

**ANNUAL REPORT  
2021-2022**

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## **Acknowledgement of Country**

The Shire of Wyalkatchem acknowledges the traditional owners of the land, the Ballardong people of the Noongar nation, and pay our respects to Elders past, present and emerging.

We recognise the culture of the Noongar people and the unique contribution they make to the region and Australia.

## Shire of Wyalkatchem

The Shire of Wyalkatchem is located 194km north-east of Perth. The Shire covers an area of 1,595 square kilometers with the main resident center being the town of Wyalkatchem.

Agriculture accounts for 60% of business in Wyalkatchem, which is reflected in the employment profile of the Shire, with 35% of all employed persons in the Shire working in this industry.

The shire has an estimated resident population of 470 (ABS census 2021).



Shire of Wyalkatchem Statistics	
<b>Distance from Perth</b>	194k
<b>Area</b>	1,595 km <sup>2</sup>
<b>Length of Roads</b>	792.3 km
<b>Population</b>	470 (ABS 2021)
<b>Number of Electors</b>	345
<b>Number of Dwellings</b>	314
<b>Total Rates Levied</b>	\$1,348,125
<b>Total Revenue</b>	\$4,162,268
<b>Number of Employees</b>	15 FTE

## Purpose of the Annual Report

*The Western Australian Local Government Act 1995* requires every local government to produce an Annual Report by 31 December each year. In addition, the Annual Report:

- Is an essential tool to inform the community and key stakeholders about achievements, challenges and future plans;
- Promotes greater community awareness of the Shire's programs and services which contribute to a high quality of life for residents, visitors and stakeholders;
- Demonstrates the Shire's performance against the long-term vision of the Strategic Community Plan, projects and priorities detailed within the Shire's Corporate Business Plan;
- Provides information on about the Shire's organisational performance; and
- Illustrates the Shire's commitment to accountable and transparent government.

This Annual Report can also be viewed on the Shire's website at [www.wyalkatchem.wa.gov.au](http://www.wyalkatchem.wa.gov.au)

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## President's Report

In September 2021 the doctor employed to provide GP services to the Wyalkatchem & Koorda communities resigned. This triggered a recruitment effort that unfortunately, continues today. The Shire facilitates the supply of this service and the gap in the availability of a reliable, locally based GP to provide in-person services has weighed heavily on the Wyalkatchem & Koorda communities.



I would like to express my great thanks to Dr Emmanuel Awogun for his continuing efforts to serve our communities through telehealth consultation and his fortnightly visits to provide in-person consultations.

I would also like to thank the Koorda Council and in particular President Jannah Stratford and CEO Darren Simmons for their commitment to our partnership and our recruitment strategy.

We have worked closely with our Koorda colleagues, as well as with Dr Emmanuel Awogun and staff at Rural Health West to find a replacement. I don't believe there is any more we could be doing.

It is possible that the COVID restrictions may have contributed to the difficulties we have faced in recruiting a replacement GP and our ongoing reliance on telehealth services. But ultimately this doesn't explain how more than 100 GP vacancies currently exist across regional WA alone.

The immediate solution requires building the pool of available GP's through a combination of immigration and the training of more local doctors.

The current shortage is exacerbated by the ageing GP workforce and their impending retirements, a situation that will further disadvantage regional locations, such as Wyalkatchem in future years. It is important that actions are put in place now to increase GP immigration & training.

The Shire of Wyalkatchem has participated in a number of roundtable meetings with the Minister for Local Government on this matter and I am hopeful that through Minister Carey's intervention that the pressure on GP recruitment will ease over the next 12 months.

In the meantime, we continue to do everything possible to recruit a GP to serve our community.

Over the last few years our privately-owned caravan park has been closed and this has been a source of substantial community frustration.

There are limits on Council's ability to address this problem but we've been available to support and promote the introduction of new owners at every opportunity. We were therefore delighted when the park was sold to Brendon and Michelle Eaton. Both have been an incredibly welcome addition to our community and we wish them the best of luck in their future efforts to build this business and contribute to the overall prosperity of our town.

One of the shire's leading attractions, the Wyalkatchem CBH Agricultural Museum celebrated 40 years of service to the community on 9 November 2021. The museum was officially opened in 1981 by the Hon H.W. (Mick) Gayfer. The museum showcases an original 1936 K-type storage facility and displays the history of the CBH and grain production in the local area.

My congratulations to Museum President David Holdsworth and his fellow committee members for their continuing commitment to preserving and presenting this important history.

The Shire of Wyalkatchem has maintained its membership of the North Eastern Wheatbelt Regional Organisation of Councils (NEWROC) and has been pleased to support its progress towards development of a subsidiary to enable NEWROC in its own right, to enter supply or service contracts, employ staff & deliver outcomes in its own right. It is hoped that Ministerial approval will be granted in the near future.

NEWROC continued to support the expansion of the Crisp wireless tower network, explored opportunities to secure greater power reliability, enhance waste management and promote regional cooperation.

The Council's support for NEWROC is strategic and enables its member councils to explore service improvements that the councils would otherwise be incapable of pursuing by themselves.

The Council has also maintained its support for the Central East Aged Care Alliance (CEACA) which, is a collaboration of initially, 11 wheatbelt shires. CEACA was formed in 2012 and has constructed and now manages 71 age-appropriate homes. Four of these homes are in Wyalkatchem.

During FY21/22 occupancy has been almost 100% which demonstrates the success of this model and vindicates Wyalkatchem's participation as a member of this partnership. The Wyalkatchem Shire is hopeful of expanding the number of units CEACA has available in Wyalkatchem within the next couple of years.

During 2021 we received the nominations for the Citizens of the Year Awards. Due to COVID restrictions the physical event was delayed, to be held in September 2022. However, let that not affect my ability to recognise the very worthy award winners in this report.

Each year, the Citizen of the Year Awards give Local Governments around the state the opportunity to acknowledge the contribution and celebrate community engagement of people within the community. Congratulations to the following on being nominated for their contribution to Wyalkatchem during 2021;

- Community Citizen of the Year - Rachel Nightingale
- Senior Community Citizen of the Year - Sheryl Wemm
- Young Citizen of the Year - Emily Van Essen
- Active Citizenship Award - Melinda Hutchison & Dianne Davies (Ladies Long Table Lunch)

The contribution of each of these individuals has been significant and I thank each winner again for their commitment to the wellbeing of the community.

This year has seen the Shire induct two new councillors, Christy Petchell and Christopher Loton. Both have made a significant and positive contribution to Council performance since their appointment.

In addition to her contributions to Council, Christy has led the development of a local business network, bringing together local business people to share their challenges and ideas for business and community improvements.

I would also like to acknowledge our longer serving Councillor Deputy President Owen Garner and Councillors Emma Holdsworth, Mischa Stratford and Steve Gamble for their commitment to task and positive contribution to council performance. Their contribution is invaluable and much appreciated.

Finally, to our CEO Peter Klein. I have appreciated Peters efforts to create an inclusive workplace that places a high priority on staff engagement and wellbeing. The cultural improvement is apparent and some excellent achievements were booked during the course of the year. I offer my sincere appreciation to all staff for their contribution to these achievements.

I look forward to a continuation of the improving trend in culture and staff and organisational performance during the financial year 2022/23.

**Cr Quentin Davies**  
**President**

## Chief Executive Officer's Report

This year has again been impacted by disruptions caused by COVID-19 controls including, movement restrictions and isolation requirements followed by a spike of infections after the border reopening on 5 February 2022.

The state and local government's messaging on the importance of vaccination against COVID-19 was effective with vaccination rates in Wyalkatchem being consistently above the state's averages for first, second & booster vaccinations.

Despite this disruption, the Shire has enjoyed a productive year, delivering significant infrastructure and service improvements, a more stable & engaged workforce and stronger linkages with community.

These outcomes have been achieved with significant effort from Shire Staff and in particular I would like to acknowledge the commitment and performance of Works Manager Terry Delane and his leading hands Eric Anderson and Cris Pavasic and their respective teams.

Implementation of the Shire's new Water Security Plan got underway with upgrades to the stormwater catchment. This involved work on a number of fronts including modifications to the intersection of Flint & Gamble Streets, Gamble Street & Railway Tce and along Thurstun St.

This work is already paying dividends ensuring the efficient capture of stormwater from the 2021/22 Autumn and early Winter rains.

Despite average rainfall during 2021, the Town Dam which, irrigates the Recreation Reserve, had insufficient water to last the irrigation season. This deficit highlights the importance of efficient capture of stormwater and the opportunity presented by pumping water to the Town Dam from both the White and Railway Dams.

The Shire's next project, to be supported by a new Department of Water grant will involve the refurbishment of channels directing water to the Railway Dam and the installation of a solar pump to pump water from the White Dam to the Town Dam.

Longer term elements of the Shire's water security plan include;

1. Installing a water pipe to carry water from the Railway Dam to the Town Dam;
2. A suitably sized pump is available to deliver Railway Dam water to the Town Dam;
3. The White Dam pipeline is modified to allow water to be carried between the White Dam & the Museum tanks;
4. A pipeline is established to enable the transfer of water from the Museum tanks to the Pioneer Park tank.
5. A reticulation system is installed to enable Railway Tce and Waterwise gardens to be reticulated from the Museum tanks.
6. A reticulation system is established to enable Pioneer Park gardens to be watered from the Pioneer Park tank.



### Main Street Improvements.

Utilising funds from the Federal Government's Local Roads & Community Infrastructure Program, the Shire was able to deliver a much-needed refurbishment of the main street's wheatbelt garden, playground & picnic areas.

Our thanks for Ligna Construction for their contribution to this successful project that included;

Wheatbelt garden;

- Pruning & removal of dead plants
- Reticulation system overhaul
- In-fill planting
- Mulching

Playground upgrade;

- Removal of old plastic play equipment
- Installation of a new timber adventure playground
- Planting of 5 shade trees (Jacarandas)
- Concrete paving
- Installation of a new drinking fountain

The completion of these works has significantly lifted the main street appearance and is contributing to improved services to both locals and tourists.



### Railway Tce – Asphalt Works

The main street received a further boost with the delivery of a project to tidy up and reseal the carpark area opposite the Hotel and the area north of the Goods Shed.

The bitumen seal at these locations was breaking up and pot-holed and the asphalt overlay applied by Stirling Asphalt has produced an aesthetic boost to the area.



**Regional Waste Management Study and the new Wyalkatchem Tip Cell**

Earlier this year NEWROC contracted ASK Waste Management (ASK) to;

- a) undertake detailed financial modelling into converting and expanding the existing Wyalkatchem landfill site into the regional landfill site; and
- b) produce a set of recommendations to guide NEWROC’s implementation of this concept.

The NEWROC preferred option requires participating shires to close their existing landfill sites and establish in their place, transfer stations to receive community and recyclable waste. Household waste from kerb-side collection would be delivered directly to the regional landfill site and so by-pass the transfer station.

The regional landfill site is forecast to receive approximately 4,500t of waste per year.

The Ask report concluded that most landfills in the region are nearing capacity and will require expansion within the foreseeable future. The cost of expanding landfill sites, as a result of current environmental standards is significant and the increasing cost of compliance with best practice operations is driving communities across regional WA towards the establishment of transfer stations.

