



AGENDA

For the Audit Committee Meeting

To be held on the 31st May 2024

Notice of Meeting

The next Audit Committee Meeting for the Shire of Yalgoo will be held on Friday 31st May 2024 in the Council Chambers, 37 Gibbons Street Yalgoo, commencing at 9.00am



Ian Holland

CHIEF EXECUTIVE OFFICER

27th May 2024

Disclaimer:

The Shire of Yalgoo gives notice to members of the public that any decisions made at the meeting, can be revoked, pursuant to the Local Government Act 1995. Therefore members of the public should not rely on any decisions until formal notification in writing by Council has been received. Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material.

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Agenda – Audit Committee Meeting – Friday 31st May 2024

1 DECLARATION OF OPENING

The Shire President welcomed those in attendance and declared the meeting open at.

2 ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

In accordance with section 14 of the Local Government (Administration) Regulations 1996 “Meetings held by electronic means in public health emergency or state of emergency (Act s. 5.25(1)(ba))”, the President to declare that this Meeting may take place via instantaneous communication. All Councillors and staff are to be available either via telephone (teleconference) or in person.

Shire Deputy President

Councillors

Chief Executive Officer

Deputy CEO

Executive Assistant

APOLOGIES

LEAVE OF ABSENCE

3 DISCLOSURE OF INTERESTS

Councillors and Officers are reminded of the requirements of s5.65 of the Local Government Act 1995, to verbally disclose any interest during the meeting before the matter is discussed or to provide in writing the nature of the interest to the CEO before the meeting.

4 CONFIRMATION OF MINUTES

4.1 MINUTES OF THE AUDIT COMMITTEE MEETING – 22nd March 2024

RECOMMENDATION

That the minutes of the Audit Committee Meeting held on the 22nd March 2024 as attached be confirmed as a true and correct record.

Agenda – Audit Committee Meeting – Friday 31st May 2024

5 BUSINESS AS NOTIFIED

10.2 2021/22 Annual Audit and Financial Statement

Applicant:	Shire of Yalgoo
Date:	10/04/2024
Reporting Officer:	Chief Executive Officer Ian Holland
Disclosure of Interest:	NIL
Attachments:	NIL

SUMMARY

That Council accept the recommendation from the Audit Committee, that the Audit Report from the Office of the Auditor General be received.

COMMENT

On the 14th May 2024 AMD and the Office of the Auditor General met with the Shire President and Administration.

Significant issues from the 2021 audit were tabled along with 2 significant findings from the 2022 year. They are presented in this report as the comments will be provided to the Minister for Local Government under Section 7.12A of the Local Government Act 1995.

30 June 2021 Interim and Final Findings	Rating	Action by Management
1. Fair Value of Road Infrastructure Assets	Significant	At the end of the 2023 financial year the Shire engaged a reputable independent valuer to assess road infrastructure
2. Masterfile Accuracy & Validity	Significant	The Shire of Yalgoo changed financial software at the end of the 2021/22 Financial Year. This new software allows for audit trails to be examined and a hierarchy of user privileges has been established. Periodic Masterfile reviews have been conducted during the 2022/23 Financial Year. The sign off of review has become more timely in 2023/24
3. Daily Banking Reconciliations	Significant	Daily banking is now reviewed and signed by the person processing and a senior staff member. Prior to this in 22/23 the senior staff member would review and sign daily banking after it was processed by another staff member
4. Out of Date Council Policy Manual	Significant	LG People have been engaged to consolidate numerous policies that have been updated both internally

Agenda – Audit Committee Meeting – Friday 31st May 2024

		and at a Council level over the past 3 years. This will be presented to Council for review after the March 2024 Extraordinary Elections.
5. Asset Management Plan and Long-Term Financial Plan	Significant	Council have held a workshop and started the major review/rework of its asset plan in 2022/23. From there Council will review its LTFP which is still useful but just not recently reviewed.
6. Key Balance Sheet Reconciliations	Significant	The Shire has inside capacity to begin this process as at January 2024.

30 June 2022 Interim Findings	Rating	Action by Management
1. Transition to new accounting system	Significant	The timing of the system change was dependent on the software provider (who deals with multiple end of financial year projects). Reconciliations were also dependant on consultants. While time consuming and not to the standard of best practice this project was completed and continuous improvement of the system and how we use it are being implemented.
2. Valuation Review	Significant	If a local government is paying for an independent qualified/accredited valuation there is limited benefit to challenging their opinion. This difference was captured by the audit process. Management will examine if it is suitable/effective for a second accredited valuer to check the reasonableness and appropriateness of valuations.

Most of these risks have been addressed by fit for purpose software and additional staff that allow for a separation of duties. The Shire of Yalgoo is currently conducting an Audit Regulation 17 review and a Financial Management Regulation 5 review. If any of these findings are still evident, they will be prioritized. At present the Long Term plans still require major review which has begun and an internal policy requires development for the review of external valuations.

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STATUTORY ENVIRONMENT

Local Government Act 1995

7.12A. Duties of local government with respect to audits

(4) A local government must —

(a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and

(b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.

(5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

POLICY/FINANCIAL IMPLCATIONS

NIL

VOTING REQUIREMENT

Simple Majority

AUDIT COMMITTEE RECOMMENDATION

The Audit Committee recommends that Council:

1. accept the recommendation of the Audit Committee and **receive** the Independent Auditors Report for the year ending June 2022; and
2. provides the comments listed in this item as a report to the Minister for Local Government and publish that report on the Shire website.

6 URGENT BUSINESS

7 MEETING CLOSURE

There being no further business the Shire President declared the Audit Committee Meeting closed at.



Our Ref: 7970

7th Floor, Albert Facey House
469 Wellington Street, Perth

Mr Raul Valenzuela
President
Shire of Yalgoo
PO Box 40
YALGOO WA 6635

Mail to: Perth BC
PO Box 8489
PERTH WA 6849

Tel: 08 6557 7500
Email: info@audit.wa.gov.au

Email: threerv@hotmail.com

Dear Mr Valenzuela

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

The Office has completed the audit of the annual financial report for your local government. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the CEO and the Minister, as required by the Act. The CEO is required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

Qualified audit opinion

The Auditor General's audit opinion has been qualified as we were unable to obtain sufficient and appropriate audit evidence regarding the prior year financial report, as the financial report was submitted for audit purposes without complete and accurate underlying records. The opinion on the financial report for the year ended 30 June 2021 was modified accordingly. The opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

Management Control Issues

I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachment.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

Unresolved matters from prior audits

We also draw your attention to the Matters Outstanding from Prior Audits issues set out in the attachment. We would appreciate your attention to these matters before next year's audit.

The date that entities provided their annual financial report to the Office has been recorded for purposes of reporting to Parliament. The date recorded for the receipt of your financial statements was 21 December 2022.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Feel free to contact me on 6557 7620 if you would like to discuss these matters further.

Yours sincerely

Steven Hoar
Director
Financial Audit
14 May 2024

Attach



Our Ref: 7970

Mr Ian Holland
Chief Executive Officer
Shire of Yalgoo
PO Box 40
YALGOO WA 6635

Email: ceo@yalgoo.wa.gov.au

7th Floor, Albert Facey House
469 Wellington Street, Perth

Mail to: Perth BC
PO Box 8489
PERTH WA 6849

Tel: 08 6557 7500
Email: info@audit.wa.gov.au

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We have also forwarded the reports to the President and the Minister for Local Government, as required by the Act. You are required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

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Yours sincerely

Steven Hoar
Director
Financial Audit
14 May 2024

Attach



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Yalgoo

To the Councillors of the Shire of Yalgoo

Qualified Opinion

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

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, 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, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, 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 Qualified Opinion

Financial report comparative information not supported with complete and accurate underlying records

I was unable to obtain sufficient and appropriate audit evidence regarding the prior year financial report, as the financial report was submitted for audit purposes without complete and accurate underlying records. My opinion on the financial report for the year ended 30 June 2021 was modified accordingly. My opinion on the current year financial report is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

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 qualified opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparing 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.

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 Yalgoo 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.

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
14 May 2024

SHIRE OF YALGOO
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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

The Shire will endeavour to provide the community services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life.

Principal place of business:
37 Gibbons Street
Yalgoo WA 6635

SHIRE OF YALGOO
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

The attached financial report of the Shire of Yalgoo 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 Yalgoo at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 14th day of May 202~~2~~4



Chief Executive Officer

IAN HOLLAND

Name of Chief Executive Officer

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

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Revenue				
Rates	23(a),2(a)	2,445,375	2,705,463	2,594,364
Operating grants, subsidies and contributions	2(a)	4,672,769	6,606,335	3,004,469
Fees and charges	22(c),2(a)	278,322	196,560	250,089
Interest earnings	2(a)	8,103	14,000	8,047
Other revenue	2(a)	11,246	48,250	50,265
		7,415,815	9,570,608	5,907,234
Expenses				
Employee costs		(1,796,949)	(2,121,198)	(1,588,079)
Materials and contracts		(2,535,907)	(5,037,192)	(1,893,209)
Utility charges		(95,840)	(46,000)	(66,910)
Depreciation	9(a)	(1,479,844)	(1,344,850)	(1,412,817)
Finance costs	2(b)	(10,727)	(10,987)	(15,463)
Insurance		(279,491)	(258,531)	(250,731)
Other expenditure	2(b)	(181,061)	(191,960)	(70,987)
		(6,379,819)	(9,010,718)	(5,298,196)
		1,035,996	559,890	609,038
Capital grants, subsidies and contributions	2(a)	777,095	2,187,651	664,348
Profit on asset disposals	9(b)	51,697	60,650	16,197
Loss on asset disposals	9(b)	(500)	0	(4,017)
Fair value adjustments to financial assets at fair value through profit or loss		1,921	0	646
Loss on revaluation of Other infrastructure	8(a)	0	0	0
		830,213	2,248,301	677,174
Net result for the period	22(b)	1,866,209	2,808,191	1,286,212
Other comprehensive losses for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	14	(59,208)	0	0
Total other comprehensive losses for the period	14	(59,208)	0	0
Total comprehensive income for the period		1,807,001	2,808,191	1,286,212

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



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

	NOTE	2022	2021
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	4,629,105	2,999,589
Trade and other receivables	5	236,439	804,249
Other financial assets	4(a)	2,110,587	2,102,916
Other assets	6	738,007	-
TOTAL CURRENT ASSETS		7,714,138	5,906,754
NON-CURRENT ASSETS			
Other financial assets	4(b)	20,372	18,451
Property, plant and equipment	7	11,906,791	11,189,023
Infrastructure	8	74,875,030	74,910,898
TOTAL NON-CURRENT ASSETS		86,802,193	86,118,372
TOTAL ASSETS		94,516,331	92,025,126
CURRENT LIABILITIES			
Trade and other payables	10	1,435,218	697,080
Other liabilities	11	46,308	61,308
Borrowings	12	82,094	105,420
Employee related provisions	13	235,196	172,207
TOTAL CURRENT LIABILITIES		1,798,816	1,036,015
NON-CURRENT LIABILITIES			
Borrowings	12	46,815	128,910
Employee related provisions	13	58,662	55,164
TOTAL NON-CURRENT LIABILITIES		105,477	184,074
TOTAL LIABILITIES		1,904,293	1,220,089
NET ASSETS		92,612,038	90,805,037
EQUITY			
Retained surplus		35,347,628	33,489,090
Reserve accounts	26	2,110,587	2,102,916
Revaluation surplus	14	55,153,823	55,213,031
TOTAL EQUITY		92,612,038	90,805,037

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

SHIRE OF YALGOO
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		32,669,747	1,636,047	55,213,031	89,518,825
Comprehensive income for the period					
Net result for the period		1,286,212	-	-	1,286,212
Total comprehensive income for the period		1,286,212	-	-	1,286,212
Transfers to reserves	26	(466,869)	466,869	-	-
Balance as at 30 June 2021		33,489,090	2,102,916	55,213,031	90,805,037
Comprehensive income for the period					
Net result for the period		1,866,209	-	-	1,866,209
Other comprehensive losses for the period	14	-	-	(59,208)	(59,208)
Total comprehensive income for the period		1,866,209	-	(59,208)	1,807,001
Transfers to reserves	26	(7,671)	7,671	-	-
Balance as at 30 June 2022		35,347,628	2,110,587	55,153,823	92,612,038

