



Vin Fordham Lamont
Chief Executive Officer



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

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Revenue				
Rates	23(a),2(a)	1,778,616	1,776,244	1,726,902
Operating grants, subsidies and contributions	2(a)	1,843,480	813,807	1,193,697
Fees and charges	22(c),2(a)	333,377	262,985	287,509
Interest earnings	2(a)	42,090	36,389	62,160
Other revenue	2(a)	120,016	71,872	201,814
		4,117,579	2,961,297	3,472,082
Expenses				
Employee costs		(1,734,553)	(1,869,777)	(1,491,505)
Materials and contracts		(710,197)	(811,033)	(775,354)
Utility charges		(82,856)	(93,534)	(81,034)
Depreciation	10(a)	(2,203,410)	(2,140,359)	(2,128,074)
Finance costs	2(b)	(25,232)	(25,232)	(30,457)
Insurance		(103,527)	(103,791)	(93,484)
Other expenditure	2(b)	(51,795)	(36,500)	(36,702)
		(4,911,570)	(5,080,226)	(4,636,610)
		(793,991)	(2,118,929)	(1,164,528)
Capital grants, subsidies and contributions	2(a)	1,630,953	995,128	1,020,169
Profit on asset disposals	10(b)	43,505	6,799	1,643
Loss on asset disposals	10(b)	(5,241)	(5,350)	0
		1,669,217	996,577	1,021,812
Net result for the period	22(b)	875,226	(1,122,352)	(142,716)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	24,796,610	0	0
Total other comprehensive income for the period	15	24,796,610	0	0
Total comprehensive income for the period		25,671,836	(1,122,352)	(142,716)

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



**SHIRE OF WEST ARTHUR
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	4,677,550	4,450,261
Trade and other receivables	5	261,739	350,350
Other financial assets	4(a)	29,031	28,087
Inventories	6	17,256	23,433
Other assets	7	63,166	36,669
TOTAL CURRENT ASSETS		5,048,742	4,888,800
NON-CURRENT ASSETS			
Other financial assets	4(b)	367,728	391,822
Property, plant and equipment	8	19,758,117	15,774,946
Infrastructure	9	105,753,934	84,520,456
TOTAL NON-CURRENT ASSETS		125,879,779	100,687,224
TOTAL ASSETS		130,928,521	105,576,024
CURRENT LIABILITIES			
Trade and other payables	11	231,069	530,920
Other liabilities	12	512,197	307,675
Borrowings	13	89,815	96,883
Employee related provisions	14	257,665	404,460
TOTAL CURRENT LIABILITIES		1,090,746	1,339,938
NON-CURRENT LIABILITIES			
Borrowings	13	433,511	523,326
Employee related provisions	14	52,407	32,739
TOTAL NON-CURRENT LIABILITIES		485,918	556,065
TOTAL LIABILITIES		1,576,664	1,896,003
NET ASSETS		129,351,857	103,680,021
EQUITY			
Retained surplus		10,941,177	10,007,504
Reserve accounts	26	2,834,020	2,892,467
Revaluation surplus	15	115,576,660	90,780,050
TOTAL EQUITY		129,351,857	103,680,021

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		10,639,352	2,403,335	90,780,050	103,822,737
Comprehensive income for the period					
Net result for the period		(142,716)	0	0	(142,716)
Total comprehensive income for the period		(142,716)	0	0	(142,716)
Transfers from reserves	26	201,129	(201,129)	0	0
Transfers to reserves	26	(690,261)	690,261	0	0
Balance as at 30 June 2021		10,007,504	2,892,467	90,780,050	103,680,021
Comprehensive income for the period					
Net result for the period		875,226	0	0	875,226
Other comprehensive income for the period	15	0	0	24,796,610	24,796,610
Total comprehensive income for the period		875,226	0	24,796,610	25,671,836
Transfers from reserves	26	644,367	(644,367)	0	0
Transfers to reserves	26	(585,920)	585,920	0	0
Balance as at 30 June 2022		10,941,177	2,834,020	115,576,660	129,351,857

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		1,817,319	1,796,244	1,701,653
Operating grants, subsidies and contributions		1,858,262	963,807	1,263,175
Fees and charges		333,377	262,985	287,509
Interest received		42,090	36,389	62,160
Goods and services tax received		286,468	164,500	171,148
Other revenue		120,016	71,872	201,814
		4,457,532	3,295,797	3,687,459
Payments				
Employee costs		(1,861,680)	(1,869,777)	(1,491,685)
Materials and contracts		(1,005,256)	(983,533)	(444,040)
Utility charges		(82,856)	(93,534)	(81,034)
Finance costs		(25,232)	(25,232)	(30,457)
Insurance paid		(103,527)	(103,791)	(93,484)
Goods and services tax paid		(276,454)	(164,500)	(190,887)
Other expenditure		(51,795)	(36,500)	(36,702)
		(3,406,800)	(3,276,867)	(2,368,289)
Net cash provided by (used in) operating activities	16(b)	1,050,732	18,930	1,319,170
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(583,698)	(1,118,315)	(254,332)
Payments for construction of infrastructure	9(a)	(1,600,189)	(1,724,905)	(1,226,397)
Non-operating grants, subsidies and contributions		1,310,115	698,380	1,020,169
Proceeds from financial assets at amortised cost		(4,937)		
Proceeds from financial assets at amortised cost - self supporting loans		28,087	28,087	27,173
Proceeds from sale of property, plant & equipment	10(b)	124,062	64,228	17,618
Net cash provided by (used in) investing activities		(726,560)	(2,052,525)	(415,769)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	25(a)	(96,883)	(96,883)	(95,629)
Net cash provided by (used In) financing activities		(96,883)	(96,883)	(95,629)
Net increase (decrease) in cash held		227,289	(2,130,478)	807,772
Cash at beginning of year		4,450,261	4,450,261	3,642,489
Cash and cash equivalents at the end of the year	16(a)	4,677,550	2,319,783	4,450,261

