

# ANNUAL REPORT

2021/2022

SHIRE OF NAREMBEEN



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# **CONTENTS**

|   |    |
|---|----|
| About Us  | 3  |
| A Message from the Shire President<br>and Chief Executive Officer | 4  |
| Projects  | 8  |
| Roads   | 11 |
| Planning for our Future   | 12 |
| Strategic Community Plan  | 13 |
| Major Projects Planned 2022/2023                                  | 14 |
| Financial Performance   | 15 |
| Governance and Statutory Reporting Standards                      | 16 |
| Financial Report for the year ended<br>30 June 2022               | 23 |



Photo Cedit: Angie Roe Images

# ABOUT US

Narembeen is located in the heart of the Wheatbelt, 286km east of Perth. The town has evolved from its traditional rural history and today plays an important role within the Wheatbelt in cereal cropping, cattle and sheep production, agricultural innovation as well as support from industry such as engineering, auto works and tourism.

Narembeen is a vibrant community offering high quality infrastructure, fantastic services and endless opportunities.



# A MESSAGE FROM THE SHIRE PRESIDENT & CHIEF EXECUTIVE OFFICER

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We are pleased to present the Shire of Narembeen's Annual Report for the year ended 30 June 2022.

Like many other communities throughout Western Australia and in fact the whole of Australia the Covid 19 pandemic created a whole new range of challenges for the Council and community, from people having to isolate, reduction of services and in some cases temporary closure and supply issues. Our community appeared to cope reasonably well as it banded together as usual to assist when required.

The financial year has again been a particularly busy year for the Shire and its staff with the flood of Federal and State Covid funding for various initiatives, whilst being welcomed in the community it has certainly created its own set of challenges as the Shire found it very difficult to source tradespeople to complete all the projects identified for completion with the Federal Community Drought and Local Roads and Community Infrastructure funding. Further funding \$1,093,684 was also provided by the Federal government. As a result, many of the projects from 2020-21 have been carried over into this financial year.

Community projects continued during the financial year included:

- Town Hall upgrades
- Old Church restoration
- Apex Park precinct upgrade
- Main street upgrades
- Walker Lake dual use path and exercise equipment
- Dual Use Path in Brown and Ada Streets

Major road works commenced and completed during the year included:

- Soldiers Road gravel re-sheet
- South Road upgrade
- Narembeen - Kondinin Road widen and overlay to 10 metres
- Latham Road improvements

In addition to the above construction works, the small, but efficient, outside work crew continued working hard to keep our roads, sporting facilities and gardens in good condition throughout the heat of summer and wet of winter.

There is always pressure on the crew to get as much grading done as possible as soon as the wet weather commences and to ensure our roads continue to be safe during the summer period, especially when the carting of grain to the bins is in full swing and the dry summer conditions makes it very difficult to maintain the gravel roads in a suitable state.

Shire staff and especially the outside staff continue to support the community in their own time at community events such as ANZAC Day, Australia Day and the Triathlon. Thank you to you all, we appreciate your work.

The Community Resource Centre (CRC) continues to represent the Shire in an outstanding manner to support a wide range of community focused events and activities. The CRC continued to oversee the running of SOCK week (Save Our Country Kids) which is a local initiative developed to raise awareness of the impacts of road trauma.

# A MESSAGE FROM THE SHIRE PRESIDENT & CHIEF EXECUTIVE OFFICER CONT

With the support of the Road Safety Commission, this year's SOCK week program was extended to other Wheatbelt communities.

At the highly successful Australia day event held at the Narembeen swimming pool, enjoyed by all those who attended, including the announcements of Brittany Duncan as Citizen of the Year and the Narembeen Netball Club receiving the Active Citizenship award.


The local government elections were held in October 2021 with five (5) vacancies, one (1) being for a two (2) year term. Eight (8) nominations were received, with Scott Stirrat re-elected for a further term and Chris Bray, Trevor Cole, Holly Cusack and Michael Currie being elected for the first time. Congratulations to Scott for being re-elected and to first time Councillors Chris, Trevor, Holly, and Michael. Alan Wright chose not to renominate after serving one four (4) term and Regina DeLuis resigned after serving two (2) years, with previous Councillor Peter Lines not being re-elected. On behalf of Council and the community our appreciation is extended to Alan, Regina and Peter for their commitment to serve the community.

Special acknowledgment to former Shire President Rhonda Cole, who has worked tirelessly for the Narembeen community over the past sixteen (16) years, including five (5) years as Shire President,

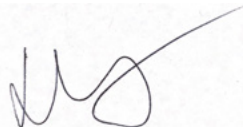
Rhonda decided not to renominate for Council in October 2021.

Rhonda's efforts were recognised by receiving the Eminent Service Award at the 2021 WALGA convention which was well deserved. Finally, to all the Councillors, thank you for your dedication, support and commitment to the Shire of Narembeen and its community over the past twelve months.

Thank you also to all the staff who work tirelessly for our community. We look forward to a positive future for Narembeen and "Together We will continue to Grow".



.....  
**Cr Kellie Mortimore**  
**Shire President**



.....  
**David Blurton**  
**Chief Executive Officer**





Photo Credit: Angie Roe Images

# PROJECTS 2021/2022

## APEX PARK UPGRADE

Cost: \$337,051

Narembeen Apex Park beautification and increased accessibility to this area included:

- New Entrance Statement and Signage for Caravan and Apex Park
- New Nature Play Area made from Timber and other Natural Materials
- Enhanced landscaping surrounding high-activity areas
- Improved lighting, including solar lighting around high-trafficked areas
- Signage for Caravan Park using QR code technology to ensure information remains current
- Information Bay with Shire and Town Maps
- Astrotourism stargazing area

The improvements compliment the Caravan Park and Tourist Precinct.



## MAIN STREET IMPROVEMENTS STAGE 2

Cost: \$146,000

As part of a two-staged development to improve the main street and pedestrian access. Additional landscaping and a new crossover paved by Reality Landscapes. The contrasting levels and coloured pavers help to slow down vehicles travelling through the main street making it safer for pedestrians and traffic.





# PROJECTS 2021/2022

## TOWN HALL RESTORATION STAGE 1

**Cost: \$159,773**

Restoration of the Town Hall preserves the building in line with its historical significance in Narembeen and State Heritage Listing. The Hall was constructed in 1939 and has been a landmark and place of gathering for the community since. Structural Engineers and Architects were engaged to develop a Conservation Plan which informed the process. The plan addresses issues such as rising dampness and electrical work being a priority to make certain the building is safe for the community to continue enjoying the facilities. The next stage is to undertake works that will ensure the building retains its contemporary modern art deco façade, historical aesthetics, and interior design.

A specialist restorative builder from Perth engaged to provide a high standard of work as per the National Trust requirements.



## ST PAULS CHURCH MUSEUM STAGE 1

**Cost: \$131,577**

Formerly St Paul's Anglican Church presently a Church Museum was in much need of repair and maintenance. A Conservation Management Plan has now been developed for the 1928 building according to its State Heritage Listing restoration requirements, which identifies priority works to preserve its condition.

Specialist builders have been engaged to carry out the works, including electrical works, the removal of asbestos, re-stumping, replacement of wall panelling, and restoration of windows and doors.



# PROJECTS 2021/2022

## WALKER LAKE DUAL – USE PATH

**Cost: \$405,084**

The construction of an approximately 1.5km dual-use concrete path around Walker Lake replaced an existing gravel path. The original path posed a fall hazard for users and restricted the use for some residents in Narembeen and visitors to the area. The path has been well received and used regularly by community members. To further enhance the use of the path two exercise areas with outdoor equipment will be added, thanks to MACA sponsoring one of the stations. A water fountain has also been installed for both walkers and 4 legged companions.



## BROWN AND ADA ST FOOTPATH

**Cost: \$90,424**

The Council adopted a pathway network priority for Narembeen in 2019. It was identified as important for locals as it allows path users to follow a continuous cycle/walk path from the residential areas of town through to key amenities, including children going to school and other recreational users. A major priority for the Shire is to keep bikes/pedestrians/gophers off the road and away from traffic. The improvement of the pathways is also an initiative to promote physical activity for those living in the community.



Some of the benefits include:-

- Narembeen District High School students - better and safer connectivity from the school north to Brown Street (residential area) and vice versa.
- Tourists - better access to and from the Caravan Park through to the Avoca Farm Walk Trail
- Recreational users - provide a connection to the existing shared pathway network.
- Elderly - safer access along Brown & Ada Street for those using gophers.

# ROADS 2021/2022

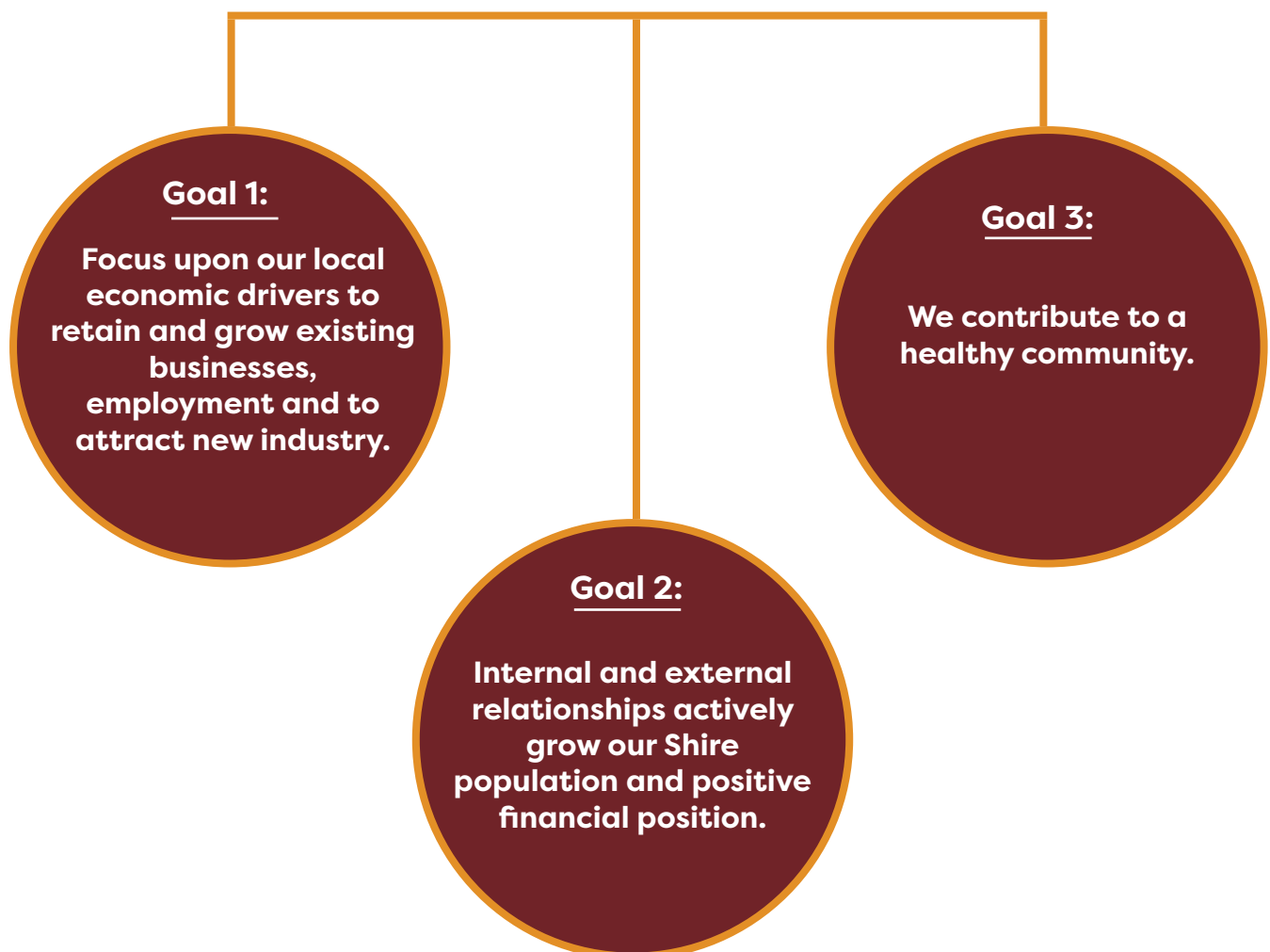


# PLANNING FOR OUR FUTURE

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The Shire's Strategic Community Plan together with other integrated planning documents, which include the Business Plan and Long-Term Financial Plan, provides a guide for Council's operations towards the year 2032.

The Strategic Community Plan Vision: Together we create the opportunity to grow, is underpinned by three main goals:



The Shire is continuing along a positive trajectory towards achieving its goals and working towards the community's vision whilst maintaining financial functionality into the future.

# STRATEGIC COMMUNITY PLAN

The Shire of Narembeen developed its Strategic Community Plan for the community – electors, ratepayers, permanent residents and temporary visitors. The Strategic Community Plan was developed hand in hand with the community. It has a key place in the Shire’s delivery and management of services and infrastructure, and it is important to our community because it:

- Includes a revised vision for the Shire of Narembeen which Council feels is more reflective of their direction, priorities and how they will achieve them
- Includes a clear direction for Council using a decision making criteria developed by Council
- Identifies the risks and opportunities for Council
- Establishes the direction of other integrated planning documents
- Is an easy to access and understand document that is in direct response to what Council and staff require in planning and delivering services and infrastructure, with clear targets and points of measurement
- Identifies the important role not for profit organisations in our community will play in helping the Shire to achieve its strategic goals and community outcomes as well as how the Shire will help not for profit organisations achieve their goals – it is a mutually beneficial partnership.



# MAJOR PROJECTS PLANNED FOR 2022/2023

## TRANSPORT CAPITAL WORKS

The Shire will be undertaking a number of road infrastructure improvement projects totalling some \$5.2m with funding from Federal, State and Shire, including Regional Road Group, Wheatbelt Secondary Freight Network and Roads to Recovery, some of the major ones being:



## MAJOR PROJECTS



**The Local Roads & Community Infrastructure stimulus funding afforded the Shire \$1,093,684 which will be spent as follows: -**

# FINANCIAL PERFORMANCE

The Shire of Narembeen finished the financial year in a strong financial position with a surplus of \$2.56m for the 2022 financial year, after transfers of \$1.32m to reserves.

A good indicator of an organisations financial health are the financial ratios, which are tabled below. All ratios for the 2022 financial year meet or exceed the Department of Local Government Sport and Cultural Industries' benchmarks, except for the Operating Surplus ratio which measures 0.18 for the year ended 30 June 2022. It is not unusual for a Local Government to record a weak result in this metric and is indicative of Council's financial planning being reliant on securing sufficient grant funding to maintain its operations.

As at 30 June 2022 Council has \$4,133,569 in reserves which is anticipates using on several key strategic projects in future years. Total cash held at year end is \$6,887,323 which includes reserves and \$1,001,460 of unspent grant funds.