A further study has determined that the operating life of the Wyalkatchem site as a regional landfill is between 24 & 30 years.

A preliminary business case produced by the Shire of Wyalkatchem for NEWROC, determined that three of seven councils will pay less per year for waste management, two will be marginally worse off (<\$10k) and two will be significantly worse off (>\$20k) but will be receiving a significantly improved waste management service.

No decision has yet been made by Council to commit the Wyalkatchem landfill site to NEWROC shires however, the calculated operating life combined with the cost and service improvement justifies further exploration of this option during 2022/23.

<p><b>Wyalkatchem Tip – New Cell</b></p> <p>Due to the existing landfill cell nearing capacity, a new cell was constructed and commissioned during the year.</p> <p>The Council notes community’s dissatisfaction with existing landfill management arrangements including our unsupervised, 24/7 tip access, its alleged use by people from neighbouring shires who do not contribute to running costs and inadequate control over the dumping of oil &amp; chemical containers and some controlled waste products.</p> <p>These concerns may be addressed by the introduction of the regional landfill solution which at best, is a medium-term opportunity.</p> <p>A shorter-term solution is required and this objective will be carried into 2022/23 as a priority project.</p>	
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### Recreation Reserve Lighting

Following storm damage to one of four major light towers at the Recreation reserve, the Shire installed a new light pole along with new lights that incorporated LED globes.

The quality of the light produced is considerably better than that produced by the earlier technology.

The reinstatement of this tower was well received by the football club and equally importantly, positions the community to better provide for both the Rodeo (27 August) and the Variety Club visit (2/3 September).

### Roadworks

Each year the Shire receives state government road funding under the Regional Road Group program.

The 2021/22 program was valued at \$636,166, which comprises a shire contribution of \$212,055 and a government grant of \$424,111.

The works delivered under this program are summarised in the following table;



ROAD NAME	SLK'S	PROJECT DESCRIPTION	TOTAL ESTIMATED COST (\$)	RRG COMPONENT COST (\$)	MATCHING MUNICIPAL COMPONENT COST (\$)
Tammin / Wyalkatchem Rd	10.60	SLK 10.60 – 17.45 Reseal section.	\$286,440	\$190,960	\$95,480
	- 17.78	SLK 17.45 – 17.78 Reconstruct pavement to achieve a Type 6 standard sealed pavement- 8.0mm seal width and min 10.0m wide carriageway.			
Cunderdin / Wyalkatchem Rd	28.85	Widen shoulders & reconstruct pavement to achieve a Type 6 standard sealed pavement – 8.0m seal width and Min 10.0m wide carriageway.	\$349,726	\$233,151	\$116,575
	- 31.05				
<b>TOTAL PROGRAM COST</b>			<b>\$636,166</b>	<b>\$424,111</b>	<b>\$212,055</b>

In addition, an extensive program of maintaining and in some cases, upgrading the Shire's gravel roads was successfully delivered.

### NAB Building

The National Australia Bank closed its doors in Wyalkatchem for the last time on 9 September 2021 and to complete its exit, NAB sought Council's interest in receiving the building as a gift.

The cost implications of receiving this gift (maintenance & capital upkeep & insurances) and implications of receiving a gifted asset on financial performance were assessed before a final decision to accept the gift was made.

The Council plans to make some superficial external improvements to the building but no internal modifications will be pursued until a future community use for the building is identified. Caveats exist on how the building can be used until mid-2027.

Some preliminary discussion on uses for this building include its use as a gallery to display local art, a gymnasium, rooms for allied health services or a youth center.

A Shire process to identify the preferred use for this site will be initiated in 2022/23.

### Wyalkatchem Fair

The Wyalkatchem Fair was held on 9 October 2021 and was attended by more than 600 people. The net cost of hosting the Fair to Council was \$42,968.

Although the show bags, food stalls and side-show-alley type activities were popular the crowd was significantly attracted by the monster trucks and motorbikes which, were a huge success. If the Fair is to be repeated a feature activity will be required to repeat the success.



Consideration is being given to hosting this event every second year with the next event potentially being held in 2023/24.

### Pioneer Park

The Council is pleased to announce that it has entered into discussions of a Deed of Agreement with a group of active locals, to assist it in the management and maintenance of the Pioneer Park rose gardens. The Council is confident that with on-going community support the Park will flourish.

The Council looks forward to working with the Pioneer Park volunteers and ultimately to healthy, robust Pioneer Park gardens.

### Wyalkatchem Welfare Centres

Following the damage caused by Cyclone Seroja throughout the Wheatbelt, the Local Emergency Management Committee requested that the Shire explore if its buildings, identified as potential welfare centers were structurally sound.

In response, the Shire contracted Rite Build Group to inspect and report on the structural integrity of each of these buildings. These buildings included;

- Town Hall;
- Recreation Centre;
- Airport Terminal Building and
- Shire Office

The inspection concluded that upgrades are required to all buildings.

The Local Emergency Management Committee will be giving further consideration to this matter.

### Caravan Park

The Wyalkatchem Shire was delighted to welcome the new owners of the Wyalkatchem Traveler's Park Brendan and Michelle Eaton and their efforts in reopening the park on 8 March 2022.

The Traveler's Park plays an important role in the community, attracting and retaining tourists and their support of local businesses and services including the museum and other attractions. It great to see the Park back in action and the Shire stands ready to support the efforts of Brendan & Michelle in growing their business.



**Supporting Local Business**

A shout out to Councillor Christy Petchell for her initiative in establishing a local network to support and promote local businesses. These meetings are positively impacting business relationships and town culture and she is to be commended on this initiative.

Finally, I wish to thank councillors for their support and their positive and open-minded approach to problem solving and promoting the interest of its community. Much has been achieved during 2021/22.

I would also like to thank our staff again for their commitment to Council & community and I look forward to an equally challenging FY2022/23 where delivered outcomes and our collective wellbeing is taken to the next level.

Peter Klein  
**Chief Executive Officer**

## Councillors



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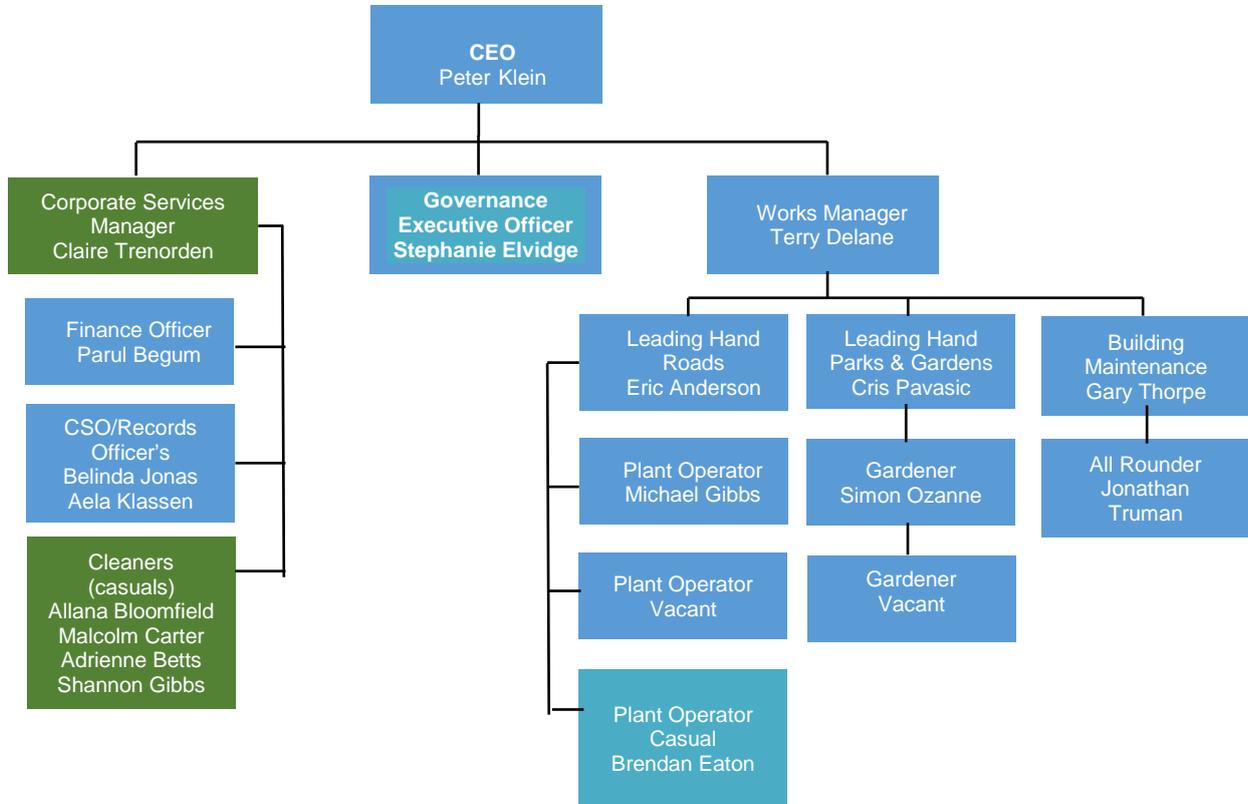


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## Organisational Structure as at 30 June 2022



### Legend

- Existing Position
- Part time & casuals Position

## Planning for the Future

### Integrated Planning and Reporting Framework

All Western Australian local governments are required to prepare a Plan for the Future for their district under Section 5.56(1) of the Local Government Act 1995. The Plan for the Future comprises the following two key strategic documents<sup>1</sup>, which a local government is required to have regard for when forming its annual budget.

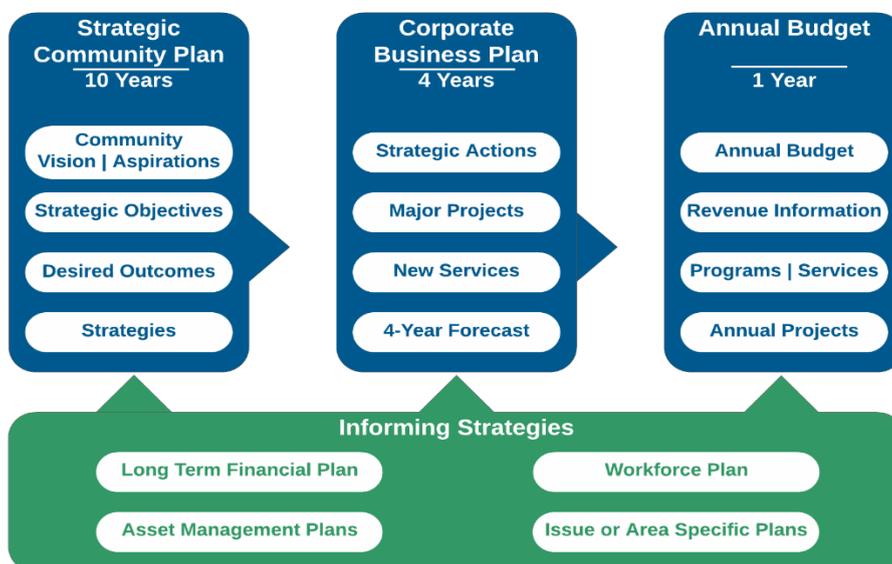
**Strategic Community Plan – adopted 18/02/2021** – Council’s principal 10-year strategy and planning tool. It is the principal guiding document for the remainder of the Shire’s strategic planning as community engagement is central to this Strategic Community Plan.

