



Shire of West Arthur

# Annual Report

2022 - 2023



*Forest to Wheatbelt*

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## 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 Noongar peoples. 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.

## About the Annual Report

*The Shire of West Arthur’s Annual Report is an important part of the Integrated Strategic Planning and Reporting Framework. It details the Shire’s financial and operational performance in the 2022-2023 financial year and documents the Shire’s progress in line with the Strategic Community Plan.*

The Strategic Community Plan ‘West Arthur: Towards 2031’ provides the Shire’s long-term strategic direction and guides the organisation’s decision-making, services, projects and financial commitments that will deliver a Shire that is safe, friendly and welcoming, with a dynamic and expanding local economy.

**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 and growing business sector.

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

**Built Environment** – our roads, towns and facilities are well maintained and reflect our rural identity and heritage.

**Leadership and Management** – we have inspirational, dynamic leaders providing well-managed, transparent governance.

The Shire of West Arthur’s Annual Report includes a snapshot of the Shire’s performance and an overview of the outlook for the future.

*Photo credits: Astrid Volzke, Caroline Telfer, Kerryn Chia, Sharon Bell*

## Shire President's Report

*I am honoured to present the 2022-2023 Annual Report to the residents and rate payers of the Shire of West Arthur in what has been another busy and progressive year.*



The Shire has seen an influx of new staff this year including the appointment of Gary Rasmussen as Manager of Works and Services, James Ingarfield as mechanic, new crew in Parks and Gardens, a cleaner, as well as a plant operator. The Admin Office has seen the arrival of Sharon Bell as Community Development Officer, and Tahnee-Lee Montgomery as Customer Service Officer. This brings us up to being fully staffed, and it is pleasing to see strong bonds are developing within the team.

This year there was no local government election, which allowed Councillors to continue to develop their areas of interest. Each Councillor brings a defined skill set to the meetings and allows for good discussion in Council briefing sessions. All community members are welcome to attend the monthly Council meetings, along with the Annual Electors Meeting.

Council has been busy endorsing the Water Strategy Report, approving development applications, adopting budgets, reviewing master plans and local planning schemes, adopting the Policy Manual, approving the development of a Reconciliation Action Plan, looking at streetscaping, having discussions regarding the Darkan and Duranillin landfill sites, as well as planning for the 2023 local government elections.

Additionally, Councillors were on local, district and regional committees and boards, helping to deliver the best possible outcomes for our community. Councillors also completed training in areas such as Understanding Financial Reports and Budgets, Understanding Local Government, Conflicts of Interest, Meeting Procedures and Serving on Council.

Major projects were completed this year, including the BBQ/Shade Shelter in the Railway Reserve and the Boardwalk at Lake Towerrinning. A focus has been on the Shire's road network, including bridges, ensuring that our community has access to all areas of the Shire. As an agricultural area, the road network is of major importance to the Shire.

Council was pleased to partner with the West Arthur Community Resource Centre to bring a performance of Albert Facey's 'A Fortunate Life' to the community through Shows on the Go. The story resonated with the audience and provided a very entertaining evening out. We also partnered with One Gate Farm on the delivery of an Astrotourism event. Both events attracted people from outside of the Shire.

The Shire continues to support local community groups and volunteers and recognises the enormous benefits that they bring to the community. Without the dedication of the volunteers who selflessly give up their time, our community would be worse off.

The upcoming 2023/24 year will continue to see more projects carried out through the Local Roads and Community Infrastructure program, as well as events and other projects from a range of funding bodies. We continue to seek ways to enhance our community, and make West Arthur a great place to live, work and visit.

**Neil Morrell**  
**Shire President**



## Chief Executive Officer's Report

*I am honoured to present the CEO's Report for the 2022/2023 financial year, encapsulating the progress and achievements of the Shire of West Arthur. As we reflect on the past year, it is evident that our community's resilience and collaborative spirit have been the driving forces behind our success.*



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

Jason King	(Plant Operator)
Beth Moses	(Customer Service Officer)
Janelle Webb	(Cleaner)
Kym Gibbs	(Manager of Community)
Colleen Treen	(Cleaner)

We welcomed the following new staff:

James Ingarfield	(Mechanic)
Roslyn King	(Parks & Gardens, Cleaner)
Glenn Merrett	(Plant Operator)
Kathleen Rasmussen	(Parks & Gardens)
Rebecca South	(Parks & Gardens)
Tanya Thaw	(Cleaner)
Sharon Bell	(Community Development Officer)
Tahnee-Lee Montgomery	(Customer Service Officer)
Gary Rasmussen	(Manager Works & Services)

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.

I am pleased to report that the Shire has maintained a strong financial position throughout the year. Our prudent financial management and strategic planning have allowed us to allocate resources efficiently, ensuring that essential services are delivered without compromising the Shire's fiscal health. We have continued to invest in infrastructure projects that contribute to the long-term prosperity of our community.

The Shire remains committed to fostering a vibrant and inclusive community. We have worked diligently to enhance community facilities, promote cultural events, and support local initiatives. Our efforts in community development have aimed at creating an environment where residents can thrive, and businesses can prosper. The successful completion of various community projects is a testament to our dedication to the well-being of our residents.

Substantial progress has been made in upgrading and maintaining our vital infrastructure. Roads, bridges, and recreational facilities have been a particular focus, ensuring that our community enjoys safe and accessible amenities. These upgrades not only contribute to the quality of life for residents but also attract visitors, bolstering our local economy.

Collaboration with stakeholders is paramount to our success. The Shire values the input and feedback received from residents, businesses, and community organisations. Where time constraints permitted and Council felt it necessary, we have actively sought to engage with stakeholders.

## Notable Achievements

1. Local governments are required to develop a Recordkeeping Plan and review it every five years. Through the hard work of our Records Officer, Amy White, a new plan was completed in this reporting period, recognising the new records management process that we put into place.
2. In 2021, the Department of Water and Environmental Regulation (DWER) conducted a Waste Management audit of the Shire. One of the actions identified in the audit was to develop a closure management plan for each of our two landfill sites. The plan was completed and adopted by Council this financial year.
3. Management made the decision to create more office space in the Administration Office by moving the Manager Works and Services and the Works Administration Assistant to the Shire Depot. The move has been successful and has enabled those officers to have better access to the members of the Works crew.
4. Water security is a very important consideration for all of us. Council adopted the Shire's Water Strategy, its main objectives being:
  - An estimate of water demand for a 10-year planning horizon (to 2030).
  - An audit of current available water supplies including identification of known ground water and surface water supplies and the amount of water that could be drawn from these supplies.
  - Identification of areas where water supplies need to be developed.
  - Identification of alternate water supply options.
  - A proposed plan for development of additional water supplies.
5. Many thanks to Phil Harrington for his assistance with the development and construction of the Street library in the Darkan Rail Reserve.
6. We developed an IT Disaster Recovery Plan and Business Continuity Plan for the Shire to ensure compliance with legislation and arrangements are in place to deal with emergencies within the organisation.
7. As part of the State's Local Government Reforms, the Shire of West Arthur will shortly be required to maintain audio recordings of its Council meetings. Officers have purchased the necessary audio-visual equipment for the Council chambers to ensure we will be compliant when the legislation comes into effect.
8. An online booking system has been implemented for the Caravan Park to reduce the time spent by Shire office staff on attending to reservations.
9. The Shire upgraded its internet service from ADSL to optic fibre this financial year. Connections speeds and reliability have improved significantly as a result.
10. The Shire signed an agreement with the City of Kalamunda to provide Building Surveying services to us.
11. The Shire logo was modified, and a corporate style guide developed to ensure that a consistent, professional image is projected at all times.
12. Council endorsed an Economic Development Strategy. This document is designed to identify areas of most viable economic success, and support the Shire, industries, the business sector and the community to focus on the actions that will reap the most rewards, in the short, medium and longer term.
13. The Shire entered into an agreement with WA Contract Ranger Services to service the district. This supplier provides ranger services to a large number of local governments across the State.

14. A big thank you to Mr Geoffrey Lush who has been the Shire's Town Planning Consultant for a number of years. Geoffrey is moving towards a well-earned retirement and will be replaced by Mr Joe Douglas, another experienced local government planning consultant. Our best wishes to Geoffrey for the next stage of his life.

In conclusion, I extend my gratitude to the Shire's dedicated staff, the Council, and the entire community for their unwavering support and commitment. Together, we have achieved significant milestones, and I am confident that our collective efforts will continue to shape a prosperous and sustainable future for the Shire of West Arthur.

**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 2022/23 financial year.

#### **Cr Neil Morrell (President) – Elected to Office in 2019 Retiring 2023**

- Audit Committee
- Executive Appraisal Committee
- 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
- Proxy to the 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
- 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 2023**

- Audit Committee
- Executive Appraisal Committee
- 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**

- Pool Committee
- Executive Appraisal Committee
- West Arthur Cottage Homes Committee

#### **Cr Karen Harrington - Elected to Office in 2021 Retiring 2025**

- Audit Committee
- Central Country Zone of WALGA
- Executive Appraisal Committee
- Local Emergency Management Committee
- Westcare Committee

#### **Cr Robyn Lubcke - Elected to Office in 2021 Retiring 2025**

- Executive Appraisal Committee
- Tidy Towns Committee
- Development Assessment Panel
- 4WDL VROC Committee
- Museum Reference Group
- West Arthur Community Resource Centre



## Cr Duncan South - Elected to Office in 2021 Retiring 2025

- Executive Appraisal Committee
- West Arthur Bushfire Advisory Committee

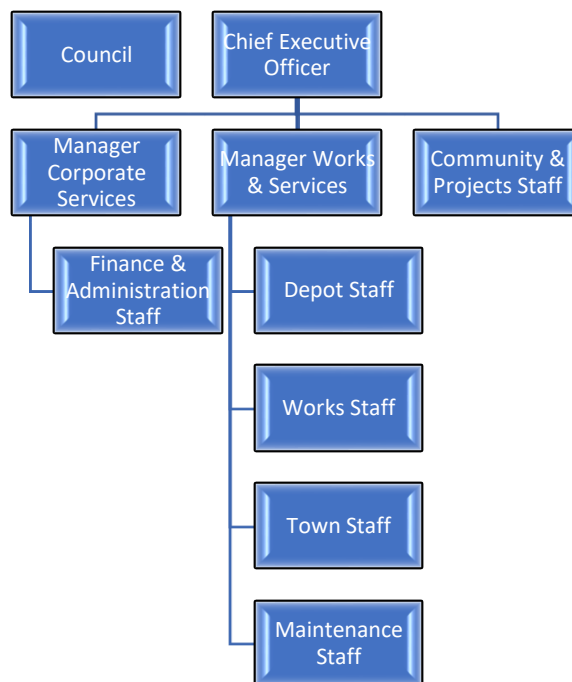


*SoWA Councillors (L-R): Karen Harrington, Duncan South, Neil Morrell, Graeme Peirce, Neil Manuel, Robyn Lubcke. Absent Adam Squires*