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,664,687	2,874,348	2,414,245
Operating grants, subsidies and contributions		4,231,159	6,802,497	3,205,521
Fees and charges		289,673	196,560	249,530
Interest received		8,103	14,000	8,047
Goods and services tax received		366,088	109,468	382,055
Other revenue		31,166	48,250	1,158,228
		7,590,876	10,045,123	7,417,626
Payments				
Employee costs		(1,685,149)	(2,241,750)	(1,643,096)
Materials and contracts		(1,835,340)	(5,239,791)	(1,709,107)
Utility charges		(95,840)	(46,000)	(66,910)
Finance costs		(10,727)	(11,777)	(15,463)
Insurance paid		(279,491)	(258,531)	(250,731)
Goods and services tax paid		(368,000)	-	(368,809)
Other expenditure		(181,061)	(191,960)	(70,987)
		(4,455,608)	(7,989,809)	(4,125,103)
Net cash provided by (used in) operating activities	15(b)	3,135,268	2,055,314	3,292,523
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost		(7,671)	-	(2,102,916)
Payments for purchase of property, plant & equipment	7(a)	(623,804)	(2,738,320)	(1,057,883)
Payments for construction of infrastructure	8(a)	(1,642,820)	(1,573,000)	(1,116,893)
Non-operating grants, subsidies and contributions		777,095	2,187,651	664,348
Proceeds from sale of property, plant & equipment	9(b)	96,869	403,000	204,000
Net cash provided by (used in) investing activities		(1,400,331)	(1,720,669)	(3,409,344)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	25(a)	(105,421)	(105,420)	(100,652)
Net cash provided by (used in) financing activities		(105,421)	(105,420)	(100,652)
Net increase (decrease) in cash held		1,629,516	229,225	(217,473)
Cash at beginning of year		2,999,589	5,091,873	3,217,062
Cash and cash equivalents at the end of the year	3,15(a)	4,629,105	5,321,098	2,999,589

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	24(b)	3,062,634	3,049,556	2,929,897
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Operating grants, subsidies and contributions		4,672,769	6,606,335	3,004,469
Fees and charges		278,322	196,560	250,089
Interest earnings		8,103	14,000	8,047
Other revenue		11,246	48,250	50,265
Profit on asset disposals	9(b)	51,697	60,650	16,197
Fair value adjustments to financial assets at fair value through profit or loss		1,921	-	646
		5,024,058	6,925,795	3,329,713
Expenditure from operating activities				
Employee costs		(1,796,949)	(2,121,198)	(1,588,079)
Materials and contracts		(2,535,907)	(5,037,192)	(1,893,209)
Utility charges		(95,840)	(46,000)	(66,910)
Depreciation		(1,479,844)	(1,344,850)	(1,412,817)
Finance costs		(10,727)	(10,987)	(15,463)
Insurance		(279,491)	(258,531)	(250,731)
Other expenditure		(181,061)	(191,960)	(70,987)
Loss on asset disposals	9(b)	(500)	-	(4,017)
Loss on revaluation of non-current assets		-	-	-
		(6,380,319)	(9,010,718)	(5,302,213)
Non-cash amounts excluded from operating activities	24(a)	1,554,357	1,284,200	1,384,822
Amount attributable to operating activities		198,096	(800,723)	(587,678)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	777,095	2,187,651	664,348
Proceeds from disposal of assets	9(b)	96,869	403,000	204,000
Purchase of property, plant and equipment	7(a)	(623,804)	(2,738,320)	(1,057,883)
Purchase and construction of infrastructure	8(a)	(1,642,820)	(1,573,000)	(1,116,893)
		(1,392,660)	(1,720,669)	(1,306,428)
Amount attributable to investing activities		(1,392,660)	(1,720,669)	(1,306,428)
FINANCING ACTIVITIES				
Repayment of borrowings	25(a)	(105,421)	(105,420)	(100,652)
Transfers to reserves (restricted assets)	26	(7,671)	(3,128,206)	(466,869)
Amount attributable to financing activities		(113,092)	(3,233,626)	(567,521)
Surplus/(deficit) before imposition of general rates		1,754,978	(2,705,462)	468,270
Total amount raised from general rates	23(a)	2,445,375	2,705,463	2,594,364
Surplus/(deficit) after imposition of general rates	24(b)	4,200,353	1	3,062,634

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

SHIRE OF YALGOO
FOR THE YEAR ENDED 30 JUNE 2022
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SHIRE OF YALGOO
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 Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

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

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

The local government reporting entity

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

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

Judgements and estimates

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of useful lives of non-current assets
- estimation of fair values of land and buildings, and infrastructure.

SHIRE OF YALGOO
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
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contractual commitments	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service
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
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
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
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, 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
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Reimbursements	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.

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

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	-	-	2,445,375	-	2,445,375
Operating grants, subsidies and contributions	662,361	-	-	4,010,408	4,672,769
Fees and charges	64,934	-	11,204	202,184	278,322
Interest earnings	-	-	263	7,840	8,103
Other revenue	8,892	-	-	2,354	11,246
Non-operating grants, subsidies and contributions	-	777,095	-	-	777,095
Total	736,187	777,095	2,456,842	4,222,786	8,192,910

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	2,594,364	-	2,594,364
Operating grants, subsidies and contributions	3,004,469	-	-	-	3,004,469
Fees and charges	250,089	-	-	-	250,089
Interest earnings	-	-	13	8,034	8,047
Other revenue	50,263	-	-	2	50,265
Non-operating grants, subsidies and contributions	-	664,348	-	-	664,348
Total	3,304,821	664,348	2,594,377	8,036	6,571,582

Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings			
Interest on reserve funds	7,671	6,000	7,827
Rates instalment and penalty interest (refer Note 23(c))	263	5,000	13
Other interest earnings	169	3,000	207
	8,103	14,000	8,047
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report	51,800	38,000	37,000
- Other services	1,500	-	2,150
	53,300	38,000	39,150
Finance costs			
Borrowings	25(a) 10,727	10,987	15,463
	10,727	10,987	15,463
Other expenditure			
Impairment losses on rates receivables	11,351	-	41,424
Sundry expenses	169,710	191,960	29,563
	181,061	191,960	70,987

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

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Total cash and cash equivalents

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

Note	2022	2021
	\$	\$
	4,629,105	2,999,589
15(a)	4,629,105	2,999,589
	4,459,272	2,814,756
15(a)	169,833	184,833
	4,629,105	2,999,589

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 and for which no liability has been recognised.

Details of restrictions on financial assets can be found at Note 15 and 26.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Term deposits - restricted cash backed reserves

Held as
- Restricted other financial assets at amortised cost

(b) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2022	2021
	\$	\$
	2,110,587	2,102,916
	2,110,587	2,102,916
	2,110,587	2,102,916
	2,110,587	2,102,916
15(a)	2,110,587	2,102,916
	2,110,587	2,102,916
	20,372	18,451
	20,372	18,451
	20,372	18,451
	20,372	18,451

SIGNIFICANT ACCOUNTING POLICIES

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 19.

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 21 (i)) due to the observable market rates.

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

SHIRE OF YALGOO
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
 Other receivables - flood damage grant
 Other receivables - ATO - FBT refund and fuel credits

Note	2022	2021
	\$	\$
	141,325	368,379
	38,890	347,653
	108,999	107,087
19(b)	(52,775)	(41,424)
	-	2,634
	-	19,920
	236,439	804,249

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 19.

Classification and subsequent measurement

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

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

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

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

6. OTHER ASSETS

Other assets - current

Accrued income

	2022	2021
	\$	\$
	738,007	-
	738,007	-

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Accrued income

Other financial assets include income which represents income earned but not yet received.

SHIRE OF YALGOO
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	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		332,085	1,508,887	7,359,065	9,200,037	27,575	1,900,624	11,128,236
Additions		-	-	229,084	229,084	-	828,799	1,057,883
Disposals		-	-	-	-	-	(191,820)	(191,820)
Depreciation	9(a)	-	(47,197)	(225,595)	(272,792)	(8,070)	(524,414)	(805,276)
Balance at 30 June 2021		332,085	1,461,690	7,362,554	9,156,329	19,505	2,013,189	11,189,023
Comprises:								
Gross balance amount at 30 June 2021		332,085	1,648,758	8,225,414	10,206,257	54,146	3,740,046	14,000,449
Accumulated depreciation at 30 June 2021		-	(187,068)	(862,860)	(1,049,928)	(34,641)	(1,726,857)	(2,811,426)
Balance at 30 June 2021		332,085	1,461,690	7,362,554	9,156,329	19,505	2,013,189	11,189,023
Additions		-	-	339,321	339,321	15,097	269,386	623,804
Disposals		-	-	-	-	-	(45,672)	(45,672)
Revaluation increments / (decrements) transferred to revaluation surplus	14	(4,085)	125,690	236,592	358,197	-	-	358,197
Depreciation	9(a)	-	(47,374)	(239,183)	(286,557)	(7,462)	(524,542)	(818,561)
Transfers		-	5,194	594,806	600,000	-	-	600,000
Balance at 30 June 2022		328,000	1,545,200	8,294,090	10,167,290	27,140	1,712,361	11,906,791
Comprises:								
Gross balance amount at 30 June 2022		328,000	1,545,200	8,294,090	10,167,290	69,243	3,821,335	14,057,868
Accumulated depreciation at 30 June 2022		-	-	-	-	(42,103)	(2,108,974)	(2,151,077)
Balance at 30 June 2022		328,000	1,545,200	8,294,090	10,167,290	27,140	1,712,361	11,906,791

SHIRE OF YALGOO
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

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	Level 2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuer	June 2022	Price per hectare/market borrowing rates
Buildings - non-specialised	Level 2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuer	June 2022	Price per hectare/market borrowing rates
Buildings - specialised	Level 3	Improvements valued using cost approach using depreciated replacement cost	Independent registered valuer	June 2022	Improvements to land using construction costs (level 2), current condition, residual values and remaining useful life assessments (level 3) inputs
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
(ii) Cost					
Furniture and equipment	N/A	Cost	Cost	N/A	
Plant and equipment	N/A	Cost	Cost	N/A	

SHIRE OF YALGOO
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 - airport	Other infrastructure	Total Infrastructure
		\$	\$	\$	\$
Balance at 1 July 2020		69,680,049	1,401,554	3,319,943	74,401,546
Additions		1,032,932	-	83,961	1,116,893
Depreciation	9(a)	(437,809)	(40,790)	(128,942)	(607,541)
Balance at 30 June 2021		70,275,172	1,360,764	3,274,962	74,910,898
Comprises:					
Gross balance at 30 June 2021		81,206,654	2,039,468	3,645,603	86,891,725
Accumulated depreciation at 30 June 2021		(10,931,482)	(678,704)	(370,641)	(11,980,827)
Balance at 30 June 2021		70,275,172	1,360,764	3,274,962	74,910,898
Additions		1,506,989	-	135,831	1,642,820
Revaluation increments / (decrements) transferred to revaluation surplus	14	-	(354,975)	(62,430)	(417,405)
Depreciation	9(a)	(479,666)	(40,789)	(140,828)	(661,283)
Transfers		-	-	(600,000)	(600,000)
Balance at 30 June 2022		71,302,495	965,000	2,607,535	74,875,030
Comprises:					
Gross balance at 30 June 2022		82,713,643	965,000	2,628,330	86,306,973
Accumulated depreciation at 30 June 2022		(11,411,148)	-	(20,795)	(11,431,943)
Balance at 30 June 2022		71,302,495	965,000	2,607,535	74,875,030

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

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs (level 2), current condition, residual values and remaining useful life assessments (level 3) inputs
infrastructure - airport	Level 3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2022	Construction costs (level 2), current condition, residual values and remaining useful life assessments (level 3) inputs
Other infrastructure	Level 3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2022	Construction costs (level 2), current condition, 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 YALGOO
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)	47,374	-	47,197
Buildings - specialised	7(a)	239,183	282,418	225,595
Furniture and equipment	7(a)	7,462	10,759	8,070
Plant and equipment	7(a)	524,542	658,976	524,414
Infrastructure - roads	8(a)	479,666	390,007	437,809
infrastructure - airport	8(a)	40,789	-	40,790
Other infrastructure	8(a)	140,828	2,690	128,942
		1,479,844	1,344,850	1,412,817

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	35 years
Furniture and equipment	3 to 10 years
Plant and equipment	5 to 10 years
Sealed roads and streets	
construction/road base	41 years
Clearing and earthworks	not depreciated
Seal	
- bituminous seals	20 to 30 years
Gravel roads	
Construction/road base	23 years
Gravel sheet	23 years
Formed roads (unsealed)	
Clearing and earthworks	not depreciated
Construction/road base	14 years
Footpaths - slab	not depreciated
Airport infrastructure	40 to 50 years
Other infrastructure	6 to 67 years

