

Shire of Nungarin

Annual Report

2022/23



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Preamble

The Shire of Nungarin is located approximately 300km east of the state capital of Perth in the Wheatbelt Region and is one of the smallest in the nation with a population of 246. The Shire covers an area of 1,164 square kilometres.

The Shires newly adopted Integrated Strategic Plan established the Shire's Vision and Values for ten years to 2033. The plan not only establishes a vision for the Shire's future, but drives the development of other plans in the Integrated Planning Framework.

Our Vision: A great place to live with a well-connected, strong, healthy and friendly community.

Our Values: We will conduct our business with:

Respect

- Value people and places and the contribution they make to the Shire.
- Develop an environment of respect for different cultures.
- Be appreciative of the aspirations of the community and what it does for itself.

Inclusiveness

- Be receptive, proactive and responsive as an organisation.
- Exist to help a community that has the capacity for self- help.
- Demonstrate leadership by promoting Council and community teamwork.

Fairness and equity

- Maintain a 'whole of Shire' outlook, but recognise each community is unique and likely to have variations on their needs.
- Provide services for a variety of ages and needs.
- Respond to the community in a fair and equal way depending on need.

Communication

- Create opportunities for consultation with the broad community.
- Demonstrate leadership by promoting Council and community teamwork.

STATEMENT OF COMPLIANCE

For the year ended 30 June 2023

Residents and rate payers of the Shire of Nungarin,

In accordance with section 5.53 of the *Local Government Act 1995*, I hereby submit for your information, the Annual Report for the Shire of Nungarin for the financial year ended 30 June 2023.

The Annual Report has been prepared in accordance with the provisions of the *Local Government Act 1995* and the *Local Government (Administration) Regulations 1996*.

David Nayda
Temporary Chief Executive Officer

Shire President's Message

It is my great pleasure to present the President's report to the residents of the Shire of Nungarin for the 2022/23 financial year. This alone could not be achieved without the hard work of our staff.

Council has a role of significant responsibility, often involving diverse and demanding challenges and decisions. Council continues to work with the staff and community to ensure that Nungarin's needs are being met and that our small town continues to grow.

Over the recent term, the Council has commenced addressing critical issues such as water availability and long-term water security. These concerns, once primarily managed by other government tiers, now demand our attention alongside the traditional responsibilities. Moreover, the scope of Council duties has expanded to include community development, event planning, tourism, and cultural initiatives, all integral to our service delivery and daily lives.

This past year, the Shire has had the privilege in supporting the HomeGrown Music Festival, Mangowine Concert, the Nungarin Harvest Festival Weekend, Nungarin Markets and many more.

We have also have also enjoyed our annual events such as ANZAC and Remembrance Day, Australia Day and our Community Christmas Evening. Our Australia Day celebrations announced our 2023 Citizens of the Year Awards; David Baker and HomeGrown Music Festival. Congratulations to our deserving recipients.

Financial responsibility and governance compliance remain key aspects of the Council's

authority. Meticulous reporting and compliance are essential parts of our operations, requiring a thorough understanding due to the significant responsibilities associated with managing public funds, where transparency is crucial. Our Administration staff have excelled during this period of evolution and change.

This past year, we have begun significant projects, including the construction of the Caravan Park Ablutions, phase two of the main street landscaping upgrade, renovation of the Radcliffe Park as well as the additions at the Community Resource Centre. Furthermore, road users will appreciate upgrades to Creagh Road and Danberrin Road. Our Works and Services teams have done extremely well during this period, managing to get a lot achieved. We have also seen the completion of our DEFES shed and the purchase of the Shire's new LiuGong grader.

On behalf of Council, I would like to extend my sincere thanks to our outgoing CEO, Mr. Leonard Long, and to Acting CEO David Nayda who have adeptly steered our administration through a challenging period. This report reflects a substantial effort over the past year and showcases the commitment required to ensure a robust governance and functional local government.

Finally, thank you to the staff for their dedication and hard work, community members, ratepayers and to my fellow Councillors for their continued support and time.

**Cr Pippa de Lacy
Shire President**



Chief Executive Officer's Message

It is both an honour and a privilege to deliver this annual report, which encompasses the achievements and efforts of both my predecessor and our current team.

Our local government operates with a relatively small but exceptionally dedicated team. This team's unwavering commitment has been crucial in navigating through a year marked by significant financial constraints, including rising costs that have put considerable strain on our resources. Despite these hurdles, our team has consistently delivered exceptional results, demonstrating that they are indeed punching well above their weight.

This past year was significant in terms of infrastructure development and maintenance, with several key road projects reaching completion. We successfully repaired Creagh Road, Danbarrin Road. These projects were made possible through funding from the Roads to Recovery Grant and the Regional Roads Grant. The completion of these projects, under tight deadlines and immense pressure, highlights the efficiency and dedication of our roads team. I extend my heartfelt congratulations and thanks to all members involved for their hard work and commitment.

We were also fortunate to receive a Federal grant via the Local Roads and Community Infrastructure Program. This funding facilitated the construction of the Caravan Park Ablutions part completed, Radcliffe Park, Railway Avenue Revitalisation phase 2 project which has seen a significant change to the town. With the financial assistance of Lottery West we were able to partly complete the additions to the Community Resource centre which is the cornerstone of the community.

The collaboration between volunteers groups and our shire team continues to provide great outcomes for the community. I extend my sincere gratitude to every community volunteer and team member whose tireless efforts make a real difference in the town.

Apart from physical projects, there is a substantial amount of work that unfolds behind the scenes. Our administrative team plays a crucial role in the seamless operation of our local government. Though their efforts may not always be visible to the public, their work is indispensable to our daily operations and overall functionality. The diligent work of our administration team ensures that we continue to serve our community effectively and efficiently.

As we look ahead, our focus remains on fostering growth and prosperity within the shire. We are committed to continuing our work with transparency, diligence, and a collaborative spirit. The challenges we face will undoubtedly evolve, but with our dedicated team and supportive community, I am confident in our ability to meet them head-on.

I would like to commend the staff for their consistent efforts to deliver outstanding service to the community. I also extend my thanks to the Shire President, Deputy Shire President, and Councillors for their ongoing support.

David Nayda
Temporary Chief Executive Officer



Elected Member's

The Council of the Shire of Nungarin is made up of seven community elected representatives, elected for a four-year term. The Shire President and Deputy Shire president is elected by the Council following each ordinary Local Government election held in October every second year.



Cr. Jason Davis

Cr. Pippa de Lacy

Cr. Kerry Dayman

Cr. Eileen O'Connell



**Shire President
Cr. Pippa de Lacy**



**Deputy Shire President
Cr. Gary Coumbe**

The *Local Government Act 1995*, states the roles of the President is to:

- Preside at meetings in accordance with the Act.
- Provide leadership and guidance to the community in the district.
- Speak on behalf of the local government.
- Perform such other functions as are given to the President by the Act or any other written law; and
- Liaise with the CEO on the local government's affairs and the performance of its functions.

In addition to attending monthly Ordinary Council Meetings, Councillors represent the Town and its community on a number of committees and groups.