## Executive Officers and Organisation Structure

AS at June 30<sup>th</sup> 2023 our management team consisted of:

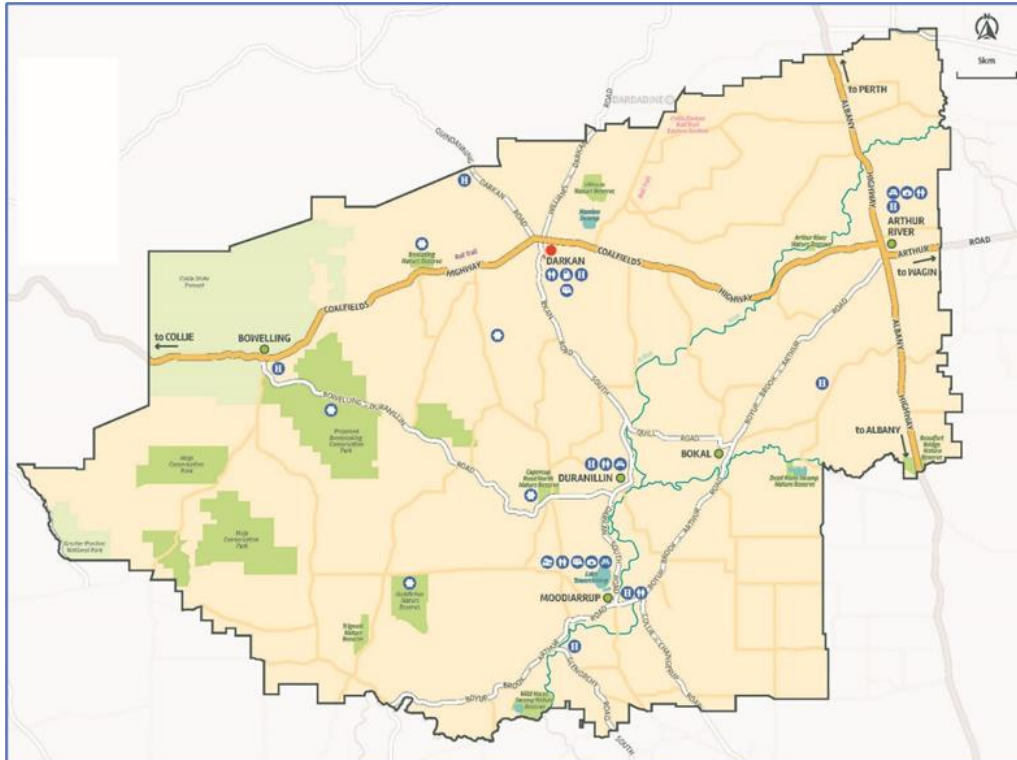
<b>Chief Executive Officer</b>	Vin Fordham Lamont
<b>Manager Works &amp; Services</b>	Gary Rasmussen
<b>Manager Financial Reporting</b>	Melinda King
<b>Manager Corporate Services</b>	Rajinder Sunner



1: Organisational Structure

## Shire of West Arthur Quick Facts

- Area: 283,182.7 hectares
- Road length: 208km sealed roads, 652km unsealed roads
- Population: 773 (ABS Census 2021)
- Number of Electors: 597
- Year Shire established: 1896



Map of Shire of West Arthur

### Public Facilities

Arthur River Country Club  
 Arthur River Hall  
 Arthur River Historical Precinct  
 Betty Brown Historical Centre  
 Bowelling Railway Station  
 Community Gym  
 Darkan to Collie Rail Trail  
 Darkan Pioneer Hall  
 Darkan Railway Station  
 Darkan Sports Complex  
 Darkan Station Masters House

Darkan Swimming Pool  
 Darkan Town Hall  
 Duranillin School  
 Duranillin Town Hall  
 Glenorchy School  
 Lake Towerrinning  
 Moodiarrup Hall  
 Moodiarrup Sports Complex  
 Six Mile Cottage  
 The Shed

Total Capital Works Value for 2022/23	\$2,761,086
Total Operational Revenue for 2022/23	\$5,821,137
Total Non-operational Revenue for 2022/23	\$1,257,166
Total Income from Rates for 2022/23	\$1,887,578

## Community Strategic Plan / Corporate Business Plan Overview

This report is based on the Community Strategic Plan that was adopted in 2021 and the accompanying Corporate Business Plan that was adopted in 2021.

Section 5.53(e) of the Local Government Act 1995 states that in relation to the Annual Report “an overview of the Plan for the Future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or continue in the next financial year.”

Both the Community Strategic Plan and the Corporate Business Plan are broken down into five key themes of Community, Local Economy, Natural Environment, Built Environment and Leadership and Management.

The Corporate Business Plan expands on the community’s desired goals and outcomes with strategies and actions and supports the strategic direction with specific priorities and actions. It informs the annual planning and budgeting processes.

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.

### The Year in Review

#### Community – Safe, Friendly, and Inclusive

##### Key Performance Measures

- We have a range of sporting, cultural and recreational activities and people from all walks of life are actively participating in the community
- We have developed Risk Management Plans, Disability Access & Inclusion Plan, and Reconciliation Action Plan
- We maintained our low crime rate
- People are able to access health facilities they require
- Increasing number of people are actively involved in volunteering within the community
- We have created a Heritage list to protect our heritage assets

#### ***Outcome 1.1 – A safe place to work, live, and visit***

##### Strategies and Plans

- Support for the provision of emergency services and volunteers
- Prevention of crime
- Communication of risks and hazards to the community and assistance with management of these



The Shire is actively involved in managing emergencies in our district. The Shire has attended several fires and one fatal traffic incident, as well as two truck incidents on Coalfields Highway during 2022/23. There were over 50 callouts in relation to trees down on roads in the Shire.

The Signal app is used by the Shire to communicate with local volunteers, while a SMS service is used to provide information, including harvest and vehicle movement bans, road closures and bushfire information, to local community members. Social media and the website are also used to provide public information.

The Community Emergency Services Manager (CESM) and CEO attended two Local Emergency Management Committee (LEMC) and two Bush Fire Advisory Committee (BFAC) meetings, as well as organised training for the volunteers. New Fire Control Officers (FCOs) attended training in Narrogin, while existing FCOs participated in the Rural Fire Awareness training.

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

A generator and compound at the Sports Precinct were partially funded by the National Disaster Risk Reduction grant, as the Sports Precinct is the local evacuation centre. A mobile generator was also purchased through this funding, as the Shire office is the incident control centre in an emergency.

**Outcome 1.2 – Support available for people of all ages and abilities**

Strategies and Plans

- Actively support and promote a range of activities for a range of ages and abilities
- Maintain and support the growth of medical facilities, childcare and aged services in the district
- Provide services and infrastructure to meet the needs of the community

Local Roads and Community Infrastructure funding from the Federal Government saw more projects completed around the Shire. The following projects have all been funded through LRCI.

*Railway Reserve BBQ and Shade Shelter*



The Darkan Railway Reserve continued to be upgraded, with a shade and BBQ shelter, complete with wheelchair accessible table and BBQ. This facility has enhanced the existing infrastructure and has seen greater use of the area by the community, including for the local Anzac Day service. The facility was officially opened by Mr Rick Wilson MP on 29 June 2023.

Lake Towerrinning had all-access ramps and a boardwalk installed, allowing people with mobility devices, including wheelchairs and prams, to access the beach area. The old changerooms at the lake have been turned into a picnic shelter. Moodiarrup Hall received a toilet upgrade, while the Darkan Sports Club had power upgrades, conversion of internal and external lights to LED, along with the installation of a generator and compound.

Darkan Swimming Pool received solar panels, an upgraded heating system and the installation of a new ablutions block. These improvements benefitted patrons involved in infant and toddler swimming lessons, along with the swimming club.



Over 1500 seniors' meals were prepared during 2022/2023 and were subsidised by the Shire. The Shire acknowledges the work of the volunteers who assist in this project. The Shire continues to manage the funds associated with the annual Seniors Christmas Lunch.

The Shire and the West Arthur Community Resource Centre co-hosted a performance of Albert Facey's 'A Fortunate Life'. The performance saw over 90 people attend. The Shire also assisted in an Astrotourism event on One Gate Farm, which saw over 50 people attend. The Shire also provided support to local community groups with events, including the RSL, CWA, and Act Belong Commit Darkan Sheepfest.

The medical services provided at the CRC are essential to the community and the Shire continues to subsidise the operational costs of the CRC to ensure these services are provided.

***Outcome 1.3 – A unique identity and a strong connection to our past***

## Strategies and Plans

- Maintain and preserve our cultural and heritage assets
- Reconnect with our Aboriginal heritage
- Support community events that connect to our history (e.g. Sheepfest / exhibitions / displays in Betty Brown Historical Centre



West Arthur's agricultural heritage was displayed throughout the new BBQ and shade shelter in the Railway Reserve in the form of shearing-related cutouts for screening of the shelter. This was funded through LRCI Phase 3.

The Betty Brown Historical Centre received a donated collection of historical books '*The Barry Strickland Book Collection*', and funding from the State Library enabled the purchase of bookcases and conservation equipment. The book collection will be accessioned in 2023/2024 and available to the public to use as reference materials. Another grant from the State Library allowed the purchase of equipment to digitalise old movies and photos. This equipment is available for the community to use.

Conversations with the Aboriginal community are ongoing and are vital to building strong and positive relationships. The identification of the appropriate elders and families has commenced, utilising Gnaala Karla Booja Aboriginal Corporation.

Australia Day was again held at Lake Towerrinning and combined the annual Citizen of the Year Awards. The Anzac Day service was held at the war memorial and included both anthems of Australia and New Zealand, with a haka performed by members of the local Maori community.

Support was provided to the Act Belong Commit Darkan Sheepfest Committee for its annual event. The event attracted over 2000 people and featured on the ABC television show '*Back Roads*'. The CRC hosted a morning radio show with the ABC the week prior to Sheepfest. This was combined with a community breakfast, with the food provided by the Shire.



## Local Economy – Stable and Sustainable Agricultural Industry and a Dynamic and Growing Business Sector

### Key Performance Measures

- Our population remains stable or increases
- There is an increase in development approvals
- Visitor numbers increase
- There is no loss of businesses in our towns and new businesses are added to our main street
- There is interest from the local farming community in implementing diversification in agriculture

### ***Outcome 2.1 – Improved employment through diversification in Agriculture***

### Strategies and Plans

- Investigate opportunities for diversification within the agricultural sector
- Investigate water security and development opportunities associated with water sources
- Liaise with key stakeholders to continue to support agriculture in the Shire

The Shire continues to partner with the Blackwood Basin Group (BBG) for delivery of landcare services in the Shire, with a new Landcare Officer appointed in early 2023. They have been applying for grant funding for various projects within the Shire, as well as developing a Weed Management Plan.

