



SHIRE OF KONDININ

ANNUAL REPORT 2021/2022





OUR VISION

“To have a thriving sustainable future”

OUR MISSION

We will achieve our vision by;

**Providing leadership in the community,
Having a positive outlook,
Bringing the community together,
Providing and facilitating appropriate facilities and services,
Being forward looking, and
Having pride in our Shire.**

OUR VALUES

**Respect
Inclusiveness**

Our Councillors

**Shire President
Kent Mouritz**

Term Expires 2025



**Deputy President
Bev Gangell**

Term Expires 2023



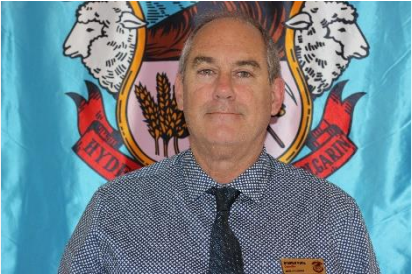
Councillor Bruce Browning

Term Expires 2025



Councillor Darren Pool

Term Expires 2023



Councillor Tom Mulcahy

Term Expires 2023



Councillor Murray James

Term Expires 2023



Councillor Kerrie Green

Term Expires 2025



Councillor Paul Green

Term Expires 2025

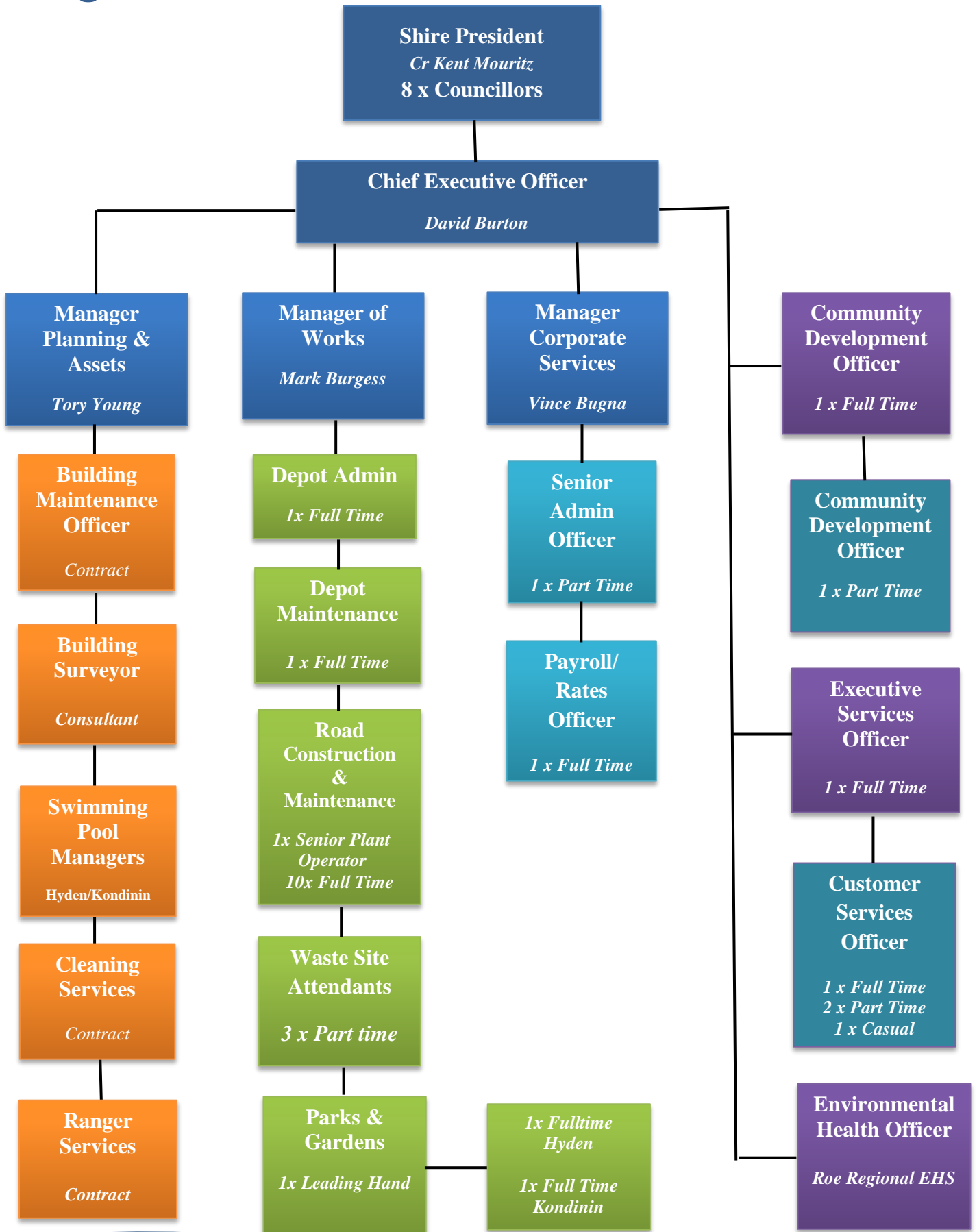


Councillor Brett Smith

Term Expires 2025



Organisational Structure



Shire President's Report

As a new President as a result of the Elections in October 2021, I am pleased to present this year's Annual Report for the year ended 30th June 2022.

The year has still been difficult with COVID19 actually coming through our communities and causing issues for our communities and businesses as people were required to isolate. On a positive, funding was made available to local government with the Local Roads and Community Infrastructure funding to stimulate the economy by providing for jobs and items for the Shires assets.

COUNCIL and CEO

I would like to thank our past President Sue Meeking for her dedication to the Shire and the great work completed. I would also like to thank my fellow councillors, past and present for their support, professionalism and dedication to the district over the past twelve months. Each and every one of the councillors makes a tremendous contribution to the overall well-being of our communities and district as a whole.

In October 2021, the Local Government Elections saw some changes to the Shire Council. Leaving us were Councillors Sue Meeking, Gerard Lynch and Steven Jones. The elections saw Councillors Kerrie Green, Paul Green, and Brett Smith joining our teams as new members and Cr Bruce Browning and myself returning for a further term with the Shire of Kondinin.

STRATEGIC COMMUNITY PLAN

Over the course of the financial year, the Shire engaged the local communities for ideas and opportunities for the Shire of Kondinin Strategic Community Plan through several methods and meetings. This Plan provides a direction from the community for Council to follow to meet the local communities' needs as we go into the future with plans and finances for the Shire. We thank the many residents that took the time to assist with the surveys and meetings for this document.