- Cr Pippa de Lacy (President)
 - : NEWROC
 - : Great Eastern Country Zone
 - : Community Resource Centre
 - : Community Development Group (Proxy)
 - : Tidy Towns (Proxy)

- : Nungarin Sporting Club Inc. (Proxy)
 - : NEWTravel (Proxy)
 - : Pioneers Pathway (Proxy)
 - : Local Emergency Management Committee
 - : Finance & Audit Committee

- Cr Gary Coumbe (Deputy President)
 - : Rural Water Council
 - : Wheatbelt AgCare
 - : Great Eastern Country Zone
 - : Nungarin Heritage Machinery & Army Museum (Proxy)
 - : NEWROC (Proxy)
 - : Sub-Regional Road Group (Proxy)
 - : Finance & Audit Committee

- Cr Eileen O'Connell
 - : Rural Water Council
 - : Nungarin Community Development Group
 - : Local Health Advisory Group
 - : Sub Regional Road Group
 - : Wheatbelt AgCare (Proxy)
 - : Community Resource Centre (Proxy)
 - : Great Eastern Country Zone (Proxy)
 - : Finance & Audit Committee

- Cr Kerry Dayman
 - : Nungarin Sporting Club
 - : Tidy Towns
 - : NEWTravel
 - : Pioneers Pathway
 - : Finance & Audit Committee

- Cr Jason Davis
 - : Wheatbelt NRM
 - : Eastern Wheatbelt Biosecurity Group
 - : Rural Water Council (Proxy)
 - : Finance & Audit Committee

- Cr William (Bill) Lee
 - : Nungarin Heritage Machinery & Army Museum
 - : Finance & Audit Committee

- Cr Mick Caughey
 - : Wheatbelt NRM (Proxy)
 - : Eastern Wheatbelt Biosecurity Group (Proxy)
 - : Finance & Audit Committee

Senior Staff



**Temporary
Chief Executive Officer**

Governance
Economic Development
Special Projects
Elected Member Support
Marketing & Communications
Recreation Services



**Crystal Pearce
Manager Corporate**

Accounts
Rates
Information &
Communication
Libraries
Facility Cleaning



**Dave Dhu
Acting Manager Works &
Services**

Infrastructure Services
Parks & Gardens
Engineering
Building Maintenance

General Information

Administration Office

Office Hours:	Monday to Friday 8:00am to 4:00pm
Office Address: 66 Railway Avenue NUNGARIN WA 6490	Postal Address: PO Box 8 NUNGARIN WA 6490
Telephone:	(08) 9046 5006
Fax:	(08) 9046 5007
Email:	cs01@nungarin.wa.gov.au
Facebook:	www.facebook.com/nungarinshire

Snapshot of Nungarin

The Shire of Nungarin is a unique country Town and as its motto says “**a small town with a big heart**”. The town has a diverse community and a vast range of tourist attractions.



255²
People living
in the Shire



49²
Median Age



67%²
Working Age
Population



87.9%²
Australian
Citizens



83.8²
Occupied Houses



\$1087²
Weekly Median
Household
Income



5.5%²
Unemployment
Rate



116 602.5ha²
Land Area



9.9%²
Protected Land
Area

Source
²ABS ERP 2021

Local Attractions



Nungarin Heritage Machinery and Army Museum served from 1944 to 1960, as a depot for Australian Army personnel. Today, it invites you to discover the region's military history by stepping inside the State's only remaining World War Two Five Base Ordnance Depot.

Mangowine Homestead is located on 10 hectares of natural bushland and was the first stone and mud brick homestead in the area when it served as an inn for travellers heading to the Goldfields.



Eaglestone Rock is a spectacular natural granite rock and cave formation situated 20km north east of Nungarin the rock abuts Lake Brown. Enjoy great views over the salt lake to the south. Wedgetail Eagles are often seen perched on the Rock.

Talgomine Reserve, just east of Nungarin, has colourful displays of everlastings and is a spectacular sight. Enjoy a stroll through the endless fields of pink and yellow everlastings which bloom in abundance during spring. Nature lovers will appreciate the York Gum and Jam Tree woodlands within the reserve, home to a variety of orchids and other wildflower species that thrive in the area. Relax in this tranquil setting to enjoy a picnic and soak up the rural ambiance.



Shire Facilities

Library Services



The library facilities is located in Shire Administration building. The Shire's library is an integral part of the local community, offering not only book loaning facilities, but a place for people to connect, learn and play.

Nungarin Swimming Pool

The Nungarin Swimming Pool is located in the Nungarin Townsite and plays an important role in keeping the local community healthy and connected during the summer months. There is an outdoor swimming pool, a toddler pool, plenty of grassed area with shade provided by trees and erected shelters, BBQ facilities, change rooms and toilets, a first aid room and a kiosk.



Infrastructure Services



The Shire Depot crew ensures town roads as well as rural roads are maintained to a safe standard often required to re-sheet rural roads and install drainage culverts. In town the crew ensures the sporting venues and gardens are maintained.

Planning for the Future

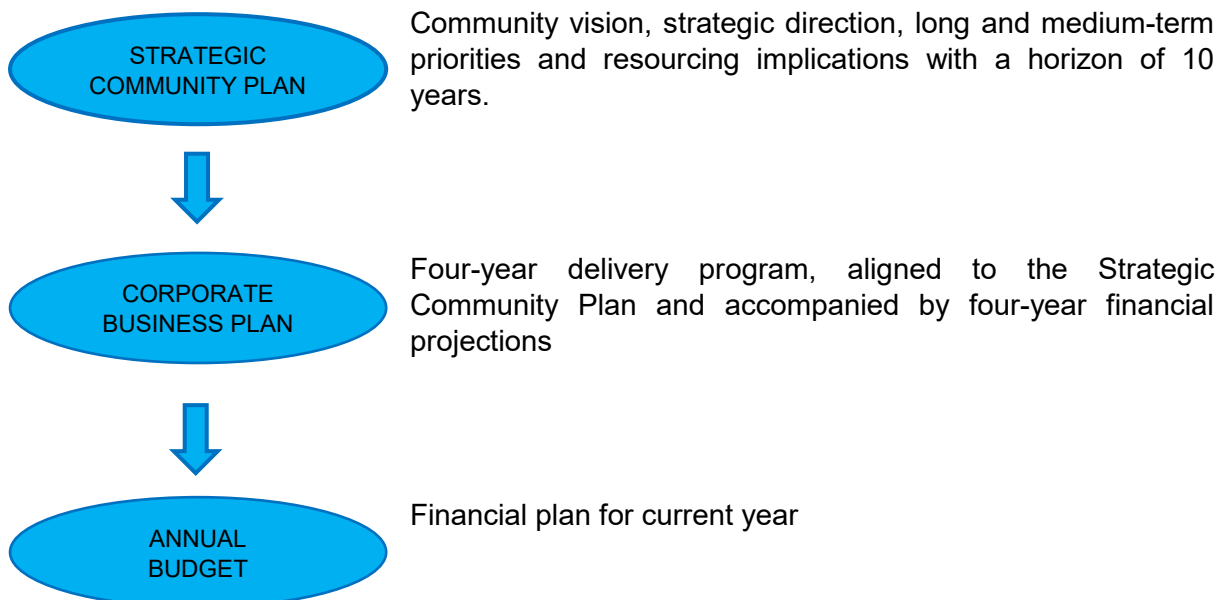
This will be the last year the Annual Report will be reporting on the Strategic Community Plan 2013 – 2023, and will be based on the four main themes “Social”, “Economic”, “Environment” and “Civic Leadership” and reports on the outcomes of these themes. It’s an essential tool to inform the community and key stakeholders about the Shire’s achievements throughout the year. In the following pages, major highlights and key achievements under each of the four objectives will be showcased to demonstrate the Shire’s progress towards meeting the vision and aspirations set by the community.