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	24(c)	1,162,484	1,162,486	1,199,648
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Operating grants, subsidies and contributions		1,843,480	813,807	1,193,697
Fees and charges		333,377	262,985	287,509
Interest earnings		42,090	36,389	62,160
Other revenue		120,016	71,872	201,814
Profit on asset disposals	10(b)	43,505	6,799	1,643
		2,382,468	1,191,852	1,746,823
Expenditure from operating activities				
Employee costs		(1,734,553)	(1,869,777)	(1,491,505)
Materials and contracts		(710,197)	(811,033)	(775,354)
Utility charges		(82,856)	(93,534)	(81,034)
Depreciation		(2,203,410)	(2,140,359)	(2,128,074)
Finance costs		(25,232)	(25,232)	(30,457)
Insurance		(103,527)	(103,791)	(93,484)
Other expenditure		(51,795)	(36,500)	(36,702)
Loss on asset disposals	10(b)	(5,241)	(5,350)	0
		(4,916,811)	(5,085,576)	(4,636,610)
Non-cash amounts excluded from operating activities	24(a)	2,039,056	2,138,910	2,126,251
Amount attributable to operating activities		(495,287)	(1,754,814)	(763,536)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,630,953	995,128	1,020,169
Proceeds from disposal of assets	10(b)	124,062	64,228	17,618
Proceeds from financial assets at amortised cost - self supporting loan:	25(a)	28,087	28,087	27,173
Purchase of property, plant and equipment	8(a)	(1,109,058)	(1,118,315)	(254,332)
Purchase and construction of infrastructure	9(a)	(1,600,189)	(1,724,905)	(1,226,397)
		(926,145)	(1,755,777)	(415,769)
Amount attributable to investing activities		(926,145)	(1,755,777)	(415,769)
FINANCING ACTIVITIES				
Repayment of borrowings	25(a)	(96,883)	(96,883)	(95,629)
Transfers to reserves (restricted assets)	26	(585,920)	(569,223)	(690,261)
Transfers from reserves (restricted assets)	26	644,367	1,237,967	201,129
Amount attributable to financing activities		(38,436)	571,861	(584,761)
Surplus/(deficit) before imposition of general rates		(297,384)	(1,776,244)	(564,418)
Total amount raised from general rates	23(c)	1,778,616	1,776,244	1,726,902
Surplus/(deficit) after imposition of general rates	24(c)	1,481,232	0	1,162,484

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

**SHIRE OF WEST ARTHUR
FOR THE YEAR ENDED 30 JUNE 2022
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	13
Note 7	Other Assets	14
Note 8	Property, Plant and Equipment	15
Note 9	Infrastructure	17
Note 10	Fixed Assets	19
Note 11	Trade and Other Payables	22
Note 12	Other Liabilities	23
Note 13	Borrowings	24
Note 14	Employee Related Provisions	25
Note 15	Revaluation Surplus	26
Note 16	Notes to the Statement of Cash Flows	27
Note 17	Capital Commitments	28
Note 18	Related Party Transactions	29
Note 19	Joint Arrangements	31
Note 20	Financial Risk Management	32
Note 21	Other Significant Accounting Policies	35
Note 22	Function and Activity	36
Information required by legislation		
Note 23	Rating Information	39
Note 24	Rate Setting Statement Information	41
Note 25	Borrowing and Lease Liabilities	42
Note 26	Reserve accounts	43
Note 27	Trust Funds	45

SHIRE OF WEST ARTHUR NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

1. BASIS OF PREPARATION

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

The 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 with the Local Government Act 1996 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 27 of the financial report.

Judgements and estimates

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation uncertainties made in relation to lease accounting
- estimation of useful lives of non-current assets

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

2. REVENUE AND EXPENSES

Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,778,616	0	1,778,616
Operating grants, subsidies and contributions	66,907	0	0	1,776,573	1,843,480
Fees and charges	324,362	0	9,015	0	333,377
Interest earnings	0	0	18,545	23,545	42,090
Other revenue	54,145	0	0	65,871	120,016
Non-operating grants, subsidies and contributions	0	1,630,953	0	0	1,630,953
Total	445,414	1,630,953	1,806,176	1,865,989	5,748,532

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,726,902	0	1,726,902
Operating grants, subsidies and contributions	237,967	0	0	955,730	1,193,697
Fees and charges	281,780	0	5,729	0	287,509
Interest earnings	0	0	20,806	41,354	62,160
Other revenue	0	0	0	201,814	201,814
Non-operating grants, subsidies and contributions	0	1,020,169	0	0	1,020,169
Total	519,747	1,020,169	1,753,437	1,198,898	4,492,251

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

2. REVENUE AND EXPENSES (Continued)

	Note	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
(a) Revenue (Continued)				
Assets and services acquired below fair value				
Contributed assets		525,360	0	0
		525,360	0	0
Interest earnings				
Financial assets at amortised cost - self supporting loans		11,820	11,820	12,734
Interest on reserve funds		9,050	11,569	21,553
Rates instalment and penalty interest (refer Note 23(d))		18,545	8,000	20,806
Other interest earnings		2,675	5,000	7,067
		42,090	36,389	62,160
(b) Expenses				
Auditors remuneration				
- Audit of the Annual Financial Report (a)		29,900	28,600	29,300
- Other services		2,100	900	900
		32,000	29,500	30,200
Finance costs				
Borrowings	25(a)	25,232	25,232	30,457
		25,232	25,232	30,457
Other expenditure				
Sundry expenses		51,795	36,500	36,702
		51,795	36,500	36,702

(a) The current year expense relates to the audit fee for the 2020/21 financial report audit. The indicative fee for the 2021/22 audit is \$30,500.