**Corporate Business Plan** – Council’s 4-year planning document. The core components of this Corporate Business Plan include a 4-year delivery program, aligned to the Strategic Community Plan and accompanied by 4-year financial projections.

Development of the Strategic Community Plan and Corporate Business Plan is undertaken in accordance with the Integrated Planning and Reporting Framework and Guidelines. An essential element of the Integrated Planning and Reporting process is to enable community members and stakeholders to participate in shaping the future of the community and in identifying issues and solutions. It is designed to articulate the community’s vision, aspirations, outcomes and priorities for the future of the district.

Importantly, the Strategic Community Plan and Corporate Business Plan are informed by several other key plans and processes. The connection between the community and the Shire’s strategic plans, annual budget and corporate documents developed to guide the Shire in delivering services to the community are shown in the diagram below.

**Diagram: The Integrated Planning Structure**



## Strategic Community Plan

Based on consultation with community and Councilor's, the plan sets out the vision for the Shire of Wyalkatchem and captures the community's aspirations and values.

### OUR VISION

*“To be a socially interactive and inclusive community that embraces our rural character and sense of community”*

### OUR ASPIRATIONS

- **An inclusive & engaged community that is healthy, safe and active**
- **A diverse and strengthening local economy**
- **Natural & built environments supporting a connected community**
- **Accountable, effective and engaged leaders**



## What is the Strategic Community Plan

The Strategic Community Plan is the Shire's long-term plan for the future. It helps Council to ensure that local government service delivery is consistent with and supports the community's aspirations for the Shire.

A strategic objective has been developed for each of four identified key areas of community interest, being Economic; Environmental; Community and Leadership. Desired outcomes have been determined to achieve each of the objectives after considering the Shire's current and future resources, demographic trends and internal and external influences.

The Strategic Community Plan guides decision making through the Corporate Business Plan and Annual Budget. It helps to determine priorities for the delivery of services, projects and programs.

All local governments within Western Australia are required to plan their services using this Framework. The Strategic Community Plan, Corporate Business Plan and Annual Budget form part of the core section of the Shire's Integrated Planning and Reporting Framework. The Shire's Asset Management Plan, Long Term Financial Plan and Workforce Plan are Informing Strategy documents which support the Framework.

The community's aspirations will be achieved by identifying and delivering strategies that are developed to achieve one or more of the following goals;

<b>Goal 1</b> A safe and healthy community	<b>Goal 7</b> We have vibrant, active public open spaces and buildings with high levels of utilisation and functionality
<b>Goal 2</b> An active, engaged and social community	<b>Goal 8</b> Our built environment responds to the accessibility and connectivity needs of all
<b>Goal 3</b> A community for all ages	<b>Goal 9</b> Sustainable management of resources
<b>Goal 4</b> Increase visitors to our region	<b>Goal 10</b> Transparent, accountable and effective governance
<b>Goal 5</b> Growth in business opportunity	<b>Goal 11</b> Community and customer service focus
<b>Goal 6</b> Essential services and infrastructure are available to support the community and local economy	<b>Goal 12</b> Form strategic partnerships and advocate for the community

## How the Strategic Community Plan will be used

The Strategic Community Plan outlines how the Shire will, over the long term, work towards a brighter future for the Shire of Wyalkatchem community as it seeks to achieve its vision inspired by the community's aspirations.

Looking to the future, the Strategic Community Plan will influence how the Shire uses its resources to deliver services to the community. The Strategic Community Plan forms the primary driver for all other planning undertaken by the Shire.

The Shire of Wyalkatchem intends to use the Strategic Community Plan in several ways, including:

- Guide Council priority setting and decision making;
- Be a mechanism for the ongoing integration of local planning initiatives;
- Inform the decision making of other agencies and organisations, including community and State Government;
- Provide a rationale to pursue grants and other resources by demonstrating how specific projects align with the aspirations of our community, within the strategic direction of the Shire;
- Inform potential investors and developers of our community's key priorities, and the way we intend to grow and develop;
- Engage local businesses, community groups and residents in various ways to contribute to the Shire's future; and
- Provide a framework for monitoring progress against our vision.

### **Community Strategic Plan Informs Corporate Business Plan**

In conjunction with the adoption of a reviewed Community Strategic Plan, council will also prepare a Corporate Business Plan being a 4-year program on delivery of priorities within the Community Strategic Plan. The Corporate Business Plan will provide strategic direction on the actions required to achieve the Community Strategic Plan. This document will underpin Council's short to medium term direction.

Council will also be developing other informing strategies such as Long-Term Financial Plans, Asset Management Plans and Workforce plans. These documents have a direct link in ensuring that Council has the resources available to achieve its strategic direction.

### **Corporate Business Plan**

Council's Corporate Business Plan was updated during 2020/21 to align with the newly adopted Strategic Community Plan, as well as informing the 2021/2022 budget.

### **Other Planning Documents**

In addition to reviewing Council's Strategic Community Plan and Corporate Business plan, Council is actively progressing a number of informing strategies including, but not limited to: Long Term Financial Plan; Asset Management Plan and Workforce Plan. The development of these documents will occur in 2022 and will align to the reviewed plans.

## Statutory Requirements

It is a requirement that the Shire of Wyalkatchem include information regarding the following documents in its Annual Report.

### Disability Access and Inclusion Plan

Under the *Disability Services Act 1993 (amended 2004)*, all Western Australian Local Governments are required to develop and implement a Disability Access and Inclusion Plan (DAIP), addressing seven desired outcomes, to be reviewed on an annual basis and reported on to the Disability Services Commission (DSC) by 31 July each year.

Council has an endorsed DAIP which was reviewed in March 2020. Council is required to report on our present activities as they relate to the seven desired DAIP outcomes.

The seven desired outcomes that provide a framework for strategies aimed at improving access and inclusion for people with disabilities. The following strategies are incorporated in Councils implementation plan, subsequent budget and other strategic planning documents.

1. People with disability have equal opportunity to access all events organised by the Shire of Wyalkatchem.
2. People with disability have equal opportunity to access buildings and other Wyalkatchem Shire facilities.
3. People with disability receive the same level and quality of information from the Shire of Wyalkatchem in a format that will enable them to access the information as readily as other people are able to access it.
4. People with disability receive the same level and quality of service from the staff of the Shire of Wyalkatchem as other people receive from the staff of that public authority.
5. People with disability have equal opportunity to lodge complaints to the Shire of Wyalkatchem.
6. People with disability have equal opportunity to access all public consultation events; and
7. People with disability have equal opportunity to obtain & maintain employment with the Shire of Wyalkatchem

The Shire of Wyalkatchem Disability Access and Inclusion Plan will be reviewed in FY2022/2023.

### State Records Act

The *State Records Act 2000* requires the Shire to maintain and dispose of all records in the prescribed manner. Principle 6 – Compliance: Government Organisations ensure their employees comply with the record keeping plan.

#### Rationale:

An organisation and its employees must comply with the organisations record keeping plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

#### Minimum Compliance Requirements:

The record keeping plan is to provide evidence to adduce that:

1. The efficiency and effectiveness of the organisations record keeping system is evaluated not less than once every 5 years.
2. The organisation conducts a record keeping training program.
3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time.
4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.

The Shire has complied with all items.

Note on Item 1 – The Shire of Wyalkatchem is currently transitioning to an Electronic Records Keeping System. The implementation of the new system has a direct impact on Councils record keeping plan and the internal management of Council’s records and as a result, the record keeping plan will require a major review on full implementation of the new electronic record management system, including procedures and guidance notes.

The Shire has not yet been able to achieve the implementation of the system in this financial year and every effort will be made with archiving and disposal in FY 22/23.

### 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 made about elected members.

There were no complaints lodged against elected members in the year under review.

### Freedom of Information

Part 5 of the *Freedom of Information Act 1992* requires an agency such as a local government to prepare and publish an information statement.

The Shire of Wyalkatchem has developed an information statement which can be inspected on the Shire’s website or by contacting the Shire Office.

The Shire of Wyalkatchem did not receive any applications under the *Freedom of Information Act 1992* during the 2021- 2022 financial year.

### Employee Remuneration Disclosure

Regulation 19B of the *Local Government (Administration) Regulation 1996* requires the Shire to include the following information in its Annual Report:

- The number of employees of the Shire entitled to an annual salary of \$130,000 or more; and
- The number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$130,000.

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 for 2021/2022:

#### Salary Range

\$ From	\$ To	Number of Employees
130,000	139,999	0
140,000	149,999	1
Total		1

### Public Interest Disclosures

The *Public Interest Disclosures Act 2003* facilitates the disclosure of public interest information, and provides protection for those making such disclosure and those who are the subject of disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

The Chief Executive Officer has complied with all obligations under the Act including:

- Appointing the Governance Executive Officer as the Public Interest Disclosure officer for the organisation and publishing an internal procedure relating to the Shire’s obligation.

- Providing protection from detrimental action or the threat of detrimental action for an employee of the Shire who makes an appropriate disclosure of public interest information.

### National Competition Policy

This policy was introduced by the Commonwealth Government in 1995 to promote competition for the benefit of business, consumers and the economy by removing what was considered to be unnecessary protection of monopolies of markets where competition can be enhanced. It effects local governments as factors such as exemption from company and income tax or possible local regulations and laws may give local government a potential advantage over private contractors.

In respect to Council's responsibilities under to the National Competition Policy, the Shire reports as follows:

- No business enterprise of the Shire of Wyalkatchem has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not applied to any activities undertaken by the Shire in this reporting period.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private entity.
- The principles of competitive neutrality will be implemented in respect of any relevant activity undertaken during the next financial reporting period.

A further requirement of the National Competition Policy is that all Council Local Laws are reviewed every eight years to determine whether they are in conflict with competitive neutrality and comply with the *Local Government Act 1995*. All local laws are in the process of being reviewed for adoption FY22/23.