SHIRE OF YALGOO
 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	45,672	96,869	51,697	(500)	342,350	403,000	60,650	-	191,820	204,000	16,197	(4,017)
	45,672	96,869	51,697	(500)	342,350	403,000	60,650	-	191,820	204,000	16,197	(4,017)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Plant and Equipment				
Recreation and culture				
Deluxe Bus	-	8,225	8,225	-
Kubota Utility Vehicle	12,780	12,280	-	(500)
Other property and services				
Toyota Prado	12,470	38,637	26,167	-
Toyota Prado GXL Wagon	20,422	37,727	17,305	-
	45,672	96,869	51,697	(500)

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

Revaluation

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

At the end of each period the carrying amount for each asset class is reviewed and where appropriate the fair value is updated to reflect current market conditions. 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 YALGOO
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10. TRADE AND OTHER PAYABLES

Current

Sundry creditors	1,106,659
Prepaid rates	21,799
Accrued payroll liabilities	77,797
ATO liabilities	88,067
Bonds and deposits held	34,098
Other payables - sundry liabilities	106,267
Other payables - accrued interest on borrowings	531
Other payables - superannuation contributions	-

2022	2021
\$	\$
1,106,659	496,766
21,799	29,541
77,797	16,394
88,067	104,157
34,098	15,930
106,267	2,219
531	790
-	31,283
1,435,218	697,080

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 YALGOO
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11. OTHER LIABILITIES

Current

Capital grant/contributions liabilities

Opening balance

Additions

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

	2022	2021
	\$	\$
Capital grant/contributions liabilities	46,308	61,308
	46,308	61,308
Opening balance	61,308	61,308
Additions	46,308	-
Revenue from capital grant/contributions held as a liability at the start of the period	(61,308)	-
	46,308	61,308

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 21(i)) due to the unobservable inputs, including own credit risk.

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12. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		82,094	46,815	128,909	105,420	128,910	234,330
Total secured borrowings	25(a)	82,094	46,815	128,909	105,420	128,910	234,330

Secured liabilities and assets pledged as security

Debentures are secured by a floating charge over the assets of the Shire of Yalgoo.

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 21(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 19.

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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13. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave

Long Service Leave

Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
	162,236	125,477
	72,960	46,730
	<u>235,196</u>	<u>172,207</u>
	58,662	55,164
	<u>58,662</u>	<u>55,164</u>
	<u>293,858</u>	<u>227,371</u>

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

	2022	2021
	\$	\$
	92,420	82,099
	201,438	145,272
	<u>293,858</u>	<u>227,371</u>

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 YALGOO
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14. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	62,000	-	(4,085)	(4,085)	57,915	62,000	62,000
Revaluation surplus - Buildings	1,901,848	631,380	(269,098)	362,282	2,264,130	1,901,848	1,901,848
Revaluation surplus - Furniture and equipment	25,665	-	-	-	25,665	25,665	25,665
Revaluation surplus - Plant and equipment	1,561,098	-	-	-	1,561,098	1,561,098	1,561,098
Revaluation surplus - Infrastructure - roads	49,372,768	-	-	-	49,372,768	49,372,768	49,372,768
Revaluation surplus - infrastructure - airport	1,335,784	-	(354,975)	(354,975)	980,809	1,335,784	1,335,784
Revaluation surplus - Other infrastructure	953,868	-	(62,430)	(62,430)	891,438	953,868	953,868
	55,213,031	631,380	(690,588)	(59,208)	55,153,823	55,213,031	55,213,031

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 YALGOO
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15 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	4,629,105	5,321,098	2,999,589
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	169,833	3,128,206	184,833
- Financial assets at amortised cost	4	2,110,587	2,102,916	2,102,916
		2,280,420	5,231,122	2,287,749
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	26	2,110,587	5,231,122	2,102,916
Capital grants/contribution liabilities	11	46,308	-	61,308
Unspent loans	25(b)	123,525	-	123,525
Total restricted financial assets		2,280,420	5,231,122	2,287,749

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

Net result		1,866,209	2,808,191	1,286,212
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(1,921)	-	(646)
Depreciation/amortisation	9(a)	1,479,844	1,344,850	1,412,817
(Profit)/loss on sale of asset	9(b)	(51,197)	(60,650)	(12,180)
Loss on revaluation of fixed assets		-	-	-
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		567,810	535,823	1,174,634
(Increase)/decrease in other assets	6	(738,007)	-	-
Increase/(decrease) in trade and other payables		738,138	(323,941)	154,517
Increase/(decrease) in employee related provisions		66,487	-	(20,934)
Increase/(decrease) in capital grants/contributions liabilities		(15,000)	(61,308)	(37,549)
Non-operating grants, subsidies and contributions		(777,095)	(2,187,651)	(664,348)
Net cash provided by/(used in) operating activities		3,135,268	2,055,314	3,292,523

(c) Undrawn Borrowing Facilities
Credit Standby Arrangements

Bank overdraft limit		50,000		50,000
Bank overdraft at balance date		-		-
Credit card limit		15,000		15,000
Credit card balance at balance date		(3,295)		(75)
Total amount of credit unused		61,705		64,925

Loan facilities

Loan facilities - current	12	82,094		105,420
Loan facilities - non-current	12	46,815		128,910
Total facilities in use at balance date		128,909		234,330

Unused loan facilities at balance date

NIL

NIL

SHIRE OF YALGOO
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16. CONTINGENT LIABILITIES

Shire of Yalgoo has identified the following sites, in relation to land owned, vested or leased, that is known to be, or suspected of being contaminated. As at the date of this report the value and timing of remediation has not been ascertained.

Lot 196, 21 Stanley Street, Yalgoo - Shire depot, contaminated with heavy metals and hydrocarbons, investigation of rehabilitation works is required.

17. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	182,761	138,151
Payable:		
- not later than one year	182,761	138,151

The Shire contracted Willoughby Construction and Murchison Rammed Earth to construct the Yalgoo Caravan Park Chalets. The outstanding commitment under the contract as at 30 June 2021 was \$138,151.

In 2022 the Shire contracted Modular WA to construct a transportable residence at 21 Campbell St Yalgoo. The outstanding commitment under the contract as at 30 June 2022 was \$182,761.

SHIRE OF YALGOO
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18. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Councillor G Payne			
President's annual allowance	11,000	12,000	11,000
Meeting attendance fees	6,458	7,500	7,281
Annual allowance for ICT expenses	3,208	3,500	3,500
Travel and accommodation expenses	5,446	1,250	832
	26,112	24,250	22,613
Councillor G Trenfield			
Deputy President's annual allowance	3,000	3,000	3,000
Meeting attendance fees	3,186	4,500	3,557
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	-	1,250	-
	9,686	12,250	10,057
Councillor T Hodder			
Meeting attendance fees	4,130	4,500	3,321
Annual allowance for ICT expenses	3,792	3,500	3,500
Travel and accommodation expenses	960	1,250	-
	8,882	9,250	6,821
Councillor P Lawson			
Meeting attendance fees	472	4,500	2,140
Annual allowance for ICT expenses	292	3,500	3,500
Travel and accommodation expenses	-	1,250	-
	764	9,250	5,640
Councillor R Valenzuela			
Meeting attendance fees	4,366	4,500	3,678
Annual allowance for ICT expenses	3,792	3,500	3,500
Travel and accommodation expenses	-	1,250	-
	8,158	9,250	7,178
Councillor G Simpson			
Meeting attendance fees	3,894	4,500	2,613
Annual allowance for ICT expenses	3,500	3,500	3,208
Travel and accommodation expenses	960	1,250	-
	8,354	9,250	5,821
Councillor S Willock			
Meeting attendance fees	2,242	-	-
Annual allowance for ICT expenses	2,333	-	-
	4,575	-	-
	66,531	73,500	58,130

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

President's annual allowance	11,000	12,000	11,000
Deputy President's annual allowance	3,000	3,000	3,000
Meeting attendance fees	24,748	30,000	22,590
Annual allowance for ICT expenses	20,417	21,000	20,708
Travel and accommodation expenses	7,366	7,500	832
18(b)	66,531	73,500	58,130

SHIRE OF YALGOO
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18. 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:

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	159,533	200,323
Post-employment benefits	26,492	20,967
Employee - other long-term benefits	29,583	15,957
Council member costs	66,531	58,130
18(a)	282,139	295,377

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Council member costs

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

(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.

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

	2022 Actual	2021 Actual
	\$	\$
Purchase of goods and services	12,367	19,823
Amounts outstanding from related parties:		
Trade and other receivables	443	63
Amounts payable to related parties:		
Trade and other payables	0	4,701

(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 YALGOO
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19. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	1.00%	4,629,105	-	4,628,905	200
Financial assets at amortised cost - term deposits	3.20%	2,110,587	2,110,587	-	-
2021					
Cash and cash equivalents	0.50%	2,999,589	-	2,999,389	200
Financial assets at amortised cost - term deposits	0.30%	2,102,916	2,102,916	-	-

Sensitivity

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

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	46,289	29,994

* 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 25(a).

SHIRE OF YALGOO
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19. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	-	-	-	100%		
Gross carrying amount	47,884	18,083	22,583	52,775	141,325	
Loss allowance	-	-	-	52,775	52,775	5
30 June 2021						
Rates receivable						
Expected credit loss	-	-	-	65.62%		
Gross carrying amount	61,215	194,234	50,249	62,681	368,379	
Loss allowance	-	-	-	41,424	41,424	5

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

	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2022					
Trade and other receivables					
Expected credit loss	-	-	-	-	
Gross carrying amount	30,546	269	-	7,783	38,598
30 June 2021					
Trade and other receivables					
Expected credit loss	-	-	-	-	
Gross carrying amount	301,295	-	240	46,118	347,653

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19. 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		Trade and other receivables	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Opening loss allowance as at 1 July	\$ 41,424	\$ 41,424	\$ -	\$ -
Increase in loss allowance recognised in profit or loss during the year	11,351	41,424	-	-
Closing loss allowance at 30 June	52,775	41,424	-	-

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.

SHIRE OF YALGOO
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19. 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 15(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2022</u>					
Trade and other payables	1,435,218	-	-	1,435,218	1,435,218
Borrowings	88,109	48,882	-	136,991	128,909
	1,569,635	48,882	-	1,618,517	1,564,127
<u>2021</u>					
Trade and other payables	697,080	-	-	697,080	697,080
Borrowings	116,407	136,991	-	253,398	234,330
	874,795	136,991	-	1,011,786	931,410

**SHIRE OF YALGOO
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20. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire of Yalgoo has not identified any events occurring after 30 June 2022.

21. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

k) Initial application of accounting standards

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

New accounting standards for application in future years

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

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

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

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
<p>Governance To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>Administration and operation facilities and services to the members of the Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern other specific functions/activities of the Shire are also recorded here.</p>
<p>General purpose funding To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p>Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.</p>
<p>Health To provide an operational framework for environmental and community health.</p>	<p>Food quality, pest control and immunisation services.</p>
<p>Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>To promote education services through the education initiatives.</p>
<p>Housing To provide housing for Shire of Yalgoo staff.</p>	<p>Provision and maintenance of staff, rental and Joint Venture Housing.</p>
<p>Community amenities To provide services required by the community.</p>	<p>Rubbish collection services, operation of rubbish disposal sites, noise control, litter control, administration of town planning schemes, strategic planning, maintenance of the cemetery, public conveniences and town storm water drainage.</p>
<p>Recreation and culture To establish and effectively manage infrastructure and resources which will help the social well being of the community.</p>	<p>Maintenance of public halls, water park, recreation grounds and various reserves. The operation of library and maintenance of cultural heritage assets and TV/radio transmission services.</p>
<p>Transport To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, streets, footpaths, drainage works, lighting of streets, maintenance of the depot and airstrips.</p>
<p>Economic services To help promote the shire and its economic wellbeing.</p>	<p>Regulation and provision of tourism services including the caravan park, area promotion, community activities, building control, noxious weeds and vermin control.</p>
<p>Other property and services To monitor and control Shire's overheads operating accounts.</p>	<p>Private works operation, plant repair and operation costs and engineering operation costs.</p>

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

22. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

Income excluding grants, subsidies and contributions

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
General purpose funding	2,454,372	2,719,663	2,603,154
Law, order, public safety	9,106	4,100	4,090
Health	841	450	1,641
Housing	11,850	17,500	14,850
Community amenities	17,501	14,750	18,588
Recreation and culture	22,275	4,800	9,111
Transport	43,472	39,950	16,197
Economic services	184,744	169,010	193,775
Other property and services	52,503	54,700	58,202

2,796,664 **3,024,923** **2,919,608**

Grants, subsidies and contributions

Governance	-	1,190,651	2,464,847
General purpose funding	3,118,913	1,118,130	250,420
Law, order, public safety	25,768	25,000	17,187
Health	8,742	15,578	-
Education and welfare	-	11,348	-
Housing	1,000	-	-
Community amenities	5,000	19,875	-
Recreation and culture	6,300	300,000	7,000
Transport	2,034,568	6,000,319	772,981
Economic services	92,181	113,085	156,382
Other property and services	157,392	-	-

5,449,864 **8,793,986** **3,668,817**

Total Income

8,246,528 **11,818,909** **6,588,425**

Expenses

Governance	(380,700)	(503,337)	(379,719)
General purpose funding	(201,940)	(205,361)	(197,644)
Law, order, public safety	(162,073)	(196,748)	(166,083)
Health	(96,847)	(116,178)	(113,030)
Education and welfare	(8,493)	(20,912)	(6,921)
Housing	(300,894)	(346,889)	(354,031)
Community amenities	(179,299)	(256,826)	(201,510)
Recreation and culture	(822,680)	(1,055,547)	(923,422)
Transport	(3,028,928)	(5,403,456)	(2,102,895)
Economic services	(825,515)	(891,336)	(847,017)
Other property and services	(372,950)	(14,128)	(9,941)

Total expenses

(6,380,319) **(9,010,718)** **(5,302,213)**

Net result for the period

1,866,209 **2,808,191** **1,286,212**

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

22. FUNCTION AND ACTIVITY (Continued)

	2022	2022	2021
	Actual	Budget	Actual
(c) Fees and Charges	\$	\$	\$
General purpose funding	(350)	200	184
Law, order, public safety	9,106	100	89
Health	841	450	1,641
Housing	11,850	17,500	14,850
Community amenities	17,501	14,750	18,588
Recreation and culture	13,945	4,050	-
Transport	-	-	9,111
Economic services	184,478	159,010	193,774
Other property and services	40,951	500	11,852
	278,322	196,560	250,089
(d) Total Assets	\$	\$	
Governance	2,737	4,407	
General purpose funding	5,092,454	3,484,342	
Law, order, public safety	86,070	149,627	
Health	51,000	923,965	
Housing	2,581,663	2,424,277	
Community amenities	924,608	1,036,316	
Recreation and culture	5,351,653	6,406,566	
Transport	76,239,427	75,071,923	
Economic services	2,113,590	2,029,270	
Other property and services	314,919	494,433	
	94,516,331	92,025,126	

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

23. RATING INFORMATION

(a) General Rates

RATE TYPE		2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2020/21	
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value *	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue
		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
GRV - Townsites Improved	Gross rental valuation	0.078318	31	254,390	19,923	393	-	20,316	20,103	-	-	20,103	19,614
GRV - Mining Infrastructure	Gross rental valuation	0.297500	6	2,461,000	732,148	-	-	732,148	774,690	-	-	774,690	732,147
UV - Pastoral / Rural	Unimproved valuation	0.069079	21	886,216	61,218	(1,113)	-	60,105	65,642	-	-	65,642	65,607
UV - Mining / Mining Tenements	Unimproved valuation	0.320000	118	4,358,439	1,394,497	(15,382)	-	1,379,115	1,636,626	-	-	1,636,626	1,593,710
UV - Exploration / Prospecting	Unimproved valuation	0.198825	186	1,128,395	224,353	(17,976)	-	206,377	161,352	5,000	-	166,352	138,046
Sub-Total			362	9,088,440	2,432,139	(34,078)	-	2,398,061	2,658,413	5,000	-	2,663,413	2,549,124
Minimum payment		\$											
GRV - Townsites Improved	Gross rental valuation	290	5	16,224	1,450	-	-	1,450	1,160	-	-	1,160	1,450
GRV - Townsites Vacant	Gross rental valuation	290	10	1,240	2,900	(536)	-	2,364	2,900	-	-	2,900	2,900
UV - Pastoral / Rural	Unimproved valuation	290	12	16,676	3,480	-	-	3,480	4,350	-	-	4,350	4,060
UV - Mining / Mining Tenements	Unimproved valuation	290	41	29,436	11,890	-	-	11,890	11,310	-	-	11,310	11,890
UV - Exploration / Prospecting	Unimproved valuation	290	97	66,268	28,130	-	-	28,130	22,330	-	-	22,330	24,940
Sub-Total			165	129,844	47,850	(536)	-	47,314	42,050	-	-	42,050	45,240
			527	9,218,284	2,479,989	(34,614)	-	2,445,375	2,700,463	5,000	-	2,705,463	2,594,364
Total amount raised from general rates								2,445,375				2,705,463	2,594,364
								2,445,375				2,705,463	2,594,364

* Rateable value is based on the value of properties at the time the rate is raised.

(b) Total Rates

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*.

23. RATING INFORMATION (Continued)

(b) Discounts, Incentives, Concessions, & Write-offs

Incentives

The Council offered the following rate incentive scheme in the 2021-22 financial year:

Cash prize of \$1000 made to the first drawn entry of ratepayers who have paid their rates by the due date and in one lump sum.

SHIRE OF YALGOO
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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23. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	25/10/2021	-	-	7%
Option Two				
First instalment	25/10/2021	-	-	7%
Second instalment	27/12/2021	10	-	7%
Third instalment	28/02/2022	10	-	7%
Fourth instalment	25/04/2022	10	-	7%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	263	5,000	13
Charges on instalment plan	40	200	184
	303	5,200	197

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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24. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(30 June 2021 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	9(b) (51,697)	(60,650)	(16,197)
Less: Fair value adjustments to financial assets at fair value through profit and loss	(1,921)	-	(646)
Add: Loss on disposal of assets	9(b) 500	-	4,017
Add: Loss on revaluation of fixed assets	8(a) -	-	-
Add: Depreciation	9(a) 1,479,844	1,344,850	1,412,817
Add: Accrued salaries and wages	61,403	-	6,008
Add: Accrued interest on long term borrowings	(259)	-	(243)
Non-cash movements in non-current assets and liabilities:			
Employee benefit provisions	66,487	-	(20,934)
	1,554,357	1,284,200	1,384,822
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	26 (2,110,587)	(5,231,122)	(2,102,916)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	12 82,094	-	105,420
- Accrued salaries and wages	77,797	16,394	16,394
- Accrued interest on long term borrowings	531	790	790
- Employee benefit provisions	235,196	172,207	172,207
Total adjustments to net current assets	(1,714,969)	(5,041,731)	(1,808,105)
Net current assets used in the Rate Setting Statement			
Total current assets	7,714,138	5,579,674	5,906,754
Less: Total current liabilities	(1,798,816)	(537,942)	(1,036,015)
Less: Total adjustments to net current assets	(1,714,969)	(5,041,731)	(1,808,105)
Net current assets used in the Rate Setting Statement	4,200,353	1	3,062,634

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

25. BORROWINGS

(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
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
19a and 19b Stanley Street		67,263	-	(17,676)	49,587	-	(18,869)	30,718	49,587	-	(18,869)	30,718
18c and 18d Shamrock Street		93,561	-	(21,212)	72,349	-	(22,602)	49,747	72,349	-	(22,602)	49,747
Staff Housing		135,517	-	(52,983)	82,534	-	(54,607)	27,927	82,534	-	(54,606)	27,928
Public Toilets		38,641	-	(8,781)	29,860	-	(9,343)	20,517	29,860	-	(9,343)	20,517
Total Borrowings	12	334,982	-	(100,652)	234,330	-	(105,421)	128,909	234,330	-	(105,420)	128,910

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending	Budget for year ending	Actual for year ending
						30 June 2022	30 June 2022	30 June 2021
						\$	\$	\$
19a and 19b Stanley Street		Housing	53	WATC*	6.54%	(2,838)	(2,940)	(4,064)
18c and 18d Shamrock Street		Housing	55	WATC*	6.35%	(4,087)	(4,241)	(5,432)
Staff Housing		Housing	56	WATC*	3.04%	(2,093)	(2,097)	(3,709)
Public Toilets		Community amenities	54	WATC*	6.20%	(1,709)	(1,709)	(2,258)
Total						(10,727)	(10,987)	(15,463)
Total Interest Repayments	2(b)					(10,727)	(10,987)	(15,463)

* WA Treasury Corporation

(b) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance	Borrowed During Year	Expended During Year	Unspent Balance
			1 July 2021	\$	\$	30 June 2022
			\$	\$	\$	\$
Staff Housing - Loan 56	WATC*	31/12/2014	123,525	-	-	123,525
			123,525	-	-	123,525

* WA Treasury Corporation

SHIRE OF YALGOO
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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26. RESERVE ACCOUNTS

	2022	2022	2022	2022	2022	2022	2022	2021	2021	2021	2021	
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Actual	Actual	Actual	Actual	
	Opening	Transfer to	Transfer	Closing	Opening	Transfer to	Transfer	Opening	Transfer to	Transfer	Closing	
	Balance		(from)	Balance	Balance		(from)	Balance		(from)	Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Restricted by legislation/agreement												
(a) Leave reserve	49,655	181	-	49,836	49,655	142	-	49,797	49,270	385	-	49,655
(b) Plant reserve	61,449	224	-	61,673	61,449	612,342	-	673,791	60,972	477	-	61,449
(c) Building reserve	163,522	597	-	164,119	163,521	467	-	163,988	162,254	1,268	-	163,522
(d) Yalgoo-Ninghan road reserve	853,975	3,113	-	857,088	853,975	2,485,087	-	3,339,062	532,234	321,741	-	853,975
(e) Sports complex reserve	96,538	353	-	96,891	96,539	275	-	96,814	95,789	749	-	96,538
(f) Housing maintenance reserve	124,210	453	-	124,663	124,210	354	-	124,564	123,247	963	-	124,210
(g) General road reserve	129,800	474	-	130,274	129,800	370	-	130,170	493	129,307	-	129,800
(h) Community amenities maintenance	273,709	999	-	274,708	273,709	781	-	274,490	271,586	2,123	-	273,709
(i) HCP reserve	142,867	521	-	143,388	142,867	408	-	143,275	141,759	1,108	-	142,867
(j) Yalgoo-Morawa road reserve	182,161	664	-	182,825	182,161	27,909	-	210,070	173,608	8,553	-	182,161
(k) Superannuation back-pay reserve	24	-	-	24	24	-	-	24	24	-	-	24
(l) Office equipment reserve	3,651	14	-	3,665	3,651	10	-	3,661	3,624	27	-	3,651
(m) Natural disaster trigger point reserv	12,907	47	-	12,954	12,907	37	-	12,944	12,807	100	-	12,907
(n) Emergency road repairs reserve	8,448	31	-	8,479	8,448	24	-	8,472	8,380	68	-	8,448
	2,102,916	7,671	-	2,110,587	2,102,916	3,128,206	-	5,231,122	1,636,047	466,869	-	2,102,916

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:

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Plant reserve	Ongoing	To be used for the purchase of major plant.
(c) Building reserve	Ongoing	To be used for the replacement of council properties including housing and other properties.
(d) Yalgoo-Ninghan road reserve	Ongoing	To be used to maintain the sealed Yalgoo Ninghan Road.
(e) Sports complex reserve	Ongoing	To be used for the development of new recreational facilities.
(f) Housing maintenance reserve	Ongoing	To be used for the maintenance of staff and other housing owned by the Shire.
(g) General road reserve	Ongoing	To be used for the maintenance of grids, etc on roads in the Shire.
(h) Community amenities maintenance	Ongoing	To be used for the maintenance of community amenities.
(i) HCP reserve	Ongoing	To be used for future community projects operating expenditure.
(j) Yalgoo-Morawa road reserve	Ongoing	To be used to maintain the sealed Yalgoo Morawa Road.
(k) Superannuation back-pay reserve	Ongoing	To be used for the purpose of paying any superannuation and back pay costs.
(l) Office equipment reserve	Ongoing	To be used for the purpose of purchase of new office equipment and the maintenance of existing equipment.
(m) Natural disaster trigger point reserv	Ongoing	To be used to fund the Shire mandatory contribution when the Shire receives funding for reparation after natural disaster events.
(n) Emergency road repairs reserve	Ongoing	To be used to fund emergency repairs to roads that are damaged by unfunded events (storm damages, vehicular, etc).