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Total cash and cash equivalents

Held as
 - Unrestricted cash and cash equivalents
 - Restricted cash and cash equivalents

Note	2022	2021
	\$	\$
	4,677,550	4,450,261
16(a)	4,677,550	4,450,261
	1,331,333	1,250,119
16(a)	3,346,217	3,200,142
	4,677,550	4,450,261

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

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

Details of restrictions on financial assets can be found at Note 16.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Self supporting loans receivable

	2022	2021
	\$	\$
24(c)	29,031	28,087
	29,031	28,087

(b) Non-current assets

Financial assets at amortised cost

Self supporting loans receivable

	2022	2021
	\$	\$
	309,376	338,407
	309,376	338,407

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2022	2021
	\$	\$
	58,352	53,415
	58,352	53,415

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 hierarchy (see Note 21 (i)) due to the observable market rates.

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

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 20

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

5. TRADE AND OTHER RECEIVABLES

Current

Note	2022	2021
	\$	\$
Rates receivable	200,216	237,534
Allowance for credit losses of rates receivables	(69,185)	(92,157)
Trade and other receivables	111,185	175,436
GST receivable	19,523	29,537
	261,739	350,350

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

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

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

6. INVENTORIES

Current

Note	2022	2021
	\$	\$
Fuel and materials	17,256	23,433
	17,256	23,433

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year	23,433	22,531
Write down of inventories to net realisable value	(223,908)	(155,916)
Reversal of write down of inventories to net realisable value		
Additions to inventory	217,731	156,818
Balance at end of year	17,256	23,433

2(b)

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

7. OTHER ASSETS

Contract assets

	30 June 2022 Actual	30 June 2021 Actual
	\$	\$
	63,166	36,669
	63,166	36,669

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.

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8 PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Note	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		957,016	2,128,280	10,382,806	13,468,102	19,890	2,569,582	16,057,574
Additions				123,111	123,111		131,221	254,332
Disposals		0	0	0	0	0	(15,975)	(15,975)
Depreciation	10(a)	0	(43,962)	(159,259)	(203,221)	(5,847)	(311,917)	(520,985)
Balance at 30 June 2021		957,016	2,084,318	10,346,658	13,387,992	14,043	2,372,911	15,774,946
Comprises:								
Gross balance amount at 30 June 2021		957,016	2,259,668	10,961,758	14,178,442	31,175	3,699,376	17,908,993
Accumulated depreciation at 30 June 2021		0	(175,350)	(615,100)	(790,450)	(17,132)	(1,326,465)	(2,134,047)
Balance at 30 June 2021		957,016	2,084,318	10,346,658	13,387,992	14,043	2,372,911	15,774,946
Additions*		11,556	4,547	73,288	89,391	11,952	1,007,715	1,109,058
Disposals		0	0	0	0	0	(85,798)	(85,798)
Revaluation increments / (decrements) transferred to revaluation surplus		(141,472)	(236,859)	3,889,902	3,511,571			3,511,571
Depreciation	10(a)	0	(43,961)	(163,548)	(207,509)	(4,803)	(326,088)	(538,400)
Transfers					0		(13,260)	(13,260)
Balance at 30 June 2022		827,100	1,808,045	14,146,300	16,781,445	21,192	2,955,480	19,758,117
Comprises:								
Gross balance amount at 30 June 2022		827,100	1,808,045	14,146,300	16,781,445	43,129	4,520,165	21,344,739
Accumulated depreciation at 30 June 2022		0	0	0	0	(21,937)	(1,564,685)	(1,586,622)
Balance at 30 June 2022		827,100	1,808,045	14,146,300	16,781,445	21,192	2,955,480	19,758,117

* Asset additions included additions received at substantially less than fair value:

During the year ended 30 June 2022

	0	525,360	525,360
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**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

8 PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties.	Register Valuer	June 2022	Price per hectare or m2
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties.	Registered Valuer	June 2022	Market data/improvements to land using construction costs and current market conditions (Level 2)
Buildings - specialised	2 & 3	Cost approach using depreciated replacement cost	Registered Valuer	June 2022	Improvements to land using construction costs and current conditions (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<p>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.</p> <p>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.</p>					
(ii) Cost					
Furniture and equipment		N/A	Cost	NA	N/A
Plant and equipment		N/A	Cost	NA	N/A

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Note	Infrastructure - roads \$	Infrastructure - other \$	Infrastructure - bridges \$	Total Infrastructure \$
Balance at 1 July 2020		63,447,218	3,355,612	18,098,318	84,901,148
Additions		1,066,520	159,877	0	1,226,397
Depreciation	10(a)	(969,194)	(138,054)	(499,841)	(1,607,089)
Balance at 30 June 2021		63,544,544	3,377,435	17,598,477	84,520,456
Comprises:					
Gross balance at 30 June 2021		67,276,724	3,917,583	19,098,000	90,292,307
Accumulated depreciation at 30 June 2021		(3,732,180)	(540,148)	(1,499,523)	(5,771,851)
Balance at 30 June 2021		63,544,544	3,377,435	17,598,477	84,520,456
Additions		1,299,034	301,155	0	1,600,189
Revaluation increments / (decrements) transferred to revaluation surplus		21,276,371	8,668		21,285,039
Depreciation	10(a)	(1,003,051)	(162,118)	(499,841)	(1,665,010)
Transfers			13,260		13,260
Balance at 30 June 2022		85,116,898	3,538,400	17,098,636	105,753,934
Comprises:					
Gross balance at 30 June 2022		85,116,898	3,538,400	19,098,000	107,753,298
Accumulated depreciation at 30 June 2022		0	0	(1,999,364)	(1,999,364)
Balance at 30 June 2022		85,116,898	3,538,400	17,098,636	105,753,934

