

Heart of the Stirlings



SHIRE OF GNOWANGERUP
BORDEN GNOWANGERUP ONGERUP

MINUTES

SPECIAL MEETING OF COUNCIL

7 February 2024
Commencing at 3:00pm

Council Chambers
Yougenup Road, Gnowangerup WA 6335

[COUNCIL'S VISION](#)



Shire of Gnowangerup

NOTICE OF A SPECIAL MEETING OF COUNCIL

Dear Council Member

A Special Council Meeting of the Shire of Gnowangerup will be held on Wednesday 7 February 2024, at the Council Chambers 28 Yougenup Road Gnowangerup, commencing at 3:00pm.

Signed: _____



David Nicholson
CHIEF EXECUTIVE OFFICER

Meaning of and CAUTION concerning Council's "In Principle" support:

When Council uses this expression it means that:

- (a) Council is generally in favour of the proposal BUT is not yet willing to give its consent; and*
- (b) Importantly, Council reserves the right to (and may well) either decide against the proposal or to formally support it but with restrictive conditions or modifications.*

Therefore, whilst you can take some comfort from Council's "support" you are clearly at risk if you act upon it before Council makes its actual (and binding) decision and communicates that to you in writing.



DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Gnowangerup for any act, omission or statement or intimation occurring during Council or committee meetings.

The Shire of Gnowangerup disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or committee meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or committee meeting does so at that person's or legal entity's own risk.

In particular and without detracting in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or intimation of approval made by any member or officer of the Shire of Gnowangerup during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Gnowangerup.

The Shire of Gnowangerup advises that anyone who has any application lodged with the Shire of Gnowangerup shall obtain and should only rely on **written confirmation** of the outcome of the application, and any conditions attaching to the decision made by the Shire of Gnowangerup in respect of the application.

These minutes are not a verbatim record but include the contents pursuant to Regulation 11 of Local Government (Administration) Regulations 1996.

Signed: _____

David Nicholson
CHIEF EXECUTIVE OFFICER



DECLARATION OF INTEREST FORM

To: Chief Executive Officer
Shire of Gnowangerup
28 Yougenup Road
GNOWANGERUP WA 6335

I,(1) _____ wish to declare an interest in the following item to be considered by Council at its meeting to be held on (2) _____

Agenda Item(3) _____

The **type** of Interest I wish to declare is (4).

- Financial pursuant to Section 5.60A of the Local Government Act 1995
- Proximity pursuant to Section 5.60B of the Local Government Act 1995
- Indirect Financial pursuant to Section 5.61 of the Local Government Act 1995
- Impartiality pursuant to the Code of Conduct for Council Members, Committee Members & Candidates

The **nature** of my interest is (5) _____

The **extent** of my interest is (6) _____

I understand that the above information will be recorded in the minutes of the meeting and placed in the Disclosure of Financial and Impartiality of Interest Register.

Yours sincerely

Signed

Date

Notes:

1. Insert your name (print).
2. Insert the date of the Council Meeting at which the item is to be considered.
3. Insert the Agenda Item Number and Title.
4. Tick box to indicate type of interest.
5. Describe the nature of your interest.
6. Describe the extent of your interest (if seeking to participate in the matter under S. 5.68 & 5.69 of the Act).

DECLARATION OF INTERESTS (NOTES FOR YOUR GUIDANCE)

A Member, who has a Financial Interest in any matter to be discussed at a Council or Committee Meeting that will be attended by the Member, must disclose the nature of the interest:

- a) In a written notice given to the Chief Executive Officer before the Meeting or;
- b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

- a) Preside at the part of the Meeting, relating to the matter or;
- b) Participate in, or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under Section 5.68 or Section 5.69 of the Local Government Act 1995.

NOTES ON FINANCIAL INTEREST (NOTES FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have a **Financial Interest** in a matter. These notes will be included in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measured in money terms. There are exceptions in the Local Government Act 1995 but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc.), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. **If in doubt declare.**
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The only exceptions are:
 - 6.1 Where the Councillor discloses the extent of the interest, and Council carries a motion under s.5.68(1)(b)(ii) or the Local Government Act; or
 - 6.2 Where the Minister allows the Councillor to participate under s.5.69(3) of the Local Government Act, with or without conditions.

INTERESTS AFFECTING IMPARTIALITY

DEFINITION:

- a) means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest; and
- b) includes an interest arising from kinship, friendship or membership of an association.

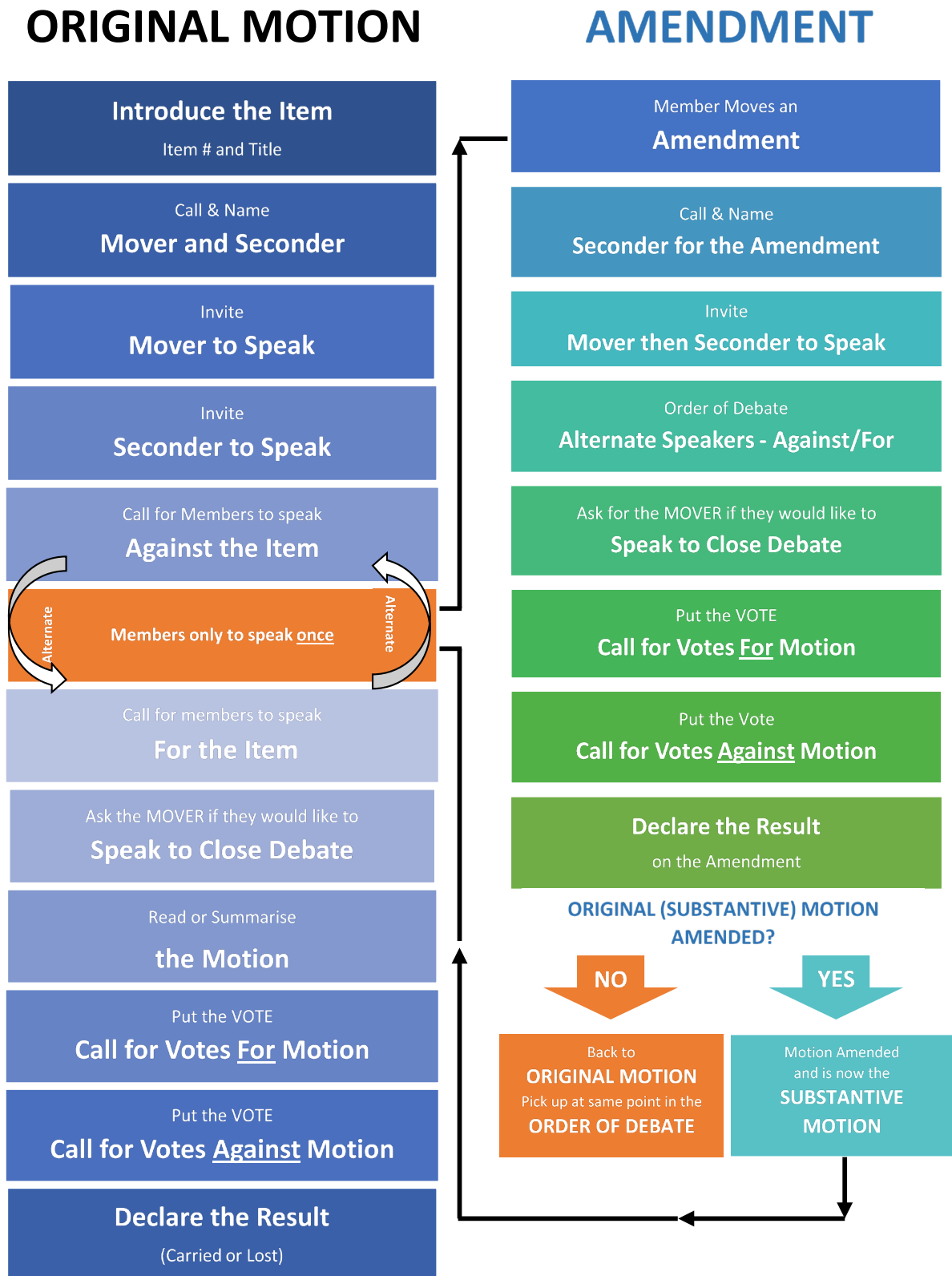
A member who has an Interest Affecting Impartiality in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest;

- (a) in a written notice given to the Chief Executive Officer before the meeting; or
- (b) at the meeting, immediately before the matter is discussed.

IMPACT OF AN IMPARTIALITY DISCLOSURE

There are very different outcomes resulting from disclosing an interest affecting impartiality compared to that of a financial interest. With the declaration of a financial interest, an elected member leaves the room and does not vote. With the declaration of this new type of interest, the elected member stays in the room, participates in the debate and votes. In effect then, following disclosure of an interest affecting impartiality, the member's involvement in the Meeting continues as if no interest existed.

Process of Motions



Slight clarification of wording of motion: A minor amendment of the motion can be done at any time through the President with the approval of the Mover and the Seconder. The Minor amendment must be minuted.

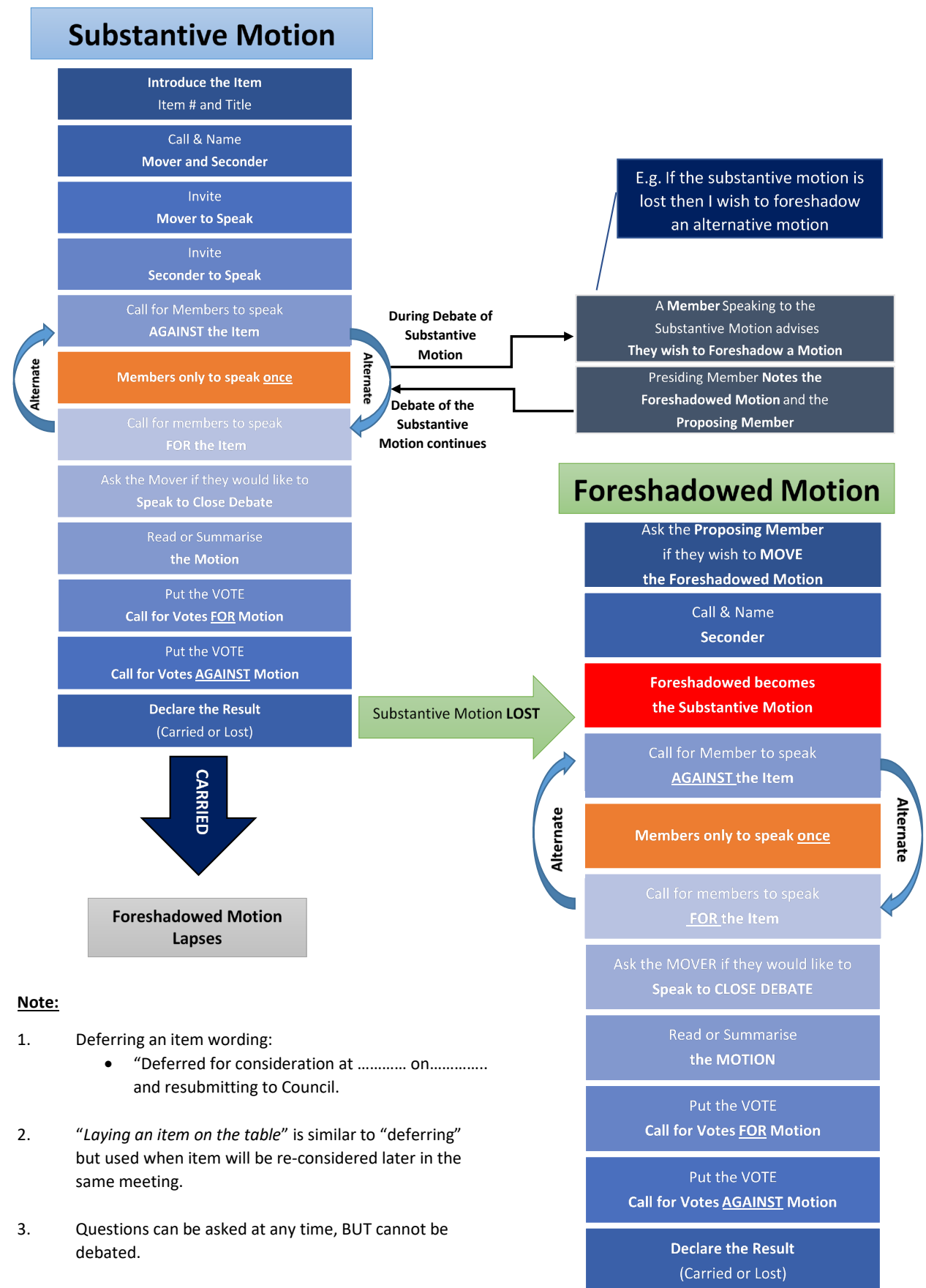


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OPENING PROCEDURES

1. OPENING AND ANNOUNCEMENT OF VISITORS

Shire President, Cr Kate O'Keeffe welcomed Councillors, visitors and staff and opened the meeting at 3:00pm.

2. ACKNOWLEDGEMENT OF COUNTRY

The Shire of Gnowangerup would like to acknowledge the Goreng people who are the Traditional Custodians of this land. The Shire of Gnowangerup would also like to pay respect to the Elders both past and present of the Noongar Nation and extend that respect to other Aboriginals present.

3. ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

3.1 ATTENDANCE

Cr Kate O'Keeffe JP	Shire President
Cr Rebecca O'Meehan	Deputy Shire President
Cr Rebecca Kiddle	
Cr Peter Callaghan	
Cr Robert Minter OAM	
David Nicholson	Chief Executive Officer
Michael Richardson	Executive Manager of Infrastructure and Waste
Barry Gibbs	Asset & Waste Management Co-ordinator
Bobbie Van Rensburg	Executive Assistant
Anita Finn	Senior Governance & Risk Management Officer
Llew Withers	Environmental Health Officer

3.2 APOLOGIES

Cr Michael Creagh	
Cr Lex Martin	
Chiara Galbraith	Deputy Chief Executive Officer

3.3 APPROVED LEAVE OF ABSENCE

NIL

4. APPLICATION FOR LEAVE OF ABSENCE

NIL

5. RESPONSE TO QUESTIONS TAKEN ON NOTICE

NIL

6. PUBLIC QUESTION TIME

NIL

7. DECLARATION OF FINANCIAL INTERESTS AND INTERESTS AFFECTING IMPARTIALITY

NIL

8. PETITIONS / DEPUTATIONS / PRESENTATIONS

8.1 PETITIONS

NIL

8.2 DEPUTATIONS

NIL

8.3 PRESENTATIONS

NIL

9. CONFIRMATION OF PREVIOUS MEETING MINUTES

NIL

10. ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

NIL

REPORTS FOR DECISION

11. REPORTS FOR DECISION

11.1	2022/2023 ANNUAL REPORT
Location:	N/A
Proponent:	N/A
Date of Report:	16 January 2024
Business Unit:	Governance and Strategy
Responsible Officer:	David Nicholson – Chief Executive Officer
Author:	Anita Finn – Senior Governance & Risk Management Officer
Disclosure of Interest:	Nil

ATTACHMENTS

- 2022/2023 Annual Report

PURPOSE OF THE REPORT

To present the 2022/2023 Annual Report, inclusive of audited 2022/2023 Annual Financials for adoption and set a date for the Annual General Meeting of Electors.