### Councillor Attendance Record FY2021-2022

ELECTED MEMBERS MEETING ATTENDANCE REGISTER 2021 - 2022																	
ATTENDANCE	JUL 2021 W/SHOP	JUL 2021 OMC	JUL 2021 Special	AUG 2021 W/SHOP	AUG 2021 OMC	AUG 2021 SMC	AUG 2021 ARC	SEP 2021 W/SHOP	SEP 2021 OMC	OCT 2021 W/SHOP	OCT 2021 ARC	OCT 2021 OMC	NOV 2021 W/SHOP	NOV 2021 OMC	DEC 2021 W/SHOP	DEC 2021 OMC	DEC 2021 ARC
Cr Quentin Davies																	
Cr Owen Garner	Apol	Apol															
vacant										Christy Petchell							
Cr Emma Holdsworth																	
Cr Steve Gamble																	
Cr Mischa Stratford																	
ATTENDANCE	FEB 2022 W/SHOP	FEB 2022 OMC	FEB 2022 AGEM	FEB 2022 ARC	MAR 2022 W/SHOP	MAR 2022 OMC	APR 2022 W/SHOP	APR 2022 OMC	MAY 2022 W/SHOP	MAY 2022 ARC	MAY 2022 OMC	JUNE 2022 W/SHOP	JUN 2022 OMC				
Cr Quentin Davies																	
Cr Owen Garner																	
Cr Christy Petchell																	
Cr Emma Holdsworth																	
vacant							Christopher Loton										
Cr Steve Gamble																	
Cr Mischa Stratford												Leave	Leave				

# Annual Financial Report

**SHIRE OF WYALKATCHEM**

**FINANCIAL REPORT YEAR ENDED 30TH JUNE 202**



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

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

*In 2023 Wyalkatchem will be sustainable with growth in population, supporting businesses, services and infrastructure: residents will be healthy, safe and caring, surrounded by welcoming public places and a valued natural and built environment.*

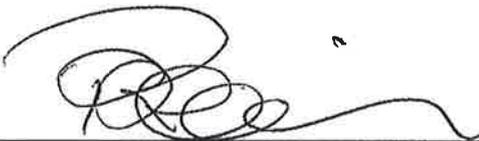
Principal place of business:  
27 Flint Street  
Wyalkatchem WA 6485



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

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

Signed on the 11th day of November 2022



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Chief Executive Officer

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Peter Klein



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Revenue</b>				
Rates	26(c),2(a)	1,348,125	1,353,953	1,314,471
Operating grants, subsidies and contributions	2(a)	2,550,270	1,014,703	2,199,703
Fees and charges	2(a)	245,975	221,653	231,686
Interest earnings	2(a)	13,823	22,500	21,806
Other revenue	2(a)	4,075	4,600	4,741
		<b>4,162,268</b>	<b>2,617,409</b>	<b>3,772,407</b>
<b>Expenses</b>				
Employee costs		(1,279,564)	(1,377,749)	(1,136,798)
Materials and contracts		(1,471,651)	(1,170,764)	(1,447,054)
Utility charges		(172,262)	(210,004)	(201,571)
Depreciation	9(a)	(1,474,840)	(1,399,341)	(1,416,383)
Finance costs	2(b)	(9,153)	(19,114)	(8,281)
Insurance		(153,432)	(148,308)	(139,708)
Other expenditure	2(b)	(42,309)	(46,135)	(39,705)
		<b>(4,603,211)</b>	<b>(4,371,415)</b>	<b>(4,389,500)</b>
		<b>(440,943)</b>	<b>(1,754,006)</b>	<b>(617,093)</b>
Capital grants, subsidies and contributions	2(a)	1,156,156	1,246,563	717,515
Profit on asset disposals	9(b)	49,505	37,273	108,391
Loss on asset disposals	9(b)	0	0	(3,000)
Fair value adjustments to financial assets at fair value through profit or loss		2,998	0	8,955
		<b>1,208,659</b>	<b>1,283,836</b>	<b>831,861</b>
<b>Net result for the period</b>	<b>25(b)</b>	<b>767,716</b>	<b>(470,170)</b>	<b>214,768</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	15	0	0	3,788,386
<b>Total other comprehensive income for the period</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>3,788,386</b>
<b>Total comprehensive income for the period</b>		<b>767,716</b>	<b>(470,170)</b>	<b>4,003,154</b>

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



SHIRE OF WYALKATCHEM  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022

	NOTE	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	2,704,077	4,771,461
Trade and other receivables	5	316,549	141,027
Other financial assets	4(a)	2,958,155	0
Inventories	6	1,375	7,874
<b>TOTAL CURRENT ASSETS</b>		<b>5,980,156</b>	<b>4,920,362</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	24,632	18,722
Other financial assets	4(b)	58,353	55,355
Property, plant and equipment	7	13,628,012	13,751,481
Infrastructure	8	51,067,594	50,354,661
Right-of-use assets	10(a)	1,701	5,076
<b>TOTAL NON-CURRENT ASSETS</b>		<b>64,780,292</b>	<b>64,185,295</b>
<b>TOTAL ASSETS</b>		<b>70,760,448</b>	<b>69,105,657</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	1,081,911	262,558
Other liabilities	12	358,178	218,089
Lease liabilities	10(b)	1,723	3,412
Borrowings	13	50,192	47,440
Employee related provisions	14	64,992	72,573
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,556,996</b>	<b>604,072</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	10(b)	0	1,723
Borrowings	13	53,126	103,318
Employee related provisions	14	26,356	40,290
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>79,482</b>	<b>145,331</b>
<b>TOTAL LIABILITIES</b>		<b>1,636,478</b>	<b>749,403</b>
<b>NET ASSETS</b>		<b>69,123,970</b>	<b>68,356,254</b>
<b>EQUITY</b>			
Retained surplus		25,119,432	24,751,838
Reserve accounts	29	2,958,155	2,558,033
Revaluation surplus	15	41,046,383	41,046,383
<b>TOTAL EQUITY</b>		<b>69,123,970</b>	<b>68,356,254</b>

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		24,674,483	2,420,620	37,257,997	64,353,100
Comprehensive income for the period					
Net result for the period		214,768	0	0	214,768
Other comprehensive income for the period	15	0	0	3,788,386	3,788,386
Total comprehensive income for the period		214,768	0	3,788,386	4,003,154
Transfers from reserves	29	40,000	(40,000)	0	0
Transfers to reserves	29	(177,413)	177,413	0	0
<b>Balance as at 30 June 2021</b>		<b>24,751,838</b>	<b>2,558,033</b>	<b>41,046,383</b>	<b>68,356,254</b>
Comprehensive income for the period					
Net result for the period		767,716	0	0	767,716
Total comprehensive income for the period		767,716	0	0	767,716
Transfers from reserves	29	273,800	(273,800)	0	0
Transfers to reserves	29	(673,922)	673,922	0	0
<b>Balance as at 30 June 2022</b>		<b>25,119,432</b>	<b>2,958,155</b>	<b>41,046,383</b>	<b>69,123,970</b>

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



SHIRE OF WYALKATCHEM  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		1,344,386	1,353,953	1,315,592
Operating grants, subsidies and contributions		2,383,441	1,014,703	2,391,759
Fees and charges		277,125	221,653	239,600
Interest received		13,823	22,500	21,806
Goods and services tax received		115,776	250,000	266,015
Other revenue		5,253	4,600	19,587
		<b>4,139,804</b>	<b>2,867,409</b>	<b>4,254,359</b>
<b>Payments</b>				
Employee costs		(1,046,691)	(1,377,749)	(1,148,310)
Materials and contracts		(674,650)	(1,170,764)	(1,343,688)
Utility charges		(172,262)	(210,004)	(201,571)
Finance costs		(8,056)	(19,114)	(8,281)
Insurance paid		(153,432)	(148,308)	(139,708)
Goods and services tax paid		(426,889)	(250,000)	(292,452)
Other expenditure		(21,538)	(46,135)	(39,705)
		<b>(2,503,518)</b>	<b>(3,222,074)</b>	<b>(3,173,715)</b>
<b>Net cash provided by (used in) operating activities</b>	16(b)	<b>1,636,286</b>	<b>(354,665)</b>	<b>1,080,644</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	7(a)	(542,750)	(1,625,000)	(524,605)
Payments for construction of infrastructure	8(a)	(1,608,220)	(1,716,840)	(954,532)
Non-operating grants, subsidies and contributions		1,316,761	1,028,474	717,515
Payments for financial assets at amortised cost		(2,958,155)	0	0
Proceeds from sale of property, plant & equipment	9(b)	139,546	135,000	184,609
<b>Net cash provided by (used in) investing activities</b>		<b>(3,652,818)</b>	<b>(2,178,366)</b>	<b>(577,013)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	28(a)	(47,440)	(79,205)	(44,810)
Payments for principal portion of lease liabilities	28(b)	(3,412)	(3,412)	(3,367)
Proceeds from new borrowings	28(a)	0	1,000,000	0
<b>Net cash provided by (used in) financing activities</b>		<b>(50,852)</b>	<b>917,383</b>	<b>(48,177)</b>
<b>Net increase (decrease) in cash held</b>		<b>(2,067,384)</b>	<b>(1,615,648)</b>	<b>455,454</b>
Cash at beginning of year		4,771,461	4,771,537	4,316,007
<b>Cash and cash equivalents at the end of the year</b>	16(a)	<b>2,704,077</b>	<b>3,155,889</b>	<b>4,771,461</b>

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



SHIRE OF WYALKATCHEM  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>	27(b)	<b>1,809,109</b>	<b>1,793,011</b>	<b>1,747,250</b>
<b>OPERATING ACTIVITIES</b>				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	26(b)	8,424	8,424	8,424
Operating grants, subsidies and contributions		2,550,270	1,014,703	2,199,703
Fees and charges		245,975	221,653	231,686
Interest earnings		13,823	22,500	21,806
Other revenue		4,075	4,600	4,741
Profit on asset disposals	9(b)	49,505	37,273	108,391
Fair value adjustments to financial assets at fair value through profit or loss		2,998	0	8,955
		<b>2,875,070</b>	<b>1,309,153</b>	<b>2,583,706</b>
Expenditure from operating activities				
Employee costs		(1,279,564)	(1,377,749)	(1,136,798)
Materials and contracts		(1,471,651)	(1,170,764)	(1,447,054)
Utility charges		(172,262)	(210,004)	(201,571)
Depreciation	9(a)	(1,474,840)	(1,399,341)	(1,416,383)
Finance costs		(9,153)	(19,114)	(8,281)
Insurance		(153,432)	(148,308)	(139,708)
Other expenditure		(42,309)	(46,135)	(39,705)
Loss on asset disposals	9(b)	0	0	(3,000)
		<b>(4,603,211)</b>	<b>(4,371,415)</b>	<b>(4,392,500)</b>
Non-cash amounts excluded from operating activities	27(a)	1,402,493	1,362,068	1,327,209
<b>Amount attributable to operating activities</b>		<b>1,483,461</b>	<b>92,817</b>	<b>1,265,665</b>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		1,156,156	1,246,563	717,515
Proceeds from disposal of assets	9(b)	139,546	135,000	184,609
Purchase of property, plant and equipment	7(a)	(542,750)	(1,625,000)	(524,605)
Purchase and construction of infrastructure	8(a)	(1,608,220)	(1,716,840)	(954,532)
<b>Amount attributable to investing activities</b>		<b>(855,268)</b>	<b>(1,960,277)</b>	<b>(577,013)</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	28(a)	(47,440)	(79,205)	(44,810)
Proceeds from borrowings	28(a)	0	1,000,000	0
Payments for principal portion of lease liabilities	28(b)	(3,412)	(3,412)	(3,367)
Transfers to reserves (restricted assets)	29	(673,922)	(728,168)	(177,413)
Transfers from reserves (restricted assets)	29	273,800	332,716	40,000
<b>Amount attributable to financing activities</b>		<b>(450,974)</b>	<b>521,931</b>	<b>(185,590)</b>
<b>Surplus/(deficit) before imposition of general rates</b>		<b>177,219</b>	<b>447,482</b>	<b>503,062</b>
<b>Total amount raised from general rates</b>	26(a)	<b>1,339,701</b>	<b>1,345,529</b>	<b>1,306,047</b>
<b>Surplus/(deficit) after imposition of general rates</b>	27(b)	<b>1,516,920</b>	<b>1,793,011</b>	<b>1,809,109</b>

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



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

**1. BASIS OF PREPARATION**

The financial report comprises general purpose financial statements which have been prepared in accordance with 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 where no inconsistencies exist.