Integrated Planning & Reporting Framework

The framework, introduced by the State Government in 2012, requires each local government to have a Strategic Community Plan, a Corporate Business Plan and other informing strategies in place to ensure the future provision of services is sustainable.

The Strategic Community Plan expresses the long-term community aspirations that have been developed with extensive consultation. It is an overarching document that covers a period of 10 years. Informing strategies are used to ensure adequate resourcing of the plans and include the Long-Term Financial Plan, Workforce Plan, Asset Management Plans and other informing strategies.

The Corporate Business Plan is an integral part of this framework, activating the objectives of the Strategic Community Plan and informing the annual budget process to ensure the priorities of the community are achievable.



Strategic Community Plan

Objective 1 - Social

Aspiration

Our Shire is healthy and happy, contributing to our progress, with accessible places and spaces and our transport is well connected and safe.

Highlight: Tennis Courts

The Shire undertook major renovations of the grassed tennis courts to ensure the playing surface remains one of the best in the wheatbelt. The refurbishment is a long process and will continue on into 2022/23.



Highlight: Australia Day

The Shire was again successful in securing a grant through Auspire. The Shire staff were able to purchase, tables, chairs, spit roasts, kids pool toys etc. The Australia Day 2022 was a huge success with Nungarin residents enjoying a fun filled day at the Nungarin pool with a spit roast dinner served by Shire staff, followed by a movie shown on the newly purchased inflatable screen.



Highlight: Road Reconstruction

Phase 1 of the reconstruction of Danberrin Road commenced and will continue over the coming years.

Aspiration

A diverse business environment with equitable telecommunications and infrastructure. We are uniquely Nungarin in providing a memorable visitor experience.

Highlight: Mangowine Concert

The Mangowine Concert was once again a highlight on the annual music festival calendar attracting visitor from near and far.

The continued success of this event can be attributed to the volunteer run Mangowine Concert Committee.



Highlight: HomeGrown Music Festival

The inaugural HomeGrown Music Festival was hosted on the Shire Oval. This new event is an exciting addition to the events calendar in Nungarin and was well attended.

We hope to see this event continue to grow in years to come.



Highlight: Nungarin Wheatbelt Markets

The Shire continues to be a proud sponsor of the Nungarin Wheatbelt Markets which are held along the main street on the first Sunday of the month.

Objective 3 – Environment

Aspiration

Our environment is understood, maintained and protected.

Highlight: Civic Precinct Landscape Upgrade

Phase 1 of the landscape upgrade of the main street was completed with the planting of approximately 20 trees and 3000 plants.

The landscaping has rejuvenated a “tired” part of the main street. Phase two of the landscaping upgrade is planned for the first half of 2023.



Highlight: Knungajin Dam

During the 2021/22-year Council agreed to take over the vesting of the Knungajin Dam, a natural resource currently not being used.

Once the vesting has been finalised it will enable the Shire to utilise the water catchment off Knungajin Rock for the construction and maintenance of its unsealed roads.

Highlight: Refuse Site Maintenance

The Shire refuse site is under constant review to ensure it remains compliant with the relevant legislation.

Maintenance to the tip continues to be done weekly ensuring the safety of the Nungarin community when used.

Investigations have commenced to modify the tip and increase its capacity well into the future.



Objective 4 – Civic Leadership

Aspiration

A strong local democracy with an actively engaged community and effective partnerships.

Highlight: Integrated Strategic Plan

The Integrated Strategic Plan which incorporates the Corporate Business Plan will supersede the Strategic Community Plan in 2023. This is an important document which will guide the future development of the Shire over the next ten years.

Highlight: Nungarin Caravan Base Master Plan

Council endorsed the Nungarin Caravan Base Master Plan; the plan will be implemented in phases with phase one already completed.

Phase 2 the installation of a new ablution block including a laundry has already commenced with the completion expected in the first half of 2023.

It is anticipated that the complete implementation of the master plan will take several years and will be dependent on grants and available funds in the annual budget.

Once fully completed the Caravan Base will be one of the top caravan parks in the Wheatbelt region.

Highlight: Grants

The Shire was again successful with a grant to host an Australia Day function at the Nungarin Pool. The event enjoyed by all in the community that attended.

The Shire received a grant through the Local Roads Community Infrastructure stream, putting the funds towards the upgrade of the first phase of the main street landscaping. The second phase of the landscaping upgrade is to be commenced early 2023.

Highlight: Nungarin Volunteer Bushfire Brigade Facility

After months of planning the building work commenced on the Nungarin Volunteer Bushfire Brigade. The building was completed in June 2022 and officially opened in October 2022 by the Hon. Darren West MLC.

The Completion of the facility has provided the volunteer bushfire brigade a home of its own where they can train, maintain and store all the much-needed equipment.

Statutory Reporting

Freedom of Information Statement



In accordance with Section 96 and 97 of the *Freedom of Information Act 1992*, the Shire is required to publish an Information Statement which details the process of applying for information under the Act as well as information that the Shire provides outside the Act. No requests for information under the act have been received this year. The *Freedom of Information Act 1992* and associated regulations can be found on the State Law Publisher website at www.slp.wa.gov.au

Complaints Register

The Shire maintains a register of complaints which records all complaints that result in an action under the *Local Government Act 1995* s5.121 (6)(b) or (c). The register of complaints is to include for each recorded complaint:

- Name of Council Member about whom the complaint is made;
- Name of the person who makes the complaint;
- A description of the minor breach that the Standards Panel finds has occurred; and
- Details of the action taken.

In the financial year ending 30 June 2021 no complaints were entered into the Register of Complaints under Section 5.121 of the *Local Government Act 1995*.



Record Keeping Statement



Under the *State Records Act 2000*, the Shire of Nungarin is required to have a Recordkeeping Plan (RKP) that is approved by the State Records Commission. Having completed phase 1 by creating a dedicated records room and installing records management software, the Shire commenced with preparation of an RKP, submitting the plan to the State Records Commission for review.

Delegations Review

In accordance with Section 5.46 of the *Local Government Act 1995* a review was undertaken of the Shire's Delegations Register during this period.