## Financial ratios for the year ended 30 June 2022

| Ratio Type                        | 2022  | 2021   | 2020   |
|-----------------------------------|-------|--------|--------|
| Current ratio                     | 2.32  | 6.91   | 5.60   |
| Asset consumption ratio           | 0.92  | 0.92   | 0.95   |
| Asset renewal funding ratio       | 0.81  | 0.81   | 0.81   |
| Asset sustainability ratio        | 0.96  | 1.25   | 1.02   |
| Debt service cover ratio          | 27.98 | 9.36   | 15.20  |
| Operating surplus ratio           | 0.18  | (0.75) | (0.51) |
| Own source revenue coverage ratio | 0.37  | 0.36   | 0.38   |

# GOVERNANCE & STATUTORY REPORTING STANDARDS

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The Shire of Narembeen has a number of other Acts and Regulations that requires it to provide statutory reporting.

## Freedom of Information Act 1982

The Freedom of Information Act 1992 gives an applicant a legally enforceable right to access records held by both State and Local Government agencies, subject to exemptions.

Council maintains several records and registers including but not exclusive of; Town Planning Schemes, Financial Interest Registers, Delegated Authority Register, Cemetery Register, Insurance Register, Rate Book, Tender Register, Electoral Roll, Asset Register etc.

Nominated documents can be inspected free of charge upon application to the Office of Council located at 1 Longhurst Street, Narembeen during normal business hours.

During the year of review, there were no requests for Freedom of Information. Any application received will be considered, subject to the request not contravening the privacy rights of individuals, and may be subjected to a small administrative charge for the enquiry.

## Public Interest Disclosure

The Public Interest Disclosure Act 2003 (PID) enables individuals to make disclosures about wrongdoings within the public sector without fear of reprisal. The legislation is commonly referred to as the 'whistle-blower' Act. Individuals can report present or proposed future wrongdoing by a public body when performing a public function to the Shire's Chief Executive Officer. The Shire of Narembeen received no PID applications in for the 2022 financial year.

## Register of certain complaints and minor breaches

Section 5.121 of the Local Government Act 1995 requires a local government to maintain a register of complaints that result in an action or a finding under section 5.110(2)(a) LG Act. An up-to-date register is available on our website at [narembeen.wa.gov.au](http://narembeen.wa.gov.au). The Shire of Narembeen did not receive any minor breach complaints for the 2022 financial year.

## National Competition Policy (NCP)

In 1995 the Council of Australian Government entered into a number of agreements known as the National Competition Policy.



The policy is a whole of Government approach to bring about reform in the public sector to encourage Government to become more competitive.

Local Government will mainly be affected where it operates significant business activities that compete or could compete with private sector business. Local Government will also be impacted where its local laws unnecessarily affect competition.

Local Government and more particularly the Shire of Narembeen is required to comply with certain policies within the National Competition Policy Statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws.

### **Competitive Neutrality (CN)**

The principle of “Competitive Neutrality” is that government businesses should not enjoy a competitive advantage, or suffer a disadvantage, simply as a result of their public sector ownership.

Measures should be introduced to effectively neutralise any net competitive advantage flowing from government ownership.

Competitive Neutrality should apply to all business activities that generate a user pays income of over \$200,000 per annum, unless it can be shown it is not in the Public Interest. A Public Benefit test is used to determine if competitive neutrality is in the public interest.

The Shire of Narembeen does not control any business activity with a user pays income in excess of \$200,000.

### **Record Keeping Plan (RKP)**

The State Records Act 2000 is an Act to provide for the keeping of State Records and for related purposes. Section 19 of the Act requires that every government organisation must have a record keeping plan that has been approved by the State Records Commission. A government’s organisation, including local governments, record keeping plan sets out matters about which records are to be created by the organisation and how it is to keep its record.

The Record Keeping Plan comprises of a range of documents which, when assessed as a whole, provides an accurate reflection of the record keeping program within the organisation. More specifically, documentation regarding the organisation’s record keeping system/s, disposal arrangements, policies and practices and processes will be essential components of the record keeping plan held by a local government. The inclusion of such documentation will constitute evidence of compliance.

The Shire's Record Keeping Plan has been adopted by Council and approved by the State Records Commission.

## Disability Access Inclusion Plan

Under Section 29 (2) of the Disability Services Act 1993 the Shire is required to provide an annual summary report on its approach to assisting people with disabilities in our community as part of its inclusiveness planning, which is guided by seven (7) key outcomes.

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

Council continues to consider the need of people with disabilities wherever possible.

**Outcome 2:** People with disability have the same opportunities as other people to access the buildings and other facilities of the Shire of Narembeen.

Access standards to all of Council's public buildings remain a priority for people with disabilities to access these public buildings.

**Outcome 3:** People with disability receive information from the Shire of Narembeen in a format that will enable them to access the information as readily as other people are able to access it.

Council remains mindful of communicating at the simplest and easy to read formats for all its residents.

**Outcome 4:** People with disability receive the same level and quality of service from the employees of the Shire of Narembeen as other people receive.

Staff remain aware to offer the appropriate assistance and advice to its residents on all occasions.

**Outcome 5:** People with disability have the same opportunities as other people to make complaints to the Shire of Narembeen.

Staff will ensure that grievance mechanisms are accessible for people with disability and are acted upon.

**Outcome 6:** People with disability have the same opportunities as other people to participate in any public consultation by the Shire of Narembeen.

Ensure that people with disability are actively consulted about the DAIP and any other significant planning processes and that people with disability are aware of and can access other established consultative processes.

**Outcome 7:** People with disability have the same opportunities as other people to obtain and maintain employment with the Shire of Narembeen.

The Shire of Narembeen continuously reviews its Disability Access Inclusion Plan, the next major review is scheduled for 2022.

### **Strategic Community Plan 2017-2027**

Council has adopted a “Strategic Community Plan” that outlines Council’s continued progress towards the aims and objectives of the district to maintain the overall vision that “Together we create the opportunity to grow”.

With Shire priorities being:

1. Growing our community and visitor population
2. Creating and capturing positive economic opportunities
3. Our partnerships and networks return us tangible financial, economic, social and environmental benefits.

The Strategic Community Plan is due for major review in 2022.

### **Corporate Business Plan 2018 - 2022**

Council adopted a Corporate Business Plan for the period 2018/19 to 2021/22. The Plan sets out a range of actions, measures and targets that reflect Council’s Strategic Community Plan’s goals:

**Goal 1:** Focus upon local economic drivers to retain and grow existing businesses employment and to attract new industry.

**Goal 2:** Internal and external relationships actively grow our Shire population and positive financial position.

**Goal 3:** We contribute to a healthy community.

The Corporate Business Plan is due for review in 2022.

## Employee Payments

Regulations 19B (2) (b) of the Local Government (Administration) Regulations 1996 requires details of the number of employees of the Shire entitled to an annual salary of \$130,000 or more and the number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$130,000 to be included in the Annual Report

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$130,000 or more for the 2021 and 2022 financial year:

| Salary Range          | 2021 | 2022 |
|-----------------------|------|------|
| \$140,000 - \$149,999 | 1    | 1    |

Regulation 19B (2) (e) of the Local Government (Administration) Regulations requires details of the remuneration paid or provided to the CEO the financial year to be included in the annual report, which was \$198,492.

## Councillor meeting attendance

Regulation 19B (2) (f) of the Local Government (Administration) Regulations requires details of the number of council and committee meetings attended by each council member during the financial year.

The number of meetings attended by Councillors during the period 1 July 2021 to 30 June 2022 is tabled below.

| Councillor   | Total Meetings | Council Attendance | Committee Attendance |
|--------------|----------------|--------------------|----------------------|
| Cr Mortimore | 18             | 13                 | 5                    |
| Cr Stirrat   | 15             | 13                 | 2                    |
| Cr Milner    | 18             | 12                 | 5                    |
| Cr Hardham   | 15             | 9                  | 1                    |
| Cr T Cole    | 12             | 10                 | 2                    |
| Cr Currie    | 15             | 10                 | 5                    |
| Cr Bray      | 12             | 10                 | 2                    |
| Cr Cusack    | 12             | 9                  | 2                    |
| Cr R Cole    | 3              | 3                  |                      |
| Cr Lines     | 3              | 3                  |                      |
| Cr Wright    | 3              | 3                  |                      |
| Cr DeLuis    | 3              | 1                  |                      |

## Council Allowance

Councillors are paid an annual allowance in recognition of carrying out their civic and statutory duties, work on policy development and as spokespeople on community matters. Councillors incur expenses in the course of fulfilling their roles and are reimbursed for incurred expenses.

Total payments to Councillors for the period 1 July 2021 to 30 June 2022 are tabled below:

| <b>Description</b>           | <b>Amount</b>   |
|------------------------------|-----------------|
| Meeting Fees                 | \$20,480        |
| Presidential Allowance       | \$7,581         |
| Deputy President's Allowance | \$1,752         |
| Travel Expenses              | \$4,388         |
| <b>Total</b>                 | <b>\$34,201</b> |



**NAREMBEEN HAWK**  
UNOFFICIALLY DESIGNATED AS THE STATE BIRD BY  
HON COLIN BARKETT MLA  
PRIME MINISTER OF WESTERN AUSTRALIA  
1987  
HON MIA DAVIS MLA  
MINISTER FOR SPORT AND RECREATION  
MEMBER FOR CENTRAL DISTRICT  
1997  
THE BIRD IS THE STATE BIRD OF WESTERN AUSTRALIA  
THE BIRD HAS AN EXTENSIVE HISTORY IN THE STATE  
THE BIRD IS THE STATE BIRD OF WESTERN AUSTRALIA  
THE BIRD IS THE STATE BIRD OF WESTERN AUSTRALIA

Photo credit: Strange Images Photography



# FINANCIAL REPORT 2021/2022

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

|   |    |
|---|----|
| Certification of Financial Report                   | 2  |
| Statement of Comprehensive Income by Nature or Type | 3  |
| Statement of Financial Position                     | 4  |
| Statement of Changes in Equity                      | 5  |
| Statement of Cash Flows                             | 6  |
| Rate Setting Statement                              | 7  |
| Index of Notes to the Financial Report              | 8  |
| Independent Auditor's Report                        | 49 |

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

***"Together we grow"***

Principal place of business:  
1 Longhurst Street  
Narembeem WA 6369



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

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

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

Signed on the 17<sup>th</sup> day of April 2023

*P. Sheedy*

Acting Chief Executive Officer

Paul Sheedy



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

|   | NOTE       | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|---|------------|----------------------|----------------------|----------------------|
| <b>Revenue</b>  |            |                      |                      |                      |
| Rates   | 24(a),2(a) | 1,878,801            | 1,870,450            | 1,815,905            |
| Operating grants, subsidies and contributions                                   | 2(a)       | 5,121,459            | 1,930,586            | 2,725,676            |
| Fees and charges  | 2(a)       | 629,747              | 570,097              | 641,498              |
| Interest earnings   | 2(a)       | 27,239               | 43,059               | 39,152               |
| Other revenue   | 2(a)       | 207,620              | 74,885               | 92,820               |
|   |            | <b>7,864,866</b>     | <b>4,489,077</b>     | <b>5,315,051</b>     |
| <b>Expenses</b>   |            |                      |                      |                      |
| Employee costs  |            | (2,187,485)          | (2,030,431)          | (1,933,896)          |
| Materials and contracts   |            | (1,549,908)          | (1,474,803)          | (1,248,462)          |
| Utility charges   |            | (264,971)            | (251,750)            | (303,904)            |
| Depreciation  | 9(a)       | (3,106,232)          | (2,989,264)          | (3,047,559)          |
| Finance costs   | 2(b)       | (42,784)             | (44,108)             | (47,078)             |
| Insurance   |            | (204,741)            | (199,607)            | (185,939)            |
| Other expenditure   | 2(b)       | (44,709)             | (56,500)             | (12,955)             |
|   |            | <b>(7,400,830)</b>   | <b>(7,046,463)</b>   | <b>(6,779,793)</b>   |
|   |            | <b>464,036</b>       | <b>(2,557,386)</b>   | <b>(1,464,742)</b>   |
| Capital grants, subsidies and contributions                                     | 2(a)       | 1,390,774            | 5,261,461            | 3,292,700            |
| Profit on asset disposals   | 9(b)       | 43,331               | 62,968               | 10,610               |
| Loss on asset disposals   | 9(b)       | (22,290)             | (98,536)             | (436,125)            |
| Fair value adjustments to financial assets at fair value through profit or loss |            | 3,997                | 0                    | 2,586                |
| Share of result in associate  | 20(a)      | 21,899               | 0                    | (59,823)             |
|   |            | <b>1,437,711</b>     | <b>5,225,893</b>     | <b>2,809,948</b>     |
| <b>Net result for the period</b>  | 23(b)      | <b>1,901,747</b>     | <b>2,668,507</b>     | <b>1,345,206</b>     |
| <b>Other comprehensive income for the period</b>                                |            |                      |                      |                      |
| <i>Items that will not be reclassified subsequently to profit or loss</i>       |            |                      |                      |                      |
| Changes in asset revaluation surplus  | 14         | 1,895,386            | 0                    | 0                    |
| <b>Total other comprehensive income for the period</b>                          | 14         | <b>1,895,386</b>     | <b>0</b>             | <b>0</b>             |
| <b>Total comprehensive income for the period</b>                                |            | <b>3,797,133</b>     | <b>2,668,507</b>     | <b>1,345,206</b>     |

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



**SHIRE OF NAREMBEEN**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**

|  | NOTE  | 2022<br>\$         | 2021<br>\$         |
|--|-------|--------------------|--------------------|
| <b>CURRENT ASSETS</b>                    |       |                    |                    |
| Cash and cash equivalents                | 3     | 6,887,323          | 6,240,029          |
| Trade and other receivables              | 5     | 312,377            | 220,358            |
| Other financial assets                   | 4(a)  | 1,775,937          | 15,264             |
| Inventories                              | 6     | 13,372             | 13,372             |
| <b>TOTAL CURRENT ASSETS</b>              |       | <b>8,989,009</b>   | <b>6,489,023</b>   |
| <b>NON-CURRENT ASSETS</b>                |       |                    |                    |
| Trade and other receivables              | 5     | 0                  | 3,959              |
| Other financial assets at amortised cost | 4(b)  | 90,300             | 105,847            |
| Other financial assets at fair value     | 4(b)  | 77,804             | 73,807             |
| Inventories                              | 6     | 236,300            | 303,628            |
| Investment in associate                  | 20(a) | 48,097             | 0                  |
| Property, plant and equipment            | 7     | 23,060,685         | 21,883,227         |
| Infrastructure                           | 8     | 78,184,102         | 77,110,166         |
| <b>TOTAL NON-CURRENT ASSETS</b>          |       | <b>101,697,288</b> | <b>99,480,634</b>  |
| <b>TOTAL ASSETS</b>                      |       | <b>110,686,297</b> | <b>105,969,657</b> |
| <b>CURRENT LIABILITIES</b>               |       |                    |                    |
| Trade and other payables                 | 10    | 723,705            | 292,116            |
| Other liabilities                        | 11    | 1,206,955          | 627,900            |
| Borrowings                               | 12    | 74,875             | 86,671             |
| Employee related provisions              | 13    | 340,620            | 309,959            |
| <b>TOTAL CURRENT LIABILITIES</b>         |       | <b>2,346,155</b>   | <b>1,316,646</b>   |
| <b>NON-CURRENT LIABILITIES</b>           |       |                    |                    |
| Borrowings                               | 12    | 742,285            | 817,161            |
| Employee related provisions              | 13    | 14,417             | 49,542             |
| <b>TOTAL NON-CURRENT LIABILITIES</b>     |       | <b>756,702</b>     | <b>866,703</b>     |
| <b>TOTAL LIABILITIES</b>                 |       | <b>3,102,857</b>   | <b>2,183,349</b>   |
| <b>NET ASSETS</b>                        |       | <b>107,583,440</b> | <b>103,786,308</b> |
| <b>EQUITY</b>                            |       |                    |                    |
| Retained surplus                         |       | 51,505,194         | 50,923,692         |
| Reserve accounts                         | 27    | 4,133,569          | 2,813,325          |
| Revaluation surplus                      | 14    | 51,944,677         | 50,049,291         |
| <b>TOTAL EQUITY</b>                      |       | <b>107,583,440</b> | <b>103,786,308</b> |