SHIRE OF WEST ARTHUR
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	2 & 3	Cost approach using depreciated replacement cost	Registered Valuer	June 2022	Costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - other	2 & 3	Cost approach using depreciated replacement cost	Registered Valuer	June 2022	Costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - bridges	2 & 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	8(a)	43,961	43,961	43,962
Buildings - specialised	8(a)	163,548	159,248	159,259
Furniture and equipment	8(a)	4,803	5,848	5,847
Plant and equipment	8(a)	326,088	311,916	311,917
Infrastructure - roads	9(a)	1,003,051	981,491	969,194
Infrastructure - other	9(a)	162,118	138,054	138,054
Infrastructure - bridges	9(a)	499,841	499,841	499,841
		2,203,410	2,140,359	2,128,074

Depreciation rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings	30 to 100 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement	70 years
seal	
bituminous seals	15 to 25 years
asphalt surfaces	15 to 25 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheeting	10 to 15 years
Formed roads (unsealed) formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Bridges	60 to 90 years

SHIRE OF WEST ARTHUR
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

10. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	85,798	124,062	43,505	(5,241)	62,779	64,228	6,799	(5,350)	15,975	17,618	1,643	0
	85,798	124,062	43,505	(5,241)	62,779	64,228	6,799	(5,350)	15,975	17,618	1,643	0

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Plant and Equipment				
Law, order, public safety				
Arthur River Fire Truck	14,538	32,727	18,189	0
Other property and services				
Truck	6,743	28,396	21,653	0
Rodeo Ute	0	811	811	0
Side Tipping Trailer	16,012	13,739	0	(2,273)
Hilux Ute	8,235	9,686	1,451	0
Colorado Ute	0	1,401	1,401	0
Prado	40,270	37,302	0	(2,968)
	85,798	124,062	43,505	(5,241)

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Initial recognition and measurement for assets held at cost

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

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

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

Revaluation

The fair value of land, buildings and infrastructure is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

At the end of each period the carrying amount for each asset class is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure and vested improvements to be shown at fair value.

Revaluation (continued)

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Depreciation on revaluation

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

11. TRADE AND OTHER PAYABLES

Current

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

	2022	2021
	\$	\$
	168,771	470,276
	5,463	4,078
	18,029	23,733
	38,806	32,833
	231,069	530,920

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

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

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

12. OTHER LIABILITIES

	2022	2021
	\$	\$
Current		
Capital grant/contributions liabilities	512,197	307,675
	512,197	307,675
Reconciliation of changes in contract liabilities		
The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.		
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	307,675	0
Additions	512,197	376,682
Revenue from capital grant/contributions held as a liability at the start of the period	(307,675)	(69,007)
	512,197	307,675

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

Capital grant/contribution liabilities

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

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 21(i)) due to the unobservable inputs, including own credit risk.

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

13. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		89,815	433,511	523,326	96,883	523,326	620,209
Total secured borrowings	25(a)	89,815	433,511	523,326	96,883	523,326	620,209

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 West Arthur. Other loans relate to transferred receivables. Refer to Note 5.

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Fair values of borrowings are not 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 hierarchy (see Note 21(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 20

Details of individual borrowings required by regulations are provided at Note 25(a).

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2022	2021
	\$	\$
Current provisions		
Employee benefit provisions		
Annual Leave	118,899	160,900
Long Service Leave	138,766	243,560
	257,665	404,460
Non-current provisions		
Long Service Leave	52,407	32,739
	52,407	32,739
	310,072	437,199

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

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

Amounts are expected to be settled on the following basis:

	2022	2021
	\$	\$
Less than 12 months after the reporting date	156,561	231,442
More than 12 months from reporting date	153,511	205,757
	310,072	437,199

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.

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

15. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation Increment	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	613,871	0	(141,472)	(141,472)	472,399	613,871	0	613,871
Revaluation surplus - Buildings - non-specialised	6,960,184	0	(236,859)	(236,859)	6,723,325	6,960,184	0	6,960,184
Revaluation surplus - Buildings - specialised	0	3,889,902	0	3,889,902	3,889,902	0	0	0
Revaluation surplus - Furniture and equipment	10,206	0	0	0	10,206	10,206	0	10,206
Revaluation surplus - Infrastructure - roads	61,648,086	21,276,371	0	21,276,371	82,924,457	61,648,086	0	61,648,086
Revaluation surplus - Infrastructure - other	1,703,099	8,668	0	8,668	1,711,767	1,703,099	0	1,703,099
Revaluation surplus - Infrastructure - bridges	19,844,604	0	0	0	19,844,604	19,844,604	0	19,844,604
	90,780,050	25,174,941	(378,331)	24,796,610	115,576,660	90,780,050	0	90,780,050

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

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	4,677,550	2,319,783	4,450,261

Restrictions

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	3	3,346,217	2,223,723	3,200,142
		<u>3,346,217</u>	<u>2,223,723</u>	<u>3,200,142</u>

The restricted financial assets are a result of the following specific purposes to which the assets may be used:

Restricted reserve accounts	26	2,834,020	2,223,723	2,892,467
Capital and contract liabilities	12	512,197	0	307,675
Total restricted financial assets		<u>3,346,217</u>	<u>2,223,723</u>	<u>3,200,142</u>

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

Net result		875,226	(1,122,352)	(142,716)
Non-cash items:				
Depreciation/amortisation		2,203,410	2,140,359	2,128,074
(Profit)/loss on sale of asset		(38,264)	(1,449)	(1,643)
Assets received for substantially less than fair value		(525,360)		
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		62,114	170,000	(210,906)
(Increase)/decrease in inventories		6,177	2,500	(902)
Increase/(decrease) in trade and other payables		(299,851)	(175,000)	338,639
Increase/(decrease) in employee related provisions		(127,127)	0	(9,875)
Increase/(decrease) in other liabilities		204,522	(296,748)	238,668
Non-operating grants, subsidies and contributions		(1,310,115)	(698,380)	(1,020,169)
Net cash provided by/(used in) operating activities		<u>1,050,732</u>	<u>18,930</u>	<u>1,319,170</u>