BACKGROUND

The Annual Report is a key mechanism by which Councils report to, and are accountable to, their communities.

Sections 5.53 & 5.54 of the *Local Government Act 1995* (the Act) require Councils to prepare an annual report and make copies available for public inspection.

Section 5.54 (2) states that if the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available. The Auditor's report became available on the 19 December 2023. Therefore, the Annual Report must be accepted by 18 February 2024.

The Act specifies the matters that must be contained in the annual report and requires Councils to invite the public to make submissions on the report for discussion at its Annual Electors' Meeting.

As per s5.27 of the Act, a general meeting (Annual Electors Meeting) is to be held not more than 56 days after the Local Government accepts the annual report (latest date 2 April 2024). On this basis it is suggested that the Annual Electors Meeting is held 28 February 2024 immediately after the Ordinary Council Meeting already scheduled for that date.

COMMENTS

The Annual Report has been collated over a period of months by Shire of Gnowangerup officers.

CONSULTATION

Community members have the opportunity to comment on the adopted Annual Report at the Annual Electors' Meeting.

LEGAL AND STATUTORY REQUIREMENTS

The *Local Government Act 1995* states that:

Section 5.54 (1)

Subject to subsection (2), the annual report for a financial year is to be accepted by the local government no later than 31 December after that financial year.

Section 5.54 (2)

If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

Section 5.27

- (1) A general meeting of the electors of a district is to be held once every financial year.*
- (2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.*

Section 5.29

Convening electors' meetings

- (1) The CEO is to convene an electors' meeting by giving —
 - (a) at least 14 days' local public notice; and*
 - (b) each council member at least 14 days' notice, of the date, time, place and purpose of the meeting.**
- (2) The local public notice referred to in subsection (1)(a) is to be treated as having commenced at the time the notice is first given and is to continue in the prescribed way until the meeting has been held.*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

As per Integrated Strategic Plan

Theme	Our Organisation
Community Priority	Shire communication is consistent, engaging and inclusive

STRATEGIC RISK MANAGEMENT CONSIDERATIONS

This item has been evaluated against the current Council approved Risk Management Register.

Risk description	Not to accept the Annual Report and not to hold an Annual Electors Meeting
Primary Strategic Risk Category	Adverse Regulatory Change
Primary Strategic Risk Category Description	Potential changes to the regulatory landscape that will have an adverse effect on the Shire's ability to maintain compliance. <ul style="list-style-type: none"> • Reputational damage • Investigation of Council for non-compliance
Consequence: (Insignificant, Minor, Moderate, Major, Catastrophic)	Catastrophic
Likelihood: (Almost Certain, Likely, Possible, Unlikely, Rare)	Possible

IMPACT ON CAPACITY

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Not accepting the 2022/2023 Annual Report by the 18 February 2024 would contravene the Local Government Act 1995, Section 5.54 (2) as outlined above.

CONCLUSION

It is recommended that Council accept the 2022/2023 Annual Report, as presented and to convene the Annual Electors Meeting.

VOTING REQUIREMENTS

Absolute Majority

COUNCIL RESOLUTION

Moved : Cr Peter Callaghan

Seconded: Cr Rebecca O'Meehan

0224.01 That Council

- 1. Accepts the Annual Report, inclusive of audited 2022/2023 Annual Financials, as presented, for the year ended 30th June 2023.**
- 2. Authorises the CEO to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the Council.**
- 3. Authorises the CEO to publish the annual report on the Shire's official website within 14 days after the report has been accepted by the Council.**
- 4. Convenes the Annual Electors' Meeting for 6.15pm on 28th February 2024 at the Ongerup Town Hall, Eldridge Street, Ongerup WA 6336.**
- 5. Advertises the Annual Electors' Meeting in accordance with the Local Government Act 1995.**

CARRIED BY ABSOLUTE MAJORITY 5/0

FOR: Cr Kate O' Keeffe, Cr Rebecca O'Meehan, Cr Rebecca Kiddle, Cr Peter Callaghan, Cr Robbie Minitier.

AGAINST : NIL



SHIRE OF GNOWANGERUP
BORDEN GNOWANGERUP ONGERUP

Annual Report

2022-2023



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Shire's Vision, Mission & Values

OUR VISION

A thriving, inclusive and growing community built on opportunity.

OUR MISSION

To demonstrate leadership in the provision of facilities, infrastructure and services that meet the needs of our community.

OUR VALUES

Honesty, Responsibility, Respect, Excellence,
Fairness & Teamwork.

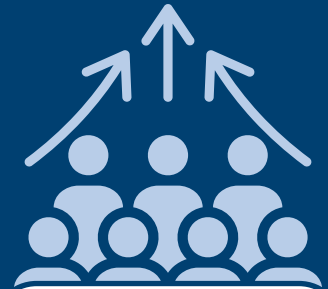
Shire Facts

Annual Budget



\$8,312,486

Population



1,215

Area



4,265 km²

Number of Electors



844

Education

Primary Schools (K-6)

Borden, Gnowangerup, Ongerup

Secondary Schools

Gnowangerup District High (Govt)

One School Global (Private)



Medical

Doctor

Gnowangerup Shire Medical Practice

Gnowangerup Community Child Health Services

Hospital

Gnowangerup District Hospital (A&E)

Aged Care

Gnowangerup Mallee Springs Aged Care Facility

Gnowangerup Homes for the Aged Residential Units



Shire Staff Statistics



31 employees



18 male



13 female



Kaya wandju nitja Noongar Boodja Wandju
Noongar Boodja, koort Noongar Boodja.

Ngowanjerinj Noongar Boodja Gnarla katitj
Noongar moort Keyes karrdack nidja Boodja
Koorra nidja boordewhan.

Hello welcome to Noongar Country.

Welcome to Noongar Country, Heart of Noongar
Country Gnowangerup Noongar Country.

We acknowledge our ancestors past, present
and emerging.

We Noongar people ask that you acknowledge,
respect and tread softly upon the land in which
we call home. Ngowanjerinj of the Wagyl Kaip
people.



The Shire of Gnowangerup now consists of three main towns, Gnowangerup (1905), Ongerup (1912) and Borden (1916) as well as other smaller towns.

The Gnowangerup Noongar Centre was established in 1972 in a building built by Charlie Parker in 1913. It was the second of its kind in WA and a testament to the strength and resilience of Noongar people. It was owned and run by the New Era Aboriginal Fellowship. It became the first Aboriginal non-government rural support centre. In 1996 the building was recognised as a Historic Centre and heritage listed. Today it is known as the Gnowangerup Aboriginal Museum and Keeping Place.



The Goreng Noongar people are the Traditional Owners of this land with a strong and ancient culture. Many people now call Gnowangerup home, with Wadjellas (white people) and Noongar people living together. Aboriginal people are the community, with a connection to back thousands of generations.



Gnowangerup Memorial Hall

Gnowangerup Memorial Hall celebrates 100 years in 2023.

The men of Pallinup Estate were keen supporters of the Returned Servicemen's League that was formed in Gnowangerup. They wanted to honour the 250 men who enlisted to fight in World War One and the 50 men who did not return. It was decided that a public building should be built as a memorial to the soldiers and the men were instrumental in the towns efforts to raise the funds for the Gnowangerup Memorial Hall.

The Foundation stone of the hall was laid on February 10, 1923, by Mr Michael Corbett.

Six months later, in August 1923, the Gnowangerup Memorial Hall was officially opened by Sir Francis Newdegate.

From 1929, movies were shown in the Memorial Hall with the projector room located above the main entrance and accessed by climbing a wooden staircase outside the hall. A Repertory group was formed in 1930 and used the hall as their base. Prior to 1942, the Gnowangerup Roads Board office was a room off the main entrance to the hall.

ANZAC services were also held in the hall before a dedicated War Memorial was built.

Over the years the Hall has been used extensively for movies, dances, cabarets, live performances, exhibitions, and weddings.

Today, the town hall is used for end of year school concerts, staff functions, conferences, and long table events.



MEMORIAL
19 HALL 23





Shire President's Message

It is hard to believe that another year has flown by, and we are again heading into harvest with reasonable rains and another good season in our sights.

An indication of those rains is the number of times that our roads have been closed to preserve their integrity, with such a large road network staff are working hard to maintain this structure with construction and repairs that meet 21st century expectations and operations.

As is the practice we have another long list of roads and town streets identified for works in the current budget.

In October 2022, the council farewelled our Chief Executive Officer of 3 years, Mr Bob Jarvis. During his tenure at the Shire of Gnowangerup, Bob managed to keep the wheels rolling through a litany of events, drought, flood, fire and pandemic.

As a whole council we really enjoyed working with Bob, we appreciated his experience and wisdom, and we fondly wished him a happy retirement.

In November 2022, we welcomed Mr David Nicholson into the CEO position and subsequently Ms Chiara Galbraith as our Deputy CEO a few months later. Both David and Chiara have taken a community first approach to their work and have keenly spent time in Borden, Gnowangerup and Ongerup to meet community members and get first-hand knowledge of community strengths and opportunities.

The shire continued to work through the Local Roads Community Infrastructure projects (LRCIP3) funding of \$859, 416.00 endeavoring to complete the replacement of the Gnowangerup Hall ceiling and disabled access, construct a disabled toilet at the Ongerup sporting complex, caravan park chalets in Gnowangerup and a footbridge to the mineral springs.

At the completion of these projects the shire will be working through the next round of projects for LRCIP4. Each year Council takes the opportunity to support community groups and events through the Shire community grant program initiative.

In the 2022/2023 year, around \$123,000 was allocated to sporting groups, community organisations and events in our shire.

As with most years we farewell and welcome a number of our staff, best wishes from the Shire of Gnowangerup to Cherie Delmage and Geoff Carberry in their new adventures, Damon Lukin in his new position at the Shire of Nannup and Anita Finn in some well-deserved time with family.

We welcomed Barry Gibbs as our Asset and Waste Management Coordinator and Bobbie Van Rensburg as the Executive Assistant to the CEO.

Finally, thank you to the Shire of Gnowangerup Council and staff, a special mention to Deputy President Mr Greg Stewart who has been a dedicated and valuable support to me over the past term and to our CEO Mr David Nicholson who has made a huge impact on the shire organisation thus far and continued to make progress with a number

of long term projects as well as providing support and engagement with our communities. Thank you to Counsellors Kate O’Keeffe, Peter Callaghan, Rebecca O’Meehan, Shelley Hmeljak, Mick Creigh , Rebecca Kiddle and Lex Martin without your support and hard work we could not hope to achieve all that we do. It is always refreshing to be part of a community that has a solid backbone and a committed number of residents that have the best interests of all in their view.

Congratulations to our new Counsellors successful in the October elections and welcome to the Shire of Gnowangerup council.

Thank you to the community for being the heart and soul of all that it means to be part of the Gnowangerup Shire and a fond farewell from me.

Fiona Gaze

Shire president



“Thank you to the community for being the heart and soul of all that it means to be part of the Gnowangerup Shire and a fond farewell from me.”

Fiona Gaze

Shire president

Chief Executive Officer's Message

Upon commencing as CEO in November last year I was clear in my mind as to the approach I would take.

The role of a local government CEO is straight forward – meet the community's needs, support the Shire's staff whose job is to meet the community's needs, and make sure the Shire is compliant with relevant legislation.

While this all sounds simple enough in reality it can be challenging, especially when you add financial constraints into the mix.

To this end, I have spent considerable time simply being present for the community, making myself available to meet with community members and trying to solve community problems.

Developed in 2021, the Shire has a Community Strategic Plan which lists out community priorities.

This is an important document that was developed after extensive community consultation. How we're tracking against this plan is discussed in detail later in this report.

A concern for many community members is the condition of the roads. The Shire has over 1,000kms of roads with the vast majority being unsealed. Maintaining this network can be challenging, especially after heavy downpours and storm events.

Consequently, a big focus of the construction crew are the roads and during the year a major upgrade of Kwobrup Road was undertaken. This was in addition to work on Gnowellen, North Stirling, Salt River, O'Meehans, Borden-Bremer Bay, and Tieline Roads.

I would like to thank the works crew for their dedication to helping the community and especially the Shire's Works Manager.

Ensuring our sporting facilities, ovals, and streetscapes are attractive and appealing is also a community priority. Council continues to support the Gnowangerup, Borden and Ongerup sporting complexes which this year included the sealing of the carpark at Ongerup.

Work was also undertaken at the Gnowangerup aerodrome. This included repairs, ongoing maintenance, line marking and apron modifications. The aerodrome is a first-class facility allowing easy access for the Royal Flying Doctor service and visitors to the Shire.

Recognising the importance of our natural environment, Council continues to provide financial support to the Yongergnow Eco Tourism Centre and North Stirlings Pallinup Natural Resources.

While it's no consolation that it's a global problem, the housing shortage is increasingly becoming an impediment to growth in the Shire.



"To this end, I have spent considerable time simply being present for the community, making myself available to meet with community members and trying to solve community problems."

David Nicholson

Chief Executive Officer

Several industry leading businesses have based themselves in the Shire and their ability to expand and grow is being negatively affected by this housing shortage.

In this respect the Shire's Councillors had the foresight to buy land in Quinn Street to build a complex of houses and to install two chalets in the Gnowangerup caravan park.

Built offsite, the chalets are being installed early in the new financial year to provide short term accommodation for travellers, tourists and contractors.