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

27. TRUST FUNDS

The Shire held no funds at balance date which are required to be held in trust and which are not included in the financial statements.



Annual Report

For the year ending 30 June 2022



As adopted at the:

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Purpose of the Annual Report

The Local Government Act 1995 requires every Local Government to produce an Annual Report by the 31st December each year, or upon the completion of the previous financial years audit.

The Annual Report is a tool to inform the community and stakeholders about future plans and highlight challenges and achievements of the organisation.

This report can be viewed on the Shires website at www.yalgoo.wa.gov.au alternative formats are available from the Shire Office upon request.

Shire of Yalgoo
37 Gibbons Street, Yalgoo WA 6635
(08) 9962 8042
reception@yalgoo.wa.gov.au

The Administration Office is open 9:00am to 4:00pm Monday to Friday and is closed on public holidays.

Times and dates of Council meetings are published on the Shire Website and set in December each year for the following 12 months. Ordinary Council meetings are held at 10am on the last Friday of the Month. 2 meetings are held in Paynes Find per year with the remaining majority taking place in the Yalgoo Administration Office Council Chamber.

Feedback or questions relating to the Annual Report are encouraged and should be addressed to the Chief Executive Officer.

ceo@yalgoo.wa.gov.au

How to Read the Annual Report

The Annual Report is divided into the following sections:

- An overview of the Shire of Yalgoo
- An overview of the Council and Organisation
- Reports on Capital Projects and activities which relate to the Strategic Community Plan and Corporate Business Plan
- Statutory Reporting
- 2021/2022 Audit Report/Opinion
- 2021/2022 Audited Annual Financial Statement/Report

As a result of audit delays this report has been produced in 2024. As such Councillor positions have changed.

Community Vision

Inclusive and Peaceful, Prosperous and Strong

Shire Mission

To be an honest, equitable and efficient Local Government delivering timely and appropriate services in an economically sustainable manner.

Our Values

We value integrity, sustainability, consistency and community wellbeing.

Our Services

Local government in Western Australia is established under the Local Government Act 1995 and is the third sphere of government. Local government is responsible for delivering a wide range of economic, human, recreational and property services as well as developing and maintaining essential community infrastructure.

Local government has legislative responsibility to perform many functions for the local community which are mandatory services. Examples include approvals for planning, building and health, and swimming pool security fencing.

Local government also delivers discretionary services to the community, such as library Programs and events, and the provision of recreational facilities and programs, which contribute to an improved quality of life for people within the community.

Regular Services and Community Events include the Emu Festival, Christmas Tree, Anzac day, Australia day, NAIDOC week and Reconciliation week.

Maintenance, Infrastructure & Assets	Legislative Services/Responsibilities	Discretionary Services
Community Buildings	Governance	Fuel
Playgrounds	Animal Control	Tourism Development
Roads and Footpaths	Waste and Litter	Youth Services
Parks	Emergency Services	Culture Services
Airstrips	Public Events	Economic Development
Street Lighting	Abandoned Vehicles	Caravan Park
Storm Water	Signage	Art Centre
Parking	Building and Planning	Facility Hire
Fleet	Food Inspections	Historic Townsites
Sport and Recreation	Environmental Health	Events
Cemeteries	Public Buildings	Biosecurity
	Civic	Prospecting
	Rates	

The Council

Local Government in Western Australia exists under State Government legislation, its operation is funded through land rates under the same legislation and Commonwealth Funding.

The Shire of Yalgoo covers an area of 33,258km² in the Mid West Region of Western Australia and has a population of 340 (ABS, 2021). The Shire comprises the towns of Yalgoo and Paynes Find and contains many Mines and Pastoral Stations. The Shire maintains approximately 1,150km of unsealed roads and 260km of sealed roads.

The Yalgoo Shire Council is one of 139 in Western Australia and its six (6) elected members are responsible for making decisions on behalf of the district.

Local Government Elections are held every two years. An election was held in October 2021 where Cr Willock replaced Cr Lawson. Another election was held in 2023 where two vacancies resulted from Cr Simpson and Cr G Payne not renominating and no other nominations. An extraordinary election was held in March 2024 at which Cr Nichols and Cr K Payne were elected. The next ordinary election will be held in October 2025.

Shire Councillors 2021/22

Shire President

Greg Payne	Term Expires	2023
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Deputy President

Gail Trenfield	Term Expires	2025
----------------	--------------	------

Councillors

Tamisha Hodder	Term Expires	2025
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Gail Simpson	Term Expires	2023
--------------	--------------	------

Raul Valenzuela	Term Expires	2023
-----------------	--------------	------

Stanley Willock	Term Expires	2025
-----------------	--------------	------

Retired Councillor active during the 2021/22 Financial Year.

Percy Lawson	Term Expired	2021
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Shire Councillors 2023/24

Shire President

Raul Valenzuela	Term Expires	2027
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Deputy President

Gail Trenfield	Term Expires	2025
----------------	--------------	------

Councillors

Tamisha Hodder	Term Expires	2025
----------------	--------------	------

Stanley Willock	Term Expires	2025
-----------------	--------------	------

Kieran Payne	Term Expires	2027
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Angus Nichols	Term Expires	2027
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If you would like to contact a Shire Councillor please check the Shire of Yalgoo Website www.yalgoo.wa.gov.au or contact the Administration Office.

Council Meetings Attended and Councillor Renumeration

Council Members for the Shire of Yalgoo attended the following number of Council and Committee Meetings:

Council Member	Ordinary Meeting	Audit Committee Meeting	Special Meeting	Annual Electors Meeting	Total	Apologies	Leave of Absence
Cr Tamisha Hodder	10	1	4		15	3	
Cr Percy Lawson	1		1		2	2	1
Cr Greg Payne	10	1	4	1	16	2	
Cr Gail Simpson	11	1	2	1	15	3	
Cr Gail Trenfield	9	1	3	1	14	4	
Cr Raul Valenzuela	12	1	4	1	18		
Cr Stan Willock	7	1	2		10	1	2

Council Members received the following payments and allowances for attending Council and other meetings:

Council Member	Position Allowance	Council Meeting Fees	Communication Allowance	Travel and Accommodation	Total
Cr Tamisha Hodder		\$4,130	\$3,792	\$960	\$8,882
Cr Percy Lawson		\$472	\$292		\$764
Cr Greg Payne (President)	\$11,000	\$6,458	\$3,208	\$5,446	\$26,112
Cr Gail Simpson		\$3,894	\$3,500		\$8,354
Cr Gail Trenfield (Deputy President)	\$3,000	\$3,186	\$3,500		\$9,686
Cr Raul Valenzuela		\$4,366	\$3,792		\$8,158
Cr Stan Willock		\$2,242	\$2,333		\$4,575

Councillor Fees

Presidents Allowance	\$12,000
Deputy Presidents Allowance	\$3,000
Council Meeting Fee (President)	\$490
Council Meeting Fee	\$236
Committee Meeting Fee (President)	\$119
Committee or other Meeting Fee	\$118
Monthly Communication Allowance	\$291.67

Councillor Demographics

Regulation 19B of the Local Government (Administration) Regulations requires that, if available, a number of Councillor demographics are recorded in the annual report.

Council Member	Gender	Linguistic Background	Country of Birth
Cr Tamisha Hodder	Female		Australia
Cr Percy Lawson	Male		Australia
Cr Greg Payne	Male		Australia
Cr Gail Simpson	Female		Australia
Cr Gail Trenfield	Female		Australia
Cr Raul Valenzuela	Male		Chile
Cr Stan Willock	Male		Australia

Councillor Age Bracket	Number of Councillors
18 – 24	
25 – 34	
35 – 44	
45 – 54	1
55 – 64	4
Over 64	2

3 Councillors identify as Aboriginal or Torres Straight Islander;

Register of Certain Complaints of Minor Breaches

Local Government Act sections 5.121 and 5.110 (6) (b) or (c)

The Act requires the annual report to contain details about certain complaints of minor breaches that result in certain action taken against the person. Generally a minor breach is a breach of a local law or code of conduct and the action taken may be public censure, requiring the person to apologise or sending them to training. A register must be kept of all such breaches.

There were no such complaints recorded during 2021-22.

Councillor Training

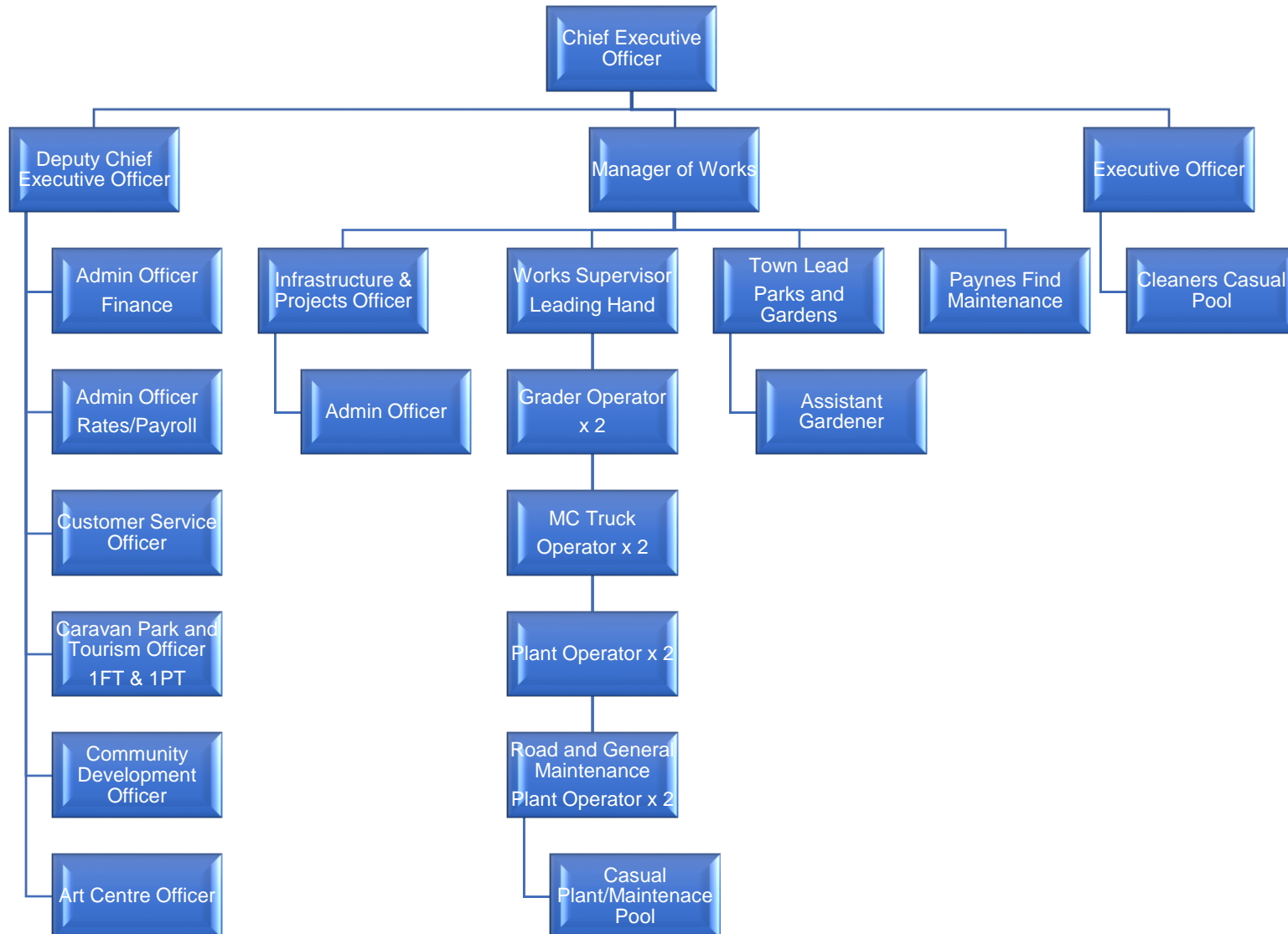
Council Member	Training Undertaken	Outcome
Cr Tamisha Hodder	Serving on Council Understanding Local Government Meeting Procedures Conflict of Interest Understanding Financial Reports & Budgets	Competency Achieved
Cr Gail Trenfield	Serving on Council Understanding Local Government Meeting Procedures Conflict of Interest Understanding Financial Reports & Budgets	Competency Achieved
Cr Raul Valenzuela	Serving on Council Understanding Local Government Meeting Procedures Conflict of Interest Understanding Financial Reports & Budgets	Competency Achieved
Cr Stan Willock	Serving on Council Understanding Local Government Meeting Procedures Conflict of Interest Understanding Financial Reports & Budgets	Competency Achieved

A person who is a council member on the day on which the Local Government Regulations Amendment (Induction and Training) Regulations 2019 regulation 8 comes into operation is exempt from the requirement in section 5.126(1) until the end of their term of office.