Local primary producers were approached by windfarm developers in the first half of 2023, seeking to identify sites that would be suitable for windfarms. This led to a windfarm forum being organised by the Shire, which was scheduled to be held early in the 2023/24 financial year.

Grants and training opportunities aimed at primary producers were communicated throughout the year via social media and email.

Liaison commenced with local farmers in regards to the development of small cabins for short stay accommodation. This was directed by the 4WDL study into short stay accommodation and the need for this.



## **Outcome 2.2 – A growing, diverse business community**

### Strategies and Plans

- Investigate tourism opportunities and support this growing sector
- Maintain and enhance our existing assets to encourage visitation
- Promote the light industrial area for the use of new businesses
- Advocate for improved communication facilities
- Promote the Shire to people outside the area as a fantastic place to live, work and visit
- Investigate opportunities for growth within the local community



*Astrotourism at One Gate Farm*

Tourism is an emerging industry, and the Shire continues to be involved in the development of local tourism opportunities. This includes the continued membership with Astrotourism WA. The Shire assisted a local tourism business with an event in April 2023, which saw over 50 people attend.

The Shire started the process of becoming an RV Friendly Town, with the project continuing into the next financial year. The Camping and Motorhome Club of Australia (CMCA) subsidised a Dump Point and some signage towards the project.

A ten-year Economic Development Strategy was adopted by Council at the June Ordinary Council Meeting (OCM). The Strategy was developed in consultation with local businesses, the wider community, and other stakeholders. The Strategy will guide the Shire's efforts in economic development.

The Shire has signed up to be Small Business Friendly through the Small Business Development Corporation. This initiative recognises and supports local governments and the small businesses in them through the provision of resources, tools and services. This included developing resources for the Shire website, as well as regular emails to regarding grants and support available.

A housing shortage continues to be an issue within the Shire, as with other surrounding Shires. A Key Worker Housing Analysis was undertaken through the 4WDL Volunteer Regional Organisation of Councils and Wheatbelt Development Commission (WDC) to identify the shortages, and what type of accommodation is required. A Short Stay Tourism Accommodation study was conducted with the same stakeholders.

***Outcome 2.3 – Existing businesses develop and grow***

Strategies and Plans

- Communicate opportunities with existing businesses to support their changing requirements
- Encourage main street businesses to meet on a regular basis and discuss issues
- Ensure that services and products are sourced locally wherever possible

Shire staff continue to communicate opportunities, including available grant funding, to local businesses.

Shire hosted a whole of community workshop as part of the development of an Economic Development Strategy. With the adoption of the Strategy, Council has started to progress some of the recommendations.

Council adopted a new Policy Manual in May 2023, which saw the adoption of Policy F20 – Purchasing and Tenders.

## Natural Environment – Our Natural Assets are Valued and meet the needs of the Community

### Key Performance Measures

- Our natural assets continue to be used by locals and visitors
- The community is satisfied with the waste management service provided
- Our community has a defined water supply heading into the future

### ***Outcome 3.1 – Maintain and improve our key natural assets***

### Strategies and Plans

- Maintain Lake Towerrinning as our premier, iconic natural asset
- Maintain and develop our trails for use by locals and visitors (Collie-Darkan Rail Trail, Nangip Creek Walk, Hillman Walk Trail, Duranillin to Bowelling Rail Trail)
- Protect our night skies to ensure that they retain their dark sky rating
- Protect and improve additional natural assets



Lake Towerrinning is the key natural asset within the Shire, drawing hundreds of visitors each year. The Shire continues to work with Department of Biodiversity, Conservation and Attractions (DBCA) in relation to the management of the lake. LRCI funding ensured that the upgrade of facilities at the lake continued through the year.

Shire staff liaised with DBCA for the upgrade of signage on the Collie-Darkan Rail Trail, with the installation of the signage delayed by DBCA until early in the 2023/24 financial year. The trail continues to attract visitors throughout the year.

The subdevelopment on King Street saw the closure of the Heritage Trail, however it is planned to realign the trail, and develop a new brochure.

Membership to Astrotourism WA's Astro Towns was continued, along with the identification of additional astrophotography sites. Council also proclaimed the Shire of West Arthur as participants in International Dark Sky Week in April 2023. The Shire is working with Astrotourism WA to support the installation of special LED lighting through Western Power.

Grant funding from Department of Local Government, Sport and Cultural Industries (DLGSC) for the initial environmental and Aboriginal studies for the development of a walk trail to Hillman Nature Reserve was successful, with the project expected to be completed in the 2023/2024 financial year.

The Kylie Dam water project became operational, with the tank and pipe infrastructure installed. Channels will be cleared in 2023/24 to ensure that maximum water capture is achieved.

***Outcome 3.3 – Our natural biodiversity is maintained and valued***

Strategies and Plans

- Blackwood Biodiversity Group is supported to manage pests in the Shire
- Weeds are managed or eliminated in areas of high biodiversity
- Protection of our unique flora and fauna
- Consideration of biodiversity in all land use applications and developments

The Shire continues to partner with Blackwood Basin Group (BBG) for delivery of land care services in the Shire. Surveying the flora and fauna of several nature reserves in the Shire has been carried out, along with the development of a Weed Management Plan. The Plan is due to be released in early 2024.

The Shire's Parks and Gardens crew continue to carry out weed management throughout the Shire, focusing on Lake Towerrinning, as well as local parks and road verges.

The Planning applications approved during 2022/2023 all had the environment and biodiversity issues considered as part of the approval process.

Council adopted W1 – Fence Line Clearing within Roads and other Reserves Policy and W4 – Wildflower, Leaves and Branches, and Seed Harvesting from Reserves Policy in May 2023.

***Outcome 3.4 – Waste is minimised and environmentally sustainable practices are employed***

Strategies and Plans

- Provide an effective waste management service
- Promote environmentally sustainable principles

The Shire maintains two refuse sites; at Darkan and Duranillin. Refuse and recycling collection services are provided, along with DrumMuster.

There is a small recycling site next to the Shire Depot yard to enable residents to recycle items including waste oil.



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

Key Performance Measures

- Our community is proud of the look and feel of our towns and district
- Our roads and infrastructure meet the needs and expectations of the local community
- Our heritage buildings are well maintained and where possible have a continued use

**Outcome 4.1 – Our road network is well maintained**

Strategies and Plans

- Regularly review and update our long term road construction and maintenance program
- Collaborate with surrounding Shires and State government to ensure sound planning and resource utilisation
- Enhance road safety strategies for road users

A new Manager Works and Services was appointed in 2022/2023, along with some new members of the outside crew, bringing the numbers up to a full crew. The Shire continues to maintain the road network, including completing the repairs to the roads and culverts that were damaged in the storm event in 2021/2022. Improved grading assists in reducing the impact of rain events. Changes to the structure and number of the crew is also assisting with the higher standards being achieved in road maintenance, culvert clearing, pothole patching, and bridge maintenance. Smaller work jobs which previously were done using contractors are now being undertaken in-house, with only the larger jobs going out to contract.

Road Name	Description of Works	Total Length	Total Cost
Darkan - Williams Road	Back slope clearing and re-sheet shoulders	6km	\$370,350
Boyup Brook – Arthur River Road	Back slope clearing and re-sheet shoulders; Bitumen reseal	10km / 7km	\$322,290
Trigwell Bridge Road	Gravel re-sheeting, dust suppression	14km	\$268,343
Howie Road	Gravel re-sheeting	8km	\$219,224

Plant replacement in 2022/23 included the following:

- Side tipper
- Loader
- Water Tanker



### **Outcome 4.3 – Our cultural heritage is preserved and promoted**

Strategies and Plans

- Regularly review and update our long term road construction and maintenance program
- Collaborate with surrounding Shires and State government to ensure sound planning and resource utilisation
- Enhance road safety strategies for road users

Council adopted PC5 – Betty Brown Historical Centre Management and Collection Policy and PC6 – Community Archives Policy in June 2023, providing guidance to Shire staff in the management of documents, objects and other items that document the cultural heritage of community groups or organisations. Also adopted was LP3 – Heritage Places Policy. This policy highlights the importance of heritage places to the Shire and its community.



*Interior of Six Mile Cottage*

Historical buildings provide opportunities for tourism, as well as establish the historical context of the district. The Shire maintains heritage buildings within its care.

### **Outcome 4.4 – Appropriate planning and development**

Strategies and Plans

- Implement the town planning scheme and policies to ensure any planning and development is appropriate through the Shire

Council adopted local planning policies LP1 – Permitted Development, LP2 – Rural Sheds, and LP3 – Heritage Places in June 2023. Further policies are in development and will be adopted in the 2022/23 financial year.

**Outcome 5.1 – Councillors represent the community and are well trained**

Strategies and Plans

- The Shire Council is representative of the community and collaborates with Shire staff to ensure the best outcomes for the community
- Elected Members have the training and skills relevant to serving as Councillors in order to act in the best interest of the Shire
- Council process is open and transparent to the general community

All Councillors undergo regular training with WA Local Government Association (WALGA), looking at topics such as 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**

Strategies and Plans

- Ensure that staff have opportunities to continue professional development when available
- Provide flexible working arrangements where possible in order to attract the best quality staff
- Continuously strive to be customer focused and serve Council and the community

Staff continue to attend training face-to-face, via webinar or through online recordings. This assists in them being able to provide high services to customers. Office staff attended licencing training this year as an example of the courses being completed.

Office staff have flexibility in their working arrangements, with some team members job sharing, and others working from home. Communication via email, Teams and phone enable staff to ensure customer service is of the utmost importance and delivered appropriately.



**Outcome 5.3 – Establish and maintain sound business and governance structures**

Strategies and Plans

- Ensure that the local community is provided with value for money through the prudent expenditure of rates
- Provide informed decision making based on our strategic directions and legal requirements and that these are open, transparent and adequately communicated with the community
- Comply with regulations and best practice standards to drive good decision making by Council and staff

The Community Strategic Plan and the Corporate Business Plan provide guidance on the Shire’s day to day operations. Budget preparation commenced in March 2022. The budget for 2022/2023 was adopted by Council in September 2022. These processes are undertaken by the leadership team on an annual basis.

Council adopted a new Policy Manual in May 2023, rescinding all previous policies.

Grant funding assists in the delivery of projects and events, with Shire staff continually monitoring for grant opportunities that will provide additional opportunities to the community.