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

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

**The local government reporting entity**

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

**Judgements and estimates**

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
  
- estimation uncertainties made in relation to lease accounting

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

**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 contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	When rates notice is issued
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, rental income, 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
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Reimbursements	On-charge of expenses and Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

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 or types of goods or services is provided in the table below:

### For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates (refer note 26)	0	0	1,348,125	0	1,348,125
Operating grants, subsidies and contributions	2,550,270	0	0	0	2,550,270
Fees and charges	245,975	0	0	0	245,975
Interest earnings	0	0	0	13,823	13,823
Other revenue	4,075	0	0	0	4,075
Non-operating grants, subsidies and contributions	0	1,156,156	0	0	1,156,156
<b>Total</b>	<b>2,800,320</b>	<b>1,156,156</b>	<b>1,348,125</b>	<b>13,823</b>	<b>5,318,424</b>

### For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,314,471	0	1,314,471
Operating grants, subsidies and contributions	2,199,703	0	0	0	2,199,703
Fees and charges	231,686	0	0	0	231,686
Interest earnings	0	0	0	21,806	21,806
Other revenue	4,741	0	0	0	4,741
Non-operating grants, subsidies and contributions	0	717,515	0	0	717,515
<b>Total</b>	<b>2,436,130</b>	<b>717,515</b>	<b>1,314,471</b>	<b>21,806</b>	<b>4,489,922</b>

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

**2. REVENUE AND EXPENSES (Continued)**

	Note	2022 Actual	2022 Budget	2021 Actual
<b>Interest earnings</b>				
Interest on reserve funds		4,671	12,500	12,413
Rates instalment and penalty interest (refer Note 26(g))		8,578	9,500	8,916
Other interest earnings		574	500	477
		13,823	22,500	21,806
<b>(b) Expenses</b>				
<b>Auditors remuneration</b>				
- Audit of the Annual Financial Report		29,400	29,000	34,600
- Other services		0	0	1,500
		29,400	29,000	36,100
<b>Finance costs</b>				
Borrowings	28(a)	9,106	19,067	8,190
Lease liabilities	28(b)	47	47	91
		9,153	19,114	8,281
<b>Other expenditure</b>				
Impairment losses on receivables from contracts with customers		20,771	1,000	7,914
Sundry expenses		21,538	45,135	31,791
		42,309	46,135	39,705

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

**3. CASH AND CASH EQUIVALENTS**

Cash at bank and on hand  
**Total cash and cash equivalents**

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

Note	2022	2021
	\$	\$
	2,704,077	4,771,461
16(a)	2,704,077	4,771,461
	2,704,077	1,995,329
16(a)	0	2,776,132
	2,704,077	4,771,461

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

**Restricted financial assets**

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

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

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

Term deposits

Held as

- Restricted other financial assets at amortised cost

	2022	2021
	\$	\$
	2,958,155	0
	2,958,155	0
16(a)	2,958,155	0
	58,353	55,355

**(b) Non-current assets**

Financial assets at fair values through other comprehensive income - units in Local Government House Trust

**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 24 (i)) due to the observable market rates.

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

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

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

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

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 22.

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

**5. TRADE AND OTHER RECEIVABLES**

**Current**

Rates receivable  
Trade and other receivables  
GST receivable  
Allowance for credit losses of rates receivables  
Accrued income

Note	2022	2021
	\$	\$
	71,017	60,955
	148,290	20,852
	125,927	65,238
22(b)	(28,685)	(7,914)
	0	1,896
	316,549	141,027
<b>Non-current</b>		
Pensioner's rates and ESL deferred	24,632	18,722
	24,632	18,722

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 22.

**Classification and subsequent measurement**

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

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

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

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

**6. INVENTORIES**

Note	2022	2021
	\$	\$
<b>Current</b>		
Fuel and materials	1,375	7,874
	1,375	7,874

The following movements in inventories occurred during the year:

<b>Balance at beginning of year</b>	7,874	3,626
Inventories expensed during the year	(39,025)	(64,173)
Additions to inventory	32,526	68,421
<b>Balance at end of year</b>	1,375	7,874

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

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

**7. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

	Note	Land - freehold land	Buildings - non specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>		625,000	8,334,954	8,959,954	17,986	1,028,173	10,006,113
Additions		0	149,097	149,097	0	375,508	524,605
Disposals		(6,000)	0	(6,000)	0	(73,219)	(79,219)
Revaluation increments / (decrements) transferred to revaluation surplus		(319,000)	4,107,386	3,788,386	0	0	3,788,386
Depreciation	9(a)	0	(220,742)	(220,742)	(17,911)	(289,064)	(527,717)
Transfers		0	39,314	39,314	0	0	39,314
<b>Balance at 30 June 2021</b>		300,000	12,410,008	12,710,008	75	1,041,398	13,751,481
<b>Comprises:</b>							
Gross balance amount at 30 June 2021		300,000	12,410,008	12,710,008	39,573	1,996,802	14,746,383
Accumulated depreciation at 30 June 2021		0	0	0	(39,498)	(955,404)	(994,902)
<b>Balance at 30 June 2021</b>		300,000	12,410,008	12,710,008	75	1,041,398	13,751,481
Additions		187,085	160,859	347,944	19,094	175,712	542,750
Disposals		0	0	0	0	(90,041)	(90,041)
Depreciation	9(a)	0	(337,094)	(337,094)	(75)	(239,009)	(576,178)
<b>Balance at 30 June 2022</b>		487,085	12,233,773	12,720,858	19,094	888,060	13,628,012
<b>Comprises:</b>							
Gross balance amount at 30 June 2022		487,085	12,570,867	13,057,952	58,667	2,010,041	15,126,660
Accumulated depreciation at 30 June 2022		0	(337,094)	(337,094)	(39,573)	(1,121,981)	(1,498,648)
<b>Balance at 30 June 2022</b>		487,085	12,233,773	12,720,858	19,094	888,060	13,628,012

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

**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land - freehold land	2	Market approach using recent or estimated observable market data for similar properties	Independent Valuation	June 2021	Price per hectare/market borrowing rate
Buildings - non specialised	2 and 3	Cost approach using current replacement cost (Net Revaluation method)	Independent Valuation	June 2021	Improvements to buildings using construction costs (Level 2) and current condition, 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>					
Furniture and equipment	N/A	Cost	Not Applicable		N/A
Plant and equipment	N/A	Cost	Not Applicable		N/A

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

8. INFRASTRUCTURE

(a) Movements in Balances

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

	Note	Infrastructure - roads	Infrastructure - drainage	Infrastructure - foopaths	Infrastructure - parks and ovals	Infrastructure - airport	Infrastructure - other	Total Infrastructure
		\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>		43,957,696	2,273,668	375,168	322,231	1,768,543	1,627,428	50,324,734
Additions		923,376	8,320	0	0	0	22,836	954,532
Depreciation	9(a)	(506,561)	(47,368)	(16,312)	(48,414)	(111,554)	(155,082)	(885,291)
Transfers		0	0	0	0	0	(39,314)	(39,314)
<b>Balance at 30 June 2021</b>		44,374,511	2,234,620	358,856	273,817	1,656,989	1,455,868	50,354,661
<b>Comprises:</b>								
Gross balance at 30 June 2021		45,854,489	2,376,724	407,791	418,300	1,990,762	1,904,847	52,952,913
Accumulated depreciation at 30 June 2021		(1,479,978)	(142,104)	(48,935)	(144,483)	(333,773)	(448,979)	(2,598,252)
<b>Balance at 30 June 2021</b>		44,374,511	2,234,620	358,856	273,817	1,656,989	1,455,868	50,354,661
Additions		787,686	493,985	0	0	13,740	312,809	1,608,220
Depreciation	9(a)	(525,028)	(47,368)	(16,312)	(48,414)	(111,554)	(146,611)	(895,287)
<b>Balance at 30 June 2022</b>		44,637,169	2,681,237	342,544	225,403	1,559,175	1,622,066	51,067,594
<b>Comprises:</b>								
Gross balance at 30 June 2022		46,642,175	2,870,709	407,791	418,300	2,004,502	2,217,656	54,561,133
Accumulated depreciation at 30 June 2022		(2,005,006)	(189,472)	(65,247)	(192,897)	(445,327)	(595,590)	(3,493,539)
<b>Balance at 30 June 2022</b>		44,637,169	2,681,237	342,544	225,403	1,559,175	1,622,066	51,067,594

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

**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land - freehold land	2	Market approach using recent or estimated observable market data for similar properties	Independent Valuation	June 2021	Price per hectare/market borrowing rate
Buildings - non specialised	2 and 3	Cost approach using current replacement cost (Net Revaluation method)	Independent Valuation	June 2021	Improvements to buildings using construction costs (Level 2) and current condition, 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>					
Furniture and equipment	N/A	Cost	Not Applicable		N/A
Plant and equipment	N/A	Cost	Not Applicable		N/A

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

8. INFRASTRUCTURE

(a) Movements in Balances

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

	Note	Infrastructure - roads	Infrastructure - drainage	Infrastructure - foopaths	Infrastructure - parks and ovals	Infrastructure - airport	Infrastructure - other	Total Infrastructure
		\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>		43,957,696	2,273,668	375,168	322,231	1,768,543	1,627,428	50,324,734
Additions		923,376	8,320	0	0	0	22,836	954,532
Depreciation	9(a)	(506,561)	(47,368)	(16,312)	(48,414)	(111,554)	(155,082)	(885,291)
Transfers		0	0	0	0	0	(39,314)	(39,314)
<b>Balance at 30 June 2021</b>		44,374,511	2,234,620	358,856	273,817	1,656,989	1,455,868	50,354,661
<b>Comprises:</b>								
Gross balance at 30 June 2021		45,854,489	2,376,724	407,791	418,300	1,990,762	1,904,847	52,952,913
Accumulated depreciation at 30 June 2021		(1,479,978)	(142,104)	(48,935)	(144,483)	(333,773)	(448,979)	(2,598,252)
<b>Balance at 30 June 2021</b>		44,374,511	2,234,620	358,856	273,817	1,656,989	1,455,868	50,354,661
Additions		787,686	493,985	0	0	13,740	312,809	1,608,220
Depreciation	9(a)	(525,028)	(47,368)	(16,312)	(48,414)	(111,554)	(146,611)	(895,287)
<b>Balance at 30 June 2022</b>		44,637,169	2,681,237	342,544	225,403	1,559,175	1,622,066	51,067,594
<b>Comprises:</b>								
Gross balance at 30 June 2022		46,642,175	2,870,709	407,791	418,300	2,004,502	2,217,656	54,561,133
Accumulated depreciation at 30 June 2022		(2,005,006)	(189,472)	(65,247)	(192,897)	(445,327)	(595,590)	(3,493,539)
<b>Balance at 30 June 2022</b>		44,637,169	2,681,237	342,544	225,403	1,559,175	1,622,066	51,067,594