**(c) Undrawn Borrowing Facilities
Credit Standby Arrangements**

Bank overdraft limit		150,000		150,000
Credit card limit		5,000		0
Total amount of credit unused		<u>155,000</u>		<u>150,000</u>

Loan facilities

Loan facilities - current		89,815		96,883
Loan facilities - non-current		433,511		523,326
Total facilities in use at balance date		<u>523,326</u>		<u>620,209</u>

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

17. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	165,195	96,000
- plant & equipment purchases	0	51,725
	165,195	147,725

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

18. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cr Neil Morrell - President			
President's annual allowance	2,813		
Deputy President's annual allowance	297	1,000	1,000
Meeting attendance fees	4,950	2,513	2,415
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	2,220	1,177	1,131
	10,780	5,190	5,046
Cr Kevin King - President			
President's annual allowance	1,164	4,000	4,000
Meeting attendance fees	1,490	3,550	3,481
Annual allowance for ICT expenses	146	500	500
Travel and accommodation expenses		0	458
	2,800	8,050	8,439
Cr Graeme Peirce - Deputy President			
Deputy President's annual allowance	703	0	0
Meeting attendance fees	4,540	2,260	2,152
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	1,376	780	745
	7,119	3,540	3,397
Cr Neil Manuel - Elected Member			
Meeting attendance fees	2,870	1,800	1,698
Annual allowance for ICT expenses	500	500	500
Travel and accommodation expenses	721	500	481
	4,091	2,800	2,679
Cr Adam Squires - Elected Member			
Meeting attendance fees	2,870	2,120	1,943
Annual allowance for ICT expenses	500	500	500
	3,370	2,620	2,443
Cr Marie Lloyd - Elected Member			
Meeting attendance fees	1,430	2,980	2,810
Annual allowance for ICT expenses	146	500	500
Travel and accommodation expenses	176	500	462
	1,752	3,980	3,772
Cr Julie McFall - Elected Member			
Meeting attendance fees	860	2,320	2,151
Annual allowance for ICT expenses	146	500	500
	1,006	2,820	2,651
Cr Duncan South - Elected Member			
Meeting attendance fees	3,120	0	0
Annual allowance for ICT expenses	351	0	0
Travel and accommodation expenses	613	0	0
	4,084	0	0
Cr Karen Harrington - Elected Member			
Meeting attendance fees	3,060	0	0
Annual allowance for ICT expenses	351	0	0
Travel and accommodation expenses	514	0	0
	3,925	0	0
Cr Robyn Lubcke - Elected Member			
Meeting attendance fees	3,100	0	0
Annual allowance for ICT expenses	351	0	0
Travel and accommodation expenses	1,412	0	0
	4,863	0	0
	43,790	29,000	28,427

Fees, expenses and allowances to be paid or reimbursed to elected council members.	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
President's annual allowance	3,977	4,000	4,000
Deputy President's annual allowance	1,000	1,000	1,000
Meeting attendance fees	28,290	17,543	16,650
Annual allowance for ICT expenses	3,491	3,500	3,500
Travel and accommodation expenses	7,032	2,957	3,277
18(b)	43,790	29,000	28,427

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:

The total of compensation paid to KMP of the Shire during the year are as follows:	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	337,509	246,908
Post-employment benefits	42,026	25,777
Employee - other long-term benefits	6,678	3,393
Employee - termination benefits	80,063	1,004
Council member costs	43,790	28,427
18(a)	510,066	305,509

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits

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

Council member costs

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

(c) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

19. Joint operations

The Shire has a joint arrangement with the Department of Communities which provides housing for the community. The only assets are land and housing units of which the Shire owns a percentage share.

The assets are included in Property, Plant & Equipment as follows:

		2022	2021
		\$	\$
Non-current assets			
Land - 10 Hillman Street	54%	5,400	16,200
Land - 12 Hillman Street	35%	3,500	10,500
Land - 18 Gibbs St/25 Nangip Cres	22%	2,200	6,820
Building - 10 Hillman Street	54%	91,800	127,556
Building - 12 Hillman Street	35%	59,500	53,098
Building - 18 Gibbs Street	22%	31,900	12,940
Building - 25 Nangip Cres	22%	31,900	9,566
Total assets		226,200	236,680

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

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

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

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

20 FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.36%	4,677,550	0	4,677,550	
2021					
Cash and cash equivalents	0.76%	4,450,261	0	4,450,261	

Sensitivity

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

Impact of a 1% movement in interest rates on profit and loss and equity*

* Holding all other variables constant

	2022	2021
	\$	\$
	46,776	44,503

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 25(a).

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

20 FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	45,601	27,193	22,834	104,588	200,216	
Loss allowance	(6,030)	(6,132)	(7,084)	(49,939)	(69,185)	5
30 June 2021						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	52,824	42,356	26,145	116,209	237,534	
Loss allowance					0	5

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

	Less than 1 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	129,017	341	1,825	43,168	174,351	
Loss allowance					0	5
30 June 2021						
Trade and other receivables						
Expected credit loss						
Gross carrying amount	207,422	2,737	759	1,167	212,085	
Loss allowance					0	5

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

20 FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2022</u>					
Trade and other payables	231,069	0	0	231,069	231,069
Borrowings	110,203	331,355	56,536	498,094	523,326
	<u>341,272</u>	<u>331,355</u>	<u>56,536</u>	<u>729,163</u>	<u>754,395</u>
<u>2021</u>					
Trade and other payables	541,847	0	0	541,847	530,920
Borrowings	122,115	401,650	96,444	620,209	620,209
	<u>663,962</u>	<u>401,650</u>	<u>96,444</u>	<u>1,162,056</u>	<u>1,151,129</u>

21. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an 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 cash generating non-specialise assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

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

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

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

k) Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

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

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

22. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective

Description

Governance

To set and achieve Council's goals and objectives for the ratepayers by providing high level direction, co-ordination and management policy

Cost associated with meetings, elections, preparing annual reports and other statutory reporting requirements, public relations and policy development and review.