Compliance

Compliance Audit Return



The Department of Local Government, Sport and Cultural Industries requires the Shire to complete a Compliance Audit Return annually. For the period 1 January 2022 to 31 December 2022

There were no exceptions noted

National Competition Policy

The Federal and State governments have a Competition Principles Agreement in place, which is binding on local government. The Agreement requires the Shire to carry out a number of procedures and include a report on the matter in each year's Annual Report. The three areas that affect local government are:



1. Competitive neutrality - to remove benefits (and costs) which accrue to government business as a result of their public ownership.
2. Structural reform - local government is required to reform the structure of publicly owned monopoly businesses where it is proposed to introduce competition.
3. Legislation review - to review legislation that restricts competition.

The full requirements of the package are contained in a statement issued by the Department of Local Government, Sport and Cultural Industries.

Competitive Neutrality

Local Governments are required to apply the principle of competitive neutrality to all business activities generating user-pays income. The principle of competitive neutrality is that Government businesses should not enjoy a competitive advantage, or disadvantage, simply as a result of their public sector ownership. Annual Reports must show that a public benefit test has been conducted for all significant business activities (over \$200,000) to determine if competitive neutrality is in the public interest. Within these criteria the Shire had no disclosures for the reporting period with respect to competitive neutrality:

- The Shire does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise;
- During the reporting period the Shire did not receive any complaints or did not become aware of any allegations of non-compliance with the competitive neutrality principles made by a private entity against the Shire; and
- The Shire continues to monitor Council policies and local laws for anti-competitive practices.

Primary and Annual Returns



In accordance with Section 5.75 and 5.76 of the Local Government Act 1995 all relevant persons lodged an Annual Return by the due date of 31 August 2022 and a primary return within 3 months of their start date. In 2022-2023, we were compliant in this area

Disability Access and Inclusion Plan

The Disability Services Act 1993 was amended in December 2004, creating a requirement for local governments to:

1. Maintain a Disability Access and Inclusion Plan (DAIP).
2. Address seven specific outcome areas within the plan.
3. Report annually on progress against actions within the plan.
4. Disabled access in the CRC additions

A completely reviewed Disability Access and Inclusion Plan was adopted by Council during the year. This plan is a key strategic document, outlining the Shire's approach to working towards a more accessible and inclusive community.

Disability Access and Inclusion Plan.



Procurement of Services



Procurement is conducted in compliance with the requirements of the Local Government Act 1995, the Local Government (Functions and General) Regulations 1996 and in accordance with the Shire's Code of Conduct and Purchasing Policy.

Annual Salaries

The *Local Government Act 1995* requires the Shire to provide the number of employees who are entitled to an annual salary of \$100,000 or more and to break those employees into salary bands of \$10,000. For the period under review, the Shire had 1 employee whose salary exceeded \$100,000.



Financial Report



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

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

A great place to live with a well-connected, strong, healthy and friendly community

Principal place of business:
21 Railway Avenue
Nungarin WA 6490

**SHIRE OF NUNGARIN
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 Nungarin 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 6th day of December 2023



Chief Executive Officer

RIC HALSE

Name of Chief Executive Officer



SHIRE OF NUNGARIN
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),23	618,833	623,899	606,091
Operating Grants, subsidies and contributions	2(a)	2,145,217	424,852	1,830,486
Fees and charges	2(a)	133,424	135,577	128,048
Interest revenue	2(a)	65,790	14,253	11,302
Other revenue	2(a)	195,038	83,600	302,832
		3,158,302	1,282,181	2,878,759
Expenses				
Employee costs	2(b)	(870,642)	(1,005,289)	(798,456)
Materials and contracts		(718,889)	(873,376)	(725,846)
Utility charges		(153,832)	(159,220)	(143,808)
Depreciation		(1,129,297)	(1,148,590)	(1,156,405)
Finance costs	2(b)	(19,605)	(19,605)	(22,101)
Insurance		(133,077)	(125,627)	(121,936)
Other expenditure	2(b)	(103,417)	(124,172)	(188,611)
		(3,128,759)	(3,455,879)	(3,157,163)
		29,543	(2,173,698)	(278,404)
Capital grants, subsidies and contributions	2(a)	1,151,543	1,531,442	743,002
Profit on asset disposals		76,552	0	62,401
Loss on asset disposals		(21,351)	0	(6,861)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	1,843	0	1,998
Loss on revaluation of Other infrastructure parks & ovals	9(a)	0	0	(48,295)
Loss on revaluation of Other infrastructure refuse	9(a)	0	0	(35,211)
		1,208,587	1,531,442	717,034
Net result for the period		1,238,130	(642,256)	438,630
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	0	0	2,796,241
Total other comprehensive income for the period	15	0	0	2,796,241
Total comprehensive income for the period		1,238,130	(642,256)	3,234,871

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



**SHIRE OF NUNGARIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	2,704,377	2,636,084
Trade and other receivables	5	174,744	110,067
Other financial assets	4(a)	1,233	2,382
Inventories	6	3,885	8,077
Other assets	7	100,045	2,104
TOTAL CURRENT ASSETS		2,984,284	2,758,714
NON-CURRENT ASSETS			
Trade and other receivables	5	962	3,512
Other financial assets	4(b)	40,745	40,135
Property, plant and equipment	8(a)	10,838,781	10,212,733
Infrastructure	9(a)	44,841,179	44,617,193
TOTAL NON-CURRENT ASSETS		55,721,667	54,873,573
TOTAL ASSETS		58,705,951	57,632,287
CURRENT LIABILITIES			
Trade and other payables	11	311,473	210,013
Other liabilities	12	180,042	380,169
Borrowings	13	47,009	45,247
Employee related provisions	14	50,531	82,661
TOTAL CURRENT LIABILITIES		589,055	718,090
NON-CURRENT LIABILITIES			
Borrowings	13	306,734	353,743
Employee related provisions	14	44,255	32,677
TOTAL NON-CURRENT LIABILITIES		350,989	386,420
TOTAL LIABILITIES		940,044	1,104,510
NET ASSETS		57,765,907	56,527,777
EQUITY			
Retained surplus		15,237,340	14,138,231
Reserve accounts	26	844,721	705,700
Revaluation surplus	15	41,683,846	41,683,846
TOTAL EQUITY		57,765,907	56,527,777

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



**SHIRE OF NUNGARIN
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		13,758,349	646,952	38,887,605	53,292,906
Comprehensive income for the period					
Net result for the period		438,630	0	0	438,630
Other comprehensive income for the period	15	0	0	2,796,241	2,796,241
Total comprehensive income for the period		438,630	0	2,796,241	3,234,871
Transfers from reserve accounts	26	64,189	(64,189)	0	0
Transfers to reserve accounts	26	(122,937)	122,937	0	0
Balance as at 30 June 2022		14,138,231	705,700	41,683,846	56,527,777
Comprehensive income for the period					
Net result for the period		1,238,130	0	0	1,238,130
Total comprehensive income for the period		1,238,130	0	0	1,238,130
Transfers from reserve accounts	26	338,652	(338,652)	0	0
Transfers to reserve accounts	26	(477,673)	477,673	0	0
Balance as at 30 June 2023		15,237,340	844,721	41,683,846	57,765,907