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

Strategies and Plans

- Continue to collaborate with other regional Shires to achieve maximum benefits for the region
- Council will advocate on behalf of the community on issues that the community identifies as important
- Continued improvement in communication with the community through various platforms that ensure all members of the community have access to information
- Continuously review and revise the Community Plan to reflect the changing needs of the community

This year's electors 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 community newsletter for inclusion in the publication.



## Statutory Reporting Requirements

### Disability Access and Inclusion Plan (DAIP)

The DAIP Progress Report for 2022/2023 contained key highlights such as:

- Creation of an Accessible Events Checklist
- Accessible BBQ / Shade Shelter in the Railway Reserve
- Accessible boardwalk at Lake Towerrinning
- Online Disability Awareness Training
- Community Consultation
- Employee Engagement Survey

These highlights reflect some of the specific outcomes identified in the Shire's 2021/22 DAIP including:

- Access to the beach area at Lake Towerrinning and better access to the BBQ area
- All access toilet at the swimming pool (project to be completed in 2023/2024)
- Review of ACROD parking

### 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 no complaints that were referred to the Local Government Standards Panel.

### 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 Record Keeping Plan was submitted in May 2023. The Shire is progressing towards a dual electronic and hard copy record keeping system.

### Public Interest Disclosure

In accordance with legislation, procedures have been implemented to facilitate reporting and action on public interest disclosures. During the 2022/2023 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 2023 and a copy is available from the Shire Office and on the Shire website at the following link: <https://www.westarthur.wa.gov.au/documents/698/freedom-of-information-statement-2023>

The information statement contains information on the type of documents available to the public and how to access those documents. During the 2022/2023 year the Shire had no Freedom of Information requests.

## Employee Remuneration

Set out below in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$130,000 or more (regulation 19B(2)(a) and (b) Local Government (Administration) Regulations 1996).

Salary Range	2022/23
\$130,001 - \$140,000	0
\$140,001 - \$150,000	1

## Remuneration Provided to the CEO

The total remuneration provided to the CEO during the financial year 2022/2023 pursuant to regulation 19B(2)(e) Local Government (Administration) Regulations 1996 including all benefits such as housing, vehicle provision and superannuation was \$198, 831 (IAW SAT BAND 4)

## Elected Member Demographics

Elected member demographics of those elected in 2021 is detailed below (regulation 19B(2)(h) Local Government (Administration) Regulations 1996).

Gender	5 Males 2 Females
Linguistic Background	7 English
Country of Birth	9 Australian
Elected Members aged between 18-24 years old	Nil
Elected Members aged between 25-34 years old	Nil
Elected Members aged between 35-44 years old	2
Elected Members aged between 45-54 years old	3
Elected Members aged between 55-64 years old	2
Elected Members aged 65 and over	Nil
Aboriginal or Torres Strait Islander Elected Members	Nil

Table 1: Council Structure

## Meeting Attendances

The Council of the Shire of West Arthur meets monthly for information sessions and workshops on a variety of topics. In the fourth week of the month, Council convenes an Ordinary Council Meeting, where decisions are made on all report items in the best interest of the community (regulation 19B(2)(f) Local Government (Administration) Regulations 1996).



Below is a table outlining individual Elected Members’s attendance, for the financial year, on various Council Committees as a member in their capacity as an Elected Member.

	ORDINARY MEETINGS	ANNUAL ELECTORS	SPECIAL MEETING OF COUNCIL	AUDIT ADVISORY COMMITTEE	LOCAL EMERGENCY MANAGEMENT COMMITTEE	BUSHFIRE ADVISORY COMMITTEE
<b>No of meetings held</b>	11	1	1	2	2	2
<b>ELECTED MEMBER</b>						
Cr Neil Morrell	11	1	1	2	2	2
Cr Graeme Peirce	11	1	1			
Cr Neil Manuel	7			1		
Cr Adam Squires	7	1	1			
Cr Karen Harrington	11	1	1	2		
Cr Robyn Lubcke	11	1	1			
Cr Duncan South	8	1				2

Table 2: Meeting Attendances



## The Year Ahead 2023/2024

The year ahead looks very exciting with the continued investment of \$578,211 by the Federal Government in the Local Roads and Community Infrastructure program. These funds will be invested in:

- New playground equipment, fencing and footpaths in the Railway Reserve
- Access track for Hillman Reserve
- Re-sheeting of Clarke Road
- Centre line markings on Darkan South Road
- CCTV network
- Glenorchy Bridge

The Shire has budgeted to spend \$479,751 on plant and equipment replacement, including a skid steer, gardener's truck, rotary axe slasher, replacement of grader ute, replacement of Manager Works and Services ute, and a new compressor and mobile hoist for the workshop.

The Shire is utilising the old swimming pool building, converting it into an archives store, with a budget of \$25,000. A CCTV network is being installed in the Railway Reserve. The Shire is transitioning towards Enterprise Resource Planning and Electronic Document and Records Management Systems. We have also budgeted for the development of a Style Guide and an update to the Shire website. Community projects include the installation of two EV Charging stations, along with the development of a 24-hour RV site.

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 an Industry Attraction and Business Development Fund 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:

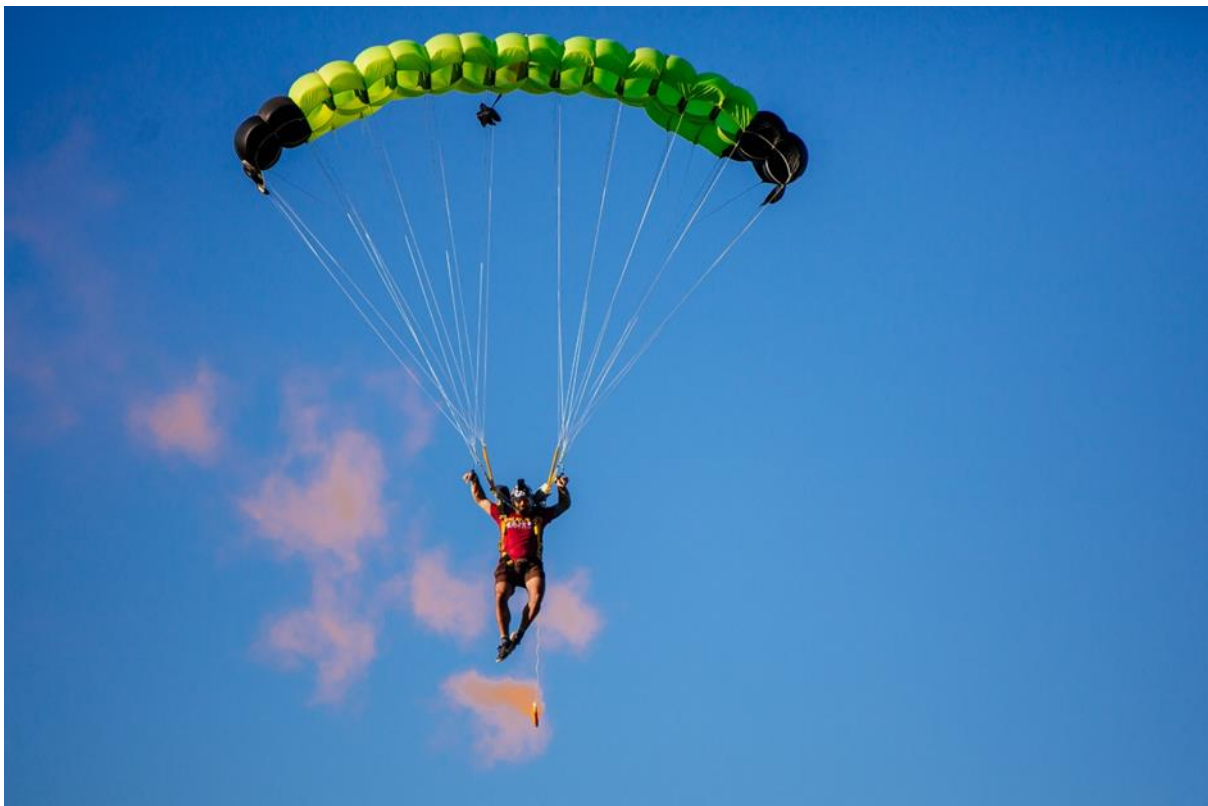
- Regional Road Group - \$368,788
  - Boyup Brook Arthur Road – gravel top up, sealing and drainage works
  - Darkan Williams Road - drainage works and vegetation removal
- Roads to Recovery - \$320,264
  - Cordering North Road – construct and seal, and gravel re-sheeting
  - Beaufort Road – drains and re-sheeting
- LRCI - \$196,829
  - Clarke Road – gravel re-sheeting
  - Darkan South Road – centre line markings

The Betty Brown Museum will see a new exhibition open in April 2024, which will draw visitors from a wide area.

Astrotourism continues to develop as part of the local tourism industry, along with the Collie-Darkan Rail Trail. The Shire will be redesigning the Darkan Caravan Park intersection, to ensure safer entry and exit to the park. A marketing strategy for the park will also be developed.

The delivery of health services continues to be a priority with the Shire and is reflected in the development of a Local Health Plan and Aged Friendly Plan, along with supporting policies.

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.