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



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

|   | <b>NOTE</b> | <b>RETAINED<br/>SURPLUS</b> | <b>RESERVE<br/>ACCOUNTS</b> | <b>REVALUATION<br/>SURPLUS</b> | <b>TOTAL<br/>EQUITY</b> |
|---|-------------|-----------------------------|-----------------------------|--------------------------------|-------------------------|
|   |             | \$                          | \$                          | \$                             | \$                      |
| <b>Balance as at 1 July 2020</b>          |             | <b>49,591,604</b>           | <b>2,800,207</b>            | <b>50,049,291</b>              | <b>102,441,102</b>      |
| Comprehensive income for the period       |             |                             |                             |                                |                         |
| Net result for the period                 |             | 1,345,206                   | 0                           | 0                              | 1,345,206               |
| Total comprehensive income for the period |             | 1,345,206                   | 0                           | 0                              | 1,345,206               |
| Transfers to reserves                     | 27          | (13,118)                    | 13,118                      | 0                              | 0                       |
| <b>Balance as at 30 June 2021</b>         |             | <b>50,923,692</b>           | <b>2,813,325</b>            | <b>50,049,291</b>              | <b>103,786,308</b>      |
| Comprehensive income for the period       |             |                             |                             |                                |                         |
| Net result for the period                 |             | 1,901,747                   | 0                           | 0                              | 1,901,747               |
| Other comprehensive income for the period | 14          | 0                           | 0                           | 1,895,386                      | 1,895,386               |
| Total comprehensive income for the period |             | 1,901,747                   | 0                           | 1,895,386                      | 3,797,133               |
| Transfers to reserves                     | 27          | (1,320,244)                 | 1,320,244                   | 0                              | 0                       |
| <b>Balance as at 30 June 2022</b>         |             | <b>51,505,194</b>           | <b>4,133,569</b>            | <b>51,944,677</b>              | <b>107,583,440</b>      |

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

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

|  | NOTE  | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|--|-------|----------------------|----------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |       |                      |                      |                      |
| <b>Receipts</b>  |       |                      |                      |                      |
| Rates  |       | 1,893,957            | 1,870,449            | 1,802,532            |
| Operating grants, subsidies and contributions              |       | 5,151,753            | 225,058              | 3,219,963            |
| Fees and charges   |       | 624,143              | 1,313,626            | 818,042              |
| Interest received  |       | 27,239               | 43,059               | 39,152               |
| Goods and services tax received                            |       | 0                    | 0                    | 553,775              |
| Other revenue  |       | 209,713              | 74,885               | 92,820               |
|  |       | <b>7,906,805</b>     | <b>3,527,077</b>     | <b>6,526,284</b>     |
| <b>Payments</b>  |       |                      |                      |                      |
| Employee costs   |       | (2,231,786)          | (2,030,431)          | (1,949,092)          |
| Materials and contracts                                    |       | (1,013,419)          | (1,474,803)          | (1,297,071)          |
| Utility charges  |       | (264,971)            | (251,750)            | (303,904)            |
| Finance costs  |       | (44,107)             | (44,108)             | (47,078)             |
| Insurance paid   |       | (204,741)            | (199,607)            | (185,939)            |
| Goods and services tax paid                                |       | 27,331               | 0                    | (567,110)            |
| Other expenditure  |       | (44,709)             | (56,500)             | (12,955)             |
|  |       | <b>(3,776,402)</b>   | <b>(4,057,199)</b>   | <b>(4,363,149)</b>   |
| <b>Net cash provided by (used in) operating activities</b> | 15(b) | <b>4,130,403</b>     | <b>(530,122)</b>     | <b>2,163,135</b>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                |       |                      |                      |                      |
| Payments for loans - clubs/institutions current            |       | 0                    | (15,264)             | (98,790)             |
| Payments for purchase of property, plant & equipment       | 7(a)  | (799,209)            | (2,186,365)          | (542,939)            |
| Payments for construction of infrastructure                | 8(a)  | (3,079,345)          | (5,401,489)          | (3,524,231)          |
| Non-operating grants, subsidies and contributions          |       | 1,816,085            | 5,261,461            | 3,292,700            |
| Proceeds from for loans - clubs/institutions current       |       | 15,267               | 15,264               | 7,410                |
| Proceeds from sale of property, plant & equipment          | 9(b)  | 411,156              | 721,664              | 86,123               |
| <b>Net cash provided by (used in) investing activities</b> |       | <b>(3,396,437)</b>   | <b>(1,604,729)</b>   | <b>(779,727)</b>     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                |       |                      |                      |                      |
| Repayment of borrowings                                    | 26(a) | (86,672)             | (86,671)             | (75,451)             |
| Proceeds from new borrowings                               | 26(a) | 0                    | 0                    | 80,000               |
| <b>Net cash provided by (used In) financing activities</b> |       | <b>(86,672)</b>      | <b>(86,671)</b>      | <b>4,549</b>         |
| <b>Net increase (decrease) in cash held</b>                |       | <b>647,294</b>       | <b>(2,221,522)</b>   | <b>1,387,957</b>     |
| Cash at beginning of year                                  |       | 6,240,029            | 6,239,714            | 4,852,072            |
| <b>Cash and cash equivalents at the end of the year</b>    | 15(a) | <b>6,887,323</b>     | <b>4,018,192</b>     | <b>6,240,029</b>     |

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

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

|   | NOTE  | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|---|-------|----------------------|----------------------|----------------------|
| <b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>      | 25(b) | 2,430,458            | 2,363,237            | 1,709,673            |
| <b>OPERATING ACTIVITIES</b>   |       |                      |                      |                      |
| <b>Revenue from operating activities (excluding general rate)</b>               |       |                      |                      |                      |
| Rates (excluding general rate)  | 24(a) | 21,385               | 21,385               | 21,385               |
| Operating grants, subsidies and contributions                                   |       | 5,121,459            | 1,930,586            | 2,725,676            |
| Fees and charges  |       | 629,747              | 570,097              | 641,498              |
| Interest earnings   |       | 27,239               | 43,059               | 39,152               |
| Other revenue   |       | 207,620              | 74,885               | 92,820               |
| Profit on asset disposals   | 9(b)  | 43,331               | 62,968               | 10,610               |
| Fair value adjustments to financial assets at fair value through profit or loss |       | 3,997                | 0                    | 2,586                |
| Share of net profit of associates accounted for using the equity method         | 20(a) | 21,899               | 0                    | 0                    |
|   |       | 6,076,677            | 2,702,980            | 3,533,727            |
| <b>Expenditure from operating activities</b>                                    |       |                      |                      |                      |
| Employee costs  |       | (2,187,485)          | (2,030,431)          | (1,933,896)          |
| Materials and contracts   |       | (1,549,908)          | (1,474,803)          | (1,248,461)          |
| Utility charges   |       | (264,971)            | (251,750)            | (303,904)            |
| Depreciation  | 9(a)  | (3,106,232)          | (2,989,264)          | (3,047,559)          |
| Finance costs   |       | (42,784)             | (44,108)             | (47,078)             |
| Insurance   |       | (204,741)            | (199,607)            | (185,939)            |
| Other expenditure   |       | (44,709)             | (56,500)             | (12,955)             |
| Loss on asset disposals   | 9(b)  | (22,290)             | (98,536)             | (436,125)            |
| Loss on revaluation of investment in associate                                  | 20(a) | 0                    | 0                    | (59,823)             |
|   |       | (7,423,120)          | (7,144,999)          | (7,275,740)          |
| Non-cash amounts excluded from operating activities                             | 25(a) | 3,095,455            | 3,024,832            | 3,456,566            |
| <b>Amount attributable to operating activities</b>                              |       | 1,749,012            | (1,417,187)          | (285,447)            |
| <b>INVESTING ACTIVITIES</b>   |       |                      |                      |                      |
| Non-operating grants, subsidies and contributions                               |       | 1,390,774            | 5,261,461            | 3,292,700            |
| Proceeds from disposal of assets  | 9(b)  | 411,156              | 721,664              | 86,123               |
| Proceeds from financial assets at amortised cost - self supporting loans        | 26(a) | 15,267               | 15,264               | 7,410                |
| Purchase of property, plant and equipment                                       | 7(a)  | (799,209)            | (2,186,365)          | (542,931)            |
| Purchase and construction of infrastructure                                     | 8(a)  | (3,079,345)          | (5,401,489)          | (3,524,231)          |
|   |       | (2,061,357)          | (1,589,465)          | (680,929)            |
| <b>Amount attributable to investing activities</b>                              |       | (2,061,357)          | (1,589,465)          | (680,929)            |
| <b>FINANCING ACTIVITIES</b>   |       |                      |                      |                      |
| Repayment of borrowings   | 26(a) | (86,672)             | (86,671)             | (75,451)             |
| Proceeds from borrowings  | 26(a) | 0                    | 0                    | 80,000               |
| Payments for financial assets at amortised cost - self supporting loans         |       | 0                    | 0                    | (98,790)             |
| Transfers to reserves (restricted assets)                                       | 27    | (1,320,244)          | (1,118,979)          | (13,118)             |
| <b>Amount attributable to financing activities</b>                              |       | (1,406,916)          | (1,205,650)          | (107,359)            |
| <b>Surplus/(deficit) before imposition of general rates</b>                     |       | 711,197              | (1,849,065)          | 635,938              |
| <b>Total amount raised from general rates</b>                                   | 24(a) | 1,857,416            | 1,849,065            | 1,794,520            |
| <b>Surplus/(deficit) after imposition of general rates</b>                      | 25(b) | <b>2,568,613</b>     | <b>0</b>             | <b>2,430,458</b>     |

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

**SHIRE OF NAREMBEEN**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
**INDEX OF NOTES TO THE FINANCIAL REPORT**

|  |                                       |    |
|--|---------------------------------------|----|
| Note 1                                     | Basis of Preparation                  | 9  |
| Note 2                                     | Revenue and Expenses                  | 10 |
| Note 3                                     | Cash and Cash Equivalents             | 12 |
| Note 4                                     | Other Financial Assets                | 12 |
| Note 5                                     | Trade and Other Receivables           | 13 |
| Note 6                                     | Inventories                           | 14 |
| Note 7                                     | Property, Plant and Equipment         | 15 |
| Note 8                                     | Infrastructure                        | 17 |
| Note 9                                     | Fixed Assets                          | 19 |
| Note 10                                    | Trade and Other Payables              | 22 |
| Note 11                                    | Other Liabilities                     | 23 |
| Note 12                                    | Borrowings                            | 24 |
| Note 13                                    | Employee Related Provisions           | 25 |
| Note 14                                    | Revaluation Surplus                   | 26 |
| Note 15                                    | Notes to the Statement of Cash Flows  | 27 |
| Note 16                                    | Contingent Liabilities                | 28 |
| Note 17                                    | Capital Commitments                   | 28 |
| Note 18                                    | Related Party Transactions            | 29 |
| Note 19                                    | Joint Arrangements                    | 32 |
| Note 20                                    | Investment in Associates              | 33 |
| Note 21                                    | Financial Risk Management             | 34 |
| Note 22                                    | Other Significant Accounting Policies | 38 |
| Note 23                                    | Function and Activity                 | 39 |
| <b>Information required by legislation</b> |                                       |    |
| Note 24                                    | Rating Information                    | 42 |
| Note 25                                    | Rate Setting Statement Information    | 45 |
| Note 26                                    | Borrowing and Lease Liabilities       | 46 |
| Note 27                                    | Reserve accounts                      | 47 |
| Note 28                                    | Trust Funds                           | 48 |

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

**1. BASIS OF PREPARATION**

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

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

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

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

**The local government reporting entity**

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

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

**Judgements and estimates**

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

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

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

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



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

2. REVENUE AND EXPENSES

Revenue Recognition

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

For the year ended 30 June 2022

| Nature or type                                    | Contracts with customers | Capital grant/contributions | Statutory Requirements | Other         | Total            |
|---|--------------------------|-----------------------------|------------------------|---------------|------------------|
|   | \$                       | \$                          | \$                     | \$            | \$               |
| Rates   | 0                        | 0                           | 1,878,801              | 0             | 1,878,801        |
| Operating grants, subsidies and contributions     | 5,121,459                | 0                           | 0                      | 0             | 5,121,459        |
| Fees and charges                                  | 629,747                  | 0                           | 0                      | 0             | 629,747          |
| Interest earnings                                 | 0                        | 0                           | 0                      | 27,239        | 27,239           |
| Other revenue                                     | 207,620                  | 0                           | 0                      | 0             | 207,620          |
| Non-operating grants, subsidies and contributions | 0                        | 1,390,774                   | 0                      | 0             | 1,390,774        |
| <b>Total</b>                                      | <b>5,958,826</b>         | <b>1,390,774</b>            | <b>1,878,801</b>       | <b>27,239</b> | <b>9,255,640</b> |

For the year ended 30 June 2021

| Nature or type                                    | Contracts with customers | Capital grant/contributions | Statutory Requirements | Other         | Total            |
|---|--------------------------|-----------------------------|------------------------|---------------|------------------|
|   | \$                       | \$                          | \$                     | \$            | \$               |
| Rates   | 0                        | 0                           | 1,815,905              | 0             | 1,815,905        |
| Operating grants, subsidies and contributions     | 2,725,676                | 0                           | 0                      | 0             | 2,725,676        |
| Fees and charges                                  | 641,498                  | 0                           | 0                      | 0             | 641,498          |
| Interest earnings                                 | 0                        | 0                           | 0                      | 39,152        | 39,152           |
| Other revenue                                     | 92,820                   | 0                           | 0                      | 0             | 92,820           |
| Non-operating grants, subsidies and contributions | 0                        | 3,292,700                   | 0                      | 0             | 3,292,700        |
| <b>Total</b>                                      | <b>3,459,994</b>         | <b>3,292,700</b>            | <b>1,815,905</b>       | <b>39,152</b> | <b>8,607,751</b> |