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

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

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		627,472	587,938
Operating grants, subsidies and contributions		2,119,596	2,046,540
Fees and charges		117,467	154,049
Interest revenue		65,790	11,302
Goods and services tax received		210,477	-
Other revenue		195,038	302,832
		3,335,840	3,102,661
Payments			
Employee costs		(876,933)	(777,784)
Materials and contracts		(723,353)	(638,703)
Utility charges		(153,832)	(143,808)
Finance costs		(20,108)	(21,623)
Insurance paid		(133,077)	(121,936)
Goods and services tax paid		(241,323)	(16,636)
Other expenditure		(103,342)	(188,509)
		(2,251,968)	(1,908,999)
Net cash provided by (used in) operating activities		1,083,872	1,193,662
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(1,245,170)	(781,542)
Payments for construction of infrastructure	9(a)	(912,642)	(650,017)
Capital grants, subsidies and contributions		951,416	743,002
Proceeds from financial assets at amortised cost - self supporting loans	25(a)	2,382	2,275
Proceeds from sale of property, plant & equipment		233,682	156,191
Net cash provided by (used in) investing activities		(970,332)	(530,091)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	25(a)	(45,247)	(42,661)
Net cash provided by (used In) financing activities		(45,247)	(42,661)
Net increase (decrease) in cash held		68,293	620,910
Cash at beginning of year		2,636,084	2,015,174
Cash and cash equivalents at the end of the year	3	2,704,377	2,636,084

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

SHIRE OF NUNGARIN
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	23(a) 618,833	623,899	606,091
Operating grants, subsidies and contributions	2,145,217	424,852	1,830,486
Fees and charges	133,424	135,577	128,048
Interest revenue	65,790	14,253	11,302
Other revenue	195,038	83,600	302,832
Profit on asset disposals	76,552	0	62,401
Fair value adjustments to financial assets at fair value through profit or loss	4(b) 1,843	0	1,998
	3,236,697	1,282,181	2,943,158
Expenditure from operating activities			
Employee costs	(870,642)	(1,005,289)	(798,456)
Materials and contracts	(718,889)	(873,376)	(725,846)
Utility charges	(153,832)	(159,220)	(143,808)
Depreciation	(1,129,297)	(1,148,590)	(1,156,405)
Finance costs	(19,605)	(19,605)	(22,101)
Insurance	(133,077)	(125,627)	(121,936)
Other expenditure	(103,417)	(124,172)	(188,611)
Loss on asset disposals	(21,351)	0	(6,861)
Loss on revaluation of non-current assets	0	0	(83,506)
	(3,150,110)	(3,455,879)	(3,247,530)
Non-cash amounts excluded from operating activities	24(a) 1,088,596	1,148,590	1,195,343
Amount attributable to operating activities	1,175,183	(1,025,108)	890,971
INVESTING ACTIVITIES			
Inflows from investing activities			
Capital grants, subsidies and contributions	1,151,543	1,531,442	743,002
Proceeds from disposal of assets	233,682	100,000	156,191
Proceeds from financial assets at amortised cost - self supporting loans	25(a) 2,382	2382	2,275
	1,387,607	1,633,824	901,468
Outflows from investing activities			
Purchase of property, plant and equipment	8(a) (1,245,170)	(525,671)	(781,542)
Purchase and construction of infrastructure	9(a) (912,642)	(1,384,606)	(650,017)
	(2,157,812)	(1,910,277)	(1,431,559)
Amount attributable to investing activities	(770,205)	(276,453)	(530,091)
FINANCING ACTIVITIES			
Inflows from financing activities			
Transfers from reserve accounts	26 338,652	336,553	64,189
	338,652	336,553	64,189
Outflows from financing activities			
Repayment of borrowings	25(a) (45,247)	(45,247)	(42,661)
Transfers to reserve accounts	26 (477,673)	(466,745)	(122,937)
	(522,920)	(511,992)	(165,598)
Amount attributable to financing activities	(184,268)	(175,439)	(101,409)
MOVEMENT IN SURPLUS OR DEFICIT			
Surplus or deficit at the start of the financial year	24(b) 1,481,973	1,477,000	1,222,502
Amount attributable to operating activities	1,175,183	(1,025,108)	890,971
Amount attributable to investing activities	(770,205)	(276,453)	(530,091)
Amount attributable to financing activities	(184,268)	(175,439)	(101,409)
Surplus or deficit after imposition of general rates	24(b) 1,702,683	0	1,481,973

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



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

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

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

The local government reporting entity

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

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

Judgements and estimates

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

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

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

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

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

**SHIRE OF NUNGARIN
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	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Grants, subsidies and contributions	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
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Reimbursements	Insurance claims and reimbursable expenses	Single point in time	Payment in arrears for claimable event	None	When claim is agreed or when expense is incurred
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	611,695	7,138	618,833
Grants, subsidies and contributions	166,385	0	0	1,978,832	2,145,217
Fees and charges	68,251	0	2,975	62,198	133,424
Interest revenue	0	0	9,939	55,851	65,790
Other revenue	20,300	0	0	174,738	195,038
Capital grants, subsidies and contributions	0	1,151,543	0	0	1,151,543
Total	254,936	1,151,543	624,609	2,278,757	4,309,845

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	599,490	6,601	606,091
Grants, subsidies and contributions	67,082	0	0	1,763,404	1,830,486
Fees and charges	55,983	0	4,311	67,754	128,048
Interest revenue	0	0	9,268	2,034	11,302
Other revenue	21,034	0	0	281,798	302,832
Capital grants, subsidies and contributions	743,002	0	0	0	743,002
Total	887,101	0	613,069	2,121,591	3,621,761

**SHIRE OF NUNGARIN
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	122	114
Interest on reserve account funds	15,306	1,437
Rates instalment and penalty interest (refer Note 0)	9,939	9,268
Trade and other receivables overdue interest	0	0
Other interest revenue	40,423	483
	65,790	11,302
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$0.		
Fees and charges relating to rates receivable		
Charges on instalment plan	290	325
The 2023 original budget estimate in relation to: Charges on instalment plan was \$325.		
(b) Expenses		
Auditors remuneration		
- Audit of the Annual Financial Report	33,700	35,700
- Other services – grant acquittals	0	1,800
	33,700	37,500
Employee Costs		
Employee benefit costs	867,642	794,211
Other employee costs	3,000	4,245
	870,642	798,456
Finance costs		
Borrowings	27(a) 19,605	22,101
	19,605	22,101
Other expenditure		
Impairment losses on rates and statutory receivables	(15,957)	26,001
Write down of inventories to net realisable value	6 75	102
Sundry expenses	119,299	162,508
	103,417	188,611

SHIRE OF NUNGARIN
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	2,704,377	2,636,084
Total cash and cash equivalents	2,704,377	2,636,084
Held as		
- Unrestricted cash and cash equivalents	1,661,795	1,532,392
- Restricted cash and cash equivalents	1,042,582	1,103,692
16	<u>2,704,377</u>	<u>2,636,084</u>

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

	2023	2022
	\$	\$
Financial assets at amortised cost	1,233	2,382
	<u>1,233</u>	<u>2,382</u>

Other financial assets at amortised cost

Self supporting loans receivable	25(a) 1,233	2,382
	<u>1,233</u>	<u>2,382</u>

Held as

- Unrestricted other financial assets at amortised cost	1,233	2,382
	<u>1,233</u>	<u>2,382</u>

(b) Non-current assets

Financial assets at amortised cost	0	1,233
Financial assets at fair value through profit or loss	40,745	38,902
	<u>40,745</u>	<u>40,135</u>

Financial assets at amortised cost

Self supporting loans receivable	(1)	1,233
	<u>0</u>	<u>1,233</u>

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance	38,902	36,904
Movement attributable to fair value increment	1,843	1,998
Units in Local Government House Trust - closing balance	<u>40,745</u>	<u>38,902</u>

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 25(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 22 (i)) due to the observable market rates).