# Annual Financial Report

**SHIRE OF WEST ARTHUR**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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Principal place of business: 31 Burrowes Street  
Darkan WA 6392



## Statement by Chief Executive Officer

**SHIRE OF WEST ARTHUR  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

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

**STATEMENT BY CEO**

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

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

Signed on the 7th day of December 2023



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Vin Fordham Lamont  
Chief Executive Officer



## Statement of Comprehensive Income

### SHIRE OF WEST ARTHUR STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	2(a),24	1,887,578	1,885,423	1,778,616
Grants, subsidies and contributions	2(a)	2,003,251	550,100	1,843,480
Fees and charges	2(a)	308,302	295,450	333,377
Interest revenue	2(a)	155,727	118,897	42,090
Other revenue	2(a)	127,565	68,353	120,016
		4,482,423	2,918,223	4,117,579
<b>Expenses</b>				
Employee costs	2(b)	(1,863,920)	(1,996,848)	(1,734,553)
Materials and contracts		(1,102,930)	(1,131,500)	(710,197)
Utility charges		(109,655)	(90,405)	(82,856)
Depreciation		(3,077,886)	(2,217,441)	(2,203,410)
Finance costs	2(b)	(26,499)	(25,062)	(25,232)
Insurance		(116,509)	(117,423)	(103,527)
Other expenditure	2(b)	(43,631)	(48,000)	(51,795)
		(6,341,030)	(5,626,679)	(4,911,570)
		(1,858,607)	(2,708,456)	(793,991)
Capital grants, subsidies and contributions	2(a)	1,257,166	1,200,962	1,630,953
Profit on asset disposals		81,548	20,676	43,505
Loss on asset disposals		0	(17,355)	(5,241)
		1,338,714	1,204,283	1,669,217
<b>Net result for the period</b>		<b>(519,893)</b>	<b>(1,504,173)</b>	<b>875,226</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	10,023,205	0	24,796,610
<b>Total other comprehensive income for the period</b>	16	<b>10,023,205</b>	<b>0</b>	<b>24,796,610</b>
<b>Total comprehensive income for the period</b>		<b>9,503,312</b>	<b>(1,504,173)</b>	<b>25,671,836</b>

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



## Statement of Financial Position

### SHIRE OF WEST ARTHUR STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	NOTE	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	4,257,269	4,677,550
Trade and other receivables	5	296,858	261,739
Other financial assets	4(a)	30,007	29,031
Inventories	6	84,985	17,256
Other assets	7	61,689	63,166
Assets classified as held for sale	7	65,107	0
<b>TOTAL CURRENT ASSETS</b>		<b>4,795,915</b>	<b>5,048,742</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	4(b)	340,484	367,728
Property, plant and equipment	8	19,680,290	19,758,117
Infrastructure	9	115,289,607	105,753,934
<b>TOTAL NON-CURRENT ASSETS</b>		<b>135,310,381</b>	<b>125,879,779</b>
<b>TOTAL ASSETS</b>		<b>140,106,296</b>	<b>130,928,521</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	235,168	231,069
Other liabilities	13	7,336	512,197
Borrowings	14	125,119	89,815
Employee related provisions	15	310,426	257,665
<b>TOTAL CURRENT LIABILITIES</b>		<b>678,049</b>	<b>1,090,746</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14	561,137	433,511
Employee related provisions	15	11,941	52,407
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>573,078</b>	<b>485,918</b>
<b>TOTAL LIABILITIES</b>		<b>1,251,127</b>	<b>1,576,664</b>
<b>NET ASSETS</b>		<b>138,855,169</b>	<b>129,351,857</b>
<b>EQUITY</b>			
Retained surplus		10,500,426	10,941,177
Reserve accounts	27	2,754,878	2,834,020
Revaluation surplus	16	125,599,865	115,576,660
<b>TOTAL EQUITY</b>		<b>138,855,169</b>	<b>129,351,857</b>

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



## Statement of Changes in Equity

### SHIRE OF WEST ARTHUR STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2021</b>		<b>10,007,504</b>	<b>2,892,467</b>	<b>90,780,050</b>	<b>103,680,021</b>
Comprehensive income for the period					
Net result for the period		875,226	0	0	875,226
Other comprehensive income for the period	16	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 reserve accounts	27	644,367	(644,367)	0	0
Transfers to reserve accounts	27	(585,920)	585,920	0	0
<b>Balance as at 30 June 2022</b>		<b>10,941,177</b>	<b>2,834,020</b>	<b>115,576,660</b>	<b>129,351,857</b>
Comprehensive income for the period					
Net result for the period		(519,893)	0	0	(519,893)
Other comprehensive income for the period	16	0	0	10,023,205	10,023,205
Total comprehensive income for the period		(519,893)	0	10,023,205	9,503,312
Transfers from reserve accounts	27	574,523	(574,523)	0	0
Transfers to reserve accounts	27	(495,381)	495,381	0	0
<b>Balance as at 30 June 2023</b>		<b>10,500,426</b>	<b>2,754,878</b>	<b>125,599,865</b>	<b>138,855,169</b>

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





## Statement of Cash Flows

**SHIRE OF WEST ARTHUR  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2022 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates		1,852,136	1,817,319
Grants, subsidies and contributions		2,039,860	1,858,262
Fees and charges		308,302	333,377
Interest revenue		155,727	42,090
Goods and services tax received		249,203	286,468
Other revenue		127,565	120,016
		<u>4,732,793</u>	<u>4,457,532</u>
<b>Payments</b>			
Employee costs		(1,835,017)	(1,861,680)
Materials and contracts		(1,116,712)	(1,005,256)
Utility charges		(109,655)	(82,856)
Finance costs		(26,499)	(25,232)
Insurance paid		(116,509)	(103,527)
Goods and services tax paid		(273,132)	(276,454)
Other expenditure		(43,631)	(51,795)
		<u>(3,521,155)</u>	<u>(3,406,800)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>1,211,638</u>	<u>1,050,732</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	8(a)	(803,050)	(583,698)
Payments for construction of infrastructure	9(a)	(1,958,036)	(1,600,189)
Capital grants, subsidies and contributions		744,969	1,310,115
Proceeds from financial assets at amortised cost - self supporting loans		29,032	28,087
Proceeds from financial assets at fair values through profit and loss		(2,764)	(4,937)
Proceeds from sale of property, plant & equipment		195,000	124,062
<b>Net cash provided by (used in) investing activities</b>		<u>(1,794,849)</u>	<u>(726,560)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	26(a)	(107,070)	(96,883)
Proceeds from new borrowings	26(a)	270,000	0
<b>Net cash provided by (used in) financing activities</b>		<u>162,930</u>	<u>(96,883)</u>
<b>Net increase (decrease) in cash held</b>		<u>(420,281)</u>	<u>227,289</u>
Cash at beginning of year		<u>4,677,550</u>	<u>4,450,261</u>
<b>Cash and cash equivalents at the end of the year</b>	3	<u>4,257,269</u>	<u>4,677,550</u>

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

## Statement of Financial Activity

### SHIRE OF WEST ARTHUR STATEMENT OF FINANCIAL ACTIVITY FOR THE YEAR ENDED 30 JUNE 2023

NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$	
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates	24	1,795,847	1,795,429	1,696,592
Rates excluding general rates	24	91,731	89,994	82,024
Grants, subsidies and contributions		2,003,251	550,100	1,843,480
Fees and charges		308,302	295,450	333,377
Interest revenue		155,727	118,897	42,090
Other revenue		127,565	68,353	120,016
Profit on asset disposals		81,548	20,676	43,505
		<u>4,563,971</u>	<u>2,938,899</u>	<u>4,161,084</u>
<b>Expenditure from operating activities</b>				
Employee costs		(1,863,920)	(1,996,848)	(1,734,553)
Materials and contracts		(1,102,930)	(1,131,500)	(710,197)
Utility charges		(109,655)	(90,405)	(82,856)
Depreciation		(3,077,886)	(2,217,441)	(2,203,410)
Finance costs		(26,499)	(25,062)	(25,232)
Insurance		(116,509)	(117,423)	(103,527)
Other expenditure		(43,631)	(48,000)	(51,795)
Loss on asset disposals		0	(17,355)	(5,241)
		<u>(6,341,030)</u>	<u>(5,644,034)</u>	<u>(4,916,811)</u>
Non-cash amounts excluded from operating activities	25(a)	3,087,582	2,214,120	2,039,056
<b>Amount attributable to operating activities</b>		<u>1,310,523</u>	<u>(491,015)</u>	<u>1,283,329</u>
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		1,257,166	1,200,962	1,630,953
Proceeds from disposal of assets		195,000	144,050	124,062
Proceeds from financial assets at amortised cost - self supporting loans	26(a)	29,032	29,031	28,087
		<u>1,481,198</u>	<u>1,374,043</u>	<u>1,783,102</u>
<b>Outflows from investing activities</b>				
Purchase of property, plant and equipment	8(a)	(803,050)	(1,370,445)	(1,109,058)
Purchase and construction of infrastructure	9(a)	(1,958,036)	(1,710,877)	(1,600,189)
		<u>(2,761,086)</u>	<u>(3,081,322)</u>	<u>(2,709,247)</u>
<b>Amount attributable to investing activities</b>		<u>(1,279,888)</u>	<u>(1,707,279)</u>	<u>(926,145)</u>
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Proceeds from borrowings	26(a)	270,000	270,000	0
Transfers from reserve accounts	27	574,523	993,650	644,367
		<u>844,523</u>	<u>1,263,650</u>	<u>644,367</u>
<b>Outflows from financing activities</b>				
Repayment of borrowings	26(a)	(107,070)	(101,198)	(96,883)
Transfers to reserve accounts	27	(495,381)	(445,499)	(585,920)
		<u>(602,451)</u>	<u>(546,697)</u>	<u>(682,803)</u>
<b>Amount attributable to financing activities</b>		<u>242,072</u>	<u>716,953</u>	<u>(38,436)</u>
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
Surplus or deficit at the start of the financial year	25(c)	1,481,232	1,481,341	1,162,484
Amount attributable to operating activities		1,310,523	(491,015)	1,283,329
Amount attributable to investing activities		(1,279,888)	(1,707,279)	(926,145)
Amount attributable to financing activities		242,072	716,953	(38,436)
<b>Surplus or deficit after imposition of general rates</b>	25(c)	<u>1,753,939</u>	<u>0</u>	<u>1,481,232</u>

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

## Index for Notes to the Financial Report

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

1. BASIS OF PREPARATION

The financial report of the Shire of West Arthur which is a Class 4 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

**Local Government Act 1995 requirements**

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied except for disclosure requirements of:

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

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

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

**The local government reporting entity**

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 of the financial report.

**Judgements and estimates**

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- lease accounting.