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

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

|  | Note  | 2022<br>Actual | 2022<br>Budget | 2021<br>Actual |
|--|-------|----------------|----------------|----------------|
| <b>Interest earnings</b>                                   |       |                |                |                |
| Financial assets at amortised cost - self supporting loans |       | 1,975          | 1,059          | 1,414          |
| Interest on reserve funds                                  |       | 5,599          | 13,500         | 13,119         |
| Rates instalment and penalty interest (refer Note 23(b))   |       | 14,154         | 14,500         | 11,975         |
| Other interest earnings                                    |       | 5,511          | 14,000         | 12,644         |
|  |       | 27,239         | 43,059         | 39,152         |
| <b>(b) Expenses</b>  |       |                |                |                |
| <b>Auditors remuneration</b>                               |       |                |                |                |
| - Audit of the Annual Financial Report                     |       | 46,500         | 60,000         | 46,500         |
| - Other services   |       | 1,800          | 0              | 2,000          |
|  |       | 48,300         | 60,000         | 48,500         |
| <b>Finance costs</b>                                       |       |                |                |                |
| Borrowings   | 26(a) | 42,784         | 44,108         | 47,078         |
|  |       | 42,784         | 44,108         | 47,078         |
| <b>Other expenditure</b>                                   |       |                |                |                |
| Sundry expenses  |       | 44,709         | 56,500         | 12,955         |
|  |       | 44,709         | 56,500         | 12,955         |

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

**3. CASH AND CASH EQUIVALENTS**

Cash at bank and on hand  
Short term deposits  
**Total cash and cash equivalents**

| Note  | 2022      | 2021      |
|-------|-----------|-----------|
|       | \$        | \$        |
|       | 2,753,756 | 3,426,704 |
|       | 4,133,567 | 2,813,325 |
| 15(a) | 6,887,323 | 6,240,029 |
|       |           |           |
|       | 2,753,754 | 3,426,704 |
| 15(a) | 4,133,569 | 2,813,325 |
|       | 6,887,323 | 6,240,029 |

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

**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.

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

**Restricted financial assets**

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

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

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

**Financial assets at amortised cost**

Self supporting loans receivable  
Term deposits

|       | 2022      | 2021    |
|-------|-----------|---------|
|       | \$        | \$      |
|       | 1,775,937 | 15,264  |
|       |           |         |
| 25(b) | 15,546    | 15,264  |
|       | 1,760,391 | 0       |
|       | 1,775,937 | 15,264  |
|       |           |         |
|       | 1,775,937 | 15,264  |
|       |           |         |
|       | 90,300    | 105,847 |
|       | 77,804    | 73,807  |
|       |           |         |
|       | 90,300    | 105,847 |
|       | 90,300    | 105,847 |

Held as  
- Unrestricted other financial assets at amortised cost

**(b) Non-current assets**

Financial assets at amortised cost  
Financial assets at fair values through other comprehensive income - Units in Local Government House Trust

**Financial assets at amortised cost**

Self supporting loans receivable

**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 and loss**

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

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

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 21.

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

**5. TRADE AND OTHER RECEIVABLES**

|  | Note  | 2022<br>\$ | 2021<br>\$ |
|--|-------|------------|------------|
| <b>Current</b>   |       |            |            |
| Rates receivable   |       | 100,264    | 109,968    |
| Trade and other receivables                                |       | 159,460    | 36,010     |
| GST receivable   |       | 54,667     | 81,998     |
| Allowance for credit losses of trade and other receivables | 21(b) | (2,014)    | (7,618)    |
|  |       | 312,377    | 220,358    |
| <b>Non-current</b>   |       |            |            |
| Pensioner's rates and ESL deferred                         |       | 0          | 3,959      |
|  |       | 0          | 3,959      |

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 21.

**Classification and subsequent measurement**

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

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

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

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

**6. INVENTORIES**

| Note                 | 2022    | 2021    |
|----------------------|---------|---------|
|                      | \$      | \$      |
| <b>Current</b>       |         |         |
| Fuel and materials   | 13,372  | 13,372  |
|                      | 13,372  | 13,372  |
| <b>Non-current</b>   |         |         |
| Land held for resale | 236,300 | 303,628 |
|                      | 236,300 | 303,628 |

The following movements in inventories occurred during the year:

|                                      |       |           |           |
|--------------------------------------|-------|-----------|-----------|
| <b>Balance at beginning of year</b>  |       | 317,000   | 311,951   |
| Inventories expensed during the year |       | (191,258) | (165,124) |
| Land sold during the year            | 25(a) | (67,328)  | 0         |
| Additions to inventory               |       | 191,258   | 170,173   |
| <b>Balance at end of year</b>        |       | 249,672   | 317,000   |

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

**Land held for resale**

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

holding charges incurred after development is completed are expensed.

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

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

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

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

**7. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

|  | Note | Land      | Buildings - non specialised | Buildings - specialised | Total buildings | Total land and buildings | Furniture and equipment | Plant And Equipment | Other property, plant and equipment - works in progress | Investment in Associate - RoE/ROC | Total property, plant and equipment |
|--|------|-----------|-----------------------------|-------------------------|-----------------|--------------------------|-------------------------|---------------------|---|-----------------------------------|-------------------------------------|
|  |      | \$        | \$                          | \$                      | \$              | \$                       | \$                      | \$                  | \$  | \$                                | \$                                  |
| <b>Balance at 1 July 2020</b>  |      | 2,329,000 | 2,765,020                   | 13,414,114              | 16,179,134      | 18,508,134               | 441,291                 | 3,932,233           | 115,780   | 79,823                            | 23,077,261                          |
| Additions  |      | 0         | 0                           | 273,949                 | 273,949         | 273,949                  | 33,937                  | 235,045             | 0   | 0                                 | 542,931                             |
| Disposals  |      | 0         | 0                           | (77,070)                | (77,070)        | (77,070)                 | 0                       | (434,568)           | 0   | 0                                 | (511,638)                           |
| Impairment (losses) / reversals  |      | 0         | 0                           | 0                       | 0               | 0                        | 0                       | 0                   | 0   | (59,823)                          | (59,823)                            |
| Depreciation   | 9(a) | 0         | (86,502)                    | (429,316)               | (515,818)       | (515,818)                | (100,081)               | (450,357)           | 0   | 0                                 | (1,066,256)                         |
| Transfers  |      | 0         | 0                           | (26,591)                | (26,591)        | (26,591)                 | 0                       | 0                   | (72,657)  | 0                                 | (99,248)                            |
| <b>Balance at 30 June 2021</b>   |      | 2,329,000 | 2,678,518                   | 13,155,086              | 15,833,604      | 18,162,604               | 375,147                 | 3,282,353           | 43,123  | 20,000                            | 21,883,227                          |
| <b>Comprises:</b>  |      |           |                             |                         |                 |                          |                         |                     |   |                                   |                                     |
| Gross balance amount at 30 June 2021                                     |      | 2,329,000 | 3,025,268                   | 14,766,057              | 17,791,325      | 20,120,325               | 479,792                 | 3,726,431           | 43,123  | 20,000                            | 24,389,671                          |
| Accumulated depreciation at 30 June 2021                                 |      | 0         | (346,750)                   | (1,610,971)             | (1,957,721)     | (1,957,721)              | (104,645)               | (444,078)           | 0   | 0                                 | (2,506,444)                         |
| <b>Balance at 30 June 2021</b>   |      | 2,329,000 | 2,678,518                   | 13,155,086              | 15,833,604      | 18,162,604               | 375,147                 | 3,282,353           | 43,123  | 20,000                            | 21,883,227                          |
| Additions  |      | 0         | 5,850                       | 337,512                 | 343,362         | 343,362                  | 28,518                  | 427,329             | 0   | 0                                 | 799,209                             |
| Disposals  |      | (45,000)  | (253,360)                   | 0                       | (253,360)       | (298,360)                | 0                       | (91,756)            | 0   | 0                                 | (390,116)                           |
| Revaluation increments / (decrements) transferred to revaluation surplus |      | (365,806) | (296,536)                   | 2,557,728               | 2,261,192       | 1,895,386                | 0                       | 0                   | 0   | 0                                 | 1,895,386                           |
| Adjustment of share of assets transferred to investment in associate     | 20   | 0         | 0                           | 0                       | 0               | 0                        | 0                       | 0                   | 0   | (20,000)                          | (20,000)                            |
| Depreciation   | 9(a) | 0         | (86,502)                    | (432,726)               | (519,228)       | (519,228)                | (101,056)               | (443,614)           | 0   | 0                                 | (1,063,898)                         |
| Transfers  |      | 0         | 0                           | 0                       | 0               | 0                        | 0                       | 0                   | (43,123)  | 0                                 | (43,123)                            |
| <b>Balance at 30 June 2022</b>   |      | 1,918,194 | 2,047,970                   | 15,617,600              | 17,665,570      | 19,583,764               | 302,609                 | 3,174,312           | 0   | 0                                 | 23,060,685                          |
| <b>Comprises:</b>  |      |           |                             |                         |                 |                          |                         |                     |   |                                   |                                     |
| Gross balance amount at 30 June 2022                                     |      | 1,918,194 | 2,047,970                   | 15,617,600              | 17,665,570      | 19,583,764               | 508,310                 | 3,996,306           | 0   | 0                                 | 24,088,380                          |
| Accumulated depreciation at 30 June 2022                                 |      | 0         | 0                           | 0                       | 0               | 0                        | (205,701)               | (821,994)           | 0   | 0                                 | (1,027,695)                         |
| <b>Balance at 30 June 2022</b>   |      | 1,918,194 | 2,047,970                   | 15,617,600              | 17,665,570      | 19,583,764               | 302,609                 | 3,174,312           | 0   | 0                                 | 23,060,685                          |

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

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

**(b) Carrying Value Measurements**

| <b>Asset Class</b>          | <b>Fair Value Hierarchy</b> | <b>Valuation Technique</b>  | <b>Basis of Valuation</b>                           | <b>Date of Last Valuation</b> | <b>Inputs Used</b>  |
|-----------------------------|-----------------------------|---|---|-------------------------------|---|
| <b>(i) Fair Value</b>       |                             |   |   |                               |   |
| <b>Land and buildings</b>   |                             |   |   |                               |   |
| Land                        | 2/3                         | Market approach using recent or estimated observable market data for similar properties | Independent Registered Valuers/Management Valuation | June 2022                     | Observable or estimated open market values/price per hectare  |
| Buildings - non-specialised | 2/3                         | Market approach using recent or estimated observable market data for similar properties | Independent Registered Valuers                      | June 2022                     | Observable or estimated open market values/price per square metre   |
| Buildings - specialised     | 3                           | Cost approach using depreciated replacement cost  | Independent Registered Valuers/Management Valuation | June 2022                     | Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs |

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

|                                |   |     |      |     |     |
|--------------------------------|---|-----|------|-----|-----|
| <b>(ii) Cost</b>               |   |     |      |     |     |
| <b>Furniture and equipment</b> | 3 | N/A | Cost | N/A | N/A |
| <b>Plant and equipment</b>     | 3 | N/A | Cost | N/A | N/A |

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

8. INFRASTRUCTURE

(a) Movements in Balances

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

|  | Note | Infrastructure -<br>roads | Other<br>infrastructure -<br>foopaths | Other<br>infrastructure -<br>parks and ovals | Other<br>infrastructure -<br>drainage | Other<br>infrastructure -<br>works in progress | Total<br>Infrastructure |
|--|------|---------------------------|---------------------------------------|--|---------------------------------------|--|-------------------------|
|  |      | \$                        | \$                                    | \$   | \$                                    | \$   | \$                      |
| <b>Balance at 1 July 2020</b>  |      | 69,943,255                | 416,291                               | 4,324,752                                    | 586,085                               | 197,601  | 75,467,984              |
| Additions  |      | 3,219,617                 | 146,945                               | 157,669                                      | 0                                     | 0  | 3,524,231               |
| Depreciation   | 9(a) | (1,597,897)               | (9,036)                               | (365,805)                                    | (8,565)                               | 0  | (1,981,303)             |
| Transfers  |      | 158,042                   | (9,997)                               | 148,810                                      | 0                                     | (197,601)                                      | 99,254                  |
| <b>Balance at 30 June 2021</b>                                       |      | 71,723,017                | 544,203                               | 4,265,426                                    | 577,520                               | 0  | 77,110,166              |
| <b>Comprises:</b>  |      |                           |                                       |  |                                       |  |                         |
| Gross balance at 30 June 2021  |      | 76,375,883                | 571,307                               | 5,295,758                                    | 603,217                               | 0  | 82,846,165              |
| Accumulated depreciation at 30 June 2021                             |      | (4,652,866)               | (27,104)                              | (1,030,332)                                  | (25,697)                              | 0  | (5,735,999)             |
| <b>Balance at 30 June 2021</b>                                       |      | 71,723,017                | 544,203                               | 4,265,426                                    | 577,520                               | 0  | 77,110,166              |
| Additions  |      | 2,080,342                 | 509,786                               | 489,217                                      | 0                                     | 0  | 3,079,345               |
| Adjustment of share of assets transferred to investment in associate | 20   | 0                         | 0                                     | (6,198)                                      | 0                                     | 0  | (6,198)                 |
| Depreciation   | 9(a) | (1,651,886)               | (9,035)                               | (372,848)                                    | (8,565)                               | 0  | (2,042,334)             |
| Transfers  |      | 0                         | 0                                     | 43,123                                       | 0                                     | 0  | 43,123                  |
| <b>Balance at 30 June 2022</b>                                       |      | 72,151,473                | 1,044,954                             | 4,418,720                                    | 568,955                               | 0  | 78,184,102              |
| <b>Comprises:</b>  |      |                           |                                       |  |                                       |  |                         |
| Gross balance at 30 June 2022  |      | 78,456,225                | 1,081,093                             | 5,823,715                                    | 603,217                               | 0  | 85,964,250              |
| Accumulated depreciation at 30 June 2022                             |      | (6,304,752)               | (36,139)                              | (1,404,995)                                  | (34,262)                              | 0  | (7,780,148)             |
| <b>Balance at 30 June 2022</b>                                       |      | 72,151,473                | 1,044,954                             | 4,418,720                                    | 568,955                               | 0  | 78,184,102              |



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

**8. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

| <b>Asset Class</b>                      | <b>Fair Value Hierarchy</b> | <b>Valuation Technique</b>                       | <b>Basis of Valuation</b> | <b>Date of Last Valuation</b> | <b>Inputs Used</b>  |
|---|-----------------------------|--|---------------------------|-------------------------------|---|
| <b>(i) Fair Value</b>                   |                             |  |                           |                               |   |
| <b>Infrastructure - roads</b>           | 3                           | Cost approach using depreciated replacement cost | Management Valuation      | June 2018                     | Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs |
| <b>Infrastructure - Footpaths</b>       | 3                           | Cost approach using depreciated replacement cost | Management Valuation      | June 2018                     | Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs |
| <b>Infrastructure - Parks and Ovals</b> | 3                           | Cost approach using depreciated replacement cost | Management Valuation      | June 2018                     | Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs |
| <b>Infrastructure - Drainage</b>        | 3                           | Cost approach using depreciated replacement cost | Management Valuation      | June 2018                     | Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs |

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

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

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

**9. FIXED ASSETS**

**(a) Depreciation**

|  | Note | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|--|------|----------------------|----------------------|----------------------|
| Buildings - non specialised            | 7(a) | 86,502               | 108,593              | 86,502               |
| Buildings - specialised                | 7(a) | 432,726              | 394,717              | 429,316              |
| Furniture and equipment                | 7(a) | 101,056              | 37,969               | 100,081              |
| Plant And Equipment                    | 7(a) | 443,614              | 503,135              | 450,357              |
| Infrastructure - roads                 | 8(a) | 1,651,886            | 1,631,951            | 1,597,897            |
| Other infrastructure - drainage        | 8(a) | 8,565                | 7,862                | 8,565                |
| Other infrastructure - footpaths       | 8(a) | 9,035                | 8,292                | 9,036                |
| Other infrastructure - parks and ovals | 8(a) | 372,848              | 296,745              | 365,805              |
|  |      | <b>3,106,232</b>     | <b>2,989,264</b>     | <b>3,047,559</b>     |