The following mandatory courses were supplied online through WALGA:

Serving on Council
Understanding Local Government
Meeting Procedures
Conflict of Interest
Understanding Financial Reports & Budgets

Organisational Structure



Presidents Report

On behalf of the Council I am pleased to present the Shire of Yalgoo Annual Report for 2021/22 to the community.

I am extremely proud to be extended the privilege of being elected as the President for the Shire of Yalgoo. Thank you to my family for their unconditional support and thank you to all of my community. I look forward to supporting and working closely with Administration and I hope everyone knows and continues to witness my and the Council's commitment to the community.

Thank you to Greg Payne who was Shire President during the 2021/22 year. Greg chose not to renominate at the end of his term in 2023.

As is still the case Council have enjoyed an excellent relationship with our staff who share the same purpose of creating and promoting an inclusive and resilient community.

The growth of the district continues to be held back by a lack of services which are the responsibility of State and Federal Government. I encourage those interested to compare the projects Council has planned, funded or completed against the Strategic Community Plan that was majorly reviewed in 2021.

The Shire of Yalgoo is a relatively small team and community, that is expected to meet the same standards and levels of governance as a large city Council. Since the Office of the Auditor General took over auditing local governments our small team has prioritized service delivery over ticking boxes. This when combined with no year round capacity due to State Government audits has resulted in the Shire remaining behind in this process.

With some growth of our team we are improving in the eyes of our auditors and are on track to produce our reports and evidence in a more timely manner.

To my fellow Councillors, old and new, your time and commitment is appreciated. There will be a high expectation to work through further training so that the whole organisation can become more transparent and accountable for our ratepayers.

I would like to thank my fellow team of Councillors and Administration for their support and oversight of the district. Together we will continue to advocate for local development, increased health services and fit for purpose infrastructure such as highways in the district, while providing road and amenity improvements to residents and travelers.

Cr Raul Valenzuela

Shire President

Chief Executive Officers Report

By coincidence I am completing this report during National Volunteer Week. Much like the distant past the only support those living in regional areas seem to receive these days is from their neighbours. The chances are, you or someone you know, does a lot more but if you are keeping an eye out for friends or family, looking after pets or even cooking a barbeque for a community group you are helping to sustain our whole community. I express my sincere appreciation for our emergency services and community volunteers.

While there is reimbursement a vast proportion of a Councillors work is voluntary. 21/22 Shire President Greg Payne represented Council and the community at many functions and conferences during his term and fought for regional representation.

The Works Crew supported by Administration continue to undertake valuable new projects and maintenance across our vast district. Morawa-Yalgoo Road and Yalgoo-Ningham Road continue to be sealed and widened improving safety and travel time.

We are also keeping our fleet modern and building capacity with training and occupational health and safety resources.

While it is disappointing that a range of factors have led to the delay in this report and audit being presentable it is promising to see that it is an improvement on the previous year.

Since the last report we have seen the retirement of long serving Environmental Health Officer Bill Atyeo. Bill's services were shared from his primary place of employment the Shire of Meekatharra.

The tasks and responsibilities of a local government continue to grow due to shifting from State Government and community expectations.

I would like to thank Council for their guidance, support and input as well as the leadership role undertaken by the Shire President and Deputy President.

Ian Holland

Chief Executive Officer

Plan for the future of the district - The Way Forward (extract of the Shire of Yalgoo Strategic Community Plan 2021 - 2031, Igpeople)

Copies of Council's Plan for the Future, including the Strategic Community Plan, as required by the Local Government Act s5.56, may be obtained from the Shire Office or website www.yalgoo.wa.gov.au.

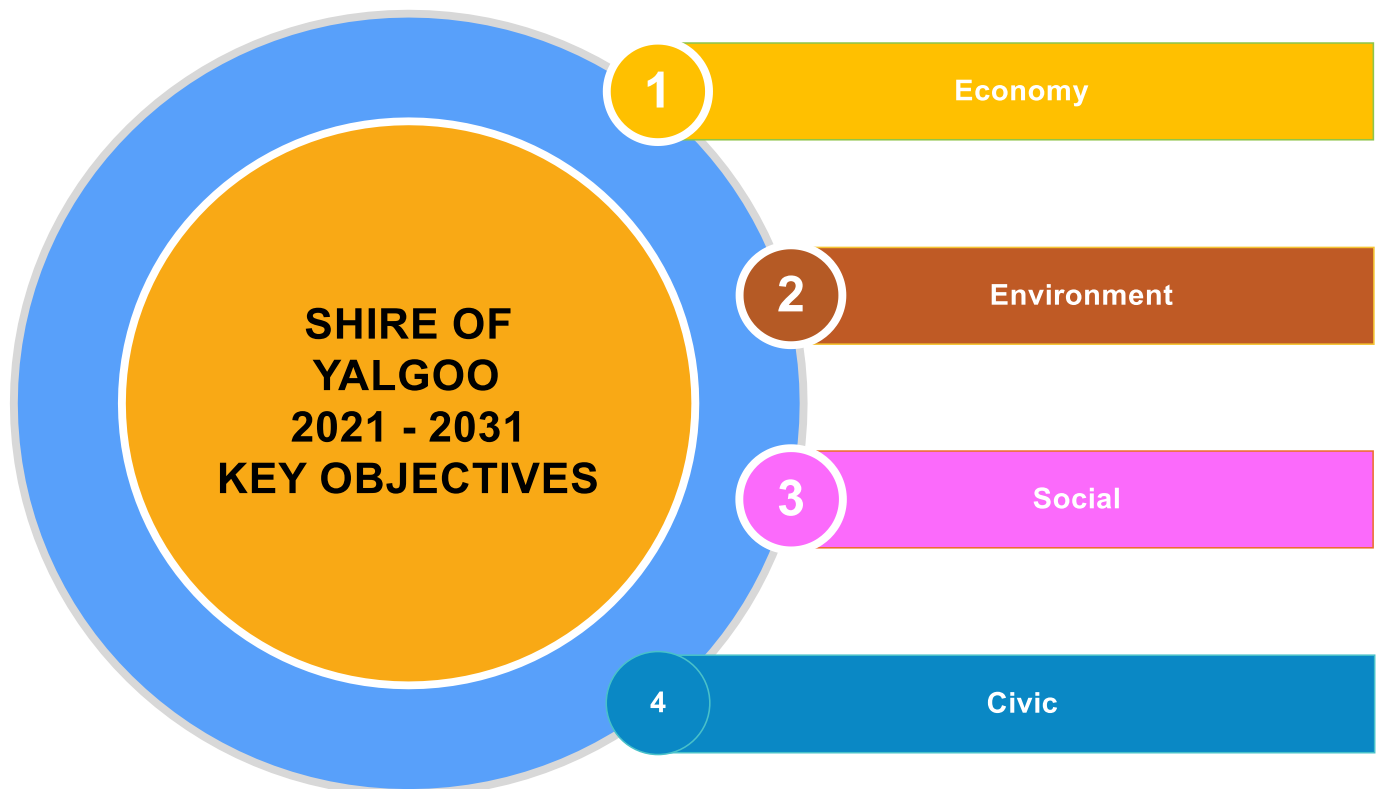
The Shire is committed to working with the community and the mining industry to address their aspirations and concerns within the resources available to support them.

Councillors and Staff will lobby for funding, services and functions in areas that fall outside the jurisdiction of a Local Government.

They will work with the State Government agencies, peak industry bodies and other businesses to look for opportunities for improved services, population growth and employment opportunities for the residents of the Shire of Yalgoo.

Regional partnerships and collaboration with key stakeholders in the town and region will be a priority in ensuring that although small, Yalgoo takes its rightful place as a strong and committed community of the Midwest Gascoyne region.

The following key focus areas will guide and support our strategic and operational planning and strategy development.



Economy

Strategy 1.1 Increase use of Yalgoo Airport

Action 1.1.1 - Seek to improve existing landing strip and facilities at Yalgoo Airport, to enable regular operation and service mine sites subject to affordability or funding support.

Action 1.1.2 - Maintenance and operation of the Yalgoo Airport

- improve trafficable surface.

- improve service buildings

Strategy 1.2 Foster and grow tourism

Action 1.2.1 - Improve tourism and visitor infrastructure and promotion of places of interest.

Action 1.2.3 - Upgrade railway and museum precincts to improve tourist experiences and foster business development.

Action 1.2.4 - Increase promotion of heritage and history

Strategy 1.3 Encourage Business and Economic Growth

Action 1.3.1 - Identify Federal and State investment opportunities in the Shire / Region.

Action 1.3.2 - Encouraging compatible business enterprises to locate within the shire and offer training opportunities to residents.

Action 1.3.3 - Grow tourism businesses by building business management and vocational skills in current population.

Action 1.3.4 - Develop partnerships with mining companies in the Shire area.

Action 1.3.5 - Develop tourism / visitor experience improvement strategy for Paynes Find, building on previous plans and strategies.

Action 1.3.6 - Enhance entry statements and way-finder information in Paynes Find to encourage visitors to the region to stop for a while and plan their trip through the Shire of Yalgoo and beyond.

Strategy 1.4 Compete for Government contracts and funding in cooperation with adjoining Shires.

Action 1.4.1 - Improve the pool of Local Government skills and resources within the region.

Action 1.4.2 - Promote and progress partnerships and regional development opportunities.

Action 1.4.3 - In cooperation with adjoining Shires – obtain long term contracts with Main Roads WA and establish a structured basis for joint economic cooperation and initiatives.

Action 1.4.4 - Develop the workforce to a level of personnel and efficiency so that it is competent to bid for Government contracts.

Strategy 1.5 Construct and Maintain Shire Transport Infrastructure

Action 1.5.1 - Improve the road system in the Shire through effective maintenance or construction where required to reach appropriate standards.

Action 1.5.1 - Maintain and build Shire plant and equipment and further develop the Shire's workforce skills.

Action 1.5.2 - Continue plant replacement program to address current and developing needs and ensure adequate funding through the reserve funds to minimise impacts of rates.

Action 1.5.3 - Determine appropriate service levels and work towards achieving them.

Strategy 1.6 Provide private works to residents, government agencies. and contractors as appropriate

Action 1.6.1 - Determine scope of potential work, develop policy and procedures and business case.

Strategy 1.7 Maintain and grow population and businesses

Action 1.7.1 - Seek to build housing stock for families, single and older people, shire staff; and grow accommodation for permanent or intermittent service professionals and contractors.

Action 1.7.2 - Identify land that can be used for housing, business, or industry development purposes.

Environmental

Strategy 2.1 Balance the retention of the natural environment while taking into consideration the pastoral and economic basis of the Shire.

Action 2.1.1 - Ensure appropriate town and land use planning to meet community and commercial operational aspirations regarding access and lifestyle choice.

Action 2.1.1 - Develop strategies and policies for the interface of urban, special rural and pastoral areas.

Strategy 2.2 Manage the natural environment and wildlife habitats

Action 2.2.1 - Continue to progress in the management, preservation, and rehabilitation of the natural environment.

Action 2.2.2 - Continued participation in the Murchison Regional Vermin Council.

Action 2.2.3 - Pursue increased State Government action to control feral animals.

Action 2.2.4 - Develop strategies for endangered species preservation on Shire controlled lands.

Strategy 2.3 Encourage recycling and waste minimisation to reduce impact on the environment.

Action 2.3.1 - Aim for a reduction in landfill waste through the WA Resource Recovery requirements and zero waste initiatives.

Action 2.3.2 - Raise community awareness of matters impacting directly and indirectly on the environment.

Strategy 2.4 Increase use of renewable energy to power the town for environmental purposes and to reduce energy costs for residents and businesses

Action 2.4.1 - Seek opportunities and grant funding to use wind and solar power wherever practicable.