The housing development in Quinn Street is a much larger project. Initial concept drawings are for a development comprising several houses as well as units to provide long-term accommodation for staff at the hospital, police station, school and Shire office.

The Quinn Street site will be expanded over time with DevelopmentWA recently advising

of their intention to release several adjoining blocks in Corbett Street.

Growth in the Shire has also required expansion of light industrial areas. Work is underway with the Department of Planning, Lands and Heritage to release additional industrial land in Ongerup, and with DevelopmentWA in the development of industrial land in Gnowangerup as part of the Cuneo Close subdivision.

A focus since my arrival has been on developing organisational culture through transparency, clarity of expectations and regular and open communication. Promoting the Shire's values, mission and vision has also been an important part of this process. The Shire has a clear mission and vision which are supported by a set of values. It is planned to refresh and simplify these statements, which may result in reconsideration of organisational values.

Reflecting prudent financial management the Shire finished the year in line with budget, albeit this presents as being materially favourable. This was due to the advance payment of the 2023/24 Financial Assistance Grants of \$1.9m from the Commonwealth Government and revaluation of non-current assets.

Excluding this advance payment, revenue was slightly down on budget though this was more than offset by reduced expenditure particularly in the areas of employee costs, and materials and contracts.

The full set of financials and auditors report is included in this annual report.

I would like to thank the community for making me feel welcome and being so accommodating.

I would also like to thank the Shire Councillors and in particular the Shire President Councillor Fiona Gaze. Councillors fulfill an important role in the community, providing governance oversight to the Shire's operations as well as being the voice of the community.

I would also especially like to thank the staff of the Shire and in particular the Deputy CEO. I'm grateful for their commitment to their roles and to the community and for their shared passion of making the Shire not just a good place to work, but a great place to work.

David Nicholson

Chief Executive Officer



Our Councillors



Fiona Gaze

Shire president

Current Term: 2019–2023



Greg Stewart

Deputy Shire President

Current Term: 2021-2025



Mick Creagh

Councillor

Current Term: 2019–2023



Kate O'Keeffe

Councillor

Current Term: 2019–2023



Shelley Hmeljak

Councillor

Current Term: 2019–2023



Peter Callaghan

Councillor

Current Term: 2021-2025



Rebecca Kiddle

Councillor

Current Term: 2021 – 2025



Lex Martin

Councillor

Current Term: 2021 – 2025



Rebecca O'Meehan

Councillor

Current Term: 2021 – 2025





Councillor Meetings

2022-2023 Elected Members Meeting Attendance

Councillor	Ordinary Council Meetings	Special Meetings of Council	Audit Committee Meetings	CEO Review Committee Meeting	Annual Electors Meeting
Cr Fiona Gaze	11	5	3	1	1
Cr Greg Stewart	9	4	2	1	1
Cr Shelley Hmeljak	11	5	2	1	0
Cr Mick Creagh	11	5	3	1	1
Cr Rebecca O'Meehan	10	4	3	1	1
Cr Kate O'Keefe	11	4	3	1	0
Cr Lex Martin	7	3	1	1	1
Cr Peter Callaghan	9	4	2	1	1
Cr Rebecca Kiddle	10	5	3	1	1

Total number of meetings 2022-23

Ordinary Council Meeting = 11

Special Meetings of Council = 5

Audit Committee Meeting = 3

CEO Review Committee Meeting = 1

Annual Electors Meeting = 1



Councillors allowances paid to elected members during 2022 – 2023 financial year

Councillor Title	Name	Amount Paid
Shire President	Fiona Gaze	\$36,174.12
Deputy Shire President	Greg Stewart	\$12,980
Councillor	Peter Callaghan	\$9,783.60
Councillor	Rebecca Kiddle	\$9,225.80
Councillor	Rebecca O’Meehan	\$9,001
Councillor	Kate O’Keeffe	\$9,001
Councillor	Shelley Hmeljak	\$9,001
Councillor	Lex Martin	\$9,001
Councillor	Michael Creagh	\$9,001

Salary and Remuneration Report

In accordance with the Local Government (Administration) 1996 Regulations 19B, the Shire of Gnowangerup is required to disclose:

1. The number of employees of the local government entitled to an annual salary of \$130,000 or more:

Annual Salary	Number of Employees
\$130,000 +	1

2. The number of employees of the local government entitled to an annual salary that falls within each band of \$10,000 over \$130,000:

Annual Salary	Number of Employees
\$130,000 - \$140,000	0
\$140,001 - \$150,000	1
\$150,001 - \$160,000	0
\$160,001 - \$170,000	0
\$170,001 - \$180,000	0

3. Any remuneration and allowances paid by the local government under Schedule 5.1 (Standards Panels) clause 9 during the financial year:

NIL

4. Any amount ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made under section 5.107(1), 5.109(1) or 5.114(1) to the local government during the financial year:

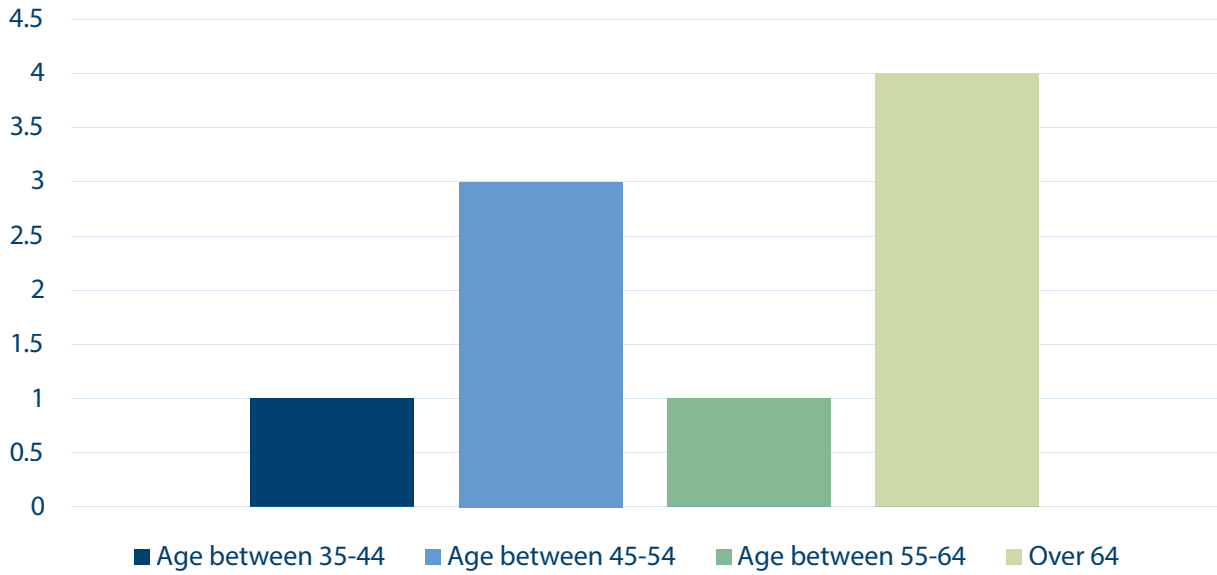
NIL

5. The remuneration (remuneration has the meaning given in the Salaries and Allowances Act 1975 section 4(1)) paid or provided to the CEO during the financial year:

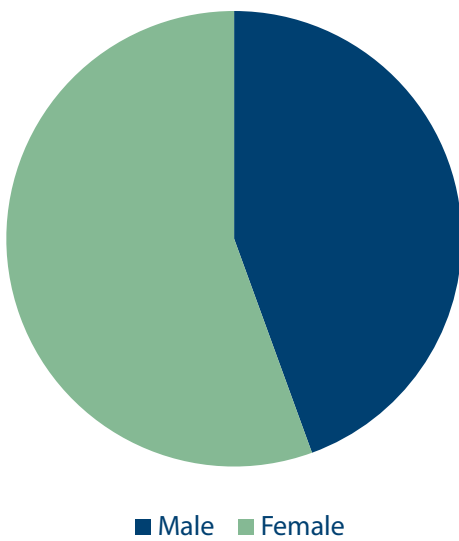
CEO REMUNERATION
2022-2023 - \$202,871

Further Information on Our Councillors

Councillor Age



Gender





Community Development

Events

Bike Safety Check– Youth Fest '22

The Shire of Gnowangerup partnered with Roadwise, Gnowangerup Police, Department of Communities, and Act Belong Commit for Youth Fest 2022 celebrations and held a Bike Safety Check at Gnowangerup Community Park.

Vivienne from Roadwise and Sergeant Tom spoke to the community about bike and road safety. A helmet and hi-vis vest were donated by Roadwise as prizes for participants and everyone who attended received a free Act Belong Commit giftbag.





Australia Day Celebrations 2023

This year's Australia Day celebrations took place at the Gnowangerup Sporting Complex. The Gnowangerup Police and Shire President assisted local community members to raise the flags and entertainment was provided by Adrian and Heidi. It was a great day for all and approximately 100 people attended.

Citizen of the Year Awards

Each year at our Australia Day breakfast, we announce the winners of the Australian Citizen of the Year awards.

This year's winners of the Australian Citizen of the Year Awards were:



Citizen of the Year - Kingsley Vaux

Was nominated/recognised for his work within his community, especially for his work with North Stirling Pallinup Resources (NSPNR). Kingsley has dedicated over 39 years as a volunteer on the NSPNR committee. He was also instrumental in starting the first Land Conservation District Committee in the area and obtained funding for Landcare activities in our district. His efforts within the organisation, on his farm and in the community, involve promoting and practising Landcare and sustainable agriculture.

Kingsley has also contributed many volunteer hours supporting the Yongergnow Malleefowl Centre and general conservation of the Malleefowl - a megapode native in the area, and the totem of the Goreng Noongar people. Kingsley was also awarded life membership (2022) to NSPNR for 39 years of volunteer services and membership of NSPNR (previously LCDC).



**Active Citizenship, Group or Event -
Gnowangerup Containers for Change -
Edith Robertson**

Edith has been instrumental in working with the Gnowangerup Heritage Group to get the Gnowangerup Containers for Change up and running in Gnowangerup. Edith runs the Containers for Change every weekend and undertakes a 120km round trip each week to the nearest bank.

Edith's efforts in getting Containers for Change operating in Gnowangerup positively impacts the environment by reducing the number of containers that go to landfill. The Heritage Group also benefits by receiving the funds from Containers for Change that are invested in projects for the benefit of the community and tourism.





NAIDOC Week

NAIDOC celebrations began 4th July 2023 in front of the shire office. Robbie Minitier OAM opened the flag raising ceremony and spoke on behalf of the Noongar Elders and Goreng people. Robbie then played the didgeridoo as Melita Hayward, Sharon Minitier, Donna Rodney, Chiara Galbraith and Sarah Henning raised the Aboriginal flag. The Shire offered tea and coffee after the ceremony.

Later that day, the Community Resource Centre hosted a native plants information session and morning tea, where the public were able to view native plants and read about their traditional use in food or medicine. Melita spoke about the plants and unveiled a sign that will be mounted near the NAIDOC tractor where the native plants were planted.

On behalf of the Shire and Community Resource Centre we would like to thank Robbie, Aboriginal Elders and all who came along to participate.

Facilities

Gnowangerup Community Swimming Pool

The Gnowangerup community swimming pool opened on the 31 October 2022 to officially kick off the 2022-23 season. Wasting no time, the synchro club started training on opening day and the swimming club in the days that followed. The season kept up the fast pace into December with 4 Christmas and end of year parties as well as the usual events and activities.

The season ended on a cold and rainy day on 1st April 2023. This did not deter some patrons who braved the weather to enjoy a sausage sizzle.

Here is a brief overview of the 2022-2023 Gnowangerup Community Swimming Pool season:

Sales Included



Family Season passes



Adult Season passes



Children Season passes



Synchro Club 9 Swimmers

Swimming club had 20 members training over 3 days a week

A horizontal blue bar with a circular marker at the 20% position. The number 20 is inside the marker.

Vacation swimming lessons had 76 enrolments which resulted in over 600 patrons

A horizontal dark blue bar with a circular marker at the 76% position. The number 76 is inside the marker.



Weekly school swimming lessons



One School Global



Borden Primary School



Broomehill Primary School



Nyabing Primary School



Tambellup



Gnowangerup District High School over two weeks



Hosted Gnowangerup District High School swimming carnival with 160 participants

Community Financial Assistance

Each financial year, the Shire provides financial assistance to various community groups. This is offered through a Community Financial Assistance Grants (CFA grants) program and operational assistance to the Gnowangerup and Ongerup sporting complexes as well as the Borden pavillion. Applications for CFA grants are open to all not-for-profit organisations and grants range from \$500 to \$20,000.



Applications for CFA grants are open to all not-for-profit organisations and grants range from \$500 to \$20,000

Gnowangerup Library

Gnowangerup library has 281 active members that enjoyed our services during 2022-2023.