**Initial application of accounting standards**

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

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

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

**New accounting standards for application in future years**

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

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

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified. Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges for other goods and services	Cemetery services, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,887,431	147	1,887,578
Grants, subsidies and contributions	202,808	0	0	1,800,443	2,003,251
Fees and charges	298,432	0	9,870	0	308,302
Interest revenue	0	0	18,198	137,529	155,727
Other revenue	100,821	0	0	26,744	127,565
Capital grants, subsidies and contributions	0	1,257,166	0	0	1,257,166
<b>Total</b>	<b>602,061</b>	<b>1,257,166</b>	<b>1,915,499</b>	<b>1,964,863</b>	<b>5,739,589</b>

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,778,616	0	1,778,616
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 revenue	0	0	18,545	23,545	42,090
Other revenue	54,145	0	0	65,871	120,016
Capital grants, subsidies and contributions	0	1,630,953	0	0	1,630,953
<b>Total</b>	<b>445,414</b>	<b>1,630,953</b>	<b>1,806,176</b>	<b>1,865,989</b>	<b>5,748,532</b>



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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	Note	2023 Actual \$	2022 Actual \$
<b>Assets and services acquired below fair value</b>			
Contributed assets		0	525,360
		0	525,360
<b>Interest revenue</b>			
Financial assets at amortised cost - self supporting loans		10,876	11,820
Interest on reserve account funds		91,410	9,050
Trade and other receivables overdue interest		18,198	18,545
Other interest revenue		35,243	2,675
		155,727	42,090
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$18,800.			
<b>Fees and charges relating to rates receivable</b>			
Charges on instalment plan		724	835
The 2023 original budget estimate in relation to: Charges on instalment plan was \$800.			
<b>(b) Expenses</b>			
<b>Auditors remuneration</b>			
- Audit of the Annual Financial Report		30,500	29,900
- Other services – grant acquittals		1,600	2,100
		32,100	32,000
<b>Employee Costs</b>			
Employee benefit costs		1,863,920	1,734,553
		1,863,920	1,734,553
<b>Finance costs</b>			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss		26,499	25,232
		26,499	25,232
Sundry expenses		43,631	51,795
		43,631	51,795

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

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	4,257,269	4,677,550
<b>Total cash and cash equivalents</b>	<b>4,257,269</b>	<b>4,677,550</b>
Held as		
- Unrestricted cash and cash equivalents	1,495,055	1,331,333
- Restricted cash and cash equivalents	17 2,762,214	3,346,217
	<b>4,257,269</b>	<b>4,677,550</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

**Restricted financial assets**

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

4. OTHER FINANCIAL ASSETS

	2023	2022
	\$	\$
<b>(a) Current assets</b>		
Financial assets at amortised cost	30,007	29,031
	30,007	29,031
<b>Other financial assets at amortised cost</b>		
Self supporting loans receivable	25(c) 30,007	29,031
	30,007	29,031
Held as		
- Unrestricted other financial assets at amortised cost	30,007	29,031
	30,007	29,031
<b>(b) Non-current assets</b>		
Financial assets at amortised cost	279,368	309,376
Financial assets at fair value through profit or loss	61,116	58,352
	340,484	367,728
<b>Financial assets at amortised cost</b>		
Self supporting loans receivable	279,368	309,376
	279,368	309,376
<b>Financial assets at fair value through profit or loss</b>		
Units in Local Government House Trust - opening balance	58,352	53,415
Movement attributable to fair value increment	2,764	4,937
Units in Local Government House Trust - closing balance	61,116	58,352

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 26(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

The Shire classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 23 (i)) due to the observable market rates).

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

**Financial assets at fair value through profit or loss**

The Shire has elected to classify the following financial assets at fair value through profit or loss:

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

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

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022	
	\$	\$	
<b>Current</b>			
Rates and statutory receivables	254,835	200,216	
Allowance for credit losses of rates receivables	(83,341)	(69,185)	
Trade receivables	81,912	111,185	
GST receivable	43,452	19,523	
	<u>296,858</u>	<u>261,739</u>	
<b>Disclosure of opening and closing balances related to contracts with customers</b>			
Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Note	30 June 2023 Actual	30 June 2022 Actual	1 July 2021 Actual
	\$	\$	\$
Contract assets	7 61,689	63,166	36,669
Total trade and other receivables from contracts with customers	<u>61,689</u>	<u>63,166</u>	<u>36,669</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates and statutory receivables**

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

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

**Trade receivables**

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

**Other receivables**

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

**Measurement**

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

**Classification and subsequent measurement**

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

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

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

6. INVENTORIES

Note	2023	2022
	\$	\$
<b>Current</b>		
Fuel and materials	14,985	17,256
Land held for resale		
Cost of acquisition	70,000	0
	<b>84,985</b>	<b>17,256</b>
The following movements in inventories occurred during the year:		
<b>Balance at beginning of year</b>	17,256	23,433
Inventories expensed during the year	(263,191)	(223,908)
Additions to inventory	330,920	217,731
<b>Balance at end of year</b>	<b>84,985</b>	<b>17,256</b>

**Land classified as held for sale**

During the year council elected to dispose of industrial land on Growden Place. The land is currently being marketed for sale.

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

**Land held for resale**

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

**Land held for resale (Continued)**

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

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

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

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

**7. OTHER ASSETS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Other assets - current</b>		
Contract assets	61,689	63,166
	<u>61,689</u>	<u>63,166</u>
<b>Non-current assets held for sale</b>		
Land and buildings	65,107	0
	<u>65,107</u>	<u>0</u>

**Land classified as held for sale**

During the year council elected to dispose of joint properties held with the Department of Communities.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

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

**Non-current assets held for sale**

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

**Contract assets**

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

**Non-current assets held for sale (Continued)**

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

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 23(i).



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

**8. PROPERTY, PLANT AND EQUIPMENT**

(a) Movements in Balances

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

	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings not subject to operating lease	Land and buildings subject to operating lease	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$		\$	\$	\$
<b>Balance at 1 July 2021</b>	664,696	0	8,370,678	9,035,374	4,352,618	13,387,992	14,043	2,372,911	15,774,946
Additions	11,556	4,547	73,288	89,391	0	89,391	11,952	1,007,715	1,109,058
Disposals	0	0	0	0	0	0		(85,798)	(85,798)
Revaluation increments / (decrements) transferred to revaluation surplus	54,148	6,398	1,769,182	1,829,728	1,681,843	3,511,571	0	0	3,511,571
Depreciation	0	0	(130,548)	(130,548)	(76,961)	(207,509)	(4,803)	(326,088)	(538,400)
Transfers	0	0	0	0	0	0	0	(13,260)	(13,260)
<b>Balance at 30 June 2022</b>	730,400	10,945	10,082,600	10,823,945	5,957,500	16,781,445	21,192	2,955,480	19,758,117
<b>Comprises:</b>									
Gross balance amount at 30 June 2022	730,400	10,945	10,082,600	10,823,945	5,957,500	16,781,445	43,129	4,520,165	21,344,739
Accumulated depreciation at 30 June 2022	0	0	0	0	0	0	(21,937)	(1,564,685)	(1,586,622)
<b>Balance at 30 June 2022</b>	730,400	10,945	10,082,600	10,823,945	5,957,500	16,781,445	21,192	2,955,480	19,758,117
Additions	0	28,823	50,257	79,080	71,468	150,548	11,068	641,434	803,050
Disposals	0	0	0	0	0	0		(113,452)	(113,452)
Depreciation	0	(194)	(156,529)	(156,723)	(94,124)	(250,847)	(6,373)	(375,098)	(632,318)
Transfers	(70,000)	0	0	(70,000)	(65,107)	(135,107)	0	0	(135,107)
<b>Balance at 30 June 2023</b>	660,400	39,574	9,976,328	10,676,302	5,869,737	16,546,039	25,887	3,108,364	19,680,290
<b>Comprises:</b>									
Gross balance amount at 30 June 2023	660,400	39,768	10,132,857	10,833,025	5,962,968	16,795,993	54,198	4,993,041	21,843,232
Accumulated depreciation at 30 June 2023	0	(194)	(156,529)	(156,723)	(93,231)	(249,954)	(28,311)	(1,884,677)	(2,162,942)
<b>Balance at 30 June 2023</b>	660,400	39,574	9,976,328	10,676,302	5,869,737	16,546,039	25,887	3,108,364	19,680,290

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

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
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	2	Market approach using recent observable market data for similar properties.	Registered 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>					
<b>(ii) Cost</b>					
<b>Furniture and equipment</b>		N/A	Cost	NA	N/A
<b>Plant and equipment</b>		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 2023**

**9. INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Infrastructure - roads	Infrastructure - Other	Infrastructure - bridges	Total Infrastructure
<b>Balance at 1 July 2021</b>	\$ 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	0	21,285,039
Depreciation	(1,003,051)	(162,118)	(499,841)	(1,665,010)
Transfers		13,260		13,260
<b>Balance at 30 June 2022</b>	85,116,898	3,538,400	17,098,636	105,753,934
<b>Comprises:</b>				
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)
<b>Balance at 30 June 2022</b>	85,116,898	3,538,400	17,098,636	105,753,934
Additions	1,180,207	777,829	0	1,958,036
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	10,023,205	10,023,205
Depreciation	(1,763,490)	(182,237)	(499,841)	(2,445,568)
<b>Balance at 30 June 2023</b>	84,533,615	4,133,992	26,622,000	115,289,607
<b>Comprises:</b>				
Gross balance at 30 June 2023	86,297,105	4,316,229	26,622,000	117,235,334
Accumulated depreciation at 30 June 2023	(1,763,490)	(182,237)	0	(1,945,727)
<b>Balance at 30 June 2023</b>	84,533,615	4,133,992	26,622,000	115,289,607

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

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	Registered Valuer	June 2023	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 2023**

**10. FIXED ASSETS**

**(a) Depreciation**

**Depreciation rates**

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

<b>Asset Class</b>	<b>Useful life</b>
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 2023**

**10. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

**Initial recognition and measurement for assets held at cost**

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

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

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

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

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

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date consistent with *Financial Management Regulation 17A(4)*.

**Revaluation**

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

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

**Revaluation (continued)**

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

**Depreciation**

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

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

**Depreciation on revaluation**

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**Amortisation**

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a).

**Impairment**

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

**Gains or losses on disposal**

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

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

**11 LEASES**

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

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year  
1 to 2 years  
2 to 3 years

	2023 Actual \$	2022 Actual \$
	43,097	34,040
	3,400	17,680
	0	3,400
	46,497	55,120
<b>Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease</b>		
Rental income	92,475	110,744

**Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease**

The Shire leases houses to staff and community members with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The staff houses are not considered investment property as they are leased for use in the supply of services to the community. The community housing units are considered a joint operation and are not considered investment property as the primary purpose is provision of community housing.

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

**SIGNIFICANT ACCOUNTING POLICIES**

**The Shire as Lessor**

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

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

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

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

**SHIRE OF WEST ARTHUR  
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**12 TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
Prepaid rates  
Accrued payroll liabilities  
Bonds and deposits held

	2023	2022
	\$	\$
Sundry creditors	151,469	168,771
Prepaid rates	10,484	5,463
Accrued payroll liabilities	55,414	38,806
Bonds and deposits held	17,801	18,029
	235,168	231,069

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

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

**Prepaid rates**

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

**SHIRE OF WEST ARTHUR  
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**13. OTHER LIABILITIES**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Current</b>		
Contract liabilities	7,336	0
Capital grant/contributions liabilities	0	512,197
	<u>7,336</u>	<u>512,197</u>
<b>Reconciliation of changes in contract liabilities</b>		
Additions	7,336	0
	<u>7,336</u>	<u>0</u>
<p>The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$7,336 (2022: \$NIL)</p> <p>The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.</p>		
<b>Reconciliation of changes in capital grant/contribution liabilities</b>		
Opening balance	512,197	307,675
Additions	0	512,197
Revenue from capital grant/contributions held as a liability at the start of the period	(512,197)	(307,675)
	<u>0</u>	<u>512,197</u>

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

**SHIRE OF WEST ARTHUR  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**14. BORROWINGS**

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		125,119	561,137	686,256	89,815	433,511	523,326
<b>Total secured borrowings</b>	26(a)	125,119	561,137	686,256	89,815	433,511	523,326

**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.

The Shire of West Arthur has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 years.