Strategy 2.5 Protecting of the environment and habitats through a well-equipped and trained Volunteer Bush Fire Brigade

Action 2.5.1 - Develop and maintain an active an effective and skilled volunteer Bush Fire Brigade

Action 2.5.2 - Provision of vehicles, equipment, and training to committed Volunteer Bush Fire Brigade

Social

Strategy 3.1 Recognise the requirements of a diverse population with differing needs for the aged, those with disability, youth, children, and plan accordingly

Action 3.1.1 - Improve facilities where people gather for social or family activities to include toilets, barbeques, and seating.

Action 3.2.2 - Improve facilities, services and support for youth that includes a central place for activities and programs.

Action 3.2.3 - To develop a community development and support strategy plan.

Strategy 3.2 Encourage, maintain, and support short or long-term volunteers

Action 3.2.1 - Make better use of the Railway Station precinct involving volunteers to promote the history and heritage of Yalgoo while creating potential for employment or further volunteering opportunities.

Action 3.2.2 - Building skills and knowledge through short community projects that can be done by volunteers to assist people to be work ready when employment opportunities arise.

Strategy 3.3 Retaining and promoting the character, history, and heritage of the Shire by promoting the layers of history Geological. Indigenous and European to encourage visitors to stay awhile in the towns and the region.

Action 3.3.1 - Review, update or refurbish the museum and upgrade historical sites within the Shire's capacity and affordability and include all layers of heritage groups in planning the precincts.

Action 3.3.2 - Make better use of the Railway Station precinct to promote history and heritage while creating potential job or volunteering opportunities

Strategy 3.4 Seek to increase affordable rental accommodation opportunities for people with housing needs across the spectrum

Action 3.4.1 - Identify potential land for development. Consider staff housing available for lease, Lobby state government to provide public housing in the Shire.

Strategy 3.5 Refurbish the cemetery and improve the amenities at the sites in Yalgoo and Paynes Find

Action 3.5.1 - Ensure graves are numbered and mapped

Action 3.5.2 - Increase seating, water and toilet amenities.

Civic

Strategy 4.1 Provide accessible and accountable Local Government services to the residents of the Shire

Action 4.1.1 - Seek to Improve telecommunication systems including internet, mobile phone coverage and NBN systems.

Action 4.1.2 - To improve business systems and processes to increase efficiency and effectiveness.

Strategy 4.2 Demonstrate responsible Governance and Financial Management

Action 4.2.1 - Government grants and other funding sources will be maximised given that the vision and outcomes cannot be funded solely from ratepayer funds.

Action 4.2.2 - Financial management and reporting systems will be reviewed and updated as required.

Action 4.2.3 - Build internal capacity in finance roles and increase financial skills in the Shire.

Strategy 4.3 Ensure there is adequate capacity and capability in the workforce to be able to achieve the strategic and operational goals and objectives of the Shire

Action 4.3.1 - To review current capacity and capability and develop a Workforce Plan for the next four years.

Strategy 4.4 Advocate for equitable access to Federal and State Government services to enhance lifestyle in the Shire to support recruitment of skilled staff

Action 4.4 .1 - Lobby, advocate and seek grant funding for improved social infrastructure, services, and facilities in the Shire.

Strategy 4.5 Provision of a safe working environment for all staff

Action 4.5.1 - To ensure the Shire embraces the new Workplace Health and Safety Act and implements the legislative compliance requirements in a timely manner.

Strategy 4.6 Ensuring the most appropriate rating levels, and equitable balance between land use types

Action 4 6.1 - Ongoing management and review of rating levels

Reporting on the Strategic Community Plan

Economy

Additions this year have resulted in more useability of the airstrip and caravan park. Support of the MRVC and other joint tourism associations shows support for a range of sectors and shared services. Housing is being constructed but cannot meet demand. There Shire and Mid West have been unsuccessful in obtaining state SHERP funding but the Shire has made efforts to secure freehold land for housing. Strategy 1.5 is a major focus of the local government which has both progressed and been hampered by natural disasters.

Environmental

Within maintenance the Shire has successfully rehabilitated a number of historic gravel pits. We maintain a footprint that requires very little interaction with flora but work to control weeds and vermin within our remit and land tenure. Residential waste has a small impact and is delivered to the Meru Landfill in Geraldton. Recycling initiatives have been examined and would cost 4 times the average properties rates to accomplish. Other more feasible initiatives will continue to be investigated. The Shire supports some mine site recycling initiatives and vast quantities of containers are transported to support the 10c container scheme.

Social

Throughout the pandemic the Shire supported families by freezing rates penalty interest and installment interest. We held smaller appropriate community events and supplemented other support services such as the Department of Communities and Department of Health. The Shire has invested in protecting historical assets as well as the Murchison Georegion.

Civic

The Shire transitioned to fit for purpose financial software and implemented a number of procedural changes that resulted in an improvement from the previous disclaimer of opinion. Internet and Equipment was utilised more effectively and capacity of the organisation was grown. Ongoing lobbying of State and Federal services received little traction (especially in the area of health) and other initiatives may have to be considered in the future.

2021/22 Expenditure Highlights

The Shire supported the Murchison Zone of WALGA and WALGA through subscriptions and fees. Financial support and Councillor input was provided for the ongoing operation of the Murchison Regional Vermin Council and construction of the Wild Dog Cell Fence.

The Shire is extremely supportive of the Community Emergency Services Manager role that is shared with DFES and the Shires of Perenjiri, Morawa and Murchison.

Council continues to heavily subsidise and undercharge residential waste collection which is approximately \$600 per household per year.

A Lottery West Grant was received for Renovations to the Yalgoo Hall for \$300,000.

The Shire directly spent \$1million dollars on road maintenance activities. This is not inclusive of overheads, plant maintenance or fuel.

Initial funding of \$350,000 was put aside for new Shire Housing/Nursing Accommodation

The Yalgoo Caravan Park operated at a \$150,000 loss for the year. Some of this expenditure relates to district and regional tourism promotion. Accommodation services are also essential to assist other businesses and agencies to operate in the region. This includes State Government Services (WACHS, MRWA, DOE) as well as exploration/drilling companies and seasonal/consulting positions required by the local government.

2021/22 Capital Expenditure

Local Roads and Community Infrastructure funding – Federal Covid Stimulus

- Toilet and water tank at the Yalgoo Cemetery
- BBQs at Shamrock Park and the Yalgoo Caravan Park
- Exercise Equipment and Water Treatment were added to the Yalgoo Oval precinct.

\$1m of capital construction was carried out by contractors on Morawa-Yalgoo Road to widen several kilometers out to at least 7m from an existing 4m seal. This occurred between the Shire Boundary and Gullewa.

5km of 4m seal was added to Yalgoo/Ningham Road.

Sealing was also carried out between Geraldton-Mt Magnet Highway and the Yalgoo Airstrip as well as from the chapel up to the water corporation tank/lookout North of town.

Further concreting was carried out to the Depot Machinery Shed.

Construction significantly progressed on two independent rammed earth units at the Yalgoo Caravan Park.

3 Administration vehicles and a works utility were purchased.

Box top and portable toilet trailers purchased.

Designs were finalized for Paynes Find entry statements and an administration display board.

The purchase of a number of plant items were carried through to the following year due to a lack of availability. Initial estimates for a prime mover ranged from 12-18 months until there was availability.

Plant Disposal

2 x Toyota Foretunner SUVs and a forklift

Due to supply chain issues and extra workspaces/vehicles required for separation during Covid-19 outbreaks, not all vehicles proposed for disposal were sold in the 21-22 year and were carried through to the following year.

National Competition Policy

Regarding Council's responsibilities in relation to National Competition Policy the Shire reports that:

- No business enterprise of the Shire 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 were implemented in respect of any relevant activity undertaken during the 2021/22 year.

Competitive Neutrality

This principle deals with ensuring that government business operations have no advantage or disadvantage in comparison with the private sector.

This policy dictates that competitive neutrality should apply to all business activities which generate a user pays income of over \$200,000 unless it can be shown that it is not in the public interest. In this regard, no significant new business activities for the purposes of competitive neutrality were initiated or considered during the year and no non-compliance allegations were made.

The Shire of Yalgoo conducts no activities where the user pays income exceeds \$200,000.

Legislation Review

The Shire reviewed its Local Laws in November 2006, a result of the legislation review requirements. Council recently agreed to review its local laws which are:

Local Government Property Local Law 2006, Bush Fire Brigades Local Law 2006, Fencing Local Law 2006, Cemetery Local Law 2006 and Dogs Local Law 2006

No local laws were reviewed in 2021/22.

Remuneration

Regulation 19B, 2(b) of the Local Government (Administration) Regulations states the Annual Report is to include the number of Employees with an annual salary of \$130,000 or more going up in \$10,000 increments.

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

Regulation 19B 2(e) of the Local Government (Administration) Regulations states the Annual Report is to include the remuneration paid or provided to the CEO during the financial year. The remuneration provided for the CEO for the 2021/22 financial year is as follows:

Remuneration as per Band 4 Salaries and Allowances \$153,230

Allowances outside of Remuneration (Including Housing, Vehicle, Work Equipment etc) \$27,871

Band 4 \$128,226 - \$201,113

Regional Isolation Allowance \$30,000

Public Interest Disclosures

The *Public Interest Disclosure 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 Chief Executive Officer as the PID Officer for the organisation and publishing an internal procedure relating to the Shire's obligations.
- Providing protection from detrimental action or the threat of detrimental action for any employee of the Shire who makes an appropriate disclosure of public interest information.

No disclosure or complaints lodged under the Public Interest Disclosure Act 2013.

Delegation Register

The Shires Delegation Register was reviewed by Council on the 13th June 2022 and is available on the Shires website.

Gift Disclosures

The Chief Executive Officer maintains a register of disclosable gifts which is available on the Shires website. Elected Members and Staff are required to disclose gifts which are received in their official capacity including contributions to travel.

Further information on what is considered a disclosable gift can be found in the following locations:

<https://www.civiclegal.com.au/wp-content/uploads/2022/04/2021-Civic-Legal-Gifts-Disclosure-A-Guide-for-Local-Government-Council-Members.pdf>

https://www.dlgsc.wa.gov.au/docs/default-source/local-government/operational-guideline---disclosure-of-gifts29f9a2e27dde4d0eb717c5b98f1cbd73.pdf?sfvrsn=998574ac_23

Compliance Audit Return

The 2021 Compliance Audit return was adopted by Council on the 25th March 2022. A certified copy signed by the Shire President and Chief Executive Officer was submitted to the Department of Local Government along with the relevant Council minutes.

Code of Conduct

The Elected Member Code of Conduct and Complaint about an alleged breach form can be found in the Shires Governance Manual located on the Shire website.

https://www.yalgoo.wa.gov.au/profiles/yalgoo/assets/clientdata/shire_of_yalgoo_governance_and_policy_manual.pdf

DAIP - Access and inclusion progress reporting

Disability Access and Inclusion Plan

The Disability Services Act 1993 was amended in December 2004, creating a requirement for public authorities to develop and implement Disability Access and Inclusion Plans (DAIPS). These plans were to be fully developed by July 2007 to replace and build on the achievements of Disability Services Plans (DSPs).

The Shire has reviewed its DAIP which will be due for revision by 2025.

Under the Disability Services Act, the Shire must also include a report about DAIP implementation in its annual report each year.

The report contains information on the progress of the public authority and any agents and contractors in achieving the desired outcomes specified in the Act. The report also includes the strategies used to inform its agents and contractors of the DAIP.

1. General services and events

DAIP Outcome 1: People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.

This outcome area is about enhancing or ensuring that all people can access your organisations public events and general services.

a. Describe your activities below:

Art, Sporting and Community events are all located at accessible facilities. They are scheduled at different times, weekends, during the day and evenings so that different demographics can attend or be supported by family.

b. If you have no activities to report, please briefly detail why: N/A

2. Buildings and facilities

DAIP Outcome 2: People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority.

This outcome area is about enhancing or ensuring accessibility in the planning, design, and improvement of built infrastructure.

a. Describe your activities below:

Expansions to the Shires Caravan Park involved the inclusion of dedicated accessible accommodation and improvements to bathrooms.

b. If you have no activities to report, please briefly detail why: N/A

3. Information and Communication

DAIP Outcome 3: People with disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.

This outcome area is about enhancing and ensuring that information and communications are inclusive and accessible.

a. Describe your activities below:

We have not received any requests however we are increasing the visibility in our publications that they are available in other formats.

b. If you have no activities to report, please briefly detail why: N/A

4. Quality of service

DAIP Outcome 4: People with disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.