General purpose funding

To collect revenue to allow for the provision of services.

Costs associated with raising and collecting rates, rate enquiries, preparing general purpose grant returns and investing the Shire's surplus funds.

Law, order, public safety

To provide services to help ensure a safer and environmentally conscious community.

Fire control and prevention, and animal control.

Health

Fire control and prevention, and animal control.

Provision and maintenance of medical buildings and subsidies to health services, services of an Environmental Health Officer including food control.

Education and welfare

To provide services to disadvantaged persons, the elderly, children and youth.

School bus routes, support to families and childrens services including schools, support for seniors and welfare services.

Housing

To provide housing for employees of local industry and government departments.

Maintenance and provision of GROH and community housing.

Community amenities

To provide services required by the community.

Rubbish collection services, operation of refuse site, administration of the town planning scheme, storm water drainage, protection of the environment, cemetery maintenance.

Recreation and culture

To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

Maintenance of halls, provision of library services, maintenance of historical buildings and maintenance of reserves and recreation facilities.

Transport

To provide a smooth, safe, efficient and clearly defined road network that is environmentally acceptable and which enhances travels throughout the Shire.

Maintenance of roads, drainage works, footpaths, street lighting, median strips, traffic management, parking facilities and roadworks program.

Economic services

To help promote the local government and its economic wellbeing.

Tourism and area promotion, caravan park, standpipes, pest control services and implementation of building controls.

Other property and services

To monitor and control operating accounts.

Public works overheads, plant/vehicle operations, stock and materials, depot operations and private works.

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

22. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

Income excluding grants, subsidies and contributions

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Governance	7,994	0	10
General purpose funding	1,806,492	1,806,813	1,783,479
Law, order, public safety	3,129	600	3,410
Health	7,015	6,035	7,165
Education and welfare	20,932	19,204	17,376
Housing	126,216	116,140	129,238
Community amenities	58,673	55,868	57,237
Recreation and culture	56,612	34,250	134,757
Transport	44,664	6,799	1,722
Economic services	103,354	46,500	49,260
Other property and services	82,523	62,080	96,374
	2,317,604	2,154,289	2,280,028

Grants, subsidies and contributions

Governance	428	500	130
General purpose funding	1,635,163	517,317	1,388,589
Law, order, public safety	586,018	118,126	38,897
Education and welfare	15	0	3,640
Housing	10,495	10,495	850
Community amenities	3,506	2,000	186
Recreation and culture	207,166	135,694	924
Transport	1,031,632	945,892	780,650
Economic services	0	78,911	0
Other property and services	10	0	0
	3,474,433	1,808,935	2,213,866

Total Income

	5,792,037	3,963,224	4,493,894
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Expenses

Governance	(522,085)	(476,451)	(396,932)
General purpose funding	(106,169)	(90,829)	(88,581)
Law, order, public safety	(160,730)	(304,091)	(140,010)
Health	(120,471)	(117,102)	(107,931)
Education and welfare	(70,151)	(57,354)	(49,015)
Housing	(111,778)	(115,587)	(81,599)
Community amenities	(236,469)	(285,255)	(227,885)
Recreation and culture	(685,595)	(735,481)	(753,287)
Transport	(2,579,810)	(2,592,285)	(2,490,143)
Economic services	(223,099)	(223,734)	(197,123)
Other property and services	(100,454)	(87,407)	(104,104)
Total expenses	(4,916,811)	(5,085,576)	(4,636,610)

Net result for the period

	875,226	(1,122,352)	(142,716)
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SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

22. FUNCTION AND ACTIVITY (Continued)

	2022	2022	2021
	Actual	Budget	Actual
	\$	\$	\$
(c) Fees and Charges			
Governance	57	0	10
General purpose funding	3,607	2,000	2,951
Law, order, public safety	3,010	600	3,330
Health	631	200	200
Education and welfare	15,228	13,500	16,648
Housing	110,744	101,755	114,203
Community amenities	58,328	53,880	53,289
Recreation and culture	10,913	11,750	10,348
Economic services	103,114	46,500	48,925
Other property and services	27,745	32,800	37,605
	333,377	262,985	287,509
(d) Total Assets			
Governance	22,056	35,289	
General purpose funding	192,089	251,870	
Law, order, public safety	853,846	366,459	
Health	3,505,960	2,854,465	
Education and welfare	9,123	2,826	
Housing	1,967,605	2,246,940	
Community amenities	796,566	1,059,674	
Recreation and culture	12,566,296	9,290,823	
Transport	104,914,921	84,081,673	
Economic services	1,225,306	978,179	
Other property and services	4,874,753	4,407,826	
	130,928,521	105,576,024	