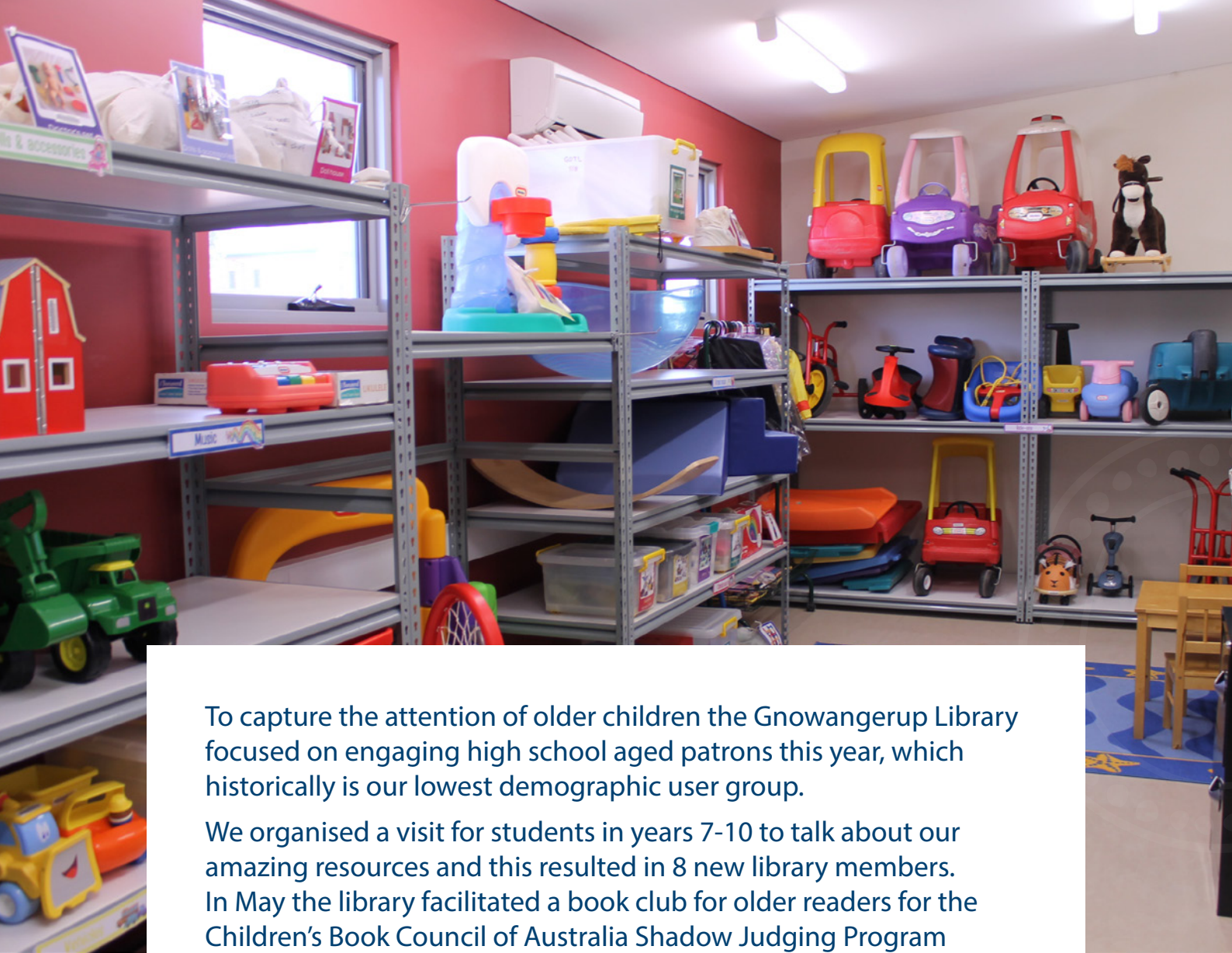
The most popular book was 'Die Trying', by Lee Child and the most popular collection was adult fiction followed by junior kindy.

In September 2022 the library hosted its annual Childrens Book Council of Australia book week author talk. Cristy Burne, aka the "STEAM Queen", explained how she harnesses her passion for science and technology through storytelling. Cristy performed some fun experiments and encouraged the kids to write their own story based on a strange scientific fact.

'Upcycle craft' was the theme for Youth Fest 2022 at the library. Colourful designs were created using old library DVD's by painting the reflective side then scraping them.

The Toy Library has been reinvigorated with a new committee in 2023. The Toy Library is a not-for-profit, community run organisation that provides access to a collection of toys located in the Gnowangerup Library for an annual fee. There have been many new toys added along with an increase in memberships.





To capture the attention of older children the Gnowangerup Library focused on engaging high school aged patrons this year, which historically is our lowest demographic user group.

We organised a visit for students in years 7-10 to talk about our amazing resources and this resulted in 8 new library members. In May the library facilitated a book club for older readers for the Children's Book Council of Australia Shadow Judging Program for older readers. We provided copies of the reading list and on occasion, a quiet space for readers to discuss their thoughts on the books they had read.

Changes to our Inter-Library Loans presented challenges in the latter half of the year. The State Library of Western Australia (SLWA) implemented new restrictions in June for loaning of stock between libraries. These new changes aim to reduce shipping costs and environmental impacts. The new preferred method if the library does not have a book is to source through an eResource loan.

With these changes in mind, we have been encouraging our patrons to engage with eResource platforms. Year on year we continue to see an increase in the use of eResources with COVID-19 being a catalyst, and now consideration of the environmental and economic impacts. We are adapting to the trends and endeavour to make progress wherever possible. If one of our eResource platforms does not have the requested item in stock, we have many other options to obtain the requested item. Please speak to our friendly staff for assistance.



Ongerup Library

Ongerup Library is opened Tuesday to Saturday 9am to 4pm, the same business hours of the Yongergnow Centre.

In July 2022 the children's area in the library was increased to create a small safe play area.

During the year Ongerup Library, on behalf of the Shire of Gnowangerup, was successful in obtaining a \$5,000 Technology and Digital Inclusion Grant. Two tablets and 2 iPads were purchased for the Ongerup and Gnowangerup branches and have provided our patrons the opportunity to access online public libraries, which has been an invaluable resource for our community.



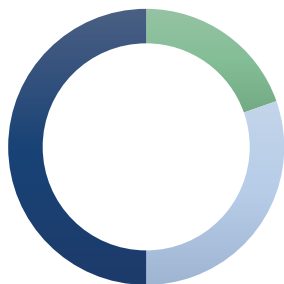
Library Statistics



■ Gnowangerup ■ Ongerup ■ Total

Total number of new books and materials purchased with funds provided by your local government

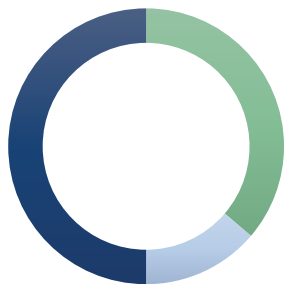
Gnowangerup	Ongerup	Total
1,705	151	1,856



■ Gnowangerup ■ Ongerup ■ Total

Total number of new audio books purchased with funds provided by your local government

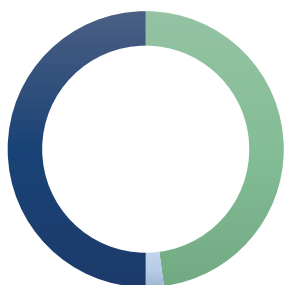
Gnowangerup	Ongerup	Total
31	48	79



■ Gnowangerup ■ Ongerup ■ Total

Total number of all other local stock non-print items purchased with funds provided by your local government

Gnowangerup	Ongerup	Total
1,055	400	1,455



■ Gnowangerup ■ Ongerup ■ Total

Number of physical items loaned. Include SLWA and Local Stock items

Gnowangerup	Ongerup	Total
1,937	85	2,022

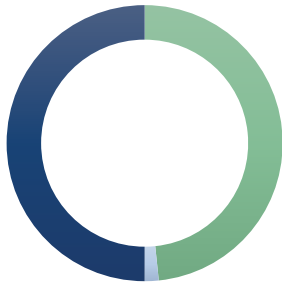


■ Gnowangerup ■ Ongerup ■ Total

Local stock - Adult Non-Fiction Items

Gnowangerup	Ongerup	Total
1,296	524	1,820

Library Statistics



■ Gnowangerup ■ Ongerup ■ Total

Local stock - Adult Fiction Items

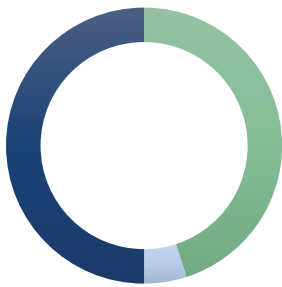
Gnowangerup	Ongerup	Total
414	14	428



■ Gnowangerup ■ Ongerup ■ Total

Local stock - Junior Items

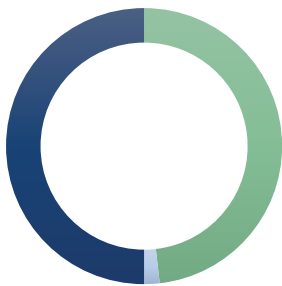
Gnowangerup	Ongerup	Total
1,081	61	1,142



■ Gnowangerup ■ Ongerup ■ Total

Total number of active library members on 30 June 2023 (active within past 2 years)

Gnowangerup	Ongerup	Total
281	31	312



■ Gnowangerup ■ Ongerup ■ Total

Total number of registered library members on 30 June 2023

Gnowangerup	Ongerup	Total
1,331	50	1,381

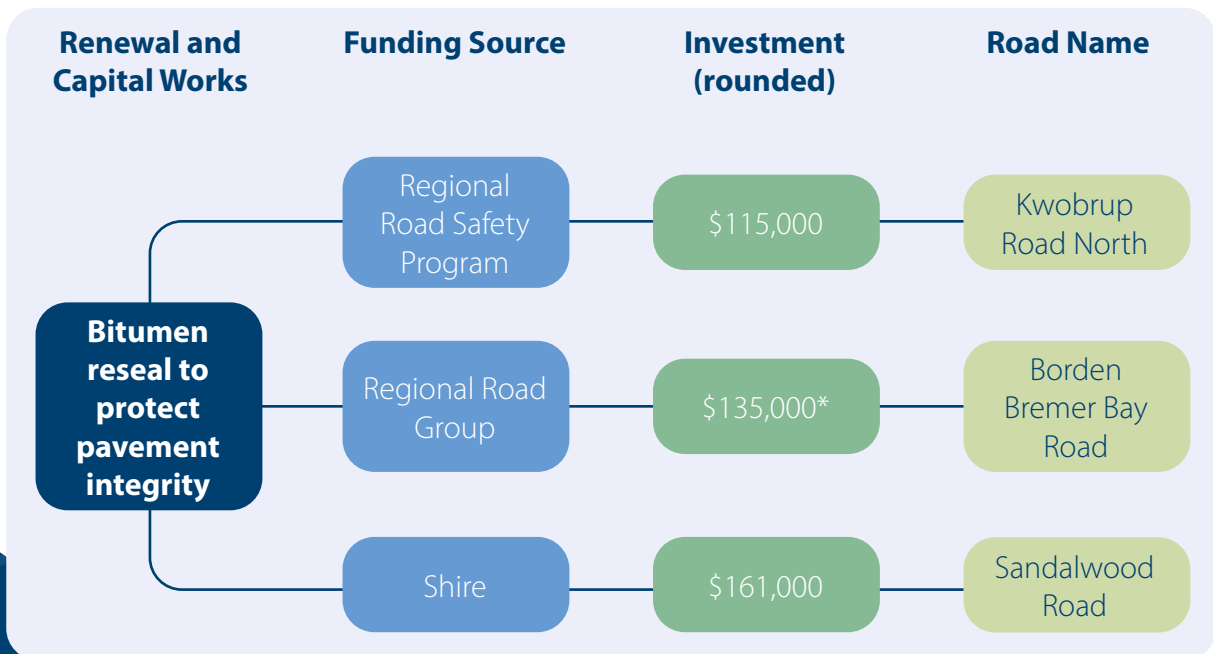
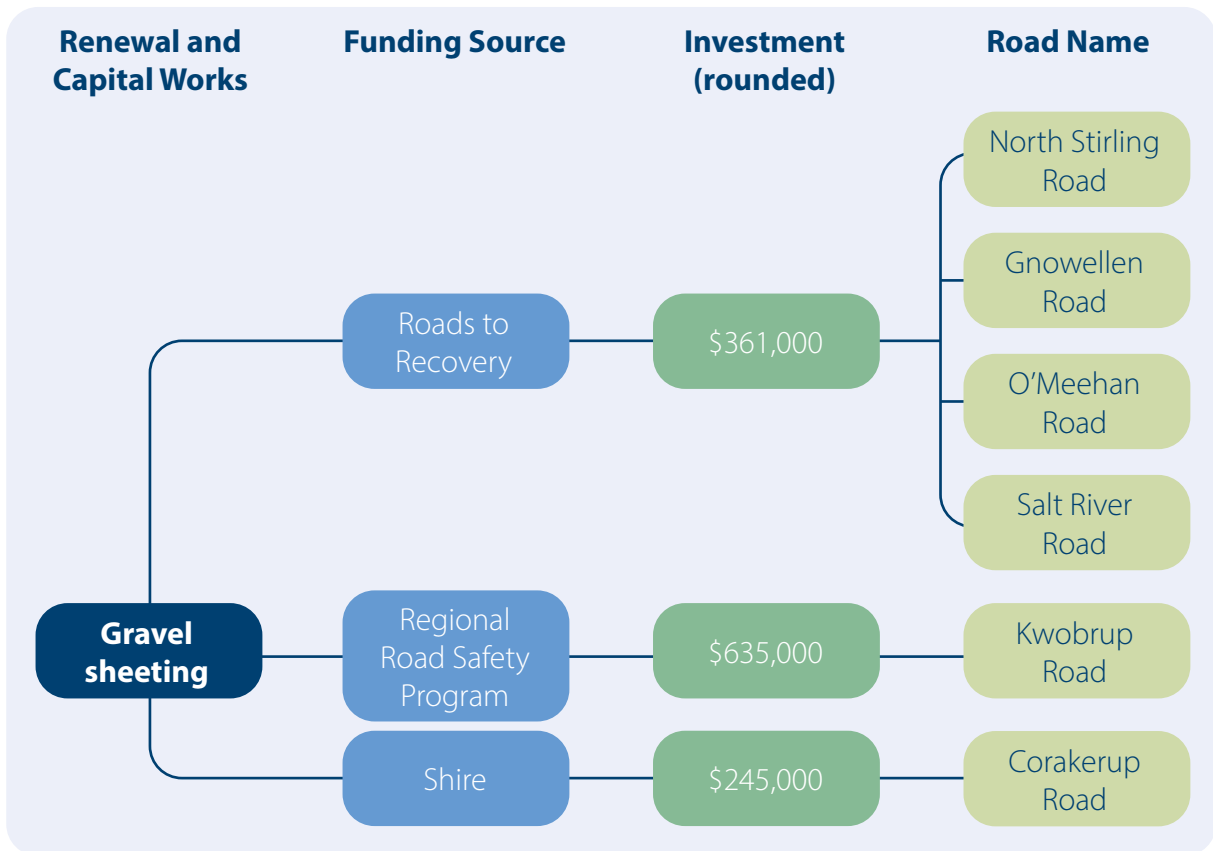
Asset and Infrastructure Services