This outcome area is about enhancing and ensuring that the quality and range of your services and processes are consistent, inclusive, or readily adjust to people's needs.

a. Describe your activities below:

The advantage of being a "small" local government is that we are flexible in how we can respond to and then meet the needs of the community. The Shire has implemented a customer service charter.

Respond to your enquiries promptly • Treat all customers with courtesy, respect and fairness • Deal with enquires and complaints fairly and professionally • Keep you informed and provide non confidential information when requested in accessible formats

b. If you have no activities to report, please briefly detail why: N/A

5. Complaints and safeguarding

DAIP Outcome 5: People with disability have the same opportunities as other people to make complaints to a public authority.

This outcome area is about enhancing and ensuring that complaints mechanisms effectively receive and address complaints from any members of the community, staff or customers.

a. Describe your activities below:

b. If you have no activities to report, please briefly detail why:

Small number of complaints received and no requests for alternate formats. As we are a very small administrative organisation complaints may have to be outsourced if their format is not written due to the conflict of interest present for the transcriber (who may also be the topic of complaint). If this were to occur the local government would look to resource this option.

6. Consultation and engagement

DAIP Outcome 6: People with disability have the same opportunities as other people to participate in any public consultation by a public authority.

This outcome is about enhancing and ensuring consultation and engagement strategies consider the ways in which all people can participate to inform information, strategies, or decision-making processes of an organisation.

a. Describe your activities below:

The Shire surpasses legislated requirements for feedback. This has involved door knocking and other community meetings. We will look to resource recorded Council meetings when legislation changes.

b. If you have no activities to report, please briefly detail why:

7. Employment, people, and culture

DAIP Outcome 7: People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

This outcome is about your organisation's activity in directly employing people with disability; and enhancing the recruitment and maintenance of the employment of people with disability.

a. Describe your activities below:

b. If you have no activities to report, please briefly detail why:

Due to the size of our organisation and town the provision of information is difficult and possibly goes against confidentiality. The Shire has supported contractors with disabilities and we have flexible working arrangements detailed in our Union Enterprise Agreement.

c. Does your organisation have any supplementary data to share about the rate of disability employment as a proportion of your workforce, including any targets? N/A

Freedom of Information Statement

This information statement is published by the Shire of Yalgoo in accordance with the requirements of the Freedom of Information Act 1992.

It is intended that the information statement be included as part of the Annual Report and received each year as part of the Annual Electors meeting.

1. Structure and Functions of Council

a) *Establishment*

The Shire of Yalgoo is established under the *Local Government Act 1995*, which governs how the administration for the Shire is carried out. Other major legislation which creates a duty or an authority for Council to act includes –

- Local Government Act (Miscellaneous Provisions) Act 1960
- Town Planning and Development 1928
- Bush Fires Act 1954
- Dog Act 1976
- Cat Act 2011
- Cemeteries Act 1986
- Health Act 1911
- Freedom of Information Act 1992
- Disabilities and Amendment Act 1999
- Occupational Health and Safety Act 1994
- Equal Opportunities Act 1984

In addition, there is a wide range of other legislative responsibilities.

b) *Council*

Council's affairs are managed by six people elected from the community who represent the whole Shire. Council acts as a "community board", establishing policies and making decisions within the Local Government Act on a wide range of issues affecting the community, in keeping with legislation requirements to:

- determine policies to be applied by Council in exercising its discretionary powers;
- determine the type, range and scope of projects to be undertaken by Council;
- develop comprehensive management plans, budgets, financial controls and performance objectives and indicators for the operations of Council.

Council makes decisions which direct and/or determine its activities and functions. Such decisions include the approval of works and services to be undertaken and the allocation of resources to such works and services.

Decisions are also made to determine whether or not approvals are to be granted for applications for residential and commercial development.

Meetings of Council and Committees are advertised at least once each year. Ordinary meetings of Council will be held on the last Friday of each month commencing at 10.00 am. All members of the public are welcome to attend. Two meetings per year are held at Paynes Find in recognition

that the Shire district covers an extensive geographic area with remote populations. Meeting at Paynes Find offers members of this remote locality the opportunity to attend a Council meeting without a 310 kilometre round trip on gravel roads.

Local public notice is given before any change of date of a meeting.

c) Regional Involvement

Elected members are involved with many organisations within the community, and also actively represent the community at a regional or state level. Council's nominations include –

- Murchison Country Zone of the WA Local Government Association (regional)
- Murchison Vermin Regional Council (regional)
- State Road Funds for Local Roads Sub-Group (regional)
- Gundawa Conservation Association (GCA)

d) Committees

Council utilises occasional committees as and when required. An Audit Committee meets as needed, in accordance with the requirements of the Local Government Act.

e) Agendas

To ensure that all items are included in the agenda, matters for consideration should reach the Council office at least 12 days before the Council meeting date as agendas are prepared for distribution at least 3 days in advance. A copy of the agenda is available to the public before the meetings.

f) Minutes

The Minutes are available for inspection after the meeting (usually about one week). Please note that all Minutes are subject to confirmation by Council at the following meeting.

g) Delegated Authority

The Chief Executive Officer and other officers of Council have delegated authority to make decisions on a number of specified administration and policy matters. These delegations are listed in the Delegations Register and are reviewed annually by Council.

2. Service to the Community

Council provides an extensive variety of services for the community under authority of a wide range of legislation. Services provided include –

- building control
- cemetery
- bush fire control
- citizenship ceremonies
- dog and cat control
- community bus
- environmental health
- demolition permits
- litter bins
- drainage
- parks & reserves
- fire prevention
- playground equipment
- library services
- public toilets
- media releases
- planning control
- rubbish collection
- public health services
- stormwater drainage
- public buildings for hire
- recreational /sporting facilities
- street lighting
- roads / footpaths /kerbing
- street tree planting
- vehicle licencing agency

3. Public Participation

Members of the public have a number of opportunities to put forward their views on particular issues before Council. These include:

- Deputations – With the permission of the President, a member of the public may address Council personally, on behalf of another or on behalf of an organisation.
- Submissions – Some development applications do not require special approval of Council. Where special approval is required, residents are notified by advertising in the local newspaper, and in some instances they may also be notified individually by Council or the developer. When an application is publicly notified, residents have the opportunity to make a written submission to Council expressing their views regarding the application.
- Petitions – Written petitions can be addressed to Council on any issue within the Council's jurisdiction.
- Written request – Members of the public can write to Council on any Council policy, activity or service.
- Elected members – Members of the public can contact any of the elected members to discuss any issue relevant to Council.
- Council meetings – public question time.

4. Access to Council Documents

Many documents are available for public inspection free of charge at the Council office. Copies of some documents can be made available, although some will incur a charge to cover photocopying. Information that is available includes –

- Committee Agendas
- Council Agendas
- Minutes of Committee Meetings
- Minutes of Council Meetings
- Delegations Manual
- Policy Manual
- Annual Budget
- Annual Report
- Annual Financial Statement
- Council Local Laws
- Town Planning Scheme
- Electoral Rolls
- Plan for the Future
- Disability and Inclusion Plan

Requests for other information will be considered in accordance with the Freedom of Information Act. Under this legislation, an application fee and search fee must be submitted with the completed request form unless the information required is personal or an exemption is granted.

5. Amending Personal Information

Applications for information or to view / amend personal information should be made to the CEO.

6. Procedures and Access Arrangements

a) FOI Operations

It is the aim of the agency to make information available promptly and at the lowest cost. Documents will therefore be provided outside the FOI process where possible.

If information is not routinely available, the *Freedom of Information Act* 1992 provides the right to apply for documents held by the agency and to enable the public to ensure that personal information in documents is accurate, complete, up to date and not misleading.

b) Freedom of Information Applications

Access applications have to -

- be in writing;
- give enough information so that the documents requested can be identified;
- give an Australian address to which notices can be sent; and
- be lodged at the agency with any application fee payable.

Applications and enquiries should be addressed to the CEO.

Applications will be acknowledged in writing and you will be notified of the decision within 45 days.

c) Freedom of Information Charges

The scale of fees and charges is set under the FOI Act Regulations. Apart from the application fee for non-personal information all charges are discretionary. The charges are as follows.

- | | |
|---|--------------------|
| • <i>Personal information about the applicant</i> | <i>No fee</i> |
| • <i>Application fee (for non-personal information)</i> | <i>\$30.00</i> |
| • <i>Charge for time dealing with the application (per hour, or pro rata)</i> | <i>\$30.00</i> |
| • <i>Access time supervised by staff (per hour, or pro rata)</i> | <i>\$30.00</i> |
| • <i>Photocopying staff time (per hour, or pro rata)</i> | <i>\$30.00</i> |
| • <i>Per photocopy</i> | <i>\$0.30</i> |
| • <i>Transcribing from tape, film or computer (per hour, or pro rata)</i> | <i>\$30.00</i> |
| • <i>Duplicating a tape, film or computer information</i> | <i>Actual Cost</i> |
| • <i>Delivery, packaging and postage</i> | <i>Actual Cost</i> |

d) Deposits

- | | |
|---|------------|
| • <i>Advance deposit may be required of the estimated charges</i> | <i>25%</i> |
| • <i>Further advance deposit may be required to meet the charges for dealing with the application</i> | <i>75%</i> |

For financially disadvantaged applicants or those issued with prescribed pensioner concession cards, the charge payable is reduced by 25%.

e) Access Arrangements

Access to documents can be granted by way of inspection, a copy of a document, a copy of an audio or video tape, a computer disk, a transcript of a recorded, shorthand or encoded document from which words can be reproduced.

f) *Notice of Decision*

As soon as possible but in any case within 45 days you will be provided with a notice of decision which will include details such as -

- the date which the decision was made
- the name and the designation of the officer who made the decision
- if the document is an exempt document the reasons for classifying the matter exempt; or the fact that access is given to an edited document
- information on the right to review and the procedures to be followed to exercise those rights.

f) *Refusal of Access*

Applicants who are dissatisfied with a decision of the agency are entitled to ask for an internal review by the agency. Application should be made in writing within 30 days of receiving the notice of decision.

You will be notified of the outcome of the review within 15 days.

If you disagree with the result you then can apply to the Information Commissioner for an external review, and details would be advised to applicants when the internal review decision is issued.

Enquiries, applications for information or to view / amend personal information, should be made to –

**Chief Executive Officer
Shire of Yalgoo
37 Gibbons Street
YALGOO WA 6635**

Enquiries can also be made to –

**Office of the Information Commissioner
Albert Facey House
469 Wellington St
PERTH WA 6000**

Phone: 6551 7888 or 1800 621 244 Fax: 6551 7889

Email: info@foi.wa.gov.au

Web site: www.foi.wa.gov.au

RECORD KEEPING

Background

The State Records Act 2000 is an Act to provide for the keeping of State records and for related purposes. Section 19 of the Act requires each government organisation have a Record Keeping Plan that has been approved by the State Records Commission.

The purpose of a Record Keeping Plan is to set out which records are to be created by the organisation and how it is to keep those records. Record Keeping Plans are to provide an accurate reflection of the record keeping program within the organisation, including information regarding the organisation's record keeping system(s), disposal arrangements, policies, practices and procedures. The Record Keeping Plan is the primary means of providing evidence of compliance with the Act and that best practices have been implemented in the organisation. In accordance with Section 17 of the Act, the Shire of Yalgoo and all its employees are legally required to comply with the contents of this plan.

The Shire of Yalgoo objectives for record keeping are:

- compliance with Section 19 of the State Records Act 2000,
- meeting the compliance requirements of the State Records Commission Standards and Records Management Standard AS15489,
- processes are in place to facilitate the accurate recording of business transactions and decisions,
- recorded information can be retrieved quickly, accurately and cheaply when required,
- protection and preservation of government records.

Minimum Compliance Requirements

The record keeping plan is to provide evidence to address that –

- From time to time (where necessary) an external consultant is engaged to conduct a recordkeeping training session for staff.
- Staff are also encouraged to attend training courses outside the organisation whenever practicable. Information sessions are conducted for staff as required.
- The Shire provides brochures or newsletters to publish recordkeeping information, highlight issues, or bring particular recordkeeping matters to staff attention.
- The Shire's Induction Program for new employees includes an introduction to the local government's recordkeeping system and program, and information on their recordkeeping responsibilities.

In 2023 the Shire reviewed and adopted its Record Keeping Plan. This plan was then approved by the State Records Commission.

The next review is due for submission prior to the 29th August 2028.

Appended – Shire of Yalgoo Audited Financial Statements and Auditors Report for the financial year ended 30 June 2022.