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. RATING INFORMATION

(a) General Rates

RATE TYPE			2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2020/21		
Rate Description	Basis of valuation	Rate in \$	Actual Rateable Value *	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue	
GRV Townsite		0.07412	744,156	55,157			55,157	55,157			55,157	53,311	
GRV Commercial		0.07412	239,564	17,757			17,757	17,757			17,757	17,440	
GRV Industrial		0.07412	112,580	8,344			8,344	8,344			8,344	8,195	
GRV Other Townsite		0.07412	89,544	6,637			6,637	6,637			6,637	6,519	
UV Rural		0.00511207	314,798,000	1,609,269	(572)		1,608,697	1,609,269			1,609,269	1,570,044	
Sub-Total			484	315,983,844	1,697,164	(572)	0	1,696,592	1,697,164	0	0	1,697,164	1,655,509
Minimum payment		\$											
GRV Townsite	0	531	35	176,046	18,585	1,718		20,303	18,585		18,585	18,506	
GRV Commercial	0	531	9	22,440	4,779			4,779	4,779		4,779	4,986	
GRV Industrial	0	531	4	7,990	2,124	(89)		2,035	2,124		2,124	1,548	
GRV Other Townsite	0	371	19	20,820	7,049			7,049	7,049		7,049	6,859	
UV Rural	0	531	81	5,095,612	43,011	1,349		44,360	43,011		43,011	36,058	
Sub-Total			148	5,322,908	75,548	2,978	0	78,526	75,548	0	0	75,548	67,957
			632	321,306,752	1,772,712	2,406	0	1,775,118	1,772,712	0	0	1,772,712	1,723,466
Total amount raised from general rates								1,775,118			1,772,712	1,723,466	
* Rateable value is based on the value of properties at the time the rate is raised.													
(b) Rates (excluding general rates)													
Ex-gratia Rates		Rate in											
Ex-gratia Rates				3,498				3,498	3,532		3,532	3,436	
Sub-Total			0	0	3,498	0	0	3,498	3,532	0	0	3,436	
Total amount raised from rates (excluding general rates)								3,498			3,532	3,436	
(c) Total Rates								1,778,616			1,776,244	1,726,902	

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

SHIRE OF WEST ARTHUR
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

23. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	17/09/2021	0.0	0.00%	7.00%
Option Two				
First instalment	17/09/2021	5.0	3.00%	7.00%
Second instalment	19/11/2021			
Option Three				
First instalment	17/09/2021	15.0	3.00%	7.00%
Second instalment	19/11/2021			
Third instalment	21/01/2022			
Fourth instalment	25/03/2022			

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	17,056	6,200	19,608
Interest on instalment plan	1,489	1,800	1,198
Charges on instalment plan	835	600	680
	19,380	8,600	21,486

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

24. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(30 June 2021 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
	Less: Profit on asset disposals	10(b) (43,505)	(1,643)
	Add: Loss on disposal of assets	10(b) 5,241	0
	Add: Depreciation	10(a) 2,203,410	2,128,074
Non-cash movements in assets and liabilities:			
	Financial assets at amortised cost	(4,937)	
	Employee benefit provisions	(127,127)	(10,262)
	Movement in Accrued wages	5,974	10,082
Non-cash amounts excluded from operating activities			
	2,039,056	2,138,910	2,126,251
(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 Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to investing activities			
	Property, plant and equipment received for substantially less than fair value	8(a) 525,360	0
	Non cash non-operating grants, subsidies and contributions	(525,360)	
(c) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
	Less: Reserve accounts	26 (2,834,020)	(2,892,467)
	Less: Financial assets at amortised cost - self supporting loans	4(a) (29,031)	(28,087)
	Add: Current liabilities not expected to be cleared at end of year		
	- Current portion of borrowings	13 89,815	96,883
	- Employee benefit provisions	296,472	437,293
Total adjustments to net current assets			
	(2,476,764)	(1,726,030)	(2,386,378)
Net current assets used in the Rate Setting Statement			
	Total current assets	5,048,742	4,888,800
	Less: Total current liabilities	(1,090,746)	(1,339,938)
	Less: Total adjustments to net current assets	(2,476,764)	(2,386,378)
Net current assets used in the Rate Setting Statement			
	1,481,232	0	1,162,484

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

25. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
GROH Housing		237,347	0	(44,061)	193,286	0	(47,024)	146,262	193,286	0	(47,023)	146,263
Industrial Land		58,848	0	(9,931)	48,917	0	(10,260)	38,657	48,917	0	(10,259)	38,658
Staff Housing - Lot 30 Hillman Street		25,976	0	(14,464)	11,512	0	(11,512)	0	11,514	0	(11,514)	0
Total		322,171	0	(68,456)	253,715	0	(68,796)	184,919	253,717	0	(68,796)	184,921
Self Supporting Loans												
WA Cottage Homes		393,667	0	(27,173)	366,494	0	(28,087)	338,407	366,493	0	(28,087)	338,406
Total Self Supporting Loans		393,667	0	(27,173)	366,494	0	(28,087)	338,407	366,493	0	(28,087)	338,406
Total Borrowings	13	715,838	0	(95,629)	620,209	0	(96,883)	523,326	620,210	0	(96,883)	523,327

* WA Treasury Corporation

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

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending	Budget for year ending	Actual for year ending
						30 June 2022	30 June 2022	30 June 2021
						\$	\$	\$
GROH Housing		Housing	70	WATC	6.56%	(11,539)	(11,539)	(14,501)
Industrial Land		Economic services	72	WATC	3.27%	(1,475)	(1,475)	(1,803)
Staff Housing - Lot 30 Hillman Street		Other property and services	69	WATC	6.88%	(398)	(398)	(1,419)
Total						(13,412)	(13,412)	(17,723)
Self Supporting Loans Interest Repayments								
WA Cottage Homes		Housing	73	WATC	3.32%	(11,820)	(11,820)	(12,734)
Total Self Supporting Loans Interest Repayments						(11,820)	(11,820)	(12,734)
Total Interest Repayments	2(b)					(25,232)	(25,232)	(30,457)