RoeROC

The Shire has been an active participant in the RoeROC Council with the Shires of Corrigin, Kondinin, Kulin and Narembeen. This year we continued administrative support and leadership for RoeROC as a result of the Corrigin fires.

RoeROC are also looking at strategic projects that the Shires have in common to use economies of scale to support funding opportunities. This work is only just starting and will develop more into the future.

COMMUNITY GRANTS AND SUPPORT

The Shire continues to support many community groups and events in many various ways each year with the Community Grants Program (recipients are listed in the Community Development's report), support for local events and on occasion self-supporting loan assistance to community groups.

Officers also organise several social events throughout the year for all of our community.

I would like to take a moment here to recognise and congratulate the many volunteers across our district, and the tireless, dedicated work they do to continue to provide the multitude of events and services that are offered across the District. The district and local clubs and organisations would struggle without the work done by our volunteers.



CAPITAL PROGRAM

This year saw additional funds available to the Shire through the normal grants and the continuing Local Roads and Community Infrastructure Grants. These funds were allocated to capital works that were essential for our area. While these projects are listed in detail further in this report, some of the highlights we managed to achieve are:

- Completion of the Aged Housing Units in Hyden and Kondinin
- Purchase of a house for staff
- Hyden Swimming pool Carpark sealing commenced
- Hyden Golf Club Ceiling replaced
- Kondinin Hockey Oval grassed,
- Kondinin Bowling Green replaced,
- Various footpaths around the Shire,
- Standpipe swipe cards installed

We also successfully completed our roads capital program of \$3.5million including commencement of the Secondary Freight Routes upgrades, over \$200,000 of footpaths in our town and \$1.2million in buildings, all of which are listed in detail further in the report and I thank the staff for their efforts with the upgrading of our facilities.

I would like to take this opportunity to thank our CEO David Burton, Managers Tory Young, Mark Burgess and Vince Bugna and all administration and works staff for their dedication and hard work throughout the year. I look forward to the coming year and the great achievements the Shire Councillors and Staff will accomplish.