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

Financial assets at fair value through profit or loss

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

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

SHIRE OF NUNGARIN
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	117,161	140,865
Trade receivables	65,848	24,270
GST receivable	82,929	52,083
Allowance for credit losses of rates and statutory receivables	(91,194)	(107,151)
	174,744	110,067
Non-current		
Pensioner rates and ESL deferred	962	3,512
	962	3,512

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Note	30 June 2023 Actual	30 June 2022 Actual	1 July 2021 Actual
	\$	\$	\$
Contract assets	7 93,036	0	0
Total trade and other receivables from contracts with customers	93,036	0	0

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

Current	Note	2023	2022
		\$	\$
Fuel and materials		216	4,333
Other inventories - History Books		3,669	3,744
		3,885	8,077
The following movements in inventories occurred during the year:			
Balance at beginning of year		8,077	4,587
Inventories expensed during the year		(73,098)	(57,162)
Write down of inventories to net realisable value	2(b)	(75)	(102)
Additions to inventory		68,981	60,754
Balance at end of year		3,885	8,077

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

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

7. OTHER ASSETS

	2023	2022
	\$	\$
Other assets - current		
Accrued income	7,009	2,104
Contract assets	93,036	0
	100,045	2,104

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.

Contract assets

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

Impairment of assets associated with contracts with customers are detailed at Note 2(b).

SHIRE OF NUNGARIN
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	755,517	1,850,269	4,016,573	6,622,359	35,839	983,007	7,641,205
Additions	0	71,354	498,791	570,145	7,041	204,356	781,542
Disposals	0	(3,700)	0	(3,700)	0	(96,951)	(100,651)
Revaluation increments / (decrements) transferred to revaluation surplus	204,483	11,823	2,051,287	2,267,593	0	0	2,267,593
Depreciation	0	(90,246)	(134,692)	(224,938)	(6,972)	(145,046)	(376,956)
Balance at 30 June 2022	960,000	1,839,500	6,431,959	9,231,459	35,908	945,366	10,212,733
Comprises:							
Gross balance amount at 30 June 2022	960,000	1,839,500	6,432,215	9,231,715	75,251	1,339,703	10,646,669
Accumulated depreciation at 30 June 2022	0	0	(256)	(256)	(39,343)	(394,337)	(433,936)
Balance at 30 June 2022	960,000	1,839,500	6,431,959	9,231,459	35,908	945,366	10,212,733
Additions	0	110,627	519,158	629,785	0	615,385	1,245,170
Disposals	(20,000)	(56,363)	0	(76,363)	0	(102,118)	(178,481)
Assets classified as held for sale				0			0
Depreciation	0	(78,394)	(204,771)	(283,165)	(7,285)	(150,191)	(440,641)
Balance at 30 June 2023	940,000	1,815,370	6,746,346	9,501,716	28,623	1,308,442	10,838,781
Comprises:							
Gross balance amount at 30 June 2023	940,000	1,891,627	6,951,372	9,782,999	75,251	1,712,581	11,570,831
Accumulated depreciation at 30 June 2023	0	(76,257)	(205,026)	(281,283)	(46,628)	(404,139)	(732,050)
Balance at 30 June 2023	940,000	1,815,370	6,746,346	9,501,716	28,623	1,308,442	10,838,781

**SHIRE OF NUNGARIN
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 recent observable market data for similar properties	Independent registered valuers	June 2022	Price per hectare
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2022	Price per square metre
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
<p>Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.</p> <p>During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.</p>					
(ii) Cost					
Furniture and equipment			Cost	Not applicable	
Plant and equipment			Cost	Not applicable	

SHIRE OF NUNGARIN
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 dams	Other infrastructure refuse	Other infrastructure other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	41,924,989	144,700	229,294	241,333	352,786	48,437	1,359,944	44,301,483
Additions	522,350	0	31,591	0	0	0	96,076	650,017
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	(78,795)	715,328	19,018	(1,532)	(125,371)	528,648
Revaluation (loss) / reversals transferred to profit or loss	0	0	(48,295)	0	0	(35,211)	0	(83,506)
Depreciation	(569,198)	(4,983)	(9,295)	(24,961)	(16,804)	(2,994)	(151,214)	(779,449)
Balance at 30 June 2022	41,878,141	139,717	124,500	931,700	355,000	8,700	1,179,435	44,617,193
Comprises:								
Gross balance at 30 June 2022	53,193,937	375,225	124,500	931,700	355,000	8,700	1,179,435	56,168,497
Accumulated depreciation at 30 June 2022	(11,315,796)	(235,508)	0	0	0	0	0	(11,551,304)
Balance at 30 June 2022	41,878,141	139,717	124,500	931,700	355,000	8,700	1,179,435	44,617,193
Additions	801,419	0	0	23,151	0	0	88,072	912,642
Depreciation	(580,453)	(4,984)	(1,125)	(46,269)	(8,094)	(332)	(47,399)	(688,656)
Balance at 30 June 2023	42,099,107	134,733	123,375	908,582	346,906	8,368	1,220,108	44,841,179
Comprises:								
Gross balance at 30 June 2023	53,995,357	375,225	124,500	954,851	355,000	8,700	1,267,507	57,081,140
Accumulated depreciation at 30 June 2023	(11,896,250)	(240,492)	(1,125)	(46,269)	(8,094)	(332)	(47,399)	(12,239,961)
Balance at 30 June 2023	42,099,107	134,733	123,375	908,582	346,906	8,368	1,220,108	44,841,179

**SHIRE OF NUNGARIN
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 registered valuers	June 2019	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure footpaths	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2019	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure drainage	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure parks & ovals	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure dams	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure refuse	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure other	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs

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

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

**SHIRE OF NUNGARIN
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
Land	not depreciated
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
- formation	not depreciated
- pavement	35 to 85 years
- bituminous seals	35 to 85 years
- asphalt surfaces	35 to 85 years
- formation	not depreciated
- pavement	35 to 85 years
Infrastructure - footpaths	20 to 75 years
Infrastructure - drainage	5 to 75 years
Infrastructure - parks & ovals	5 to 75 years
Infrastructure - dams	5 to 75 years
Infrastructure - refuse	5 to 75 years
Infrastructure - other	5 to 75 years

SHIRE OF NUNGARIN
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. They are subject to subsequent revaluation at the next revaluation date consistent with *Financial Management Regulation 17A(4)*.