* WA Treasury Corporation

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

26. RESERVE ACCOUNTS

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave Reserve	210,491	659	(90,000)	121,150	210,490	842	(25,000)	186,332	208,620	1,871	0	210,491
(b) Plant Reserve	522,877	311,636	(380,496)	454,017	522,877	312,102	(465,887)	369,092	319,811	316,669	(113,603)	522,877
(c) Building Reserve	677,641	87,770	(31,102)	734,309	677,641	88,362	(515,000)	251,003	691,332	66,309	(80,000)	677,641
(d) Town Development Reserve	71,306	223	(70,000)	1,529	71,305	285	(70,000)	1,590	70,672	634	0	71,306
(e) Recreation Reserve	162,776	509	0	163,285	162,775	651	0	163,426	121,685	41,091	0	162,776
(f) Heritage Reserve	5,755	336	0	6,091	5,755	323	0	6,078	5,343	412	0	5,755
(g) Community Housing Reserve	153,767	41,563	(26,195)	169,135	153,767	20,610	(25,000)	149,377	131,406	22,361	0	153,767
(h) Waste Management Reserve	122,370	383	0	122,753	122,370	489	(100,000)	22,859	121,282	1,088	0	122,370
(i) Darkan Swimming Pool Reserve	44,081	5,138	0	49,219	44,081	5,176	0	49,257	38,734	5,347	0	44,081
(j) Information Technology Reserve	50,305	42,657	(26,414)	66,548	50,306	50,201	0	100,507	46,885	3,420	0	50,305
(k) Darkan Sport and Community Cent	289,515	35,906	0	325,421	289,516	31,158	0	320,674	257,208	32,307	0	289,515
(l) Arthur River Country Club Reserve	34,044	6,107	0	40,151	34,043	6,136	0	40,179	27,795	6,249	0	34,044
(m) Museum Reserve	128,155	546	0	128,701	128,155	497	(5,000)	123,652	128,102	1,281	(1,228)	128,155
(n) Moodiarrup Sports Club Reserve	13,539	4,042	0	17,581	13,539	5,058	0	18,597	9,475	5,085	(1,021)	13,539
(o) Landcare Reserve	37,869	118	(5,000)	32,987	37,871	173	(17,080)	20,964	42,763	383	(5,277)	37,869
(p) Corporate Planning and Valuation I	34,836	109	(15,000)	19,945	34,836	139	(15,000)	19,975	34,526	310	0	34,836
(q) Kids Central Reserve	1,607	5,709	(160)	7,156	1,607	5,707	0	7,314	670	937	0	1,607
(r) The Shed Reserve	12,258	566	0	12,824	12,258	47	0	12,305	11,550	708	0	12,258
(s) Recreation Trails Reserve	1,214	4	0	1,218	1,214	5	0	1,219	1,203	11	0	1,214
(t) Community Gym Reserve	11,026	978	0	12,004	11,026	34	0	11,060	8,367	2,659	0	11,026
(u) Economic Development Reserve	73,617	40,230	0	113,847	73,617	40,294	0	113,911	43,229	30,388	0	73,617
(v) Road Reserve	233,418	731	0	234,149	233,418	934	0	234,352	82,677	150,741	0	233,418
	<u>2,892,467</u>	<u>585,920</u>	<u>(644,367)</u>	<u>2,834,020</u>	<u>2,892,467</u>	<u>569,223</u>	<u>(1,237,967)</u>	<u>2,223,723</u>	<u>2,403,335</u>	<u>690,261</u>	<u>(201,129)</u>	<u>2,892,467</u>

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

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

SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

(a) Leave Reserve	Ongoing	To be used to fund long service leave and annual leave requirements
(b) Plant Reserve	Ongoing	To be used for the purchase of major plant
(c) Building Reserve	Ongoing	To be used for the construction and maintenance of Council buildings
(d) Town Development Reserve	Ongoing	To be used to enhance town infrastructure
(e) Recreation Reserve	Ongoing	To be used to enhance recreation infrastructure
(f) Heritage Reserve	Ongoing	To be used to maintain and improve the heritage buildings of the Shire
(g) Community Housing Reserve	Ongoing	To be used for the maintenance and provision of housing within the Shire
(h) Waste Management Reserve	Ongoing	To be used to assist with funding future infrastructure requirements for waste management
(i) Darkan Swimming Pool Reserve	Ongoing	To be used to assist with funding works at the Darkan swimming pool
(j) Information Technology Reserve	Ongoing	To be used for upgrades to computers and office equipment
(k) Darkan Sport and Community Centre	Ongoing	To be used to maintain and improve the Darkan Sport and Community Centre
(l) Arthur River Country Club Reserve	Ongoing	To be used to maintain and improve the Arthur River Country Club
(m) Museum Reserve	Ongoing	To be used to maintain and to provide new displays in the Museum
(n) Moodiarrup Sports Club Reserve	Ongoing	To be used to maintain and improve the Moodiarrup Sports Club Reserve
(o) Landcare Reserve	Ongoing	To be used to fund the landcare expenditure of the Shire
(p) Corporate Planning and Valuation	Ongoing	To be used to fund the corporate planning and valuation expenditure of the Shire
(q) Kids Central Reserve	Ongoing	To be used to fund the renewal of equipment and infrastructure
(r) The Shed Reserve	Ongoing	To be used to fund the renewal of equipment and infrastructure
(s) Recreation Trails Reserve	Ongoing	To be used for the construction and maintenance of recreation trails
(t) Community Gym Reserve	Ongoing	To be used for the renewal of gym equipment and activities
(u) Economic Development Reserve	Ongoing	To be used for economic development initiatives that benefit the Shire
(v) Road Reserve	Ongoing	To be used to fund road improvements or urgent repairs

**SHIRE OF WEST ARTHUR
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

27. 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:

	<u>1 July 2021</u>	<u>Amounts Received</u>	<u>Amounts Paid</u>	<u>30 June 2022</u>
	\$	\$	\$	\$
Westcare	44,275	111	(1,680)	42,706
Seniors Luncheon	1,311	373	(110)	1,574
Arthur River Development	4,047	10	(1,362)	2,695
RSL Trust Fund	4,410	11	(385)	4,036
Darkan Arts Council	8,181	20	(200)	8,001
Arthur River Hall	2,411	6	0	2,417
Arthur River Restoration	10,326	26	0	10,352
	<u>74,961</u>	<u>557</u>	<u>(3,737)</u>	<u>71,781</u>



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of West Arthur

To the Councillors of the Shire of West Arthur

Opinion

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

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

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

Basis for opinion

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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 2022, but not the financial report and my auditor's report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

The Chief Executive Officer of the Shire is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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



Nayna Raniga
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
15 February 2023