Kent Mouritz
Shire President

Chief Executive Officer's Report

This year again has been challenging with issues as COVID19 came through town and impacted resident staff and members alike. The Shire was fortunate that staff and members who contracted COVID were sporadic which allowed operations to continue and works to be completed.

The stimulus funding from COVID through the Local Roads and Community Infrastructure Program has been a welcomed part of COVID and has allowed for additional works on infrastructure such as recreation facilities, footpaths and other building upgrades for all our towns. This has also been used to compliment Shire funds or to levy additional funds for projects around the Shire.

The Aged Housing Projects were completed for Kondinin and Hyden and the new units are now occupied, assisting our local residents to remain in our towns and a valued part of our community.

STAFF

The Shire has a good quality team of staff in our administration offices, medical centre and outside works crews, dedicated to the Shire and our towns to try and delivery the best possible outcomes that we can for the communities.

As always, there are changes in staff and this year resulted in some changes to staff in all areas. For the staff who left us, we thank you for your service and efforts for the community. For those who have joined us, we welcome you to the Shire and hope you will enjoy working with the Shire and residents.

MEDICAL HEALTH SERVICES

Dr Alain Mackie and the Medical Centre staff have continued to support the communities of Kondinin, Hyden and Kulin by providing excellent medical services. I would like to take this opportunity to thank them for their dedication and services throughout a trying year with COVID and other health issues.

SWIMMING POOLS

The 2021/2022 year continued showing strong patronage at both the Hyden and Kondinin swimming pool facilities. Appreciation is extended to Wayne Dicker-Lee, Pool Manager at Hyden and Shaun Franich, Pool Manager at Kondinin, for their continued sound management of these facilities which are a welcomed joy for our residents and visitors throughout the summer months.

ROE REGIONAL ORGANISATION OF COUNCILS (RoeROC)

The Shire has continued to be an active participating member of RoeROC with the Shire's of Corrigin, Kulin and Narembeen and the Roe Regional Environmental Health Services Scheme with the Shire's of Corrigin, Kulin, Narembeen and Lake Grace.

RoeROC has the benefits of the Shires collaborating where possible for solutions on a regional basis rather than all Shires working individually on similar issues. The joint ventures currently in place are:

EHO Services

Joint waste facility at Bending

Joint waste and recycling services through Avon Waste

For the 2021/2022 Financial year, the Shire of Kondinin will be providing administrative support and CEO Services for RoeROC. This was to be transferred to the Shire of Corrigin from 2022, but due to the fires in early 2022, the Shire of Kondinin retained the RoeROC administration to assist. RoeROC will transfer to Corrigin from 2023.

BUSHFIRE BRIGADES

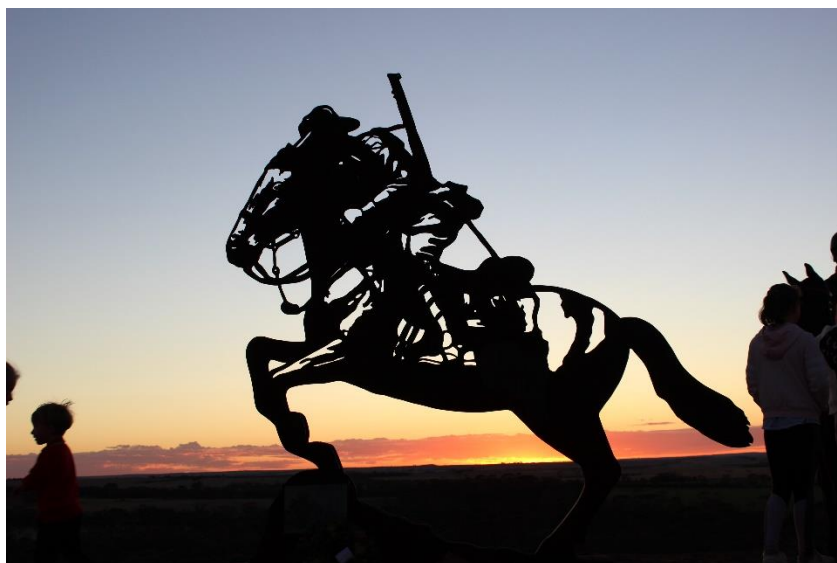
Many thanks to the members of our Bushfire Brigades who volunteer to assist with fire fighting and protecting our Shire at times of need. These members give of their time freely for training and emergencies.