**Depreciation rates**

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

| <b>Asset Class</b>                       | <b>Useful life</b> |
|--|--------------------|
| Buildings                                | 30 to 50 years     |
| Furniture and equipment                  | 4 to 10 years      |
| Plant and equipment                      | 5 to 15 years      |
| Sealed roads and streets                 |                    |
| formation                                | not depreciated    |
| pavement                                 | 50 years           |
| seal                                     |                    |
| - bituminous seals                       | 20 years           |
| - asphalt surfaces                       | 25 years           |
| Gravel roads                             |                    |
| formation                                | not depreciated    |
| pavement                                 | 50 years           |
| Gravel sheet                             | 12 years           |
| Footpaths - slab                         | 20 years           |
| Sewerage piping                          | 100 years          |
| Water supply piping and drainage systems | 75 years           |

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

9. FIXED ASSETS (Continued)

(b) Disposals of assets

|                             | 2022<br>Actual<br>Net Book<br>Value | 2022<br>Actual<br>Sale<br>Proceeds | 2022<br>Actual<br>Profit | 2022<br>Actual<br>Loss | 2022<br>Budget<br>Net Book<br>Value | 2022<br>Budget<br>Sale<br>Proceeds | 2022<br>Budget<br>Profit | 2022<br>Budget<br>Loss | 2021<br>Actual<br>Net Book<br>Value | 2021<br>Actual<br>Sale<br>Proceeds | 2021<br>Actual<br>Profit | 2021<br>Actual<br>Loss |
|-----------------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|
|                             | \$                                  | \$                                 | \$                       | \$                     | \$                                  | \$                                 | \$                       | \$                     | \$                                  | \$                                 | \$                       | \$                     |
| Land held for resale        | 0                                   | 0                                  | 0                        | 0                      | 78,664                              | 33,664                             | 0                        | (45,000)               | 0                                   | 0                                  | 0                        | 0                      |
| Land                        | 45,000                              | 45,000                             | 0                        | 0                      | 0                                   | 0                                  | 0                        | 0                      | 0                                   | 0                                  | 0                        | 0                      |
| Buildings - non specialised | 253,360                             | 252,883                            | 21,813                   | (22,290)               | 401,951                             | 440,000                            | 42,833                   | (4,784)                | 0                                   | 0                                  | 0                        | 0                      |
| Buildings - specialised     | 0                                   | 0                                  | 0                        | 0                      | 0                                   | 0                                  | 0                        | 0                      | 77,070                              | 0                                  | 0                        | (77,070)               |
| Plant And Equipment         | 91,756                              | 113,273                            | 21,517                   | 0                      | 276,617                             | 248,000                            | 20,135                   | (48,752)               | 434,568                             | 86,123                             | 10,610                   | (359,055)              |
|                             | 390,116                             | 411,156                            | 43,330                   | (22,290)               | 757,232                             | 721,664                            | 62,968                   | (98,536)               | 511,638                             | 86,123                             | 10,610                   | (436,125)              |

The following assets were disposed of during the year.

|                                    | 2022<br>Actual<br>Net Book<br>Value | 2022<br>Actual<br>Sale<br>Proceeds | 2022<br>Actual<br>Profit | 2022<br>Actual<br>Loss |
|------------------------------------|-------------------------------------|------------------------------------|--------------------------|------------------------|
|                                    | \$                                  | \$                                 | \$                       | \$                     |
| <b>Plant and Equipment</b>         |                                     |                                    |                          |                        |
| <b>Governance</b>                  |                                     |                                    |                          |                        |
| Toyota Kluger GX 2017              | 24,391                              | 25,454                             | 1,063                    | 0                      |
| Lexus ES300H F Sport               | 33,398                              | 36,364                             | 2,966                    | 0                      |
| <b>Housing</b>                     |                                     |                                    |                          |                        |
| 10 Ada St                          | 158,485                             | 180,298                            | 21,813                   | 0                      |
| <b>Health</b>                      |                                     |                                    |                          |                        |
| Toyota Kluger GLX 2016             | 13,500                              | 25,455                             | 11,955                   | 0                      |
| <b>Economic services</b>           |                                     |                                    |                          |                        |
| 26 Thomas St Lot 37 Stanley St     | 139,875                             | 117,585                            | 0                        | (22,290)               |
| <b>Other property and services</b> |                                     |                                    |                          |                        |
| Case 580SP Backhoe                 | 20,466                              | 26,000                             | 5,534                    | 0                      |
|                                    | 390,115                             | 411,156                            | 43,331                   | (22,290)               |
|                                    | 390,115                             | 411,156                            | 43,331                   | (22,290)               |

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

**9. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

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

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

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

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

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

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

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

**Revaluation**

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

**Revaluation (continued)**

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

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

**Depreciation**

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

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

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

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

**Depreciation on revaluation**

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

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

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

**10. TRADE AND OTHER PAYABLES**

**Current**

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

|                             | 2022    | 2021    |
|-----------------------------|---------|---------|
|                             | \$      | \$      |
| Sundry creditors            | 577,081 | 111,733 |
| Prepaid rates               | 18,461  | 16,968  |
| Accrued payroll liabilities | 58,213  | 95,738  |
| PAYG Liabilities            | 30,010  | 32,322  |
| Bonds and deposits held     | 19,490  | 17,396  |
| Licensing                   | 361     | 0       |
| Accrued Interest on loans   | 9,393   | 10,716  |
| FBT Liabilities             | 10,696  | 7,243   |
|                             | 723,705 | 292,116 |

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

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

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

**Prepaid rates**

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

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

**11. OTHER LIABILITIES**

**Current**

Contract liabilities  
 Capital grant/contributions liabilities

**Reconciliation of changes in contract liabilities**

Opening balance  
 Additions  
 Revenue from contracts with customers included as a contract liability at the start of the period

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

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

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

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

Less than 1 year

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

|   | 2022      | 2021    |
|---|-----------|---------|
|   | \$        | \$      |
| Contract liabilities  | 205,495   | 51,751  |
| Capital grant/contributions liabilities   | 1,001,460 | 576,149 |
|   | 1,206,955 | 627,900 |
| Opening balance   | 51,751    | 0       |
| Additions   | 205,495   | 51,751  |
| Revenue from contracts with customers included as a contract liability at the start of the period | (51,751)  | 0       |
|   | 205,495   | 51,751  |
| Opening balance   | 576,149   | 0       |
| Additions   | 1,001,460 | 576,149 |
| Revenue from capital grant/contributions held as a liability at the start of the period           | (576,149) | 0       |
|   | 1,001,460 | 576,149 |
| Less than 1 year  | 1,001,460 | 576,149 |

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

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

**12. BORROWINGS**

|                                 | Note  | 2022    |             |         | 2021    |             |         |
|---------------------------------|-------|---------|-------------|---------|---------|-------------|---------|
|                                 |       | Current | Non-current | Total   | Current | Non-current | Total   |
| <b>Secured</b>                  |       | \$      | \$          | \$      | \$      | \$          | \$      |
| Debentures                      |       | 74,875  | 742,285     | 817,160 | 86,671  | 817,161     | 903,832 |
| <b>Total secured borrowings</b> | 26(a) | 74,875  | 742,285     | 817,160 | 86,671  | 817,161     | 903,832 |

**Secured liabilities and assets pledged as security**

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Narembreen. Other loans relate to transferred receivables. Refer to Note 5.

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Information regarding exposure to risk can be found at Note 21.

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

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

**13. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual Leave

Long Service Leave

**Non-current provisions**

Long Service Leave

|                    | 2022    | 2021    |
|--------------------|---------|---------|
|                    | \$      | \$      |
| Annual Leave       | 168,720 | 150,296 |
| Long Service Leave | 171,900 | 159,663 |
|                    | 340,620 | 309,959 |
| Long Service Leave | 14,417  | 49,542  |
|                    | 14,417  | 49,542  |
|                    | 355,037 | 359,501 |

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

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

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

Less than 12 months after the reporting date

More than 12 months from reporting date

| Note   | 2022    | 2021    |
|--|---------|---------|
|  | \$      | \$      |
| Less than 12 months after the reporting date | 171,588 | 342,353 |
| More than 12 months from reporting date      | 183,449 | 17,148  |
|  | 355,037 | 359,501 |

Expected reimbursements of employee related provisions from other WA local governments included within other receivables

|   |   |   |
|---|---|---|
| 5 | 0 | 0 |
|---|---|---|

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

**14. REVALUATION SURPLUS**

|  | <b>2022<br/>Opening<br/>Balance</b> | <b>2022<br/>Revaluation<br/>Increment</b> | <b>2022<br/>Revaluation<br/>(Decrement)</b> | <b>Total<br/>Movement on<br/>Revaluation</b> | <b>2022<br/>Closing<br/>Balance</b> | <b>2021<br/>Opening<br/>Balance</b> | <b>2021<br/>Closing<br/>Balance</b> |
|--|-------------------------------------|---|---|--|-------------------------------------|-------------------------------------|-------------------------------------|
|  | <b>\$</b>                           | <b>\$</b>                                 | <b>\$</b>                                   | <b>\$</b>                                    | <b>\$</b>                           | <b>\$</b>                           | <b>\$</b>                           |
| Revaluation surplus - Land - freehold land                     | 1,428,163                           | 0   | (365,806)                                   | (365,806)                                    | 1,062,357                           | 1,428,163                           | 1,428,163                           |
| Revaluation surplus - Buildings                                | 5,339,026                           | 2,557,728                                 | (296,536)                                   | 2,261,192                                    | 7,600,218                           | 5,339,026                           | 5,339,026                           |
| Revaluation surplus - Furniture and equipment                  | 53,279                              | 0   | 0   | 0  | 53,279                              | 53,279                              | 53,279                              |
| Revaluation surplus - Plant And Equipment                      | 1,435,049                           | 0   | 0   | 0  | 1,435,049                           | 1,435,049                           | 1,435,049                           |
| Revaluation surplus - Infrastructure - roads                   | 39,478,393                          | 0   | 0   | 0  | 39,478,393                          | 39,478,393                          | 39,478,393                          |
| Revaluation surplus - Other infrastructure - drainage          | 388,212                             | 0   | 0   | 0  | 388,212                             | 388,212                             | 388,212                             |
| Revaluation surplus - Other infrastructure - footpaths         | 345,070                             | 0   | 0   | 0  | 345,070                             | 345,070                             | 345,070                             |
| Revaluation surplus - Other infrastructure - works in progress | 1,582,099                           | 0   | 0   | 0  | 1,582,099                           | 1,582,099                           | 1,582,099                           |
|  | <b>50,049,291</b>                   | <b>2,557,728</b>                          | <b>(662,342)</b>                            | <b>1,895,386</b>                             | <b>51,944,677</b>                   | <b>50,049,291</b>                   | <b>50,049,291</b>                   |

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

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

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

**(a) Reconciliation of Cash**

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

|                           | Note | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|---------------------------|------|----------------------|----------------------|----------------------|
| Cash and cash equivalents | 3    | 6,887,323            | 4,018,192            | 6,240,029            |
| Term deposits             | 4(a) | 1,760,391            | 0                    | 0                    |
|                           |      | <u>8,647,714</u>     | <u>4,018,192</u>     | <u>6,240,029</u>     |

**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 | 5,344,468        | 3,932,302        | 3,443,357        |
| - Financial assets at amortised cost | 4 | 15,546           | 0                | 15,264           |
|                                      |   | <u>5,360,014</u> | <u>3,932,302</u> | <u>3,458,621</u> |

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

|  |    |                  |                  |                  |
|--|----|------------------|------------------|------------------|
| Reserve accounts                                   | 27 | 4,133,569        | 3,932,302        | 2,813,325        |
| Bonds and deposits held                            |    | 19,490           | 17,396           | 17,396           |
| Contract liabilities from contracts with customers |    | 1,206,955        | 0                | 627,900          |
| <b>Total restricted financial assets</b>           |    | <u>5,360,014</u> | <u>3,949,698</u> | <u>3,458,621</u> |

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

|   |  |                  |                  |                  |
|---|--|------------------|------------------|------------------|
| Net result  |  | 1,901,747        | 2,668,507        | 1,345,206        |
| Non-cash items:   |  |                  |                  |                  |
| Adjustments to fair value of financial assets at fair value through profit and loss |  | (3,997)          | 0                | (2,586)          |
| Write down of assets  |  | 0                | 0                | 59,823           |
| Depreciation/amortisation   |  | 3,106,232        | 2,989,264        | 3,047,559        |
| (Profit)/loss on sale of asset  |  | (21,041)         | 35,568           | 425,515          |
| Share of result in associates   |  | (21,899)         | 0                | 0                |
| Changes in assets and liabilities:  |  |                  |                  |                  |
| (Increase)/decrease in trade and other receivables                                  |  | (88,062)         | 250,000          | 45,612           |
| (Increase)/decrease in other assets   |  | 0                | 0                | 176,544          |
| (Increase)/decrease in inventories  |  | 67,328           | 0                | (5,049)          |
| Increase/(decrease) in trade and other payables                                     |  | 431,589          | 0                | 20,808           |
| Increase/(decrease) in employee related provisions                                  |  | (4,464)          | 0                | (88,996)         |
| Increase/(decrease) in contract liabilities   |  | 153,744          | (1,212,000)      | 431,399          |
| Non-operating grants, subsidies and contributions                                   |  | (1,390,774)      | (5,261,461)      | (3,292,700)      |
| Net cash provided by/(used in) operating activities                                 |  | <u>4,130,403</u> | <u>(530,122)</u> | <u>2,163,135</u> |

**(c) Undrawn Borrowing Facilities  
Credit Standby Arrangements**

|                                      |  |                |  |                |
|--------------------------------------|--|----------------|--|----------------|
| Bank overdraft limit                 |  | 200,000        |  | 200,000        |
| Bank overdraft at balance date       |  | 0              |  | 0              |
| Credit card limit                    |  | 50,000         |  | 50,000         |
| Credit card balance at balance date  |  | (3,220)        |  | (17,825)       |
| <b>Total amount of credit unused</b> |  | <u>246,780</u> |  | <u>232,175</u> |

**Loan facilities**

|  |  |                |  |                |
|--|--|----------------|--|----------------|
| Loan facilities - current                      |  | 74,875         |  | 86,671         |
| Loan facilities - non-current                  |  | 742,285        |  | 817,161        |
| <b>Total facilities in use at balance date</b> |  | <u>817,160</u> |  | <u>903,832</u> |

**Unused loan facilities at balance date**

0 0

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

**16. CONTINGENT LIABILITIES**

As disclosed in Note 20, the Shire has a 25% interest in the Bendering Landfill Site (the Site). The Site has been registered as a Category 89 Prescribed Premises under Part V of the Environmental Protection Act 1968.

The Environmental Protection (Rural Landfill) Regulations 2002 apply to Category 89, Prescribed Premises in Schedule 1 Part 2 of the Environmental Protection Regulations for a putrescible landfill site that accepts between 20 and 5,000 tonnes of waste per year. These regulations outline the requirements for the Site, including a post-closure plan.