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

**8. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>(i) Fair Value</b>	<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
	<b>Infrastructure Roads</b>	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	<b>Infrastructure Drainage</b>	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	<b>Infrastructure Footpaths</b>	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	<b>Infrastructure Parks and Ovals</b>	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	<b>Infrastructure Airport</b>	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	<b>Infrastructure Other</b>	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

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

**9. FIXED ASSETS**

**(a) Depreciation**

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non specialised	7(a)	337,094	202,461	220,742
Furniture and equipment	7(a)	75	19,200	17,911
Plant and equipment	7(a)	239,009	289,100	289,064
Infrastructure - roads	8(a)	525,028	506,600	506,561
Infrastructure - drainage	8(a)	47,368	47,380	47,368
Infrastructure - foopaths	8(a)	16,312	16,320	16,312
Infrastructure - parks and ovals	8(a)	48,414	48,415	48,414
Infrastructure - other	8(a)	146,611	154,935	155,082
Infrastructure - airport	8(a)	111,554	111,555	111,554
Right of use assets - furniture and equipment	10(a)	3,375	3,375	3,375
		<b>1,474,840</b>	<b>1,399,341</b>	<b>1,416,383</b>

**Depreciation rates**

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

Asset Class	Useful life
Buildings - non specialised	12 to 50 years
Furniture and equipment	2 to 5 years
Plant and equipment	3 to 16 years
Infrastructure - roads	15 to 50 years
Other infrastructure - drainage	50 years
Other infrastructure - foopaths	25 years
Other infrastructure - parks and ovals	6 to 12 years
Infrastructure - airport	15 to 50 years
Infrastructure - kerbing	30 years

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

**9. FIXED ASSETS (Continued)**

**(b) Disposals of assets**

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	0	0	0	0	6,000	3,000	0	(3,000)
Plant and equipment	90,041	139,546	49,505	0	97,727	135,000	37,273	0	73,218	181,609	108,391	0
	90,041	139,546	49,505	0	97,727	135,000	37,273	0	79,218	184,609	108,391	(3,000)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
<b>Plant and Equipment</b>				
<b>Transport</b>				
Toyota Prado	48,887	61,818	12,931	0
Ford Everest	4,285	32,273	27,988	0
Toyota Hilux	36,869	45,455	8,586	0
	90,041	139,546	49,505	0

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

**9. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

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

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

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

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

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

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

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

**Revaluation**

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

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

**Revaluation (continued)**

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

**Depreciation**

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

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

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

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

**Depreciation on revaluation**

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

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

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

**10. LEASES**

**(a) Right-of-Use Assets**

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

	Note	Right of use assets - furniture and \$	Right-of-use assets Total \$
<b>Balance at 1 July 2020</b>		8,451	8,451
Depreciation		(3,375)	(3,375)
<b>Balance at 30 June 2021</b>		5,076	5,076
Depreciation	9(a)	(3,375)	(3,375)
<b>Balance at 30 June 2022</b>		1,701	1,701

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

		2022 Actual \$	2021 Actual \$
Depreciation on right-of-use assets	9(a)	(3,375)	(3,375)
Interest expense on lease liabilities	28(b)	(47)	(91)
<b>Total amount recognised in the statement of comprehensive income</b>		<b>(3,422)</b>	<b>(3,466)</b>
Total cash outflow from leases		(3,459)	(3,457)
<b>(b) Lease Liabilities</b>			
Current		1,723	3,412
Non-current	28(b)	0	1,723
		<b>1,723</b>	<b>5,135</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 28(b).

**Right-of-use assets - valuation measurement**

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 9 under revaluation for details on the significant accounting policies applying to vested improvements.

**Right-of-use assets - depreciation**

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

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

**11. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
 Prepaid rates  
 Accrued payroll liabilities  
 PAYG and FBT liabilities  
 Accrued expenses  
 Bonds and deposits held  
 Payroll creditors  
 Accrued Interest on loans

	2022	2021
	\$	\$
	985,085	189,645
	33,023	20,790
	22,863	24,343
	31,142	14,809
	0	5,202
	7,928	6,486
	0	510
	1,870	773
	1,081,911	262,558

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

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

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

**Prepaid rates**

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

**SHIRE OF WYALKATCHEM**  
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**12. OTHER LIABILITIES**

	2022	2021
	\$	\$
<b>Current</b>		
Contract liabilities	197,573	218,089
Capital grant/contributions liabilities	160,605	0
	358,178	218,089
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	218,089	0
Additions	197,573	218,089
Revenue from contracts with customers included as a contract liability at the start of the period	(218,089)	0
	197,573	218,089
<b>Reconciliation of changes in capital grant/contribution liabilities</b>		
Opening balance	0	0
Additions	160,605	0
Revenue from capital grant/contributions held as a liability at the start of the period	0	0
	160,605	0
<b>Expected satisfaction of capital grant/contribution liabilities</b>		
Less than 1 year	160,605	0

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

**Reconciliation of changes in capital grant/contribution liabilities**

Opening balance  
 Additions  
 Revenue from capital grant/contributions held as a liability at the start of the period

**Expected satisfaction of capital grant/contribution liabilities**

Less than 1 year

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

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

**13. BORROWINGS**

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		50,192	53,126	103,318	47,440	103,318	150,758
<b>Total secured borrowings</b>	28(a)	50,192	53,126	103,318	47,440	103,318	150,758

**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 Wyalkatchem.

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Information regarding exposure to risk can be found at Note 22.

Details of individual borrowings required by regulations are provided at Note 28(a).

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

**14. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual Leave

Long Service Leave

**Non-current provisions**

Long Service Leave

	2022	2021
	\$	\$
	48,976	55,274
	16,016	17,299
	64,992	72,573
	26,356	40,290
	26,356	40,290
	91,348	112,863

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

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

**Amounts are expected to be settled on the following basis:**

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
	59,955	66,005
	31,393	46,858
	91,348	112,863

**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 WYALKATCHEM**  
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**15. REVALUATION SURPLUS**

	<b>2022 Opening Balance</b>	<b>2022 Closing Balance</b>	<b>2021 Opening Balance</b>	<b>2021 Revaluation Increment</b>	<b>2021 Revaluation (Decrement)</b>	<b>Total Movement on Revaluation</b>	<b>2021 Closing Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revaluation surplus - Land - freehold land	0	0	319,000	0	(319,000)	(319,000)	0
Revaluation surplus - Buildings - non specialised	7,592,300	7,592,300	3,484,914	4,107,386	0	4,107,386	7,592,300
Revaluation surplus - Furniture and equipment	1,825	1,825	1,825	0	0	0	1,825
Revaluation surplus - Plant and equipment	77,020	77,020	77,020	0	0	0	77,020
Revaluation surplus - Infrastructure - roads	29,108,543	29,108,543	29,108,543	0	0	0	29,108,543
Revaluation surplus - Infrastructure - drainage	2,272,115	2,272,115	2,272,115	0	0	0	2,272,115
Revaluation surplus - Infrastructure - footpaths	233,186	233,186	233,186	0	0	0	233,186
Revaluation surplus - Infrastructure - parks and ovals	344,502	344,502	344,502	0	0	0	344,502
Revaluation surplus - Infrastructure - other	1,416,892	1,416,892	1,416,892	0	0	0	1,416,892
	<b>41,046,383</b>	<b>41,046,383</b>	<b>37,257,997</b>	<b>4,107,386</b>	<b>(319,000)</b>	<b>3,788,386</b>	<b>41,046,383</b>

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

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

**16. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
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Cash and cash equivalents	3	2,704,077	3,155,889	4,771,461
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**Restrictions**

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

- Cash and cash equivalents	3	0	0	2,558,033
- Financial assets at amortised cost	4	2,958,155	2,953,485	0
		2,958,155	2,953,485	2,558,033

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

Restricted reserve accounts	29	2,958,155	2,953,485	2,558,033
<b>Total restricted financial assets</b>		2,958,155	2,953,485	2,558,033

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

Net result		767,716	(470,170)	214,768
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(2,998)	0	(8,955)
Depreciation/amortisation		1,474,840	1,399,341	1,416,383
(Profit)/loss on sale of asset		(49,505)	(37,273)	(105,391)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(181,432)	0	19,562
(Increase)/decrease in inventories		6,499	0	(4,248)
Increase/(decrease) in trade and other payables		819,353	0	108,050
Increase/(decrease) in employee related provisions		(21,515)	0	(11,512)
Increase/(decrease) in contract liabilities		(20,516)	(218,089)	169,502
Non-operating grants, subsidies and contributions		(1,156,156)	(1,028,474)	(717,515)
Net cash provided by/(used in) operating activities		1,636,286	(354,665)	1,080,644

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank overdraft limit		250,000	150,000	250,000
Credit card limit		13,000	13,000	13,000
Credit card balance at balance date		(2,688)	(9)	(7,703)
<b>Total amount of credit unused</b>		260,312	162,991	255,297

**Loan facilities**

Loan facilities - current		50,192	47,440	47,440
Loan facilities - non-current		53,126	1,024,113	103,318
<b>Total facilities in use at balance date</b>		103,318	1,071,553	150,758

**SHIRE OF WYALKATCHEM  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**17. CONTINGENT LIABILITIES**

The Shire operates a single landfill in Cemetery Road, Wyalkatchem, which receives all of the kerbside and general waste generated by the community. This site was registered with the Department of Environment Protection, Water and Rivers Commission on 10 June 2003. The closest property to the landfill is 2.5km away.

The landfill site covers a total area of 35ha and the current use space is about 8,000m<sup>2</sup> with approximately 50,000m<sup>2</sup> available for future expansion.

At the current rate of waste disposal the site has a remaining life of 25 years.

The Shire is currently drafting its landfill closure plan which, once complete, will inform the scale of the Council's rehabilitation liability and annual allocation to its Waste Management Reserve.

The Shire is currently unaware of the extent of contamination, if any, at the site.

The Waste Management Reserve (Note 29) currently has a balance of \$107,941 with a further \$219 budgeted to be transferred into this reserve in financial year 2023.