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

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

Impairment

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

Gains or losses on disposal

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

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

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued payroll liabilities
 ATO liabilities
 Bonds and deposits held
 Accrued interest on loans
 Accrued expenses

	2023	2022
	\$	\$
	53,153	116,019
	925	2,583
	16,002	17,146
	25,638	10,233
	17,819	17,823
	3,715	4,218
	194,221	41,991
	311,473	210,013

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.

Prepaid rates

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

Trade and other payables

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

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

12. OTHER LIABILITIES

Current

Capital grant/contributions liabilities

Reconciliation of changes in capital grant/contribution liabilities

Opening balance

Additions

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

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year

	2023	2022
	\$	\$
	180,042	380,169
	180,042	380,169
	380,169	247,665
	180,042	380,169
	(380,169)	(247,665)
	180,042	380,169
	180,042	380,169
	180,042	380,169

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

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

13. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		47,009	306,734	353,743	45,247	353,743	398,990
Total secured borrowings	25(a)	47,009	306,734	353,743	45,247	353,743	398,990

Secured liabilities and assets pledged as security

The Shire of Nungarin 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 22(i)) due to the unobservable inputs, including own credit risk.

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

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	41,782	56,408
Long service leave	1,260	14,370
	43,042	70,778
Employee related other provisions		
Employment on-costs	7,489	11,883
	7,489	11,883
Total current employee related provisions	50,531	82,661
Non-current provisions		
Employee benefit provisions		
Long service leave	38,991	28,664
	38,991	28,664
Employee related other provisions		
Employment on-costs	5,264	4,013
	5,264	4,013
Total non-current employee related provisions	44,255	32,677
Total employee related provisions	94,786	115,338

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

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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

15. REVALUATION SURPLUS

	2023 Opening Balance	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	737,189	737,189	532,706	204,483	737,189
Revaluation surplus - Buildings - non-specialised	2,204,976	2,204,976	2,193,153	11,823	2,204,976
Revaluation surplus - Buildings - specialised	2,051,287	2,051,287	0	2,051,287	2,051,287
Revaluation surplus - Infrastructure - roads	34,488,823	34,488,823	34,488,823	0	34,488,823
Revaluation surplus - Other infrastructure footpaths	42,951	42,951	42,951	0	42,951
Revaluation surplus - Other infrastructure drainage	0	0	78,795	(78,795)	0
Revaluation surplus - Other infrastructure parks & ovals	715,328	715,328	0	715,328	715,328
Revaluation surplus - Other infrastructure dams	439,704	439,704	420,686	19,018	439,704
Revaluation surplus - Other infrastructure refuse	0	0	1,532	(1,532)	0
Revaluation surplus - Other infrastructure other	1,003,588	1,003,588	1,128,959	(125,371)	1,003,588
	41,683,846	41,683,846	38,887,605	2,796,241	41,683,846

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

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2023 Actual \$	2022 Actual \$
Cash and cash equivalents	3	2,704,377	2,636,084

Restrictions

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

- Cash and cash equivalents	3	1,042,582	1,103,692
		<u>1,042,582</u>	<u>1,103,692</u>

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

Restricted reserve accounts	26	844,721	705,700
Capital grant liabilities	12	180,042	380,169
Bonds and deposits		17,819	17,823
Total restricted financial assets		<u>1,042,582</u>	<u>1,103,692</u>

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

Net result		1,238,130	438,630
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		(1,843)	(1,998)
Depreciation/amortisation		1,129,297	1,156,405
(Profit)/loss on sale of asset		(55,201)	(55,540)
Loss on revaluation of fixed assets		0	83,506
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(62,127)	74,009
(Increase)/decrease in other assets		(97,941)	25
(Increase)/decrease in inventories		4,192	(3,490)
Increase/(decrease) in trade and other payables		101,460	88,836
Increase/(decrease) in employee related provisions		(20,552)	23,777
Increase/(decrease) in other liabilities		(200,127)	132,504
Capital grants, subsidies and contributions		(951,416)	(743,002)
Net cash provided by/(used in) operating activities		<u>1,083,872</u>	<u>1,193,662</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Credit card limit		7,500	7,500
Credit card balance at balance date		0	(199)
Total amount of credit unused		<u>7,500</u>	<u>7,301</u>

Loan facilities

Loan facilities - current		47,009	45,247
Loan facilities - non-current		306,734	353,743
Total facilities in use at balance date		<u>353,743</u>	<u>398,990</u>

Unused loan facilities at balance date		NIL	NIL
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**SHIRE OF NUNGARIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

17. CONTINGENT LIABILITIES

The Shire had no reportable contingent liabilities as at 30 June 2022, and is not aware of any reportable contingent liabilities as at 30 June 2023.

18. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	227,596	0
Payable:		
- not later than one year	227,596	0

In 2023, the Shire had uncompleted contracted works for extensions to the Nungarin Community Resource Centre of \$197,518 and construction of the Nungarin Caravan Park ablutions of \$30,078.

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

19. 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	5,454	6,000	4,333
Deputy President's annual allowance	1,417	1,500	500
Meeting attendance fees	20,390	20,000	9,603
Annual allowance for ICT expenses	4,200	4,200	4,200
Travel and accommodation expenses	5,272	5,400	3,295
	36,733	37,100	21,931

(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	173,955	173,408
Post-employment benefits	20,521	19,500
Employee - other long-term benefits	3,216	3,250
Council member costs	36,733	21,931
	234,425	218,089

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.

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

19. 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.

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

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

	2023 Actual	2022 Actual
	\$	\$
Sale of goods and services - rental of housing accommodation	9,480	8,365
Purchase of goods and services consisting of hardware and general goods	7,059	11,732
Amounts payable to related parties:		
Trade and other payables - hardware and general goods.	0	639

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 19(a) and 19(b)

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

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

20. JOINT ARRANGEMENTS

Share of joint operations

Medical services

The Shire of Nungarin is in a joint arrangement with the Shires of Mount Marshall, Mukinbuding and Trayning to provide medical services. The Shire of Nungarin has a 10% interest in this service which provides a doctor in Kununoppin.

In June 2022 the joint arrangement purchased a motor vehicle valued at \$59,710 . The vehicle is registered to the Shire of Trayning.

	2023 Actual	2022 Actual
Statement of Financial Position		
	\$	\$
Cash and cash equivalents	0	0
Total assets	0	0
Reserve accounts	0	0
Total equity	0	0
	2023 Actual	2022 Actual
	\$	\$
Expenses	(11,579)	(17,532)
Profit/(loss) for the period	(11,579)	(17,532)
Other comprehensive income	0	0
Total comprehensive income for the period	(11,579)	(17,532)
Statement of Cash Flows		
Other revenue	0	0
Other expense	(11,579)	(17,532)
Net cash provided by (used in) operating activities	(11,579)	(17,532)

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

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

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

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

21. 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.