Infrastructure and Capital Works

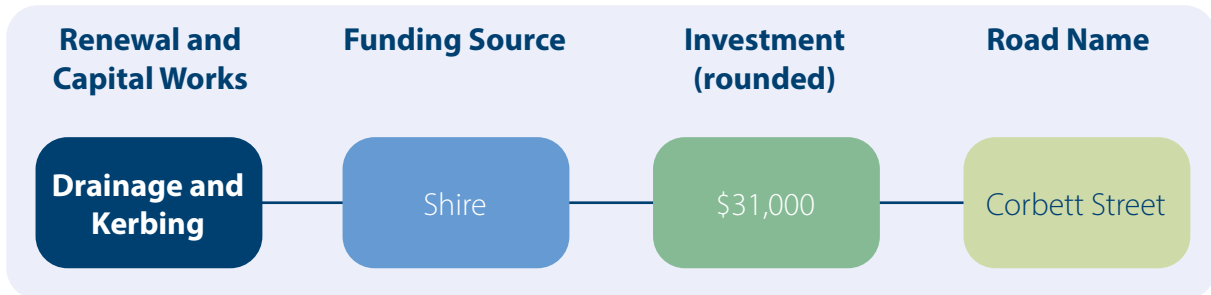
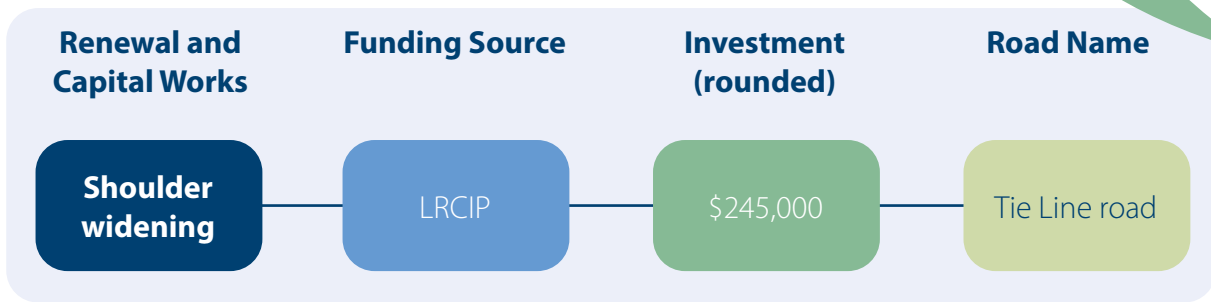
The 2022-2023 capital works program included a mixture of full reconstruction, reseal and gravel re-sheeting across numerous roads within the Shire. All scheduled works were completed except for Gnowangerup – Tambellup Reseal. This project has been deferred until the 2024-2025 program.



Summary of Works Completed



*Shire contribution \$9,000



Reseal Program

As part of the asset renewal program the Shire resealed 3 roads during 2022-2023 to protect the integrity of the sealed roads. Funding for this program was provided by the Commonwealth and State as well as the Shire. The life expectancy of a bitumen sealed road, with maintenance sealing every 7 – 10 years, is around 30 years. Sealed roads then require reconstructing, although this can vary depending on the volume of heavy traffic and weather conditions.

Shoulder sealing

A major cause of road accidents in rural areas is edge breaks along unsealed shoulders and therefore widening shoulders by sealing gravel with bitumen increases road safety. It also protects sealed roads and Tie Line Road is one example where the Shire increased the seal from 6 metre to 7 metres.

General Maintenance

In the 2022-2023 financial year the Shire spent over \$1.5 million on general road maintenance. This included maintenance grading, gravel and pothole patching, road verge spraying and clearing drains and offshoots.



Asset and Waste Management

Plant

The Shires plant renewal and upgrade program was hampered by delivery delays into Australia during 2022-2023. This meant that 2 replacement tip trucks will now be delivered in the 2023-2024 financial year.

Waste Management

The Shires 3 landfill sites have been operating for several years and in 2022-2023 a few issues were identified that will be addressed in 2023-2024 including:

- review opening hours
- waste cell and litter control management
- clear signage/directions for placement of rubbish
- increase recycling to increase the tip life by reducing rubbish going to landfill.

Local Roads and Community Infrastructure Program (LCRIP)

The Shire of Gnowangerup has been busy completing LRCIP round 3 projects funded by the Federal Government stimulus program. Some of these projects included undertaking works at the Gnowangerup aerodrome to reseal the runway, taxiway, and apron area. This work will protect the surface for aeroplanes using the landing space. The Borden netball court resurfacing was another project completed. The multicourt surface was renewed, and lines remarked. This will extend the life of the playing surface by 10 – 15 years.

Our Strategic Focus

Integrated Strategic Plan – Introduction

The Shire’s Integrated Strategic Plan was adopted by Council in July 2021.

It incorporates the Shire’s Strategic Community Plan (SCP) which is a ten-year plan and is refreshed every four years.

The Corporate Business Plan (CBP) is a plan of action which represents the communities’ priorities and aspirations from the SCP. The Shire reports progress against this plan on a quarterly basis which is published on the Shire’s website.

The SCP was developed following community consultation which resulted in five keys themes. These themes comprise:



Our Community



Our Natural Environment



Our Economy



Our Organisation



Our Infrastructure



Our Community



What delivering against Our Community theme looks like:

Actions

- Identify and deliver opportunities for the Shires youth
- Facilitate and advocate for health services, facilities and programs
- Strengthen sense of place, culture and belonging
- Support volunteer programs
- Support emergency services planning, risk mitigation and response and recovery programs

What we did and plan to do

The Shire has partnered with the Youth Affairs Council of Western Australia (YACWA) to promote their initiatives.

To ensure the community has good access to healthcare the Shire financially supports a General Practitioner and is a member of the WA Country Health Service Great Southern Local Advisory Committee. The Shire has also designed this year's annual report to increase readability for community members that are visually impaired.

Recognising the invaluable services our community volunteers provide, a grant program and financial assistance to community committees is provided.

The Shire plans to develop a Reconciliation Action Plan, establish a Youth Council, and facilitate the preservation of Salt River Hall during the next financial year.



Our Economy



What delivering against Our Economy theme looks like:

Actions

- Support Shire businesses and their growth
- Promote the Shire to visitors and tourists
- Ensure the Shire has access to diverse skills and services

What we did and plan to do

The availability of land impedes growth and the Shire has been working with DevelopmentWA to release land in the Cuneo Close light industrial area. This means land will become available to businesses soon.

Similar discussions have occurred with the Department of Planning, Lands and Heritage about industrial land in Ongerup.

The Shire is also in the planning stages of building several homes in Quinn Street, Gnowangerup.

Councils' initiative to build two chalets in the Gnowangerup caravan park are due to be completed in the latter part of 2023. The chalets will provide short term accommodation for tourists as well as contractors.

The Shire actively participates in Great Southern Treasures (GST) and Great Southern Outdoors. GST's hallmark event is the annual Bloom Festival which is designed to showcase participating Shires. In 2022 GST initiatives attracted over 200,000 tourists to the region.

In 2023-2024 the inaugural annual Business Leaders Forum is planned. This will bring together a range of business leaders to network and hear from regional decision makers including government, local successful and growing businesses, and the not-for-profit sector.



Our Infrastructure



What delivering against Our Infrastructure theme looks like:

Actions

- Our parks, gardens, streetscapes and recreational areas are safe and encourage active and healthy lifestyles.
- The Shire's assets and infrastructure is well maintained

What we did and plan to do

The Shires maintains a proactive maintenance program for its gardens, streetscapes, and recreational areas. This resulted in Ongerup being nominated as a tidy town in 2023.

Planned activities include a refresh of street signage in Gnowangerup in 2023-2024, Borden in 2024-2025 and Ongerup in 2025-2026.



Our Natural Environment



What delivering against Our Infrastructure theme looks like:

Actions

- A high standard of environmental health and waste services.
- Conservation of the natural environment.

What we did and plan to do

The Shire provides a financial contribution to North Stirlings Pallinup Natural Resources and participates in the governance of this organisation.

Planned activities include developing a business case for the installation of electric vehicle charging stations.



Our Organisation



What delivering against Our Organisation theme looks like:

Actions

- Invest in the skills and capabilities of the Shires staff and leaders.
- Shire communication is consistent, engaging and inclusive.
- Planning to implement plans and strategic priorities.

What we did and plan to do

The Shire recommenced a monthly community newsletter. The newsletter keeps the community informed about Shire initiatives and projects.

Shire policies were reviewed to ensure they remain contemporary and relevant and will aid in operational efficiency and improved governance.

It is a statutory requirement that local laws are reviewed every eight years with the following local laws due for review in 2023-2024:

- Local Government Property Local Law 2016
- Dogs Local Law 2016
- Health Local Law 2016
- Animals, Environment and Nuisance Local Law 2016

The Shire's Strategic Community Plan will also be reviewed in line with the 4 yearly review cycle.

Statutory Reports

Recordkeeping plan

The Shire is committed to keeping records in accordance with the State Records Act 2000 and the Records Management Standard AS ISO 15489 through corporate systems and management/disposal processes.

The Act requires all local government authorities to develop and maintain a recordkeeping plan (RKP). This plan must be endorsed by the State Records Commission and reviewed at least every five years. The Shires 2019 RKP will be reviewed during 2023-2024.

Freedom of information

The Freedom of Information Act 1992 allows the public the right to apply for access to information held by the Shire. The act requires the review and adoption of a Freedom of Information (FOI) statement, a copy of which is available on the Shire's website. During 2022-2023, no applications were received under the FOI Act.

A copy of the current statement is available on our website www.gnowangerup.wa.gov.au



Competitive Neutrality

Competitive neutrality principles apply to any significant business activities conducted by, or under the control of, a local government that generate an income of \$200,000 or more in a financial year.

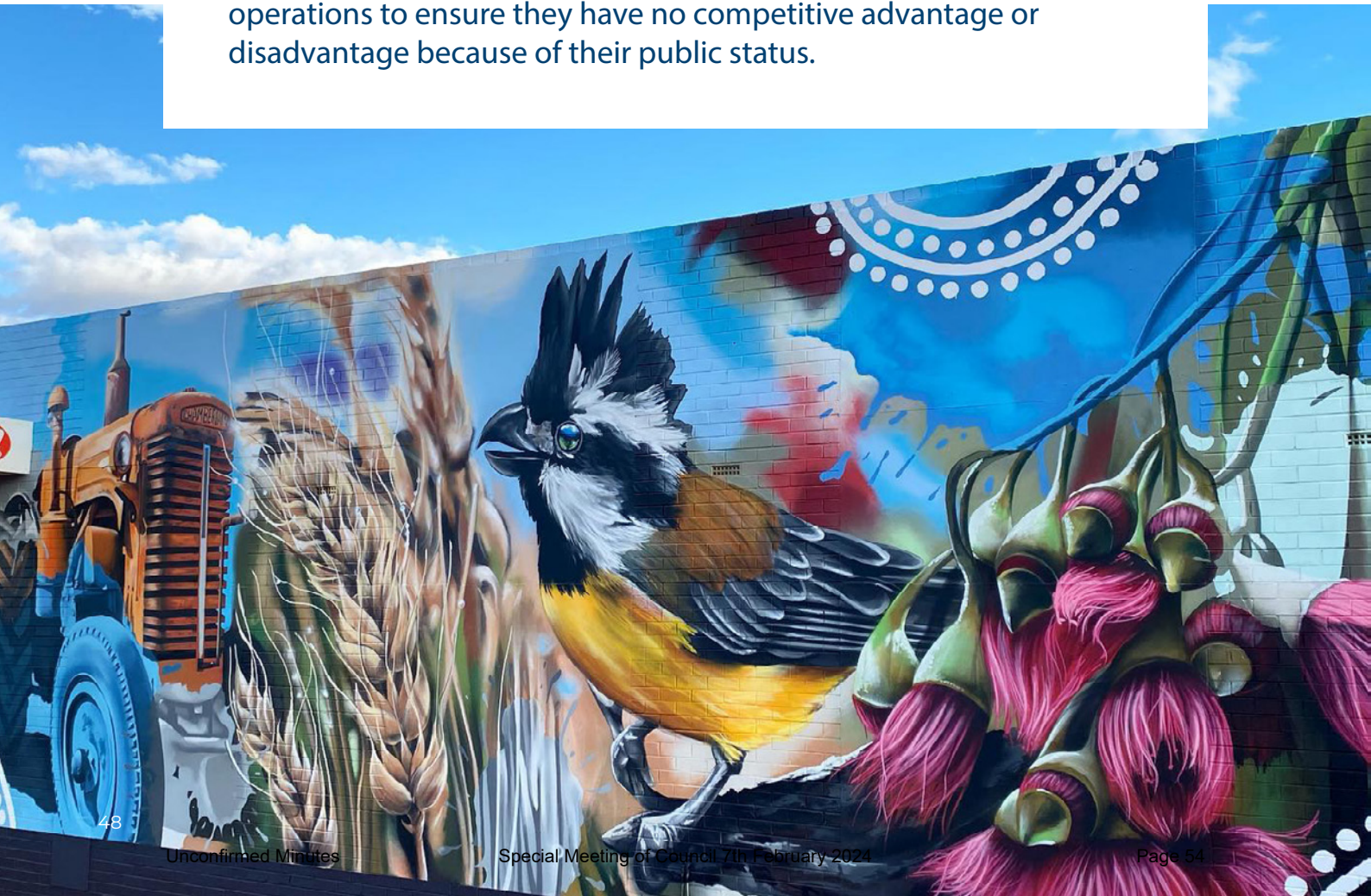
In the 2022-2023 financial year the Shire did not undertake any business activities that met this threshold.

Register of Complaints

Minor breaches of the rules of conduct or a local law of the Shire by a Council member must be recorded in a register noting the outcome of the investigation of the complaint and the action subsequently taken. No complaints regarding such breaches were received by the Shire's Complaints Officer during 2022-2023

National Competition Policy

The Competition Principles Agreement (CPA) is a contractual agreement between Federal Government and all State and Territory Governments which aims to ensure that all public enterprises operate in a transparent manner in the best interests of the public. Under the CPA, public enterprises are required to review their operations to ensure they have no competitive advantage or disadvantage because of their public status.