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Details of individual borrowings required by regulations are provided at Note 26(a).

**SHIRE OF WEST ARTHUR  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**15. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	2023	2022
	\$	\$
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	122,354	118,899
Long service leave	188,072	138,766
	310,426	257,665
<b>Total current employee related provisions</b>	310,426	257,665
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	11,941	52,407
	11,941	52,407
<b>Total non-current employee related provisions</b>	11,941	52,407
<b>Total employee related provisions</b>	322,367	310,072

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

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

**Short-term employee benefits**

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

**Other long-term employee benefits**

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.



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

**16. REVALUATION SURPLUS**

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	472,399	0	472,399	613,871	(141,472)	472,399
Revaluation surplus - Buildings - non-specialised	6,723,325	0	6,723,325	6,960,184	(236,859)	6,723,325
Revaluation surplus - Buildings - specialised	3,889,902	0	3,889,902	0	3,889,902	3,889,902
Revaluation surplus - Furniture and equipment	10,206	0	10,206	10,206	0	10,206
Revaluation surplus - Infrastructure - roads	82,924,457	0	82,924,457	61,648,086	21,276,371	82,924,457
Revaluation surplus - Infrastructure - Other	1,711,767	0	1,711,767	1,703,099	8,668	1,711,767
Revaluation surplus - Infrastructure - bridges	19,844,604	10,023,205	29,867,809	19,844,604	0	19,844,604
	115,576,660	10,023,205	125,599,865	90,780,050	24,796,610	115,576,660

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

**17. RESTRICTIONS OVER FINANCIAL ASSETS**

	Note	2023 Actual \$	2022 Actual \$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	2,762,214	3,346,217
		2,762,214	3,346,217
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	27	2,754,878	2,834,020
Contract liabilities	13	7,336	0
Capital grant liabilities	13	0	512,197
<b>Total restricted financial assets</b>		2,762,214	3,346,217
<b>18. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS</b>			
Bank overdraft limit		150,000	150,000
Bank overdraft at balance date		0	0
Credit card limit		15,000	5,000
Credit card balance at balance date		(6,089)	0
<b>Total amount of credit unused</b>		158,911	155,000
<b>Loan facilities</b>			
Loan facilities - current		125,119	89,815
Loan facilities - non-current		561,137	433,511
<b>Total facilities in use at balance date</b>		686,256	523,326
<b>Unused loan facilities at balance date</b>		0	0

**SHIRE OF WEST ARTHUR  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**19. CONTINGENT LIABILITIES**

The Shire of West Arthur has identified the following site, after year end, in relation to land owned, vested or leased, that is possibly contaminated with investigation required.

Darkan Landfill Site - Reserve 31890 Coalfields Road, Darkan.

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

**20. CAPITAL COMMITMENTS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Contracted for:		
- capital expenditure projects	453,575	165,195
	453,575	165,195
Payable:		
- not later than one year	453,575	165,195

The capital expenditure project outstanding at the end of the current reporting period represents the construction of a new staff house in King Street, Darkan (the prior year commitment was for the construction of a shade shelter in the Darkan Railway Reserve).

**SHIRE OF WEST ARTHUR  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**21. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
President's annual allowance	4,000	4,000	3,977
President's meeting attendance fees	3,300	5,200	6,440
President's annual allowance for ICT expenses	500	500	500
President's travel and accommodation expenses	1,202	2,350	2,220
	<u>9,002</u>	<u>12,050</u>	<u>13,137</u>
Deputy President's annual allowance	1,000	1,000	1,000
Deputy President's meeting attendance fees	2,540	5,100	4,540
Deputy President's annual allowance for ICT expenses	500	500	500
Deputy President's travel and accommodation expenses	688	1,450	1,376
	<u>4,728</u>	<u>8,050</u>	<u>7,416</u>
All other council member's meeting attendance fees	11,490	18,200	17,310
All other council member's annual allowance for ICT expenses	2,500	2,500	2,491
All other council member's travel and accommodation expenses	1,518	4,200	3,436
	<u>15,508</u>	<u>24,900</u>	<u>23,237</u>
21(b)	<u>29,238</u>	<u>45,000</u>	<u>43,790</u>

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

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

Note	2023 Actual \$	2022 Actual \$
Short-term employee benefits	377,259	337,509
Post-employment benefits	47,919	42,026
Employee - other long-term benefits	29,968	6,678
Employee - termination benefits	0	80,063
Council member costs	29,238	43,790
21(a)	<u>484,384</u>	<u>510,066</u>

*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.

**SHIRE OF WEST ARTHUR  
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**21. RELATED PARTY TRANSACTIONS (continued)**

**Transactions with related parties**

Transactions between related parties and the Shire are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	<b>2023 Actual</b>	<b>2022 Actual</b>
	<b>\$</b>	<b>\$</b>
Short term employee benefits - other related parties	275,655	161,379
Payment of council member costs (Refer to Note 21(a))	29,238	43,790

**Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 21(a) and 21(b)

*ii. Other Related Parties*

Short-term employee benefits related to associates of the Manager of Works and Services and Councillors and who were employed by the Shire under normal employment terms and conditions.

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

*iii. Entities subject to significant influence by the Shire*

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

**SHIRE OF WEST ARTHUR  
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**22 JOINT ARRANGEMENTS**

**Share of 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.

**Statement of Financial Position**

	<b>2023 Actual</b>	<b>2022 Actual</b>
	\$	\$
Cash and cash equivalents	191,208	169,135
Land - 10 Hillman Street	5,400	5,400
Land - 12 Hillman Street	3,500	3,500
Land - 18 Gibbs St/25 Nangip Cres	2,200	2,200
Building - 10 Hillman Street	91,800	91,800
Building - 12 Hillman Street	59,500	59,500
Building - 18 Gibbs Street	31,900	31,900
Building - 25 Nangip Cres	31,900	31,900
(less accumulated depreciation)	(2,892)	0
<b>Total assets</b>	<b>414,516</b>	<b>395,335</b>
Reserve accounts	191,208	169,135
<b>Total equity</b>	<b>191,208</b>	<b>169,135</b>

**Statement of Comprehensive Income**

Rental Income	37,859	44,401
Depreciation	(2,892)	(2,895)
Other expense	(23,559)	(39,436)
<b>Profit/(loss) for the period</b>	<b>11,408</b>	<b>2,070</b>
<b>Total comprehensive income for the period</b>	<b>11,408</b>	<b>2,070</b>

**Statement of Cash Flows**

Rental Income	37,859	44,401
Other expense	(23,559)	(39,436)
<b>Net cash provided by (used in) operating activities</b>	<b>14,300</b>	<b>4,965</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Joint operations**

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

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



SHIRE OF WEST ARTHUR  
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23. OTHER SIGNIFICANT ACCOUNTING POLICIES

**a) Goods and services tax (GST)**

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

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

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

**b) Current and non-current classification**

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

**g) Fair value of assets and liabilities**

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

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

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

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

**h) Interest revenue**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

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

**j) Impairment of assets**

In accordance with Australian Accounting Standards the Shire's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

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

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

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

**24. RATING INFORMATION**

(a) General Rates

RATE TYPE			2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2021/22	
Rate Description	Basis of valuation	Rate in \$	Actual Rateable Value*	Actual Rate Revenue	Actual Interim Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Total Revenue	Actual Total Revenue	
GRV Townsite		0.07857	85	744,156	58,468	0	58,468	58,468	58,468	55,157	
GRV Commercial		0.07857	13	239,564	18,823	0	18,823	18,823	18,823	17,757	
GRV Industrial		0.07857	7	112,580	8,845	0	8,845	8,845	8,845	8,344	
GRV Other Townsite		0.07857	15	95,888	7,534	0	7,534	7,534	7,534	6,637	
UV Rural		0.004623	371	368,107,000	1,701,759	418	1,702,177	1,701,759	1,701,759	1,608,697	
<b>Total general rates</b>			491	369,299,188	1,795,429	418	1,795,847	1,795,429	0	1,795,429	1,696,592
<b>Minimum Payment</b>											
<b>Minimum payment</b>		\$									
GRV Townsite		563	46	178,882	25,898	563	26,461	25,898	25,898	20,303	
GRV Commercial		563	9	22,440	5,067	0	5,067	5,067	5,067	4,779	
GRV Industrial		563	3	9,690	1,689	743	2,432	1,689	1,689	2,035	
GRV Other Townsite		393	19	20,820	7,467	0	7,467	7,467	7,467	7,049	
UV Rural, Industrial & Mining		563	82	5,738,018	46,166	430	46,596	46,166	46,166	44,360	
<b>Total minimum payments</b>			159	5,969,850	86,287	1,736	88,023	86,287	0	86,287	78,526
<b>Total general rates and minimum payments</b>			650	375,269,038	1,881,716	2,154	1,883,870	1,881,716	0	1,881,716	1,775,118
<b>Ex-gratia Rates</b>											
Ex-gratia rates			0	0	3,708	0	3,708	3,707	3,707	3,498	
<b>Total amount raised from rates (excluding general rates)</b>			0	0	3,708	0	3,708	3,707	0	3,707	3,498
<b>Total Rates</b>							1,887,578		1,885,423	1,778,616	
Rate instalment interest							1,239		1,800	1,489	
Rate overdue interest							16,959		16,200	17,056	

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

\*Rateable Value at time of raising of rate.