**SHIRE OF NUNGARIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. 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. enforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

SHIRE OF NUNGARIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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23. 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	0.130602	108	313,924	40,999	0	40,999	40,999	0	40,999	39,805
UV Rural	Unimproved valuation	0.016938	47	32,558,002	551,467	0	551,467	551,467	(434)	551,033	536,097
UV Mining	Unimproved valuation	0.016938	2	74,250	1,258	0	1,258	1,258	0	1,258	1,740
Total general rates			157	32,946,176	593,724	0	593,724	593,724	(434)	593,290	577,642
Minimum Payment											
Minimum payment											
GRV Townsites	Gross rental valuation	453	16	16,930	10,872	0	10,872	10,872	0	10,872	10,560
UV Rural	Unimproved valuation	453	24	202,698	7,248	291	7,539	7,248	0	7,248	6,600
UV Mining	Unimproved valuation	453	13	40,947	5,889	1,059	6,948	5,889	0	5,889	4,844
Total minimum payments			53	260,575	24,009	1,350	25,359	24,009	0	24,009	22,004
Total general rates and minimum payments											
			210	33,206,751	617,733	1,350	619,083	617,733	(434)	617,299	599,646
Ex-gratia Rates											
Ex-gratia Rates CBH					7,138	0	7,138	6,600	0	6,600	6,601
Total amount raised from rates (excluding general rates)			0	0	7,138	0	7,138	6,600	0	6,600	6,601
Discounts							0			0	0
Less Rate write-offs							(7,388)			0	(156)
Concessions							0			0	0
Total Rates							618,833			623,899	606,091
Rate instalment interest							508			450	436
Rate overdue interest							9,431			1,875	8,832

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

*Rateable Value at time of raising of rate.

SHIRE OF NUNGARIN
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24. 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	(76,552)	0	(62,401)
	Less: Movement in liabilities associated with restricted cash	2,215	0	231
	Less: Fair value adjustments to financial assets at fair value through profit or loss	(1,843)	0	(1,998)
	Add: Loss on disposal of assets	21,351	0	6,861
9(a)	Add: Loss on revaluation of fixed assets	0	0	83,506
	Add: Depreciation	1,129,297	1,148,590	1,156,405
Non-cash movements in non-current assets and liabilities:				
	Pensioner deferred rates	2,550	0	0
	Employee benefit provisions	11,578	0	12,739
	Non-cash amounts excluded from operating activities	1,088,596	1,148,590	1,195,343
(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				
26	Less: Reserve accounts	(844,721)	(835,892)	(705,700)
4(a)	Less: Financial assets at amortised cost - self supporting loans	(1,233)	(1,233)	(2,382)
	Add: Current liabilities not expected to be cleared at end of year			
	- Current portion of borrowings	47,009	46,739	45,247
13	- Employee benefit provisions	106,399	104,183	104,184
	Total adjustments to net current assets	(692,546)	(686,203)	(558,651)
Net current assets used in the Statement of Financial Activity				
	Total current assets	2,984,284	1,000,202	2,758,714
	Less: Total current liabilities	(589,055)	(313,999)	(718,090)
	Less: Total adjustments to net current assets	(692,546)	(686,203)	(558,651)
	Surplus or deficit after imposition of general rates	1,702,683	0	1,481,973

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25. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget				
		Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
Lot 191 Staff House		\$ 35,889	\$ 0	\$ (9,461)	\$ 26,428	\$ 0	\$ (10,075)	\$ 16,353	\$ 26,428	\$ 0	\$ (10,075)	\$ 16,353
Community Recreation Centre		161,219	0	(18,334)	142,885	0	(19,713)	123,172	142,885	0	(19,713)	123,172
Shire Depot		238,654	0	(12,591)	226,063	0	(13,077)	212,986	226,063	0	(13,077)	212,986
Total		435,762	0	(40,386)	395,376	0	(42,865)	352,511	395,376	0	(42,865)	352,511
Self Supporting Loans												
Nungarin Museum		5,889	0	(2,275)	3,614		(2,382)	1,232	3,614	0	(2,382)	1,232
Total Self Supporting Loans		5,889	0	(2,275)	3,614	0	(2,382)	1,232	3,614	0	(2,382)	1,232
Total Borrowings	13	441,651	0	(42,661)	398,990	0	(45,247)	353,743	398,990	0	(45,247)	353,743

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

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
Lot 191 Staff House		63	WATC*	6.39%	2/08/2024	\$ (1,265)	\$ (1,530)	\$ (1,896)
Community Recreation Centre		65	WATC*	7.32%	23/06/2028	(9,895)	(9,926)	(11,276)
Shire Depot		68	WATC*	3.82%	14/08/2035	(8,323)	(8,008)	(8,815)
Total						(19,483)	(19,464)	(21,987)
Self Supporting Loans Finance Cost Payments								
Nungarin Museum		67	WATC*	4.64%	1/11/2023	(122)	(141)	(114)
Total Self Supporting Loans Finance Cost Payments						(122)	(141)	(114)
Total Finance Cost Payments						(19,605)	(19,605)	(22,101)

* WA Treasury Corporation

**SHIRE OF NUNGARIN
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26. 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	104,184	2,215	0	106,399	104,184	1,042	0	105,226	103,953	231	0	104,184
(b) Plant reserve	286,179	242,279	(225,000)	303,458	286,179	237,917	(225,000)	299,096	273,261	77,107	(64,189)	286,179
(c) Office building reserve	42,993	915	0	43,908	42,993	379	0	43,372	37,909	5,084	0	42,993
(d) Swimming pool reserve	50,320	6,082	0	56,402	50,320	5,453	0	55,773	45,220	5,100	0	50,320
(e) Land development reserve	2,090	45	0	2,135	2,090	21	0	2,111	2,085	5	0	2,090
(f) Building reserve	96,513	186,698	0	283,211	96,513	184,914	0	281,427	71,354	25,159	0	96,513
(g) Community bus reserve	111,554	2,098	(113,652)	0	111,554	0	(111,553)	1	111,307	247	0	111,554
(h) Computer equipment/software reserve	6,867	37,235	0	44,102	6,867	37,019	0	43,886	1,863	5,004	0	6,867
(i) Refuse site rehabilitation reserve	5,000	106	0	5,106	5,000	0	0	5,000	0	5,000	0	5,000
	705,700	477,673	(338,652)	844,721	705,700	466,745	(336,553)	835,892	646,952	122,937	(64,189)	705,700

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

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

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 reserve	to be used for the purchase of major plant.
(c) Office building reserve	to be used for the construction of a new administration centre.
(d) Swimming pool reserve	to be used for the refurbishment of the swimming pool.
(e) Land development reserve	to be used to fund the development of a light industrial area.
(f) Building reserve	to be used for the future building needs of the Shire.
(g) Community bus reserve	to be used to restrict the excess monies from the Community Bus hire for maintenance.
(h) Computer equipment/software reserve	to be used for major upgrades of Council's computer system.
(i) Refuse site rehabilitation reserve	to be used for rehabilitation costs associated with the refuse site in the Shire.

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27. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
Nomination & Other Deposits	\$ 221	\$ 5	\$ 0	\$ 226