Public Interest Disclosures

The Public Interest Disclosures Act 2013 aims to ensure openness and accountability in government. Disclosures are treated in confidence and persons making a disclosure are protected from detrimental action. The Shire of Gnowangerup had no public interest disclosures during the year-ended 30th June 2023

Local Laws

Council has the following local laws:

- Activities in Thoroughfares and Public Places and Trading Local Law
- Standing Orders Local Law
- Bush Fire Brigades Local Law
- Animals, Environment and Nuisance Local Law
- Dogs Local Law
- Health Local Law
- Local Government Property Local Law

All local laws have been reviewed for NCP compliance and all amendments to existing, and future local laws are monitored to ensure no anti-competitive practices. The following Local Laws are currently being reviewed in accordance with the Local Government Act 1995 Local Government Property Local Law 2016, Dog Local Law 2016, Health Local Law and Animals 2016 and Environment and Nuisance Local Law 2016.

Disability Access and Inclusion Plan (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. All Community members are invited to attend events, most of our Shire buildings have wheelchair access.

Outcome 2: People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority. An Audit on footpaths will be completed by November 2023. Footpath repairs will then commence in Gnowangerup progressing on to Ongerup and Borden.

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. We continue to work on our website to ensure it is accessible to the whole community. We also ensure that where possible all our documents are included on there. Our notice board is easily accessible. The 2022/23 annual report has been written to comply with the principles of Plain English.

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. We have a Customer Service Charter and a Code of Conduct. Customer service training to commence in the new year for all staff members.

Outcome 5: People with disability have the same opportunities as other people to make complaints to a public authority. Our Shire continues to ensure all people have the same opportunity to make complaints. We accept written and verbal complaints through the Administration office, either over the phone, in person, mailed or via our website.

Outcome 6: People with disability have the same opportunities as other people to participate in any public consultation by a public authority. When holding community meetings for consultation, these are always held in a disabled friendly location.

Outcome 7: People with disability have the same opportunities as other people to obtain and maintain employment with a public authority. The Shire continues to ensure all employment advertisements and packages are available in a range of print and electronic formats.

Financial Report 2022-2023

Statement by Chief Executive Officer	52	Statement of Financial Activity	57
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Statement of Changes in Equity	55	Independent Auditor's Report	89
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The Shire of Gnowangerup conducts the operations of a local government with the following community vision:
"A progressive, inclusive and prosperous community built on opportunity"

Statement by Chief Executive Officer

for the year ended 30 June 2023

SHIRE OF GNOWANGERUP
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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

STATEMENT BY CEO

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

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

Signed on the 18th day of DECEMBER 2023



Chief Executive Officer

DAVID NICHOLSON

Name of Chief Executive Officer

Statement of Comprehensive Income

for the year ended 30 June 2023

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),24	4,327,416	4,315,060	4,227,138
Grants, subsidies and contributions	2(a)	2,689,527	420,329	2,795,285
Fees and charges	2(a)	402,912	321,911	349,915
Interest revenue	2(a)	139,556	27,373	42,550
Other revenue	2(a)	134,495	862,241	978,308
		7,693,906	5,946,914	8,393,196
Expenses				
Employee costs	2(b)	(2,361,159)	(2,736,458)	(2,559,829)
Materials and contracts		(2,019,114)	(2,245,747)	(1,849,264)
Utility charges		(161,712)	(186,258)	(153,456)
Depreciation		(2,491,950)	(2,348,139)	(2,438,401)
Finance costs	2(b)	(16,280)	(18,323)	(22,900)
Insurance		(290,125)	(289,946)	(214,067)
Other expenditure	2(b)	(282,501)	(428,038)	(280,085)
		(7,622,841)	(8,252,909)	(7,518,002)
		71,065	(2,305,995)	875,194
Capital grants, subsidies and contributions	2(a)	1,589,170	2,365,572	1,697,470
Profit on asset disposals		16,273	-	206,992
Loss on asset disposals		(1,234)	-	(29,643)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	3,685	-	3,997
		1,607,894	2,365,572	1,878,816
Net result for the period		1,678,959	59,577	2,754,010
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	48,186,228	0	0
Total other comprehensive income for the period	16	48,186,228	0	0
Total comprehensive income for the period		49,865,187	59,577	2,754,010

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

Statement of Financial Position

for the year ended 30 June 2023

	NOTE	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	3	6,434,555	5,090,991
Trade and other receivables	5	504,606	329,102
Other financial assets	4(a)	14,817	7,341
Inventories	6	29,144	63,785
Other assets	7	-	842,581
TOTAL CURRENT ASSETS		6,983,122	6,333,800
NON-CURRENT ASSETS			
Trade and other receivables	5	124,579	117,185
Other financial assets	4(b)	119,331	130,463
Property, plant and equipment	8	33,360,889	33,972,429
Infrastructure	9	141,550,695	92,253,067
Right-of-use assets	11(a)	3,095	10,464
TOTAL NON-CURRENT ASSETS		175,158,589	126,483,608
TOTAL ASSETS		182,141,711	132,817,408
CURRENT LIABILITIES			
Trade and other payables	12	459,358	440,794
Other liabilities	13	48,343	429,708
Lease liabilities	11(b)	4,345	4,218
Borrowings	14	95,949	105,243
Employee related provisions	15	283,850	334,196
TOTAL CURRENT LIABILITIES		891,845	1,314,159
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	4,855	9,200
Borrowings	14	423,639	519,588
Employee related provisions	15	23,765	42,041
TOTAL NON-CURRENT LIABILITIES		452,259	570,829
TOTAL LIABILITIES		1,344,104	1,884,988
NET ASSETS		180,797,607	130,932,420
EQUITY			
Retained surplus		47,323,329	46,195,142
Reserve accounts	27	2,669,469	2,118,697
Revaluation surplus	16	130,804,809	82,618,581
TOTAL EQUITY		180,797,607	130,932,420

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

Statement of Changes in Equity

for the year ended 30 June 2023

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		43,421,134	2,138,695	82,618,581	128,178,410
Comprehensive income for the period					
Net result for the period		2,754,010	-	-	2,754,010
Total comprehensive income for the period		2,754,010	-	-	2,754,010
Transfers from reserve accounts	27	288,591	(288,591)	-	-
Transfers to reserve accounts	27	(268,593)	268,593	-	-
Balance as at 30 June 2022		46,195,142	2,118,697	82,618,581	130,932,420
Comprehensive income for the period					
Net result for the period		1,678,959	-	-	1,678,959
Other comprehensive income for the period	16	-	-	48,186,228	48,186,228
Total comprehensive income for the period		1,678,959	-	48,186,228	49,865,187
Transfers from reserve accounts	27	30,000	(30,000)	-	-
Transfers to reserve accounts	27	(580,772)	580,772	-	-
Balance as at 30 June 2023		47,323,329	2,669,469	130,804,809	180,797,607

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

Statement of Cash Flows

for the year ended 30 June 2023

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		4,309,266	4,197,754
Grants, subsidies and contributions		2,631,355	3,079,760
Fees and charges		408,332	349,915
Interest revenue		139,556	42,550
Goods and services tax received		439,273	646,286
Other revenue		134,495	139,710
		8,062,277	8,455,975
Payments			
Employee costs		(2,351,843)	(2,654,751)
Materials and contracts		(1,283,887)	(1,861,260)
Utility charges		(161,712)	(153,456)
Finance costs		(16,280)	(24,353)
Insurance paid		(290,125)	(214,067)
Goods and services tax paid		(468,648)	(605,281)
Other expenditure		(282,501)	(280,085)
		(4,854,996)	(5,793,253)
Net cash provided by (used in) operating activities		3,207,281	2,662,722
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at amortised cost - self supporting loans		-	(60,000)
Payments for purchase of property, plant & equipment	8(a)	(462,569)	(1,277,306)
Payments for construction of infrastructure	9(a)	(2,586,070)	(3,239,257)
Capital grants, subsidies and contributions		1,207,805	1,697,470
Proceeds from financial assets at amortised cost - self supporting loans		7,341	370,948
Proceeds from sale of property, plant & equipment		79,237	530,310
Net cash provided by (used in) investing activities		(1,754,256)	(1,977,835)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	26(a)	(105,243)	(556,784)
Payments for principal portion of lease liabilities	26(b)	(4,218)	(8,107)
Proceeds from new borrowings	26(a)	-	60,000
Net cash provided by (used in) financing activities		(109,461)	(504,891)
Net increase (decrease) in cash held		1,343,564	179,996
Cash at beginning of year		5,090,991	4,910,995
Cash and cash equivalents at the end of the year	3	6,434,555	5,090,991

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

Statement of Financial Activity

for the year ended 30 June 2023

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	24(a)	4,101,264	4,096,113	3,977,255
Rates excluding general rates	24(a)	226,152	218,947	249,883
Grants, subsidies and contributions	2(a)	2,689,527	420,329	2,795,285
Fees and charges	2(a)	402,912	321,911	349,915
Interest revenue	2(a)	139,556	27,373	42,550
Other revenue		134,495	862,241	978,308
Profit on asset disposals		16,273	-	206,992
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	3,685	-	3,997
		<u>7,713,864</u>	<u>5,946,914</u>	<u>8,604,185</u>
Expenditure from operating activities				
Employee costs		(2,361,159)	(2,736,458)	(2,559,829)
Materials and contracts		(2,019,114)	(2,245,747)	(1,849,264)
Utility charges		(161,712)	(186,258)	(153,456)
Depreciation		(2,491,950)	(2,348,139)	(2,438,401)
Finance costs		(16,280)	(18,323)	(22,900)
Insurance		(290,125)	(289,946)	(214,067)
Other expenditure		(282,501)	(428,038)	(280,085)
Loss on asset disposals		(1,234)	-	(29,643)
		<u>(7,624,075)</u>	<u>(8,252,909)</u>	<u>(7,547,645)</u>
Non-cash amounts excluded from operating activities	25(a)	2,447,556	2,423,753	2,207,248
Amount attributable to operating activities		<u>2,537,345</u>	<u>117,758</u>	<u>3,263,788</u>
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		1,589,170	2,365,572	1,697,470
Proceeds from disposal of assets		79,237	240,000	530,310
Proceeds from financial assets at amortised cost - self supporting loans	26(a)	7,341	5,477	370,948
		<u>1,675,748</u>	<u>2,611,049</u>	<u>2,598,728</u>
Outflows from investing activities				
Payments for financial assets at amortised cost - self supporting loans		-	-	(60,000)
Purchase of property, plant and equipment	8(a)	(462,569)	(1,788,417)	(1,277,306)
Purchase and construction of infrastructure	9(a)	(2,586,070)	(2,507,938)	(3,239,257)
		<u>(3,048,639)</u>	<u>(4,296,355)</u>	<u>(4,576,563)</u>
Amount attributable to investing activities		<u>(1,372,891)</u>	<u>(1,685,306)</u>	<u>(1,977,835)</u>
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	26(a)	-	-	60,000
Transfers from reserve accounts	27	30,000	110,000	288,591
		<u>30,000</u>	<u>110,000</u>	<u>348,591</u>
Outflows from financing activities				
Repayment of borrowings	26(a)	(105,243)	(103,381)	(556,784)
Payments for principal portion of lease liabilities	26(b)	(4,218)	(4,360)	(8,107)
Transfers to reserve accounts	27	(580,772)	(525,378)	(268,593)
		<u>(690,233)</u>	<u>(633,119)</u>	<u>(833,484)</u>
Amount attributable to financing activities		<u>(660,233)</u>	<u>(523,119)</u>	<u>(484,893)</u>
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	25(b)	3,003,064	2,090,667	2,202,004
Amount attributable to operating activities		2,537,345	117,758	3,263,788
Amount attributable to investing activities		(1,372,891)	(1,685,306)	(1,977,835)
Amount attributable to financing activities		(660,233)	(523,119)	(484,893)
Surplus or deficit after imposition of general rates	25(b)	<u>3,507,285</u>	<u>-</u>	<u>3,003,064</u>

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

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Notes to and forming part of the Financial Report

for the year ended 30 June 2023

BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

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

The local government reporting entity

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

Judgements and estimates

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

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

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

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

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates - general rates	General rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Rates - 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
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.
Fees and charges	Building, cemetery services, library fees, property hire, private works, planning, development, animal management services, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Output method based on provision of service or completion of works, or on payment and issue of the licence, registration or approval
Other revenue - Commissions	Commissions on licencing	Over time	Payment in full on sale	None	When assets are controlled
Other revenue - Reimbursements	Insurance claims and reimbursable expenses	Single point in time	Payment in arrears for claimable event	None	When claim is agreed or when reimbursement is agreed

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	4,279,946	47,470	4,327,416
Grants, subsidies and contributions	387,097	-	-	2,302,430	2,689,527
Fees and charges	128,377	-	30,277	244,258	402,912
Interest revenue	-	-	34,760	104,796	139,556
Other revenue	66,192	-	-	68,303	134,495
Capital grants, subsidies and contributions	-	1,589,170	-	-	1,589,170
Total	581,666	1,589,170	4,344,983	2,767,257	9,283,076

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	4,187,854	39,284	4,227,138
Grants, subsidies and contributions	428,433	-	-	2,366,852	2,795,285
Fees and charges	196,942	-	21,439	131,534	349,915
Interest revenue	-	-	31,760	10,790	42,550
Other revenue	60,460	-	-	917,848	978,308
Capital grants, subsidies and contributions	-	1,697,470	-	-	1,697,470
Total	685,835	1,697,470	4,241,053	3,466,308	10,090,666

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual \$	2022 Actual \$
Interest revenue		
Financial assets at amortised cost - self supporting loans	597	2,122
Interest on reserve account funds	55,893	5,721
Other interest revenue	83,066	34,707
	139,556	42,550
Fees and charges relating to rates receivable		
Charges on instalment plan	4,020	4,190
The 2023 original budget estimate in relation to: Charges on instalment plan was \$4,100		
(b) Expenses		
Auditors remuneration		
- Audit of the Annual Financial Report	32,500	26,700
- Other services – grant acquittals	2,500	2,300
	35,000	29,000
Employee Costs		
Employee benefit costs	2,298,099	2,453,030
Other employee costs	63,060	106,799
	2,361,159	2,559,829
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	16,280	22,900
	16,280	22,900
Sundry expenses	282,501	280,085
	282,501	280,085

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	6,434,555	5,090,991
Total cash and cash equivalents	6,434,555	5,090,991
Held as		
- Unrestricted cash and cash equivalents	3,711,337	2,541,665
- Restricted cash and cash equivalents	2,723,218	2,549,326
	6,434,555	5,090,991

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

	2023	2022
	\$	\$
Financial assets at amortised cost	14,817	7,341
	14,817	7,341
Other financial assets at amortised cost		
Self supporting loans receivable	14,817	7,341
	14,817	7,341
Held as		
- Unrestricted other financial assets at amortised cost	14,817	7,341
	14,817	7,341

Other financial assets at amortised cost

Self supporting loans receivable

25(b)

(b) Non-current assets

Financial assets at amortised cost

Financial assets at fair value through profit or loss

Financial assets at amortised cost	37,842	52,659
Financial assets at fair value through profit or loss	81,489	77,804
	119,331	130,463
Financial assets at amortised cost		
Self supporting loans receivable	37,842	52,659
	37,842	52,659
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	77,804	73,807
Movement attributable to fair value increment	3,685	3,997
Units in Local Government House Trust - closing balance	81,489	77,804

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

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

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

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

Financial assets at fair value through profit or loss

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

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
Current		
Rates and statutory receivables	294,988	277,971
Trade receivables	131,220	74,268
Other receivables	1,220	0
GST receivable	105,735	0
Allowance for credit losses of rates and statutory receivables	(28,557)	(23,137)
	504,606	329,102
Non-current		
Rates and statutory receivables	124,579	117,185
	124,579	117,185

In the 2022 Annual Financial Report the Trade and Other Receivables balance of \$1,171,638, reported under Note 5 has been adjusted to reflect the correct split of Trade & Other Receivables (\$329,102) and Contract Assets (\$842,581) - Refer Note 7.