**18. CAPITAL COMMITMENTS**

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	397,981	0
- plant and equipment purchases	18,709	0
	416,690	0
Payable:		
- not later than one year	416,690	0

**SHIRE OF WYALKATCHEM**  
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**19. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Note	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>Councillor Quentin Davies, President</b>			
President's annual allowance	6,090	6,090	6,090
Meeting attendance fees	4,793	4,793	4,793
ICT expenses	544	544	544
	11,427	11,427	11,427
<b>Councillor Owen Garner, Deputy President</b>			
Deputy President's annual allowance	1,523	1,523	1,523
Meeting attendance fees	4,793	4,793	4,793
ICT expenses	544	544	544
	6,860	6,860	6,860
<b>Councillor Steve Gamble</b>			
Meeting attendance fees	4,793	4,793	4,793
ICT expenses	544	544	544
	5,337	5,337	5,337
<b>Councillor Mischa Stratford</b>			
Meeting attendance fees	4,793	4,793	4,793
ICT expenses	544	544	544
	5,337	5,337	5,337
<b>Councillor Emma Holdsworth</b>			
Meeting attendance fees	4,793	4,793	4,793
ICT expenses	544	544	544
	5,337	5,337	5,337
<b>Councillor Rachel Nightingale</b>			
Meeting attendance fees	0	4,793	4,793
ICT expenses	0	544	544
	0	5,337	5,337
<b>Councillor Christy Petchell</b>			
Meeting attendance fees	3,595	0	0
ICT expenses	408	0	0
	4,003	0	0
<b>Councillor Christopher Loton</b>			
Meeting attendance fees	1,198	0	0
ICT expenses	136	0	0
	1,334	0	0
<b>Expenses not allocated to individual councillors</b>			
Training and development	0	7,500	0
Annual allowance for travel and accommodation expenses	0	1,000	0
	0	8,500	0
	39,635	48,135	39,635
Fees, expenses and allowances to be paid or reimbursed to elected council members.	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
President's annual allowance	6,090	6,090	6,090
Deputy President's annual allowance	1,523	1,523	1,523
Meeting attendance fees	28,758	28,758	28,758
Training and development	0	7,500	0
Annual allowance for ICT expenses	3,264	3,264	3,264
Annual allowance for travel and accommodation expenses	0	1,000	0
	39,635	48,135	39,635

19(b)

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**19. RELATED PARTY TRANSACTIONS (Continued)**

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

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

	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	386,468	338,013
Post-employment benefits	42,716	46,931
Employee - other long-term benefits	3,648	1,561
Employee - termination benefits	8,574	65,100
Council member costs	39,635	39,635
	<b>481,041</b>	<b>491,240</b>

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Termination benefits*

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

*Council member costs*

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

**(c) 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>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
Purchase of goods and services	25,483	1,319

**Amounts payable to related parties:**

Trade and other payables	0	0
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**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**19. RELATED PARTY TRANSACTIONS (Continued)**

**(d) Related Parties**

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

*i. Key management personnel*

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

*ii. Other Related Parties*

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

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

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

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence.

Significant influence may be gained by share ownership, statute or agreement.

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

**20. JOINT ARRANGEMENTS**

The Shire was not a party to any joint arrangements during the financial year ended 30 June 2022.

**21. INVESTMENT IN ASSOCIATES**

The Shire was not a party to any investment in associates during the financial year ended 30 June 2022.

**SHIRE OF WYALKATCHEM**  
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**22. FINANCIAL RISK MANAGEMENT**

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

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

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

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

**(a) Interest rate risk**

**Cash and cash equivalents**

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

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

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2022</b>					
Cash and cash equivalents	0.67%	2,704,077	0	2,704,077	0
Financial assets at amortised cost - term deposits	2.15%	2,958,155	2,958,155	0	0

**2021**

Cash and cash equivalents	0.10%	4,771,461	0	4,771,461	0
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**Sensitivity**

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

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit and loss and equity*	27,041	47,715

\* Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 28(a).

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**22. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

**Trade and Other Receivables**

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

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

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

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

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

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

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
<b>30 June 2022</b>						
Rates receivable						
Expected credit loss	0%	0%	36%	100%	40%	
Gross carrying amount	2	30,728	18,259	22,028	71,017	
Loss allowance	0	0	6,657	22,028	28,685	5
<b>30 June 2021</b>						
Rates receivable						
Expected credit loss	0%	0%	0%	46%	13%	
Gross carrying amount	2,672	19,504	21,466	17,313	60,955	
Loss allowance	0	0	0	7,914	7,914	5

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

	Less than 1 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	Note
<b>30 June 2022</b>						
Trade and other receivables						
Expected credit loss	0%	0%	0%	0%	0%	
Gross carrying amount	141,590	0	4,047	2,653	148,290	
Loss allowance	0	0	0	0	0	5
<b>30 June 2021</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	19,281	906	249	416	20,852	
Loss allowance	0	0	0	0	0	5

**SHIRE OF WYALKATCHEM**  
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**22. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Rates receivable	
	2022 Actual	2021 Actual
	\$	\$
<b>Opening loss allowance as at 1 July</b>	7,914	0
Increase in loss allowance recognised in profit or loss during the year	20,771	7,914
<b>Closing loss allowance at 30 June</b>	28,685	7,914

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

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**22. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk**

**Payables and borrowings**

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

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

	Due within 1 year	Due between 1 and 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2022</b>					
Trade and other payables	1,081,911	0	0	1,081,911	1,081,911
Borrowings	55,437	55,437	0	110,874	103,318
Lease liabilities	1,729	0	0	1,729	1,723
	<u>1,139,077</u>	<u>55,437</u>	<u>0</u>	<u>1,194,514</u>	<u>1,186,952</u>
<b>2021</b>					
Trade and other payables	262,558	0	0	262,558	262,558
Borrowings	55,437	110,875	0	166,312	150,758
Lease liabilities	3,458	1,729	0	5,187	5,135
	<u>321,453</u>	<u>112,604</u>	<u>0</u>	<u>434,057</u>	<u>418,451</u>

**SHIRE OF WYALKATCHEM  
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**23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

There have been no material events after the reporting period which would affect the financial report of the Shire for the year ended 30th June 2022 or which would require a separate disclosure.

## 24. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

### b) Current and non-current classification

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

### c) Rounding off figures

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

### d) Comparative figures

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

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

### e) Budget comparative figures

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

### f) Superannuation

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

### g) Fair value of assets and liabilities

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

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

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

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

### h) Interest earnings

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

### i) Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

#### Valuation techniques

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

#### Market approach

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

#### Income approach

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

#### Cost approach

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

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

### j) Impairment of assets

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

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

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

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

### k) Initial application of accounting standards

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

### New accounting standards for application in future years

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

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

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

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**25. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

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

<b>Objective</b>	<b>Description</b>
<p><b>Governance</b></p> <p>To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>Include the activities of members of council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not specific the Shire services</p>
<p><b>General purpose funding</b></p> <p>To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p><b>Law, order, public safety</b></p> <p>To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various Acts, regulations and by-laws relating to fire prevention, animal control and other aspects of public safety including emergency services.</p>
<p><b>Health</b></p> <p>To provide an operational framework for environmental and community health.</p>	<p>Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance. Provision of various medical facilities.</p>
<p><b>Education and welfare</b></p> <p>To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>Maintenance and support of child minding and playgroup centres, senior citizen and aged care facilities. Provision and maintenace of home care programs and youth services.</p>
<p><b>Housing</b></p> <p>To provide and maintain staff and elderly residents housing.</p>	<p>Provision and maintenace of staff, community and joint venture housing.</p>
<p><b>Community amenities</b></p> <p>To provide services required by the community.</p>	<p>Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery, public conveniences and community bus.</p>
<p><b>Recreation and culture</b></p> <p>To establish and effectively manage infrastructure and resource which will help the social well being of the community.</p>	<p>Maintenance of public halls, aquatic centres, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens, reserves and playgrounds. Provision of library services (contract). Support of museum and other cultural facilities and services.</p>
<p><b>Transport</b></p> <p>To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, streets, footpaths, cycling ways, airstrip, parking facilities and traffic control. Cleaning of streets and maintenace of street trees, street lighting etc.</p>
<p><b>Economic services</b></p> <p>To help promote the Shire and its economic wellbeing.</p>	<p>Tourism and area promotion. Maintenance and operation of the Saleyards. Building Control. Provision of rural services including weed control, vermin control and standpipes.</p>
<p><b>Other property and services</b></p> <p>To monitor and control Council's overheads operating accounts.</p>	<p>Private works operation, plant repair and operational costs and engineering operation costs.</p>

**SHIRE OF WYALKATCHEM**  
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**25. FUNCTION AND ACTIVITY**

**(b) Income and expenses**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Income excluding grants, subsidies and contributions</b>			
Governance	2,998	0	8,955
General purpose funding	1,366,172	1,379,263	1,340,554
Law, order, public safety	1,961	5,930	6,662
Health	427	236	10,472
Housing	40,067	46,175	50,432
Community amenities	112,420	109,120	105,760
Recreation and culture	1,629	4,420	1,813
Transport	6,495	12,412	35,386
Economic services	61,360	47,150	61,385
Other property and services	70,972	35,273	68,631
	<b>1,664,501</b>	<b>1,639,979</b>	<b>1,690,050</b>
<b>Grants, subsidies and contributions</b>			
General purpose funding	2,670,623	1,174,833	1,675,651
Law, order, public safety	43,206	46,799	27,774
Health	55,593	77,700	62,308
Housing	13,830	5,463	8,713
Community amenities	175,439	171,439	8,320
Recreation and culture	0	10,000	339,096
Transport	722,334	752,532	707,117
Economic services	6,564	0	16,935
Other property and services	18,837	22,500	71,304
	<b>3,706,426</b>	<b>2,261,266</b>	<b>2,917,218</b>
<b>Total Income</b>	<b>5,370,927</b>	<b>3,901,245</b>	<b>4,607,268</b>
<b>Expenses</b>			
Governance	(504,419)	(569,900)	(483,097)
General purpose funding	(101,298)	(86,533)	(88,086)
Law, order, public safety	(114,004)	(114,846)	(85,619)
Health	(264,038)	(304,977)	(270,549)
Education and welfare	(43,980)	(38,256)	(53,667)
Housing	(152,332)	(152,700)	(150,960)
Community amenities	(208,156)	(181,517)	(176,111)
Recreation and culture	(1,224,217)	(1,048,752)	(1,396,266)
Transport	(1,312,582)	(1,520,572)	(1,286,815)
Economic services	(293,858)	(273,250)	(294,663)
Other property and services	(384,327)	(80,112)	(106,667)
<b>Total expenses</b>	<b>(4,603,211)</b>	<b>(4,371,415)</b>	<b>(4,392,500)</b>
<b>Net result for the period</b>	<b>767,716</b>	<b>(470,170)</b>	<b>214,768</b>

**SHIRE OF WYALKATCHEM**  
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**25. FUNCTION AND ACTIVITY (Continued)**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>(c) Fees and Charges</b>			
General purpose funding	4,224	2,810	4,277
Law, order, public safety	1,506	1,930	2,662
Health	427	236	472
Housing	40,067	46,175	50,434
Community amenities	108,853	109,120	105,633
Recreation and culture	1,629	4,420	1,812
Transport	6,501	7,412	2,686
Economic services	61,300	46,550	60,783
Other property and services	21,467	3,000	2,927
	<b>245,974</b>	<b>221,653</b>	<b>231,686</b>

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>(d) Total Assets</b>		
General purpose funding	3,123,611	2,428,533
Law, order, public safety	372,035	120,000
Health	1,723,964	1,668,205
Education and welfare	259,893	255,000
Housing	2,944,757	2,789,167
Community amenities	971,966	724,954
Recreation and culture	5,299,250	5,443,774
Transport	51,199,792	49,739,588
Economic services	3,130,552	3,075,190
Other property and services	1,734,628	2,667,247
Unallocated	0	193,999
	<b>70,760,448</b>	<b>69,105,657</b>

SHIRE OF WYALKATCHEM  
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26. RATING INFORMATION