A Landfill Management Plan (the Plan) was prepared by Tallis Consultants outlining the post-closure rehabilitation requirements for the Site. The Plan was received by the members of the Roe Regional Organisation of Councils at their meeting in July 2022. The Plan estimates the remaining life of Stage 1 of the Site to be approximately four years and the closure cost for Stage 1 will be \$514,337. The Shire's share of this cost will be 128,584.

The Shire currently has \$28,652 in the Bendering Landfill Renewal Reserve account by way of Council Resolution in 2016/17. The Shire will transfer the balance of \$99,932 for the next three financial years to cover the costs of rehabilitation of Stage 1 of the Site.

**17. CAPITAL COMMITMENTS**

|                                | 2022      | 2021      |
|--------------------------------|-----------|-----------|
|                                | \$        | \$        |
| Contracted for:                |           |           |
| - capital expenditure projects | 344,323   | 1,210,093 |
| - plant & equipment purchases  | 706,905   | 0         |
|                                | 1,051,228 | 1,210,093 |
| Payable:                       |           |           |
| - not later than one year      | 1,051,228 | 1,210,093 |

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

**18. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

| Note   | 2022<br>Actual<br>\$ | 2022<br>Budget<br>\$ | 2021<br>Actual<br>\$ |
|--|----------------------|----------------------|----------------------|
| <b>Elected member Cr RM Cole</b>                       |                      |                      |                      |
| President's annual allowance                           | 2,333                | 7,000                | 7,000                |
| Meeting attendance fees                                | 1,350                | 4,500                | 5,100                |
| Annual allowance for travel and accommodation expenses | 540                  | 0                    | 1,428                |
|  | 4,223                | 11,500               | 13,528               |
| <b>Elected member Cr KM Mortimore</b>                  |                      |                      |                      |
| President's annual allowance                           | 5,248                | 0                    | 0                    |
| Deputy President's annual allowance                    | 438                  | 1,750                | 1,750                |
| Meeting attendance fees                                | 4,090                | 3,528                | 2,610                |
| Annual allowance for travel and accommodation expenses | 432                  | 0                    | 648                  |
|  | 10,208               | 5,278                | 5,008                |
| <b>Elected member Cr PD Lines</b>                      |                      |                      |                      |
| Meeting attendance fees                                | 560                  | 2,480                | 2,560                |
| Annual allowance for travel and accommodation expenses | 0                    | 0                    | 168                  |
|  | 560                  | 2,480                | 2,728                |
| <b>Elected member Cr SW Stirrat</b>                    |                      |                      |                      |
| Deputy President's annual allowance                    | 1,314                | 0                    | 0                    |
| Meeting attendance fees                                | 2,400                | 2,400                | 2,400                |
| Annual allowance for travel and accommodation expenses | 2,700                | 2,700                | 2,700                |
|  | 6,414                | 5,100                | 5,100                |
| <b>Elected member Cr AB Wright</b>                     |                      |                      |                      |
| Meeting attendance fees                                | 560                  | 2,480                | 2,480                |
|  | 560                  | 2,480                | 2,480                |
| <b>Elected member Cr W Milner</b>                      |                      |                      |                      |
| Meeting attendance fees                                | 2,320                | 2,560                | 2,560                |
| Annual allowance for travel and accommodation expenses | 0                    | 0                    | 134                  |
|  | 2,320                | 2,560                | 2,694                |
| <b>Elected member Cr RD DeLuis</b>                     |                      |                      |                      |
| Meeting attendance fees                                | 160                  | 2,640                | 2,320                |
| Annual allowance for travel and accommodation expenses | 120                  | 1,700                | 1,880                |
|  | 280                  | 4,340                | 4,200                |
| <b>Elected member Cr AM Hardham</b>                    |                      |                      |                      |
| Meeting attendance fees                                | 1,680                | 2,640                | 2,640                |
|  | 1,680                | 2,640                | 2,640                |
| <b>Elected member Cr HA Cusack</b>                     |                      |                      |                      |
| Meeting attendance fees                                | 1,680                | 0                    | 0                    |
| Annual allowance for travel and accommodation expenses | 144                  | 0                    | 0                    |
|  | 1,824                | 0                    | 0                    |
| <b>Elected member Cr DA Bray</b>                       |                      |                      |                      |
| Meeting attendance fees                                | 1,840                | 0                    | 0                    |
|  | 1,840                | 0                    | 0                    |
| <b>Elected member Cr MJ Currie</b>                     |                      |                      |                      |
| Meeting attendance fees                                | 1,920                | 0                    | 0                    |
| Annual allowance for travel and accommodation expenses | 14                   | 0                    | 0                    |
|  | 1,934                | 0                    | 0                    |
| <b>Elected member Cr TW Cole</b>                       |                      |                      |                      |
| Meeting attendance fees                                | 1,920                | 0                    | 0                    |
| Annual allowance for travel and accommodation expenses | 438                  | 0                    | 0                    |
|  | 2,358                | 0                    | 0                    |

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

**18. Elected Member Remuneration (Continued)**

| <b>TOTAL</b>   | 34,201             | 36,378             | 38,378             |
|--|--------------------|--------------------|--------------------|
| Fees, expenses and allowances to be paid or reimbursed to elected council members. | <b>2022 Actual</b> | <b>2022 Budget</b> | <b>2021 Actual</b> |
|  | \$                 | \$                 | \$                 |
| President's annual allowance   | 7,581              | 7,000              | 7,875              |
| Deputy President's annual allowance  | 1,752              | 1,750              | 875                |
| Meeting attendance fees  | 20,480             | 23,228             | 22,670             |
| Travel and accommodation expenses  | 4,388              | 4,400              | 6,958              |
| 18(b)  | 34,201             | 36,378             | 38,378             |

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

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

|                                     | <b>2022 Actual</b> | <b>2021 Actual</b> |
|-------------------------------------|--------------------|--------------------|
|                                     | \$                 | \$                 |
| Short-term employee benefits        | 442,771            | 418,177            |
| Post-employment benefits            | 55,356             | 52,639             |
| Employee - other long-term benefits | 22,198             | 12,401             |
| Employee - termination benefits     | 0                  | 1,834              |
| Council member costs                | 34,201             | 38,378             |
| 18(a)                               | 554,526            | 523,429            |

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Termination benefits*

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

*Council member costs*

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

**(c) Transactions with related parties**

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

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

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

|  | <b>2022 Actual</b> | <b>2021 Actual</b> |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| Purchase of goods and services                   | 161,181            | 164,272            |
| Post employee benefits - other related parties   |                    |                    |
| <b>Amounts outstanding from related parties:</b> |                    |                    |
| Loans to associated entities                     | 72,343             | 80,000             |

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

**18. RELATED PARTY TRANSACTIONS**

**(d) Related Parties**

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

*i. Key management personnel*

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

*ii. Other Related Parties*

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

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

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

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

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

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

**19. JOINT ARRANGEMENTS**

**(a) Share of joint operations - Department of Housing**

The Shire together with the Department of Housing have a joint arrangement with regard to the provision of 9 housing units in Currall & Doreen Streets, Narembeen. The Shire's share of the housing units is included in Property, Plant & Equipment.

**Statement of Financial Position**

|                               | <b>2022<br/>Actual</b> | <b>2021<br/>Actual</b> |
|-------------------------------|------------------------|------------------------|
|                               | \$                     | \$                     |
| Land                          | 10,694                 | 150,000                |
| Buildings - non specialised   | 142,071                | 996,075                |
| Less:accumulated depreciation | 0                      | (85,191)               |
| <b>Total assets</b>           | <b>152,765</b>         | <b>1,060,884</b>       |

**SIGNIFICANT ACCOUNTING POLICIES**

**Joint operations**

A joint operation is a joint arrangement where the Shire has joint control with another party to the joint arrangement. All parties to joint arrangements 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.

**(b) Share of joint operations - Roe Environmental Health Services**

The Shire has a 15.38% interest in Roe Environmental Health Services (RoeEHS).

The Shire's interest in the revenue and expenses have been included in the respective line items of the financial statements.

**Statement of Comprehensive Income**

|                                     | <b>2022<br/>Actual</b> | <b>2021<br/>Actual</b> |
|-------------------------------------|------------------------|------------------------|
|                                     | \$                     | \$                     |
| Materials and Contracts             | (22,700)               | (32,928)               |
| <b>Profit/(loss) for the period</b> | <b>(22,700)</b>        | <b>(32,928)</b>        |

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

**20. INVESTMENT IN ASSOCIATES**

**(a) Investment in associate**

Set out in the table below are the associates of the Shire. All associates are measured using the equity method. Western Australia is the principal place of business for all associates.

| Name of entity  | % of ownership interest |        | 2022          | 2021     |
|---|-------------------------|--------|---------------|----------|
|   | 2022                    | 2021   | Actual        | Actual   |
|   |                         |        | \$            | \$       |
| Roe Regional Organisation of Councils (RoeROC)  | 25.00%                  | 25.00% | 48,097        | 0        |
| <b>Total equity-accounted investments</b>   |                         |        | <b>48,097</b> | <b>0</b> |
| The Roe Regional Organisation of Councils (RoeROC) was formed to manage the provision of a Waste Facility and Environmental Health Services across four shires. The Shire has a 25% interest in RoeROC assets at the Bendering Landfill site. |                         |        |               |          |
| The Shire's share in the assets for 2022 are based on the audited results of the Roe Regional Organisation of Councils as follows:  |                         |        |               |          |
| Current assets  |                         |        | 0             | 0        |
| Non-current assets  |                         |        | 192,386       | 0        |
| Total assets  |                         |        | 192,386       | 0        |
| Liabilities   |                         |        | 0             | 0        |
| Net assets  |                         |        | 192,386       | 0        |
| Shire's 1/4th interest in associate   |                         |        | 48,097        |          |
| <b>Opening Balance</b>  |                         |        | 0             | 0        |
| Movement in infrastructure previously recorded as a joint operation   |                         |        | 6,198         | 0        |
| Movement in land previously not recorded as a joint operation   |                         |        | 20,000        | 0        |
| Movement in share of result in associate  |                         |        | 21,899        | 0        |
| <b>Closing balance</b>  |                         |        | <b>48,097</b> | <b>0</b> |

In 2021, the Shire's interest in RoeROC was reported as a joint arrangement without reference to RoeROC's audited financial statements.

**SIGNIFICANT ACCOUNTING POLICIES**

**Investments in associates**

An associate is an entity over which the Shire has the power to participate in the financial and operating policy decisions of the investee but not control or joint control of those policies.

Investments in associates are accounted for using the equity method. The equity method of accounting, is whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.



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

**21. FINANCIAL RISK MANAGEMENT**

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

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

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

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

**(a) Interest rate risk**

**Cash and cash equivalents**

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

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

|                           | <b>Weighted Average Interest Rate</b> | <b>Carrying Amounts</b> | <b>Fixed Interest Rate</b> | <b>Variable Interest Rate</b> | <b>Non Interest Bearing</b> |
|---------------------------|---------------------------------------|-------------------------|----------------------------|-------------------------------|-----------------------------|
|                           | <b>%</b>                              | <b>\$</b>               | <b>\$</b>                  | <b>\$</b>                     | <b>\$</b>                   |
| <b>2022</b>               |                                       |                         |                            |                               |                             |
| Cash and cash equivalents | 0.69%                                 | 6,887,323               | 0                          | 6,887,323                     | 0                           |
| Term deposits             | 2.14%                                 | 1,775,937               | 1,775,937                  | 0                             | 0                           |
| <b>2021</b>               |                                       |                         |                            |                               |                             |
| Cash and cash equivalents | 0.51%                                 | 6,240,029               | 0                          | 3,426,704                     | 2,813,325                   |

**Sensitivity**

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

|  | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|
|  | <b>\$</b>   | <b>\$</b>   |
| Impact of a 1% movement in interest rates on profit and loss and equity* | 68,873      | 34,267      |

\* Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 26(a).

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

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

**(b) Credit risk**

**Trade and Other Receivables**

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

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

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

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

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

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

|                       | Less than 1<br>year past due | More than 1<br>year past due | More than 2<br>years past due | More than 3<br>years past due | Total   | Note |
|-----------------------|------------------------------|------------------------------|-------------------------------|-------------------------------|---------|------|
| <b>30 June 2022</b>   |                              |                              |                               |                               |         |      |
| Rates receivable      |                              |                              |                               |                               |         |      |
| Expected credit loss  | 0.00%                        | 0.00%                        | 0.00%                         | 0.00%                         |         |      |
| Gross carrying amount | 7,541                        | 27,712                       | 18,500                        | 46,511                        | 100,264 |      |
| Loss allowance        | 0                            | 0                            | 0                             | 0                             | 0       | 5    |
| <b>30 June 2021</b>   |                              |                              |                               |                               |         |      |
| Rates receivable      |                              |                              |                               |                               |         |      |
| Expected credit loss  | 0.00%                        | 0.00%                        | 0.00%                         | 0.00%                         |         |      |
| Gross carrying amount | 45,000                       | 24,910                       | 13,010                        | 31,006                        | 113,926 |      |
| Loss allowance        | 0                            | 0                            | 0                             | 0                             | 0       | 5    |

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

|                             | Less than 30<br>year past due | More than 30<br>days past due | More than 60<br>days past due | More than 90<br>days past due | Total   |   |
|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|---------|---|
| <b>30 June 2022</b>         |                               |                               |                               |                               |         |   |
| Trade and other receivables |                               |                               |                               |                               |         |   |
| Expected credit loss        | 0.00%                         | 0.00%                         | 0.00%                         | 1.00%                         |         |   |
| Gross carrying amount       | 153,329                       | 2,221                         | 1,900                         | 2,010                         | 159,460 |   |
| Loss allowance              | 0                             | 0                             | 0                             | 2,014                         | 2,014   | 5 |
| <b>30 June 2021</b>         |                               |                               |                               |                               |         |   |
| Trade and other receivables |                               |                               |                               |                               |         |   |
| Expected credit loss        | 0.00%                         | 0.00%                         | 0.00%                         | 0.56%                         |         |   |
| Gross carrying amount       | 5,018                         | 16,957                        | 321                           | 13,714                        | 36,010  |   |
| Loss allowance              | 0                             | 0                             | 0                             | 7,618                         | 7,618   | 5 |

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

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

**(b) Credit risk**

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

|   | Rates receivable |                | Trade and other receivables |                | Contract Assets |                |
|---|------------------|----------------|-----------------------------|----------------|-----------------|----------------|
|   | 2022<br>Actual   | 2021<br>Actual | 2022<br>Actual              | 2021<br>Actual | 2022<br>Actual  | 2021<br>Actual |
|   | \$               | \$             | \$                          | \$             | \$              | \$             |
| <b>Opening loss allowance as at 1 July</b>                              | 0                | 0              | 7,618                       | 4,156          | 0               | 0              |
| Increase in loss allowance recognised in profit or loss during the year | 0                | 0              | 0                           | 5,603          | 0               | 0              |
| Receivables written off during the year as uncollectible                | 0                | 0              | (5,604)                     | (2,141)        | 0               | 0              |
| <b>Closing loss allowance at 30 June</b>                                | 0                | 0              | 2,014                       | 7,618          | 0               | 0              |