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

6. INVENTORIES

Current

Fuel and materials

Note	2023	2022
	\$	\$
	29,144	63,785
	29,144	63,785
	63,785	23,344
	(281,352)	(214,115)
	246,711	254,556
	29,144	63,785

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

7. OTHER ASSETS

Other assets - current

Accrued income

2023	2022
\$	\$
-	842,581
-	842,581

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.

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$		\$	\$	\$
Balance at 1 July 2021	1,050,073	1,540,000	27,570,751	30,160,824	82,181	3,830,309	34,073,314
Additions	51,463	-	204,605	256,068	-	1,021,238	1,277,306
Disposals	-	-	-	-	-	(352,961)	(352,961)
Depreciation	-	(29,000)	(569,752)	(598,752)	(16,848)	(409,630)	(1,025,230)
Balance at 30 June 2022	1,101,536	1,511,000	27,205,604	29,818,140	65,333	4,088,956	33,972,429
Comprises:							
Gross balance amount at 30 June 2022	1,101,536	1,540,000	27,775,356	30,416,892	99,124	5,072,568	35,588,584
Accumulated depreciation at 30 June 2022	-	(29,000)	(569,752)	(598,752)	(33,791)	(983,612)	(1,616,155)
Balance at 30 June 2022	1,101,536	1,511,000	27,205,604	29,818,140	65,333	4,088,956	33,972,429
Additions	-	14,268	263,723	277,991	-	184,578	462,569
Disposals	-	-	-	-	-	(64,198)	(64,198)
Assets classified as held for sale	-	-	-	-	-	-	-
Depreciation	-	(28,999)	(574,092)	(603,091)	(16,847)	(389,973)	(1,009,911)
Balance at 30 June 2023	1,101,536	1,496,269	26,895,235	29,493,040	48,486	3,819,363	33,360,889
Comprises:							
Gross balance amount at 30 June 2023	1,101,536	1,554,268	28,039,079	30,694,883	99,124	5,139,710	35,933,717
Accumulated depreciation at 30 June 2023	-	(57,999)	(1,143,844)	(1,201,843)	(50,638)	(1,320,347)	(2,572,828)
Balance at 30 June 2023	1,101,536	1,496,269	26,895,235	29,493,040	48,486	3,819,363	33,360,889

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using observable or estimated open market values of similar assets adjusted for condition and comparability at their highest and best use	Independent registered valuers	June 2021	Price per hectare/market borrowing rate
Buildings - non-specialised	2	Market approach using observable or estimated open market values of similar assets adjusted for condition and comparability at their highest and best use	Independent registered valuer	June 2021	Available market information and utilising both observable and unobservable inputs being construction costs based on recent contract prices, current condition, residual values and remaining useful life assessment
Buildings - specialised	3	Cost approach using current replacement cost	Independent registered valuer	June 2021	Construction costs and current condition, residual values and remaining useful life assessment inputs
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
(ii) Cost					
Furniture and equipment		Cost approach	Cost		Purchase cost
Plant and equipment		Cost approach	Cost		Purchase cost

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Other infrastructure footpaths	Other infrastructure drainage	Other infrastructure parks & ovals	Other infrastructure other	Other infrastructure airports	Other infrastructure sewer	Other infrastructure solid waste	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	75,885,388	699,026	3,496,095	5,872,194	906,914	3,007,586	225,384	323,471	90,416,058
Additions	3,136,344	-	-	51,287	51,626	-	-	-	3,239,257
Depreciation	(850,666)	(14,873)	(74,365)	(277,688)	(52,936)	(112,555)	(4,975)	(14,190)	(1,402,248)
Balance at 30 June 2022	78,171,066	684,153	3,421,730	5,645,793	905,604	2,895,031	220,409	309,281	92,253,067
Comprises:									
Gross balance at 30 June 2022	81,434,927	743,644	3,718,282	6,736,073	1,068,195	3,338,580	239,529	342,936	97,622,166
Accumulated depreciation at 30 June 2022	(3,263,861)	(59,491)	(296,552)	(1,090,280)	(162,591)	(443,549)	(19,120)	(33,655)	(5,369,099)
Balance at 30 June 2022	78,171,066	684,153	3,421,730	5,645,793	905,604	2,895,031	220,409	309,281	92,253,067
Additions	2,147,410	-	-	43,500	88,115	302,827	-	4,218	2,586,070
Revaluation increments / (decrements) transferred to revaluation surplus	37,724,442	234,687	717,264	3,039,036	2,134,125	3,162,908	238,303	935,463	48,186,228
Depreciation	(913,394)	(14,873)	(74,366)	(281,361)	(58,958)	(112,555)	(4,974)	(14,189)	(1,474,670)
Balance at 30 June 2023	117,129,524	903,967	4,064,628	8,446,968	3,068,886	6,248,211	453,738	1,234,773	141,550,695
Comprises:									
Gross balance at 30 June 2023	142,327,012	1,760,938	8,764,916	10,674,306	4,953,773	7,444,400	674,792	1,585,634	178,185,771
Accumulated depreciation at 30 June 2023	(25,197,488)	(856,971)	(4,700,288)	(2,227,338)	(1,884,887)	(1,196,189)	(221,054)	(350,861)	(36,635,076)
Balance at 30 June 2023	117,129,524	903,967	4,064,628	8,446,968	3,068,886	6,248,211	453,738	1,234,773	141,550,695

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent valuation	June 2023	Construction costs ; current condition, residual values and remaining useful life assessment (Level 3) inputs
Other infrastructure footpaths	3	Cost approach using depreciated replacement cost	Independent valuation	June 2023	Construction costs ; current condition, residual values and remaining useful life assessment (Level 3) inputs
Other infrastructure drainage	3	Cost approach using depreciated replacement cost	Independent valuation	June 2023	Construction costs ; current condition, residual values and remaining useful life assessment (Level 3) inputs
Other infrastructure parks & ovals	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	Construction costs ; current condition, residual values and remaining useful life assessment (Level 3) inputs
Other infrastructure other	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	Construction costs ; current condition, residual values and remaining useful life assessment (Level 3) inputs
Other infrastructure airports	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	Construction costs ; current condition, residual values and remaining useful life assessment (Level 3) inputs
Other infrastructure sewer	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	Construction costs ; current condition, residual values and remaining useful life assessment (Level 3) inputs
Other infrastructure solid waste	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2023	Construction costs ; current condition, residual values and remaining useful life assessment (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.

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings - non-specialised	30 to 50 years
Buildings - specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
Formation	not depreciated
Pavement	50 years
Road seals	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
- formation	not depreciated
- pavement	50 years
Other infrastructure footpaths	20 years
Other infrastructure drainage	50 years
Other infrastructure parks & ovals	2 to 100 years
Other infrastructure other	10 to 50 years
Other infrastructure airports	13 to 100 years
Other infrastructure sewer	25 to 80 years
Other infrastructure solid waste	15 to 25 years

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

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

Impairment

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

Gains or losses on disposal

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

11. LEASES

(a) Right-of-Use Assets

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

Note	Right-of-use assets - plant and equipment \$	Right-of-use assets Total \$
Balance at 1 July 2021	21,387	21,387
Depreciation	(10,923)	(10,923)
Balance at 30 June 2022	10,464	10,464
Gross balance amount at 30 June 2022	17,203	17,203
Accumulated depreciation at 30 June 2022	(6,739)	(6,739)
Balance at 30 June 2022	10,464	10,464
Depreciation	(7,369)	(7,369)
Balance at 30 June 2023	3,095	3,095
Gross balance amount at 30 June 2023	17,203	17,203
Accumulated depreciation at 30 June 2023	(14,108)	(14,108)
Balance at 30 June 2023	3,095	3,095

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

	2023 Actual \$	2022 Actual \$
Depreciation on right-of-use assets	(7,369)	(10,923)
Finance charge on lease liabilities	(342)	(396)
Gains/(losses) from sale and leaseback transactions	-	4,322
Total amount recognised in the statement of comprehensive income	(7,711)	(6,997)
Total cash outflow from leases	(4,560)	(8,503)
(b) Lease Liabilities		
Current	4,345	4,218
Non-current	4,855	9,200
	26(b) 9,200	13,418

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 26(b).

Right-of-use assets - measurement

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

Refer to Note 10 under revaluation for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

12. TRADE AND OTHER PAYABLES

Current

	2023	2022
	\$	\$
Sundry creditors	257,514	320,056
Prepaid rates	38,268	32,007
Accrued payroll liabilities	43,563	41,985
ATO liabilities	79,983	3,623
Bonds and deposits held	5,406	921
Accrued interest on loans	2,124	2,707
Accrued expenses	32,500	39,495
	459,358	440,794

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

14. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		95,949	423,639	519,588	105,243	519,588	624,831
Total secured borrowings	26(a)	95,949	423,639	519,588	105,243	519,588	624,831

Secured liabilities and assets pledged as security

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

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual & sick leave

Long service leave

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Total non-current employee related provisions

Total employee related provisions

	2023	2022
	\$	\$
Annual & sick leave	116,536	169,062
Long service leave	167,314	165,134
Total current employee related provisions	283,850	334,196
Long service leave	23,765	42,041
Total non-current employee related provisions	23,765	42,041
Total employee related provisions	307,615	376,237

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

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

16. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	2022 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	827,285	-	827,285	827,285	827,285
Revaluation surplus - Buildings - specialised	23,542,322	-	23,542,322	23,542,322	23,542,322
Revaluation surplus - Furniture and equipment	13,037	-	13,037	13,037	13,037
Revaluation surplus - Plant and equipment	945,000	-	945,000	945,000	945,000
Revaluation surplus - Infrastructure - roads	47,804,224	37,724,442	85,528,666	47,804,224	47,804,224
Revaluation surplus - Other infrastructure footpaths	417,913	234,687	652,600	417,913	417,913
Revaluation surplus - Other infrastructure drainage	3,408,530	717,264	4,125,794	3,408,530	3,408,530
Revaluation surplus - Other infrastructure parks & ovals	1,903,113	3,039,036	4,942,149	1,903,113	1,903,113
Revaluation surplus - Other infrastructure other	439,715	2,134,125	2,573,840	439,715	439,715
Revaluation surplus - Other infrastructure airports	3,317,442	3,162,908	6,480,350	3,317,442	3,317,442
Revaluation surplus - Other infrastructure sewer	-	238,303	238,303	-	-
Revaluation surplus - Other infrastructure solid waste	-	935,463	935,463	-	-
	82,618,581	48,186,228	130,804,809	82,618,581	82,618,581

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

17. RESTRICTIONS OVER FINANCIAL ASSETS

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

Note	2023 Actual \$	2022 Actual \$
3	2,723,218	2,549,326
	<u>2,723,218</u>	<u>2,549,326</u>

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

Restricted reserve accounts

Capital grant liabilities

Bonds and deposits

Total restricted financial assets

27	2,669,469	2,118,697
13	48,343	429,708
12	5,406	921
	<u>2,723,218</u>	<u>2,549,326</u>

18. UNDRAWN BORROWING FACILITIES AND CREDIT

STANDBY ARRANGEMENTS

Bank overdraft limit

Bank overdraft at balance date

Credit card limit

Credit card balance at balance date

Total amount of credit unused

-	-	-
-	-	-
10,000	10,000	
(2,161)	(880)	
<u>7,839</u>	<u>9,120</u>	

Loan facilities

Loan facilities - current

Loan facilities - non-current

Total facilities in use at balance date

95,949	105,243	
423,639	519,588	
<u>519,588</u>	<u>624,831</u>	

Unused loan facilities at balance date

NIL	NIL	
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Notes to and forming part of the Financial Report

for the year ended 30 June 2023

19. CONTINGENT LIABILITIES

The Shire of Gnowangerup has identified the following sites, in relation to land owned, vested or leased, that is known to be, or suspected of being contaminated.

Lot 193 on DP 224130 - 16 Corbett St Gnowangerup - Possibly contaminated, investigation required
Lot 9319 on DP 92335, Reserve 22741 - Airport Road, Pallinup - Possibly contaminated, investigation required
Lot 500 on DP77797, Reserve 23659 - Moir Highway, Ongerup - Possibly contaminated, investigation required
Lot 5631 on DP 144307, Reserve 22219 - Chesterpass Road, Borden - Possibly contaminated, investigation required
Lot 403 no DP 186033, Reserve 38764 - 71 Cecil Street, Gnowangerup - Possibly contaminated, investigation required

Under the *Contaminated Sites Act 2003*, the Shire of Gnowangerup is required to report known and suspected contaminated sites to the Department of Water and Environmental Protection (DWER). In Accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as "contaminated - remediation required" or "possibly contaminated - investigation required", the Shire of Gnowangerup may have a liability in respect of investigation or remediation expenses.

The Shire has identified 6 sites as possibly contaminated. Until the Shire conducts investigations to determine the presence and scope of the contamination, assess the risk, and agree with DWER on the need and criteria for remediation, the Shire is unable to estimate the potential costs and timing of outflows associated with remediation of these sites.

20. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	203,294	155,600
- plant & equipment purchases	593,856	47,077
	797,150	202,677
Payable:		
- not later than one year	797,150	202,677

In 2022, the Shire had uncompleted contracted works for the Gnowangerup Tambellup Road totalling \$155,600 and \$47,077 for the purchase of a New Dual Cab Utility.

In 2023, the Shire has uncompleted contract works for the Gnowangerup Caravan Park Chalets totalling \$203,294 and \$529,026 for the purchase 2 6x4 Tip Trucks and \$64,830 for a Toyota Prado Wagon.

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
President's annual allowance	15,917	15,917	15,529
President's meeting attendance fees	16,630	16,630	16,224
President's annual allowance for ICT expenses	686	686	669
President's travel and accommodation expenses	2,941	2,200	1,602
	<u>36,174</u>	<u>35,433</u>	<u>34,024</u>
Deputy President's annual allowance	3,979	3,979	3,883
Deputy President's meeting attendance fees	8,315	8,315	8,112
Deputy President's annual allowance for ICT expenses	686	686	669
	<u>12,980</u>	<u>12,980</u>	<u>12,664</u>
All other council member's meeting attendance fees	58,205	58,205	56,784
All other council member's annual allowance for ICT expenses	4,802	4,802	4,683
All other council member's travel and accommodation expenses	1,037	4,450	1,963
	<u>64,044</u>	<u>67,457</u>	<u>63,430</u>
	<u>113,198</u>	<u>115,870</u>	<u>110,118</u>

(b) Key Management Personnel (KMP) Compensation

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

Note	2023 Actual \$	2022 Actual \$
Short-term employee benefits	301,250	310,474
Post-employment benefits	38,334	40,043
Employee - other long-term benefits	2,602	4,429
Council member costs	113,198	110,118
	<u>455,384</u>	<u>465,064</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Council member costs

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

21. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

	2023 Actual	2022 Actual
	\$	\$
Sale of goods and services	-	616
Purchase of goods and services	5,773	5,835
Amounts payable to related parties:		
Trade and other payables	44	523

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire did not have any events occurring after the reporting date that have a significant effect on the financial statements.

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

23. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

24. RATING INFORMATION

(a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2022/23 Actual Rateable Value*	2022/23 Actual Rate Revenue	2022/23 Actual Interim Rates	2022/23 Actual Total Revenue	2022/23 Budget Rate Revenue	2022/23 Budget Interim Rate	2022/23 Budget Total Revenue	2021/22 Actual Total Revenue
GRV Townsites	Gross rental valuation	0.162637	374	3,451,944	560,925	803	561,728	560,925	-	560,925	542,471
GRV Amelup Tourism	Gross rental valuation	0.162637	4	114,660	18,647	-	18,647	18,648	-	18,648	18,105
UV Rural	Unimproved valuation	0.007170	342	473,833,000	3,397,383	(1,149)	3,396,234	3,397,383	-	3,397,383	3,298,290
Total general rates			720	477,399,604	3,976,955	(346)	3,976,609	3,976,956	-	3,976,956	3,858,866
Minimum Payment											
Minimum payment											
GRV Townsites	Gross rental valuation	803	120	209,832	96,360	-	96,360	95,557	-	95,557	95,160
GRV Amelup Tourism	Gross rental valuation	803	1	4,160	803	-	803	803	-	803	780
UV Rural	Unimproved valuation	803	31	1,754,900	24,893	-	24,893	22,484	-	22,484	21,840
UV Mining	Unimproved valuation	803	12	225,290	9,636	2,286	11,922	9,636	-	9,636	9,661
Total minimum payments			164	2,194,182	131,692	2,286	133,978	128,480	-	128,480	127,441
Total general rates and minimum payments			884	479,593,786	4,108,647	1,940	4,110,587	4,105,436	-	4,105,436	3,986,307
Specified Area Rates / Waste Collection Rate											
Gnowangerup Sporting Complex	Gross rental valuation				2,734	4	2,738	2,741	-	2,741	10,459
Gnowangerup Sporting Complex	Unimproved valuation				5,090	-	5,090	5,090	-	5,090	19,502
Borden Pavilion	Gross rental valuation				-	-	-	-	-	-	562
Borden Pavilion	Unimproved valuation				-	-	-	-	-	-	9,595
Ongerup Effluent	Gross rental valuation				38,854	-	38,854	38,854	-	38,854	38,281
Waste Collection Rate	Gross rental valuation				56,000	-	56,000	56,000	-	56,000	56,400
Waste Collection Rate	Unimproved valuation				76,000	-	76,000	75,800	-	75,800	75,800
Ex-gratia Rates											
CBH					47,470		47,470	40,462	-	40,462	39,284
Total amount raised from rates (excluding general rates)			0	-	226,148	4	226,152	218,947	-	218,947	249,883
Concessions							(9,323)			(9,323)	(9,052)
Total Rates							4,327,416			4,315,060	4,227,138
Rate instalment interest							10,398			10,900	10,905
Rate overdue interest							24,362			13,000	20,855

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

*Rateable Value at time of raising of rate.

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

25. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23	2022/23	2021/22
	(30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	(30 June 2022 Carried Forward)
	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(16,273)	-	(206,992)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(3,685)	-	(3,997)
Add: Loss on disposal of assets	1,234	-	29,643
Add: Depreciation	2,491,950	2,348,139	2,438,401
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(7,394)	-	(2,398)
Employee benefit provisions	(18,276)	75,614	(47,409)
Non-cash amounts excluded from operating activities	2,447,556	2,423,753	2,207,248
(b) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <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	27 (2,669,469)	(2,534,077)	(2,118,697)
Less: Financial assets at amortised cost - self supporting loans	4(a) (14,817)	(5,587)	(7,341)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14 95,949	86,822	105,243
- Current portion of lease liabilities	11(b) 4,345	4,357	4,218
Total adjustments to net current assets	(2,583,992)	(2,448,485)	(2,016,577)
Net current assets used in the Statement of Financial Activity			
Total current assets	6,983,122	3,062,215	6,333,800
Less: Total current liabilities	(891,845)	(613,730)	(1,314,159)
Less: Total adjustments to net current assets	(2,583,992)	(2,448,485)	(2,016,577)
Surplus or deficit after imposition of general rates	3,507,285	-	3,003,064

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget				
		Principal			Principal at 30 June 2022	Principal			Principal at 1 July 2022	Principal		
		Principal at 1 July 2021	New Loans During 2021-22	Repayments During 2021-22		New Loans During 2022-23	Repayments During 2022-23	Principal at 30 June 2023		New Loans During 2022-23	Repayments During 2022-23	Principal at 30 June 2023
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$			
GROH Housing		91,319	-	(91,319)	-	-	-	-	-	-	-	-
Staff Housing		366,297	-	(38,278)	328,019	-	(38,862)	289,157	297,986	-	(38,862)	259,124
Gnowangerup Community Centre		109,565	-	(19,330)	90,235	-	(20,543)	69,692	90,237	-	(20,543)	69,694
Borden Pavilion		38,123	-	(18,657)	19,466	-	(19,466)	-	19,464	-	(19,467)	(3)
Gnowangerup Synthetic Surface		145,361	-	(18,252)	127,110	-	(19,031)	108,080	127,111	-	(19,032)	108,079
Total		750,665	-	(185,836)	564,831	-	(97,902)	466,929	534,798	-	(97,904)	436,894
Self Supporting Loans												
Gnowangerup Sporting Complex		21,427	-	(21,426)	-	-	-	-	-	-	-	-
Borden Pavilion		9,523	-	(9,522)	-	-	-	-	-	-	-	-
Ongerup Bowls Club		-	60,000	-	60,000	-	(7,341)	52,659	60,000	-	(5,477)	54,523
Ongerup Community Development		340,000	-	(340,000)	-	-	-	-	-	-	-	-
Total Self Supporting Loans		370,950	60,000	(370,948)	60,000	-	(7,341)	52,659	60,000	-	(5,477)	54,523
Total Borrowings	14	1,121,615	60,000	(556,784)	624,831	-	(105,243)	519,588	594,798	-	(103,381)	491,417

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

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending	Budget for year ending	Actual for year ending
						30 June 2023	30 June 2023	30 June 2022
						\$	\$	\$
GROH Housing		277	WATC*	4.20%	4/04/2022	-	-	(1,964)
Staff Housing		281	WATC*	1.52%	26/03/2030	(4,683)	(4,840)	(5,269)
Gnowangerup Community Centre		273	WATC*	6.18%	18/05/2026	(5,112)	(5,412)	(6,334)
Borden Pavilion		278	WATC*	4.29%	4/04/2023	(428)	(629)	(1,245)
Gnowangerup Synthetic Surface		279	WATC*	4.23%	4/06/2028	(5,118)	(5,329)	(5,901)
Total						(15,341)	(16,210)	(20,713)
Self Supporting Loans Finance Cost Payments								
Gnowangerup Sporting Complex		275	WATC*	4.06%	30/05/2022	-	-	(581)
Borden Pavilion		276	WATC*	4.06%	30/05/2022	-	-	(258)
Ongerup Bowls Club		283	WATC*	1.2251%	28/10/2026	(597)	(1,173)	(496)
Ongerup Community Development		282	WATC*	0.52%	1/09/2021	-	(465)	(456)
Total Self Supporting Loans Finance Cost Payments						(597)	(1,638)	(1,791)
Total Finance Cost Payments						(15,938)	(17,848)	(22,504)

* WA Treasury Corporation

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

26. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal			Principal at 30 June 2022	Principal			Principal at 1 July 2022	Principal		
		Principal at 1 July 2021	New Leases During 2021-22	Repayments During 2021-22		New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023		New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Photocopier Lease		4,322	-	(4,322)	-	-	-	-	4,322	-	-	4,322
Photocopier Lease		-	17,203	(3,785)	13,418	-	(4,218)	9,200	13,238	-	(4,360)	8,878
Total Lease Liabilities	11(b)	4,322	17,203	(8,107)	13,418	-	(4,218)	9,200	17,560	-	(4,360)	13,200

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term
						\$	\$	\$	
Photocopier Lease		2	3E Advantage	3.01%	1/07/2025	(342)	(475)	(396)	4
Total Finance Cost Payments						(342)	(475)	(396)	

Notes to and forming part of the Financial Report

for the year ended 30 June 2023

27. RESERVE ACCOUNTS

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	164,229	54,334	-	218,563	164,230	50,500	-	214,730	197,701	30,528	(64,000)	164,229
(b) Plant & equipment	746,308	169,686	-	915,994	746,308	150,000	(80,000)	816,308	733,474	123,834	(111,000)	746,308
(c) Ongerup effluent	57,347	11,512	-	68,859	57,347	10,000	-	67,347	47,220	10,127	-	57,347
(d) Area Promotion	30,738	811	-	31,549	30,738	-	-	30,738	30,656	82	-	30,738
(e) Swimming Pool	351,227	65,263	-	416,490	351,227	56,000	-	407,227	294,439	56,788	-	351,227
(f) Land Development	142,307	132,641	-	274,948	142,307	128,878	-	271,185	193,380	518	(51,591)	142,307
(g) Computer Replacement	58,407	31,543	-	89,950	58,408	30,000	-	88,408	53,265	5,142	-	58,407
(h) Waste Disposal	251,571	6,631	-	258,202	251,571	-	-	251,571	250,900	671	-	251,571
(i) Future Funds	205,949	5,429	-	211,378	205,949	-	-	205,949	205,400	549	-	205,949
(j) Liquid Waste Facility	31,916	841	-	32,757	31,916	-	-	31,916	31,831	85	-	31,916
(k) COVID-19	38,698	1,017	(30,000)	9,715	38,698	-	(30,000)	8,698	100,429	269	(62,000)	38,698
(l) Aerodrome	40,000	51,059	-	91,059	40,000	50,000	-	90,000	-	40,000	-	40,000
(m) Disaster Recovery	-	50,005	-	50,005	-	50,000	-	50,000	-	-	-	-
	2,118,697	580,772	(30,000)	2,669,469	2,118,699	525,378	(110,000)	2,534,077	2,138,695	268,593	(288,591)	2,118,697

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

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

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Leave reserve	to be used to fund annual and long service leave requirements.
(b) Plant & equipment	to be used for the purchase of major plant.
(c) Ongerup effluent	to be used for the maintenance of the Ongerup Effluent System.
(d) Area Promotion	to be used for the promotion of the Gnowangerup Shire.
(e) Swimming Pool	to be used to assist with upgrade of the Gnowangerup Swimming Pool.
(f) Land Development	to be used to fund the purchase or development of land and buildings and building renewal.
(g) Computer Replacement	to be used to fund the maintenance and replacement of the administration computer system.
(h) Waste Disposal	to be used to fund waste disposal in the Shire, including rehabilitation, transfer stations and post closure of sites.
(i) Future Funds	to be used for contributions towards major externally grant funded projects and programs within the Shire of Gnowangerup.
(j) Liquid Waste Facility	to be used to fund the maintenance, renewal and upgrade of the liquid waste facility.
(k) COVID-19	to be used to fund any project, programme or activity of any kind which contributes to the recovery of the Shire of Gnowangerup from the COVID-19 pandemic.
(l) Aerodrome	to be used to fund the construction of new assets and the upgrade, renewal and replacement of existing assets located at the Gnowangerup airport.
(m) Disaster Recovery	to be used to fund expenses related to the recovery from a natural disaster.

Independent Auditor's Report



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Gnowangerup

To the Council of the Shire of Gnowangerup

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

Independent Auditor's Report

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 (CEO) of the Shire is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Independent Auditor's Report

Matters relating to the electronic publication of the audited financial report

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



Jordan Langford-Smith
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
19 December 2023



SHIRE OF GNOWANGERUP
BORDEN GNOWANGERUP ONGERUP

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12. REPORT FOR DECISION – CONFIDENTIAL ITEMS

Nil

OTHER BUSINESS AND CLOSING PROCEDURES

13. URGENT BUSINESS INTRODUCED BY DECISION OF COUNCIL

14. MOTION OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

15. DATE OF NEXT MEETING

The next Ordinary Council Meeting will be held on the 28 February 2024.

16. CLOSURE

The Shire President thanked Council and staff for their time and declared the meeting closed at 3:07pm.