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

25. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23	2022/23	2021/22
	(30 June 2023)	Budget (30 June 2023)	(30 June 2022)
	Carried Forward	Carried Forward	Carried Forward
	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	(81,548)	(20,676)	(43,505)
Add: Loss on disposal of assets	0	17,355	5,241
Add: Depreciation	3,077,886	2,217,441	2,203,410
<b>Non-cash movements in non-current assets and liabilities:</b>			
Financial assets at amortised cost	(2,764)	0	(4,937)
Assets held for sale	7 65,107	0	0
Employee benefit provisions	12,293	0	(127,127)
Movement in accrued wages	16,608	0	5,974
<b>Non-cash amounts excluded from operating activities</b>	<b>3,087,582</b>	<b>2,214,120</b>	<b>2,039,056</b>
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
<b>(b) Adjustments to investing activities</b>			
Property, plant and equipment received for substantially less than fair value	0	0	525,360
Non cash Capital grants, subsidies and contributions	0	0	(525,360)
<b>Non-cash amounts excluded from investing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(c) Surplus or deficit after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	27 (2,754,878)	(2,285,869)	(2,834,020)
Less: Financial assets at amortised cost - self supporting loans	4(a) (30,007)	(30,007)	(29,031)
Less: Current assets not expected to be received at end of year			
Less: Land held for resale	6 (70,000)	0	0
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14 125,119	117,887	89,815
- Employee benefit provisions	365,839	244,682	296,472
<b>Total adjustments to net current assets</b>	<b>(2,363,927)</b>	<b>(1,953,307)</b>	<b>(2,476,764)</b>
<b>Net current assets used in the Statement of Financial Activity</b>			
Total current assets	4,795,915	2,513,029	5,048,742
Less: Total current liabilities	(678,049)	(559,722)	(1,090,746)
Less: Total adjustments to net current assets	(2,363,927)	(1,953,307)	(2,476,764)
<b>Surplus or deficit after imposition of general rates</b>	<b>1,753,939</b>	<b>0</b>	<b>1,481,232</b>

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

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget				
		Principal			Principal at 30 June 2022	Principal			Principal at 1 July 2022	New Loans During 2022-23	Principal		Principal at 30 June 2023
		Principal at 1 July 2021	New Loans During 2021-22	Repayments During 2021-22		New Loans During 2022-23	Repayments During 2022-23	Repayments During 2022-23			Repayments During 2022-23		
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
GROH housing		193,286	0	(47,024)	146,262	0	(50,184)	96,078	146,263	0	(50,184)	96,079	
Industrial land		48,917	0	(10,260)	38,657	0	(10,599)	28,058	38,658	0	(10,599)	28,059	
Staff Housing - L30 Hillman Street		11,512	0	(11,512)	0	0	0	0	0	0	0	0	
Loader		0	0	0	0	270,000	(17,255)	252,745	0	270,000	(11,384)	258,616	
<b>Total</b>		<b>253,715</b>	<b>0</b>	<b>(68,796)</b>	<b>184,919</b>	<b>270,000</b>	<b>(78,038)</b>	<b>376,881</b>	<b>184,921</b>	<b>270,000</b>	<b>(72,167)</b>	<b>382,754</b>	
<b>Self Supporting Loans</b>													
WA Cottage Homes		366,494	0	(28,087)	338,407	0	(29,032)	309,375	338,406	0	(29,031)	309,375	
<b>Total Self Supporting Loans</b>		<b>366,494</b>	<b>0</b>	<b>(28,087)</b>	<b>338,407</b>	<b>0</b>	<b>(29,032)</b>	<b>309,375</b>	<b>338,406</b>	<b>0</b>	<b>(29,031)</b>	<b>309,375</b>	
<b>Total Borrowings</b>	14	<b>620,209</b>	<b>0</b>	<b>(96,883)</b>	<b>523,326</b>	<b>270,000</b>	<b>(107,070)</b>	<b>686,256</b>	<b>523,327</b>	<b>270,000</b>	<b>(101,198)</b>	<b>692,129</b>	

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

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
						\$	\$	\$
GROH housing		70	WATC *	6.60%	31/03/2025	(8,377)	(8,377)	(11,539)
Industrial land		72	WATC *	3.30%	31/12/2025	(1,135)	(1,135)	(1,475)
Staff Housing - L30 Hillman Street		69	WATC *	6.90%	31/03/2022	0	0	(398)
Loader		74	WATC *	4.00%	30/09/2032	(6,111)	(4,674)	0
<b>Total</b>						<b>(15,623)</b>	<b>(14,186)</b>	<b>(13,412)</b>
<b>Self Supporting Loans Finance Cost Payments</b>								
WA Cottage Homes		73	WATC *	3.30%	30/06/2032	(10,876)	(10,876)	(11,820)
<b>Total Self Supporting Loans Finance Cost Payments</b>						<b>(10,876)</b>	<b>(10,876)</b>	<b>(11,820)</b>
<b>Total Finance Cost Payments</b>						<b>(26,499)</b>	<b>(25,062)</b>	<b>(25,232)</b>

\* WA Treasury Corporation

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

26. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2022/23

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2023 Actual	2023 Budget	2023 Actual	2023 Budget		
Loader	WATC *	Fixed	10	4.00%	\$ 270,000	\$ 270,000	\$ (270,000)	\$ (270,000)	\$ 57,119	0
					270,000	270,000	(270,000)	(270,000)	57,119	0

\* WA Treasury Corporation

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

27. RESERVE ACCOUNTS	2023	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022	
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Actual	Actual	Actual	Actual	
	Opening	Transfer to	Transfer	Closing	Opening	Transfer to	Transfer	Opening	Transfer to	Transfer	Closing	
	Balance		(from)	Balance	Balance		(from)	Balance		(from)	Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Restricted by council</b>												
(a) Leave Reserve	121,150	3,957	0	125,107	121,149	3,634	0	124,783	210,491	659	(90,000)	121,150
(b) Plant Reserve	454,017	351,723	(248,989)	556,751	454,017	303,798	(194,650)	563,165	522,877	311,636	(380,496)	454,017
(c) Building Reserve	734,309	23,982	(66,532)	691,759	734,309	22,029	(565,000)	191,338	677,641	87,770	(31,102)	734,309
(d) Town Development Reserve	1,529	50	0	1,579	1,528	46	0	1,574	71,306	223	(70,000)	1,529
(e) Recreation Reserve	163,285	5,333	0	168,618	163,285	4,899	0	168,184	162,776	509	0	163,285
(f) Heritage Reserve	6,091	472	0	6,563	6,091	483	0	6,574	5,755	336	0	6,091
(g) Community Housing Reserve	169,135	22,073	0	191,208	169,135	25,074	(50,000)	144,209	153,767	41,563	(26,195)	169,135
(h) Waste Management Reserve	122,753	4,009	(9,760)	117,002	122,753	3,683	(100,000)	26,436	122,370	383	0	122,753
(i) Darkan Swimming Pool Reserve	49,219	6,607	0	55,826	49,219	6,477	0	55,696	44,081	5,138	0	49,219
(j) Information Technology Reserve	66,548	5,173	(14,000)	57,721	66,549	4,996	(14,000)	57,545	50,305	42,657	(26,414)	66,548
(k) Darkan Sport and Community Centre Reserve	325,421	39,482	(180,028)	184,875	325,422	39,763	0	365,185	289,515	35,906	0	325,421
(l) Arthur River Country Club Reserve	40,151	7,311	0	47,462	40,150	7,205	0	47,355	34,044	6,107	0	40,151
(m) Museum Reserve	128,701	4,203	0	132,904	128,701	3,861	(5,000)	127,562	128,155	546	0	128,701
(n) Moodiarrup Sports Club Reserve	17,581	4,574	0	22,155	17,581	5,527	0	23,108	13,539	4,042	0	17,581
(o) Landcare Reserve	32,987	1,077	(5,000)	29,064	32,989	990	(5,000)	28,979	37,869	118	(5,000)	32,987
(p) Corporate Planning and Valuation Reserve	19,945	651	(16,000)	4,596	19,945	598	(16,000)	4,543	34,836	109	(15,000)	19,945
(q) Kids Central Reserve	7,156	234	(302)	7,088	7,156	215	0	7,371	1,607	5,709	(160)	7,156
(r) The Shed Reserve	12,824	419	(140)	13,103	12,824	385	0	13,209	12,258	566	0	12,824
(s) Recreation Trails Reserve	1,218	40	0	1,258	1,217	37	0	1,254	1,214	4	0	1,218
(t) Community Gym Reserve	12,004	2,646	(6,092)	8,558	12,004	1,360	(9,000)	4,364	11,026	978	0	12,004
(u) Economic Development Reserve	113,847	3,718	(27,680)	89,885	113,847	3,415	(35,000)	82,262	73,617	40,230	0	113,847
(u) Road Reserve	234,149	7,647	0	241,796	234,149	7,024	0	241,173	233,418	731	0	234,149
	2,834,020	495,381	(574,523)	2,754,878	2,834,020	445,499	(993,650)	2,285,869	2,892,467	585,920	(644,367)	2,834,020

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

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



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

27. RESERVE ACCOUNTS (continued)

Name of reserve account Restricted by council	Purpose of the reserve account
(a) Leave Reserve	To be used to fund long service leave and annual leave requirements
(b) Plant Reserve	To be used for the purchase of major plant
(c) Building Reserve	To be used for the construction and maintenance of Council buildings
(d) Town Development Reserve	To be used to enhance town infrastructure
(e) Recreation Reserve	To be used to enhance recreation infrastructure
(f) Heritage Reserve	To be used to maintain and improve the heritage buildings of the Shire
(g) Community Housing Reserve	To be used for the maintenance and provision of housing within the Shire
(h) Waste Management Reserve	To be used to assist with funding future infrastructure requirements for waste management
(i) Darkan Swimming Pool Reserve	To be used to assist with funding works at the Darkan swimming pool
(j) Information Technology Reserve	To be used for upgrades to computers and office equipment
(k) Darkan Sport and Community Centre Reserve	To be used to maintain and improve the Darkan Sport and Community Centre
(l) Arthur River Country Club Reserve	To be used to maintain and improve the Arthur River Country Club
(m) Museum Reserve	To be used to maintain and to provide new displays in the Museum
(n) Moodiarrup Sports Club Reserve	To be used to maintain and improve the Moodiarrup Sports Club Reserve
(o) Landcare Reserve	To be used to fund the landcare expenditure of the Shire
(p) Corporate Planning and Valuation Reserve	To be used to fund the corporate planning and valuation expenditure of the Shire
(q) Kids Central Reserve	To be used to fund the renewal of equipment and infrastructure
(r) The Shed Reserve	To be used to fund the renewal of equipment and infrastructure
(s) Recreation Trails Reserve	To be used for the construction and maintenance of recreation trails
(t) Community Gym Reserve	To be used for the renewal of gym equipment and activities
(u) Economic Development Reserve	To be used for economic development initiatives that benefit the Shire
(u) Road Reserve	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 2023**

**28. 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:

	<b>1 July 2022</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2023</b>
	\$	\$	\$	\$
Westcare	42,706	1,116	0	43,822
Seniors Luncheon	1,574	137	(199)	1,512
Arthur River Development	2,695	424	(350)	2,769
RSL Trust Fund	4,036	105	0	4,141
Darkan Arts Council	8,001	203	(200)	8,004
Arthur River Hall	2,417	423	0	2,840
Arthur River Restoration	10,352	270	0	10,622
	<u>71,781</u>	<u>2,678</u>	<u>(749)</u>	<u>73,710</u>

## Independent Auditor's Report



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2023 Shire of West Arthur

To the Council 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 as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2023 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

#### Basis for opinion

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

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

#### Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial report and my auditor's report.

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

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to

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7<sup>th</sup> Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

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

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

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

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

### **My independence and quality management relating to the report on the financial report**

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

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

This auditor's report relates to the financial report of the Shire of West Arthur for the year ended 30 June 2023 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.



Nayna Raniga  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
07 December 2023