(a) General Rates

RATE TYPE		Rate in \$	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
Wyalkatchem	Gross rental valuation	0.108774	197	1,361,837	148,132	(848)	0	147,284	148,132	0	0	148,132	142,064
Rural	Unimproved valuation	0.01474	210	81,049,000	1,194,662	0	0	1,194,662	1,194,662			1,194,662	1,161,558
<b>Sub-Total</b>			407	82,410,837	1,342,794	(848)	0	1,341,946	1,342,794	0	0	1,342,794	1,303,622
<b>Minimum payment</b>		<b>\$</b>											
Wyalkatchem	Gross rental valuation	495	53	68,317	26,235	0	0	26,235	26,235	0	0	26,235	27,018
Rural	Unimproved valuation	550	18	357,600	9,900	0	0	9,900	9,900	0	0	9,900	9,350
Mining	Unimproved valuation	550	12	35,329	6,600	277	(347)	6,530	6,600	0	0	6,600	6,354
<b>Sub-Total</b>			83	461,246	42,735	277	(347)	42,665	42,735	0	0	42,735	42,722
			490	82,872,083	1,385,529	(571)	(347)	1,384,611	1,385,529	0	0	1,385,529	1,346,344
Discounts on general rates (Refer note 26(f))								(44,910)				(40,000)	(40,297)
<b>Total amount raised from general rates</b>								1,339,701				1,345,529	1,306,047
* Rateable value is based on the value of properties at the time the rate is raised.													
<b>(b) Rates (excluding general rates)</b>													
<b>Ex-gratia Rates</b>													
			0	0	8,424	0	0	8,424	8,424	0	0	8,424	8,424
<b>Sub-Total</b>			0	0	8,424	0	0	8,424	8,424	0	0	8,424	8,424
Discounts on specified area and ex gratia rates (Refer note 26(f))													
<b>Total amount raised from rates (excluding general rates)</b>								8,424				8,424	8,424
<b>(c) Total Rates</b>													
								<b>1,348,125</b>				<b>1,353,953</b>	<b>1,314,471</b>

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

**SHIRE OF WYALKATCHEM**  
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**FOR THE YEAR ENDED 30 JUNE 2022**

**26. RATING INFORMATION (Continued)**

**(d) Specified Area Rate**

The Shire did not raise specified area rates for the year ended 30 June 2022

**(e) Service Charges**

The Shire did not raise service charges for the year ended 30 June 2022

**(f) Discounts, Incentives, Concessions, and Write-offs**

**Rates Discounts**

Rate or Fee Discount Granted	Type	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$	Circumstances in which Discount is Granted
Rates	Rate	5.00%	\$	44,910	40,000	40,297	Payment of all rates owing, received on or before 21 days after service date of rate.
				44,910	40,000	40,297	

**Waivers or Concessions**

**Rate or Fee and  
Charge to which  
the Waiver or  
Concession is Granted**

	Type	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$
Rubbish Service Charge - 1st service	Concession	30%	\$	0	0	0
				44,910	40,000	40,297

A discount of 30% on the 1st Rubbish Service to pensioner concession holders who have registered and are eligible for a rebate on their rates under the Rates and Charges (Rebates). This provides an affordable service to those who are on a pension.

*\*The reduced fee for eligible pensioners is included in fees and charges at the reduced rate. As such no budget for any discount is required.*

Total discounts/concessions (Note 26)

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**26. RATING INFORMATION (Continued)**

**(g) Interest Charges and Instalments**

<b>Instalment Options</b>	<b>Date Due</b>	<b>Instalment Plan Admin Charge</b>	<b>Instalment Plan Interest Rate</b>	<b>Unpaid Rates Interest Rate</b>
		<b>\$</b>	<b>%</b>	<b>%</b>
<b>Option One</b>				
Single full payment	13/09/2021	0.0	0.00%	7.00%
<b>Option Two</b>				
First instalment	13/09/2021	0.0	0.00%	0.00%
Second instalment	15/11/2021	5.0	5.50%	7.00%
Third instalment	17/01/2022	5.0	5.50%	7.00%
Fourth instalment	17/03/2022	5.0	5.50%	7.00%

	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest on unpaid rates	5,559	5,000	4,287
Interest on instalment plan	3,019	4,500	4,483
Charges on instalment plan	950	1,110	1,110
Pensioner deferred interest	221	0	146
	<b>9,749</b>	<b>10,610</b>	<b>10,026</b>

SHIRE OF WYALKATCHEM  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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27. RATE SETTING STATEMENT INFORMATION

	2021/22 (30 June 2022 Carried Forward)	2021/22 Budget (30 June 2022 Carried Forward)	2021/22 (1 July 2021 Brought Forward)	2020/21 (30 June 2021 Carried Forward)
Note	\$	\$	\$	\$
<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 Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	9(b)	(49,505)	(37,273)	(108,391)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(2,998)	0	(8,955)
Movement in pensioner deferred rates (non-current)		(5,910)	0	(5,573)
Movement in employee benefit provisions (non-current)		(13,934)	0	30,745
Add: Loss on disposal of assets	9(b)	0	0	3,000
Add: Depreciation	9(a)	1,474,840	1,399,341	1,416,383
<b>Non-cash amounts excluded from operating activities</b>		<b>1,402,493</b>	<b>1,362,068</b>	<b>1,327,209</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	29	(2,958,155)	(2,504,347)	(2,558,033)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	13	50,192	0	47,440
- Current portion of lease liabilities	10(b)	1,723	0	3,412
<b>Total adjustments to net current assets</b>		<b>(2,906,240)</b>	<b>(2,504,347)</b>	<b>(2,507,181)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		5,980,156	4,897,513	4,920,362
Less: Total current liabilities		(1,556,996)	(600,155)	(604,072)
Less: Total adjustments to net current assets		(2,906,240)	(2,504,347)	(2,507,181)
<b>Net current assets used in the Rate Setting Statement</b>		<b>1,516,920</b>	<b>1,793,011</b>	<b>1,809,109</b>

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

28. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
43 and 45 Wilson Street		104,938	0	(23,619)	81,319	0	(25,300)	56,019	81,318	0	(25,288)	56,030
CRC Building		90,630	0	(21,191)	69,439	0	(22,140)	47,299	69,440	0	(24,974)	44,466
Nurses Accommodation		0	0	0	0	0	0	0	0	1,000,000	(28,943)	971,057
<b>Total</b>		<b>195,568</b>	<b>0</b>	<b>(44,810)</b>	<b>150,758</b>	<b>0</b>	<b>(47,440)</b>	<b>103,318</b>	<b>150,758</b>	<b>1,000,000</b>	<b>(79,205)</b>	<b>1,071,553</b>

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
43 and 45 Wilson Street		Housing	68	NAB	6.89%	\$ (5,176)	\$ (5,176)	\$ (4,302)
CRC Building		Economic services	73	WATC *	4.43%	(2,384)	(2,834)	(3,889)
Nurses Accommodation		Housing		WATC *	1.91%	0	(11,057)	0
<b>Total</b>						<b>(7,560)</b>	<b>(19,067)</b>	<b>(8,191)</b>
<b>Total Interest Repayments</b>	2(b)					<b>(7,560)</b>	<b>(19,067)</b>	<b>(8,191)</b>

\* WA Treasury Corporation

(b) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal at 1 July 2020	New Leases During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
Fuji Photocopier		\$ 8,502	\$ 0	\$ (3,367)	\$ 5,135	\$ 0	\$ (3,412)	\$ 1,723	\$ 5,134	\$ 0	\$ (3,412)	\$ 1,722
<b>Total Lease Liabilities</b>	10(b)	<b>8,502</b>	<b>0</b>	<b>(3,367)</b>	<b>5,135</b>	<b>0</b>	<b>(3,412)</b>	<b>1,723</b>	<b>5,134</b>	<b>0</b>	<b>(3,412)</b>	<b>1,722</b>

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021	Lease Term
Fuji Photocopier		Other property and services	C5077C3721	Fuji Xerox	3.00%	\$ (47)	\$ (47)	\$ (90)	60 Months
<b>Total Interest Repayments</b>	2(b)					<b>(47)</b>	<b>(47)</b>	<b>(90)</b>	

**SHIRE OF WYALKATCHEM**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**29. RESERVE ACCOUNTS**

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) Leave Reserve	0	20,000	0	20,000	0	20,000	0	20,000	0	0	0	0
(b) Building Reserve	300,659	20,616	0	321,275	300,659	20,067	0	320,726	299,125	1,534	0	300,659
(c) Waste Management Reserve	57,555	50,386	0	107,941	57,555	50,281	0	107,836	57,261	294	0	57,555
(d) Plant & Equipment Reserve	225,425	230,143	0	455,568	225,425	287,402	(58,000)	454,827	199,402	66,023	(40,000)	225,425
(e) Community Bus Reserve	82,611	554	0	83,165	82,611	404	0	83,015	82,190	421	0	82,611
(f) Government Joint Venture Housing	18,508	33	(18,530)	11	18,508	0	(18,508)	0	18,413	95	0	18,508
(g) Sport & Recreation Facilities Reser	176,686	151,186	0	327,872	176,686	150,863	0	327,549	135,989	40,697	0	176,686
(h) Community Development Reserve	320,272	193,011	0	513,283	320,272	192,425	0	512,697	258,945	61,327	0	320,272
(i) Community Health Reserve	1,078,205	7,238	0	1,085,443	1,078,205	5,269	0	1,083,474	1,072,704	5,501	0	1,078,205
(j) Airport Development Reserve	43,150	290	0	43,440	43,150	211	0	43,361	42,930	220	0	43,150
(k) Depot Reserve	254,962	465	(255,270)	157	254,962	1,246	(256,208)	0	253,661	1,301	0	254,962
	2,558,033	673,922	(273,800)	2,958,155	2,558,033	728,168	(332,716)	2,953,485	2,420,620	177,413	(40,000)	2,558,033

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

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

<b>Name of Reserve</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
(a) Leave Reserve	Ongoing	To be used to fund annual and long service leave requirements
(b) Building Reserve	Ongoing	To be used for the continual upgrade and maintenance of council's buildings within the Shire of Wyalkatchem
(c) Waste Management Reserve	Ongoing	To be used for the continual upgrade and expansion of the Wyalkatchem Waste Disposal Site
(d) Plant & Equipment Reserve	Ongoing	To be used for the continual purchase of Major Plant items
(e) Community Bus Reserve	Ongoing	To be used to fund the continual purchase of a community bus
(f) Government Joint Venture Housing	Ongoing	To be used for the long term maintenance and upgrades of the joint venture housing
(g) Sport & Recreation Facilities Reser	Ongoing	To be used for the continual upgrade and/or maintenance of various Sport & Recreation facilities in Wyalkatchem
(h) Community Development Reserve	Ongoing	To be used for the continual upgrade and/or development of various community facilities in Wyalkatchem
(i) Community Health Reserve	Ongoing	To be used for the continual upgrade of medical facilities and funding of health services within the Shire of Wyalkatchem
(j) Airport Development Reserve	Ongoing	To be used for the long term maintenance, upgrades, development and/or expansion of the Wyalkatchem Airport
(k) Depot Reserve	Ongoing	To be used for the continual upgrade and expansion of the Wyalkatchem Depot



# Auditor General

## INDEPENDENT AUDITOR'S REPORT 2022 Shire of Wyalkatchem

To the Councillors of the Shire of Wyalkatchem

### Opinion

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

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

In my opinion, the financial report is:

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

### Basis for opinion

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

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

### Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

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

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

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

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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

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

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

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

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

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

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

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

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



Patrick Arulsingham  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
23 November 2022