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

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

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

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

**(c) Liquidity risk**

**Payables and borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 15(c).

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

|                          | Due<br>within<br>1 year | Due<br>between<br>1 & 5 years | Due<br>after<br>5 years | Total<br>contractual<br>cash flows | Carrying<br>values |
|--------------------------|-------------------------|-------------------------------|-------------------------|------------------------------------|--------------------|
|                          | \$                      | \$                            | \$                      | \$                                 | \$                 |
| <b><u>2022</u></b>       |                         |                               |                         |                                    |                    |
| Trade and other payables | 723,705                 | 0                             | 0                       | 723,705                            | 723,705            |
| Borrowings               | 115,077                 | 452,565                       | 489,651                 | 1,057,292                          | 817,160            |
|                          | <u>838,782</u>          | <u>452,565</u>                | <u>489,651</u>          | <u>1,780,997</u>                   | <u>1,540,865</u>   |
| <b><u>2021</u></b>       |                         |                               |                         |                                    |                    |
| Trade and other payables | 292,116                 | 0                             | 0                       | 292,116                            | 292,116            |
| Borrowings               | 15,682                  | 15,239                        | 1,056,436               | 1,087,357                          | 903,832            |
|                          | <u>307,798</u>          | <u>15,239</u>                 | <u>1,056,436</u>        | <u>1,379,473</u>                   | <u>1,195,948</u>   |

**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 statements is presented.

**e) Budget comparative figures**

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

**f) Superannuation**

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

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

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

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

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

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

**h) Interest earnings**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

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

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

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

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

**k) Initial application of accounting standards**

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

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

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

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

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

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

**23. FUNCTION AND ACTIVITY (Continued)**

**(b) Income and expenses**

|   | <b>2022<br/>Actual</b> | <b>2022<br/>Budget</b> | <b>2021<br/>Actual</b> |
|---|------------------------|------------------------|------------------------|
|   | \$                     | \$                     | \$                     |
| <b>Income excluding grants, subsidies and contributions</b> |                        |                        |                        |
| Governance  | 53,356                 | 38,937                 | 50,157                 |
| General purpose funding                                     | 1,917,679              | 1,922,450              | 1,869,707              |
| Law, order, public safety                                   | 55,464                 | 55,093                 | 52,589                 |
| Health  | 14,100                 | 12,691                 | 172                    |
| Housing   | 109,507                | 105,274                | 66,187                 |
| Community amenities   | 269,438                | 182,604                | 206,958                |
| Recreation and culture                                      | 68,626                 | 57,350                 | 54,654                 |
| Transport   | 62,317                 | 4,000                  | 3,664                  |
| Economic services   | 122,162                | 91,350                 | 152,565                |
| Other property and services                                 | 137,316                | 151,710                | 145,918                |
|   | <b>2,809,965</b>       | <b>2,621,459</b>       | <b>2,602,571</b>       |
| <b>Grants, subsidies and contributions</b>                  |                        |                        |                        |
| Governance  | 2,160                  | 0                      | 391                    |
| General purpose funding                                     | 2,981,627              | 1,004,589              | 2,349,634              |
| Law, order, public safety                                   | 12,801                 | 16,000                 | 14,172                 |
| Community amenities   | 273,606                | 1,252,683              | 223,192                |
| Recreation and culture                                      | 302,042                | 737,464                | 367,353                |
| Transport   | 2,770,290              | 4,003,699              | 2,884,385              |
| Economic services   | 172,376                | 177,612                | 179,249                |
|   | <b>6,514,902</b>       | <b>7,192,047</b>       | <b>6,018,376</b>       |
| <b>Total Income</b>   | <b>9,324,867</b>       | <b>9,813,506</b>       | <b>8,620,947</b>       |
| <b>Expenses</b>   |                        |                        |                        |
| Governance  | (324,692)              | (231,829)              | (242,417)              |
| General purpose funding                                     | (155,016)              | (168,579)              | (210,816)              |
| Law, order, public safety                                   | (160,034)              | (193,937)              | (533,695)              |
| Health  | (176,117)              | (184,767)              | (172,610)              |
| Housing   | (179,323)              | (211,652)              | (150,127)              |
| Community amenities   | (964,486)              | (1,145,726)            | (875,210)              |
| Recreation and culture                                      | (1,474,516)            | (1,402,107)            | (1,297,293)            |
| Transport   | (3,312,905)            | (2,970,183)            | (3,030,424)            |
| Economic services   | (533,206)              | (509,424)              | (501,387)              |
| Other property and services                                 | (142,825)              | (126,795)              | (261,762)              |
| <b>Total expenses</b>                                       | <b>(7,423,120)</b>     | <b>(7,144,999)</b>     | <b>(7,275,741)</b>     |
| <b>Net result for the period</b>                            | <b>1,901,747</b>       | <b>2,668,507</b>       | <b>1,345,206</b>       |

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

**23. FUNCTION AND ACTIVITY (Continued)**

**(c) Fees and Charges (including Service Charges)**

|                             | <b>2022</b>    | <b>2022</b>    | <b>2021</b>    |
|-----------------------------|----------------|----------------|----------------|
|                             | <b>Actual</b>  | <b>Budget</b>  | <b>Actual</b>  |
|                             | <b>\$</b>      | <b>\$</b>      | <b>\$</b>      |
| Governance                  | 14,199         | 18,000         | 14,887         |
| General purpose funding     | 9,617          | 10,000         | 13,186         |
| Law, order, public safety   | 55,464         | 55,093         | 52,588         |
| Health                      | 2,145          | 0              | 172            |
| Housing                     | 86,635         | 74,902         | 64,244         |
| Community amenities         | 213,087        | 172,219        | 188,309        |
| Recreation and culture      | 16,788         | 16,850         | 18,806         |
| Transport                   | 4,080          | 4,000          | 3,663          |
| Economic services           | 100,263        | 91,350         | 152,565        |
| Other property and services | 127,469        | 127,683        | 133,078        |
|                             | <b>629,747</b> | <b>570,097</b> | <b>641,498</b> |

**(d) Total Assets**

|                             | <b>2022</b>        | <b>2021</b>        |
|-----------------------------|--------------------|--------------------|
|                             | <b>\$</b>          | <b>\$</b>          |
| Governance                  | 908,388            | 1,120,238          |
| General purpose funding     | 9,274,195          | 2,611,470          |
| Law, order, public safety   | 782,209            | 755,148            |
| Health                      | 186,433            | 273,898            |
| Housing                     | 3,062,244          | 3,092,268          |
| Community amenities         | 2,560,492          | 2,272,246          |
| Recreation and culture      | 12,525,805         | 12,627,211         |
| Transport                   | 79,985,907         | 75,823,402         |
| Economic services           | 1,387,252          | 1,549,074          |
| Other property and services | 13,372             | 5,764,702          |
| Unallocated                 | 0                  | 80,000             |
|                             | <b>110,686,297</b> | <b>105,969,657</b> |

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

**23. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

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

| <b>PROGRAM NAME AND OBJECTIVES</b> | <b>ACTIVITIES</b>  |
|------------------------------------|--|
| <b>GOVERNANCE</b>                  | Administration and operation of facilities and dedicated to providing high quality services to members of Council, other costs that services to the community through relate to the tasks of assisting elected members the various service orientated and ratepayers on matters which do not programs which it has established. cover specific Council Services. |
| <b>GENERAL PURPOSE FUNDING</b>     | Rates, general purpose government grants and interest revenue.   |
| <b>LAW, ORDER, PUBLIC SAFETY</b>   | Supervision of various by-laws, fire prevention, emergency services and animal control.  |
| <b>HEALTH</b>                      | Food quality and pest control, operation of child health clinic, dental surgery and medical centre.  |
| <b>HOUSING</b>                     | Maintenance of staff and rental housing.   |
| <b>COMMUNITY AMENITIES</b>         | Rubbish collection services, operation of tip, noise control, administration of town planning scheme, maintenance of cemetery, conveniences, storm water drainage, protection of the environment and Community Resource Centre operations.   |
| <b>TRANSPORT</b>                   | Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, depot maintenance and airfield maintenance.   |
| <b>ECONOMIC SERVICES</b>           | The regulation and provision of tourism, area promotion, building control, saleyards, noxious weeds, vermin control, plant nursery and standpipes.   |
| <b>OTHER PROPERTY AND SERVICES</b> | Private Works operations, plant repairs and operation costs. Maintenance of commercial buildings.  |



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

24. RATING INFORMATION

(a) General Rates

| RATE TYPE   |                        | 2021/22    | 2021/22              | 2021/22                 | 2021/22             | 2021/22              | 2021/22           | 2021/22              | 2021/22             | 2021/22             | 2021/22          | 2021/22              | 2021/22              | 2021/22              | 2021/22 |
|---|------------------------|------------|----------------------|-------------------------|---------------------|----------------------|-------------------|----------------------|---------------------|---------------------|------------------|----------------------|----------------------|----------------------|---------|
| Rate Description  | Basis of valuation     | Rate in \$ | Number of Properties | Actual Rateable Value * | Actual Rate Revenue | Actual Interim Rates | Actual Back Rates | Actual Total Revenue | Budget Rate Revenue | Budget Interim Rate | Budget Back Rate | Budget Total Revenue | Actual Total Revenue | Actual Total Revenue |         |
| Town  | Gross rental valuation | 0.12015    | 224                  | 1,690,085               | 229,673             | 3,357                | 0                 | 233,030              | 229,665             | 0                   | 0                | 229,665              | 208,973              | 208,973              |         |
| Rural   | Unimproved valuation   | 0.01427    | 320                  | 112,653,000             | 1,607,558           | 464                  | 0                 | 1,608,022            | 1,606,995           | 0                   | 0                | 1,606,995            | 1,574,871            | 1,574,871            |         |
| Mining  | Unimproved valuation   | 0.01427    | 3                    | 129,332                 | 1,878               | 881                  | 0                 | 2,759                | 1,845               | 0                   | 0                | 1,845                | 1,336                | 1,336                |         |
| <b>Sub-Total</b>  |                        |            | 547                  | 114,472,417             | 1,839,109           | 4,702                | 0                 | 1,843,811            | 1,838,505           | 0                   | 0                | 1,838,505            | 1,785,180            | 1,785,180            |         |
| <b>Minimum payment</b>  |                        |            |                      |                         |                     |                      |                   |                      |                     |                     |                  |                      |                      |                      |         |
| Town  | Gross rental valuation | 478        | 14                   | 8,210                   | 6,692               | 0                    | 0                 | 6,692                | 6,692               | 0                   | 0                | 6,692                | 6,510                | 6,510                |         |
| Rural   | Unimproved valuation   | 478        | 41                   | 640,300                 | 19,598              | 0                    | 0                 | 19,598               | 19,598              | 0                   | 0                | 19,598               | 19,530               | 19,530               |         |
| Mining  | Unimproved valuation   | 478        | 26                   | 245,150                 | 12,428              | 0                    | 0                 | 12,428               | 12,428              | 0                   | 0                | 12,428               | 9,300                | 9,300                |         |
| <b>Sub-Total</b>  |                        |            | 81                   | 893,660                 | 38,718              | 0                    | 0                 | 38,718               | 38,718              | 0                   | 0                | 38,718               | 35,340               | 35,340               |         |
|   |                        |            | 628                  | 115,366,077             | 1,877,827           | 4,702                | 0                 | 1,882,529            | 1,877,223           | 0                   | 0                | 1,877,223            | 1,820,520            | 1,820,520            |         |
| Discounts on general rates (Refer note 24(d))                   |                        |            |                      |                         |                     |                      |                   | (25,113)             |                     |                     |                  |                      | (26,000)             | (26,000)             |         |
| <b>Total amount raised from general rates</b>                   |                        |            |                      |                         |                     |                      |                   | 1,857,416            |                     |                     |                  |                      | 1,849,065            | 1,794,520            |         |
| <b>Rates (excluding general rates)</b>                          |                        |            |                      |                         |                     |                      |                   |                      |                     |                     |                  |                      |                      |                      |         |
| <b>Ex-gratia Rates</b>  |                        |            |                      |                         |                     |                      |                   |                      |                     |                     |                  |                      |                      |                      |         |
| Ex-gratia Rates   |                        |            |                      |                         |                     |                      |                   | 21,385               | 21,385              | 0                   | 0                | 21,385               | 21,385               | 21,385               |         |
| <b>Sub-Total</b>  |                        |            | 0                    | 0                       | 0                   | 0                    | 0                 | 21,385               | 21,385              | 0                   | 0                | 21,385               | 21,385               | 21,385               |         |
| <b>Total amount raised from rates (excluding general rates)</b> |                        |            |                      |                         |                     |                      |                   | 21,385               |                     |                     |                  |                      | 21,385               | 21,385               |         |
| <b>Total Rates</b>  |                        |            |                      |                         |                     |                      |                   | <b>1,878,801</b>     |                     |                     |                  |                      | 1,870,450            | 1,815,905            |         |

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

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

**24. RATING INFORMATION (Continued)**

**(b) Specified Area Rate**

The Shire did not levy a specified are rate during the current reporting period

**(c) Service Charges**

The Shire did not levy a service charge during the current reporting period

**(d) Discounts, Incentives, Concessions, & Write-offs**

**Rates Discounts**

| <b>Rate or Fee<br/>Discount Granted</b> | <b>Type</b> | <b>Discount<br/>%</b> | <b>Discount<br/>\$</b> | <b>2022<br/>Actual<br/>\$</b> | <b>2022<br/>Budget<br/>\$</b> | <b>2021<br/>Actual<br/>\$</b> | <b>Circumstances in which Discount is Granted</b> |
|---|-------------|-----------------------|------------------------|-------------------------------|-------------------------------|-------------------------------|---|
| Early Payment                           |             | 2.00%                 |                        | 25,113                        | 28,158                        | 26,000                        | Full payment received by the due date.            |
|   |             |                       |                        | 25,113                        | 28,158                        | 26,000                        |   |

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

**24. RATING INFORMATION (Continued)**

**(e) Interest Charges & Instalments**

| <b>Instalment Options</b> | <b>Date Due</b> | <b>Instalment Plan Admin Charge</b> | <b>Instalment Plan Interest Rate</b> | <b>Unpaid Rates Interest Rate</b> |
|---------------------------|-----------------|-------------------------------------|--------------------------------------|-----------------------------------|
|                           |                 | <b>\$</b>                           | <b>%</b>                             | <b>%</b>                          |
| <b>Option One</b>         |                 |                                     |                                      |                                   |
| Single full payment       | 3/09/2021       | 0.0                                 | 0.00%                                | 7.00%                             |
| <b>Option Two</b>         |                 |                                     |                                      |                                   |
| First instalment          | 3/09/2021       | 0.0                                 | 0.00%                                | 7.00%                             |
| Second instalment         | 5/11/2021       | 10.0                                | 5.50%                                | 7.00%                             |
| Third instalment          | 7/01/2022       | 10.0                                | 5.50%                                | 7.00%                             |
| Fourth instalment         | 8/03/2022       | 10.0                                | 5.50%                                | 7.00%                             |

|                              | <b>2022 Actual</b> | <b>2022 Budget</b> | <b>2021 Actual</b> |
|------------------------------|--------------------|--------------------|--------------------|
|                              | <b>\$</b>          | <b>\$</b>          | <b>\$</b>          |
| Charges on instalment plan   | 2,360              | 2,400              | 2,350              |
| Interest on installment plan | 5,323              | 5,000              | 4,271              |
| Interest on unpaid rates     | 8,831              | 10,000             | 7,704              |
|                              | <b>16,514</b>      | <b>17,400</b>      | <b>14,325</b>      |

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

**25. RATE SETTING STATEMENT INFORMATION**

|  |   | 2021/22<br>Budget                    | 2021/22                             | 2020/21                              |
|--|---|--------------------------------------|-------------------------------------|--------------------------------------|
|  | 2021/22<br>(30 June 2022<br>Carried<br>Forward) | (30 June 2022<br>Carried<br>Forward) | (1 July 2021<br>Brought<br>Forward) | (30 June 2021<br>Carried<br>Forward) |
| Note   | \$  | \$                                   | \$                                  | \$                                   |
| <b>(a) Non-cash amounts excluded from operating activities</b>   |   |                                      |                                     |                                      |
| The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .   |   |                                      |                                     |                                      |
| <b>Adjustments to operating activities</b>   |   |                                      |                                     |                                      |
| Less: Profit on asset disposals  | 9(b)  | (43,331)                             | (62,968)                            | (10,610)                             |
| Less: Fair value adjustments to financial assets at fair value through profit and loss   |   | (3,997)                              | 0                                   | (2,586)                              |
| Movement in pensioner deferred rates (non-current)   |   | 3,957                                | 0                                   | (3,959)                              |
| Movement in employee benefit provisions (non-current)  |   | (35,125)                             | 0                                   | (69,786)                             |
| Less: Share of net profit of associates and joint ventures accounted for using the equity method   |   | (21,899)                             | 0                                   | 0                                    |
| Add: Loss on disposal of assets  | 9(b)  | 22,290                               | 98,536                              | 436,125                              |
| Add: Loss on revaluation of fixed assets   | 8(a)  | 0                                    | 0                                   | 59,823                               |
| Add: Depreciation  | 9(a)  | 3,106,232                            | 2,989,264                           | 3,047,559                            |
| Non-cash movements in non-current assets and liabilities:  |   |                                      |                                     |                                      |
| Inventory  | 6   | 67,328                               | 0                                   | 0                                    |
| <b>Non-cash amounts excluded from operating activities</b>   |   | <b>3,095,455</b>                     | <b>3,024,832</b>                    | <b>3,456,566</b>                     |
| <b>(b) Surplus/(deficit) after imposition of general rates</b>   |   |                                      |                                     |                                      |
| The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates. |   |                                      |                                     |                                      |
| <b>Adjustments to net current assets</b>   |   |                                      |                                     |                                      |
| Less: Reserve accounts   | 27  | (4,133,569)                          | (3,932,302)                         | (2,813,326)                          |
| Less: Financial assets at amortised cost - self supporting loans   | 4(a)  | (15,547)                             | 0                                   | (15,264)                             |
| Add: Current liabilities not expected to be cleared at end of year - Current portion of borrowings   | 12  | 74,875                               | 0                                   | 86,671                               |
| <b>Total adjustments to net current assets</b>   |   | <b>(4,074,241)</b>                   | <b>(3,932,302)</b>                  | <b>(2,741,919)</b>                   |
| <b>Net current assets used in the Rate Setting Statement</b>   |   |                                      |                                     |                                      |
| Total current assets   |   | 8,989,009                            | 4,385,152                           | 6,489,023                            |
| Less: Total current liabilities  |   | (2,346,155)                          | (452,850)                           | (1,316,646)                          |
| Less: Total adjustments to net current assets  |   | (4,074,241)                          | (3,932,302)                         | (2,741,919)                          |
| <b>Net current assets used in the Rate Setting Statement</b>   |   | <b>2,568,613</b>                     | <b>0</b>                            | <b>2,430,458</b>                     |

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

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

| Purpose                            | Note | Actual                   |                          |                                     |                           | Budget                   |                                     |                           |                          |                          |                                     |                           |
|------------------------------------|------|--------------------------|--------------------------|-------------------------------------|---------------------------|--------------------------|-------------------------------------|---------------------------|--------------------------|--------------------------|-------------------------------------|---------------------------|
|                                    |      | Principal at 1 July 2020 | New Loans During 2020-21 | Principal Repayments During 2020-21 | Principal at 30 June 2021 | New Loans During 2021-22 | Principal Repayments During 2021-22 | Principal at 30 June 2022 | Principal at 1 July 2021 | New Loans During 2021-22 | Principal Repayments During 2021-22 | Principal at 30 June 2022 |
|                                    |      | \$                       | \$                       | \$                                  | \$                        | \$                       | \$                                  | \$                        | \$                       | \$                       | \$                                  | \$                        |
| Solar Panels                       |      | 30,375                   | 0                        | (14,985)                            | 15,390                    | 0                        | (15,390)                            | 0                         | 15,390                   | 0                        | (15,390)                            | 0                         |
| Swimming Pool                      |      | 180,467                  | 0                        | (20,987)                            | 159,480                   | 0                        | (22,412)                            | 137,068                   | 159,480                  | 0                        | (22,412)                            | 137,068                   |
| Recreation Centre                  |      | 639,921                  | 0                        | (32,069)                            | 607,852                   | 0                        | (33,604)                            | 574,248                   | 607,850                  | 0                        | (33,604)                            | 574,248                   |
| <b>Total</b>                       |      | <b>850,763</b>           | <b>0</b>                 | <b>(68,041)</b>                     | <b>782,722</b>            | <b>0</b>                 | <b>(71,406)</b>                     | <b>711,316</b>            | <b>782,720</b>           | <b>0</b>                 | <b>(71,406)</b>                     | <b>711,314</b>            |
| <b>Self Supporting Loans</b>       |      |                          |                          |                                     |                           |                          |                                     |                           |                          |                          |                                     |                           |
| Aged Homes                         |      | 29,730                   | 0                        | (3,733)                             | 25,997                    | 0                        | (3,892)                             | 22,105                    | 25,998                   | 0                        | (3,892)                             | 22,106                    |
| Mt Walker Tennis Club              |      | 18,790                   | 0                        | (3,677)                             | 15,113                    |                          | (3,717)                             | 11,396                    | 15,113                   | 0                        | (3,717)                             | 11,396                    |
| Bowling Club                       |      | 0                        | 80,000                   | 0                                   | 80,000                    |                          | (7,657)                             | 72,343                    | 80,000                   | 0                        | (7,655)                             | 72,345                    |
| <b>Total Self Supporting Loans</b> |      | <b>48,520</b>            | <b>80,000</b>            | <b>(7,410)</b>                      | <b>121,110</b>            | <b>0</b>                 | <b>(15,266)</b>                     | <b>105,844</b>            | <b>121,111</b>           | <b>0</b>                 | <b>(15,264)</b>                     | <b>105,847</b>            |
| <b>Total Borrowings</b>            | 12   | <b>899,283</b>           | <b>80,000</b>            | <b>(75,451)</b>                     | <b>903,832</b>            | <b>0</b>                 | <b>(86,672)</b>                     | <b>817,160</b>            | <b>903,831</b>           | <b>0</b>                 | <b>(86,670)</b>                     | <b>817,161</b>            |

\* WA Treasury Corporation

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 Interest Repayments

| Purpose  | Note | Function and activity  | Loan Number | Institution | Interest Rate | Actual for year ending | Budget for year ending | Actual for year ending |
|--|------|------------------------|-------------|-------------|---------------|------------------------|------------------------|------------------------|
|  |      |                        |             |             |               | 30 June 2022           | 30 June 2022           | 30 June 2021           |
|  |      |                        |             |             |               | \$                     | \$                     | \$                     |
| Solar Panels   |      | Governance             | 129         | WATC *      | 2.69%         | 311                    | 311                    | 717                    |
| Swimming Pool  |      | Recreation and culture | 125         | WATC *      | 6.68%         | 10,285                 | 10,285                 | 11,710                 |
| Recreation Centre                                      |      | Recreation and culture | 128         | WATC *      | 5.26%         | 31,537                 | 31,537                 | 33,237                 |
| <b>Total</b>   |      |                        |             |             |               | <b>42,133</b>          | <b>42,133</b>          | <b>45,664</b>          |
| <b>Self Supporting Loans Interest Repayments</b>       |      |                        |             |             |               |                        |                        |                        |
| Aged Homes   |      | Housing                | 127         | WATC        | 4.23%         | 1,059                  | 1,059                  | 1,219                  |
| Mt Walker Tennis Club                                  |      | Recreation and culture | 130         | WATC        | 1.09%         | 155                    | 155                    | 195                    |
| Bowling Club   |      | Recreation and culture | 131         | WATC        | 0.97%         | 761                    | 761                    | 0                      |
| <b>Total Self Supporting Loans Interest Repayments</b> |      |                        |             |             |               | <b>1,975</b>           | <b>1,975</b>           | <b>1,414</b>           |
| <b>Total Interest Repayments</b>                       | 2(b) |                        |             |             |               | <b>44,108</b>          | <b>44,108</b>          | <b>47,078</b>          |

\* WA Treasury Corporation

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

27. RESERVE ACCOUNTS

|  | 2022<br>Actual<br>Opening<br>Balance<br>\$ | 2022<br>Actual<br>Transfer to<br>\$ | 2022<br>Actual<br>Transfer<br>(from)<br>\$ | 2022<br>Actual<br>Closing<br>Balance<br>\$ | 2022<br>Budget<br>Opening<br>Balance<br>\$ | 2022<br>Budget<br>Transfer to<br>\$ | 2022<br>Budget<br>Transfer<br>(from)<br>\$ | 2022<br>Budget<br>Closing<br>Balance<br>\$ | 2021<br>Actual<br>Opening<br>Balance<br>\$ | 2021<br>Actual<br>Transfer to<br>\$ | 2021<br>Actual<br>Transfer<br>(from)<br>\$ | 2021<br>Actual<br>Closing<br>Balance<br>\$ |
|--|--|-------------------------------------|--|--|--|-------------------------------------|--|--|--|-------------------------------------|--|--|
| <b>Restricted by council</b>           |  |                                     |  |  |  |                                     |  |  |  |                                     |  |  |
| (a) Leave reserve                      | 263,476                                    | 538                                 | 0  | 264,014                                    | 263,476                                    | 0                                   | 0  | 263,476                                    | 262,248                                    | 1,228                               | 0  | 263,476                                    |
| (b) Plant Reserve                      | 567,212                                    | 18,728                              | 0  | 585,940                                    | 567,212                                    | 17,580                              | 0  | 584,792                                    | 564,567                                    | 2,645                               | 0  | 567,212                                    |
| (c) Infrastructure Reseve              | 1,383,640                                  | 248,170                             | 0  | 1,631,810                                  | 1,383,640                                  | 346,260                             | 0  | 1,729,900                                  | 1,377,188                                  | 6,452                               | 0  | 1,383,640                                  |
| (d) Recreation Reserve                 | 168,508                                    | 445,472                             | 0  | 613,980                                    | 168,508                                    | 445,174                             | 0  | 613,682                                    | 167,723                                    | 785                                 | 0  | 168,508                                    |
| (e) Housing Reserve                    | 182,517                                    | 296,992                             | 0  | 479,509                                    | 182,517                                    | 0                                   | 0  | 182,517                                    | 181,666                                    | 851                                 | 0  | 182,517                                    |
| (f) Land Developement                  | 71,660                                     | 301,594                             | 0  | 373,254                                    | 71,659                                     | 301,550                             | 0  | 373,209                                    | 71,326                                     | 334                                 | 0  | 71,660                                     |
| (g) Avoca Farm/Wadderin Reserve        | 45,666                                     | 95                                  | 0  | 45,761                                     | 45,666                                     | 0                                   | 0  | 45,666                                     | 45,453                                     | 213                                 | 0  | 45,666                                     |
| (h) Heritage Reserve                   | 20,263                                     | 21                                  | 0  | 20,284                                     | 20,262                                     | 0                                   | 0  | 20,262                                     | 20,168                                     | 95                                  | 0  | 20,263                                     |
| (i) Medical Rererve Funds              | 90,188                                     | 177                                 | 0  | 90,365                                     | 90,188                                     | 0                                   | 0  | 90,188                                     | 89,767                                     | 421                                 | 0  | 90,188                                     |
| (j) Bendinger Landfill Renewal Reserve | 20,195                                     | 8,457                               | 0  | 28,652                                     | 20,195                                     | 8,415                               | 0  | 28,610                                     | 20,101                                     | 94                                  | 0  | 20,195                                     |
|  | 2,813,325                                  | 1,320,244                           | 0  | 4,133,569                                  | 2,813,323                                  | 1,118,979                           | 0  | 3,932,302                                  | 2,800,207                                  | 13,118                              | 0  | 2,813,325                                  |

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

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

| Name of Reserve                        | Anticipated date of use | Purpose of the reserve   |
|--|-------------------------|--|
| (a) Leave reserve                      | Ongoing                 | To be used to fund annual and long service leave requirements  |
| (b) Plant Reserve                      | Ongoing                 | To be used to assist in the replacement and upgrade of Shire plant and equipment                                     |
| (c) Infrastructure Reseve              | Ongoing                 | To be used for the construction of new or to significantly improve infrastructure                                    |
| (d) Recreation Reserve                 | Ongoing                 | To be used to provide new or upgrade existing recreation facilities  |
| (e) Housing Reserve                    | Ongoing                 | To be used for the construction of new Shire housing and refurbishment of existing houses                            |
| (f) Land Developement                  | Ongoing                 | To be used to finance future development within the Shire  |
| (g) Avoca Farm/Wadderin Reserve        | Ongoing                 | To be used to develop Avoca Farm   |
| (h) Heritage Reserve                   | Ongoing                 | To be used to finance the maintenance of historical buildings within the Shire                                       |
| (i) Medical Rererve Funds              | Ongoing                 | To be used to assist in the future attraction and retention of medical services                                      |
| (j) Bendinger Landfill Renewal Reserve | Ongoing                 | To be used to assist in the future upgrade of plant, machinery and other requirements at the Bendinger Landfill Site |

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

**28. TRUST FUNDS**

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

|                                      | <b>1 July 2021</b> | <b>Amounts Received</b> | <b>Amounts Paid</b> | <b>30 June 2022</b> |
|--------------------------------------|--------------------|-------------------------|---------------------|---------------------|
|                                      | <b>\$</b>          | <b>\$</b>               | <b>\$</b>           | <b>\$</b>           |
| Wheatbelt Railway Retention Alliance | 6,272              | 0                       | (3,000)             | 3,272               |
| Building Services Levy               | 501                | 1,075                   | (1,481)             | 95                  |
|                                      | <b>6,773</b>       | <b>1,075</b>            | <b>(4,481)</b>      | <b>3,367</b>        |



# Auditor General

## INDEPENDENT AUDITOR'S REPORT 2022 Shire of Narembeen

To the Councillors of the Shire of Narembeen

### Opinion

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

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

In my opinion, the financial report is:

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

### Basis for opinion

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

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

### Other information

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

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

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



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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

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

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

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

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

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

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

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

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

Mark Ambrose  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
20 April 2023