Our teams were actively involved in assisting at the Bruce Rock – Corrigin fire in early 2022 which covered a large area of these shires and almost made it to our borders. We thank the volunteers for their efforts on protecting our farming areas.

In closing, I would just like to thank the Council Members, staff and the community for your understanding and assistance for the year as we have faced trials and tribulations with COVID, fire and other issues not normally encountered in such force as this year.

David Burton

Chief Executive Officer



Financial Highlights for 2021/2022

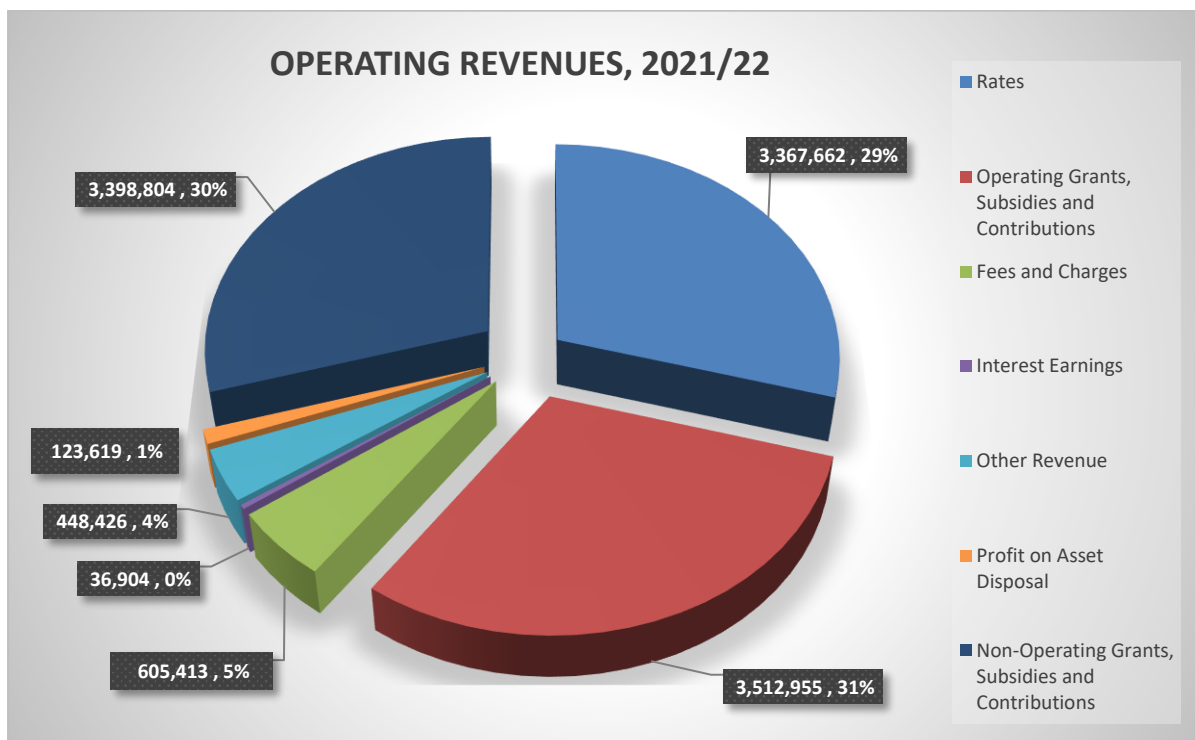
FINANCIAL SUMMARY

The 2021/2022 Financial Year saw an increase in rates of 3.5% consistent with the Shire’s long term financial plan (LTFP).

In every financial year, all UV rated properties are revalued, so any properties with a change in rates would have been due to the change in valuations.

Operating revenue for 2021/2022 of \$11,493,783 is made up of General purpose funding being rates of \$3,367,662 and operating grants, subsidies and contributions of \$3,512,955. Other operating revenue consisted of fees and charges \$605,413, interest earnings \$36,904, other revenue \$448,426, profit on asset disposal \$123,616 and Non-Operating Grants/Subsidies \$3,398,804.

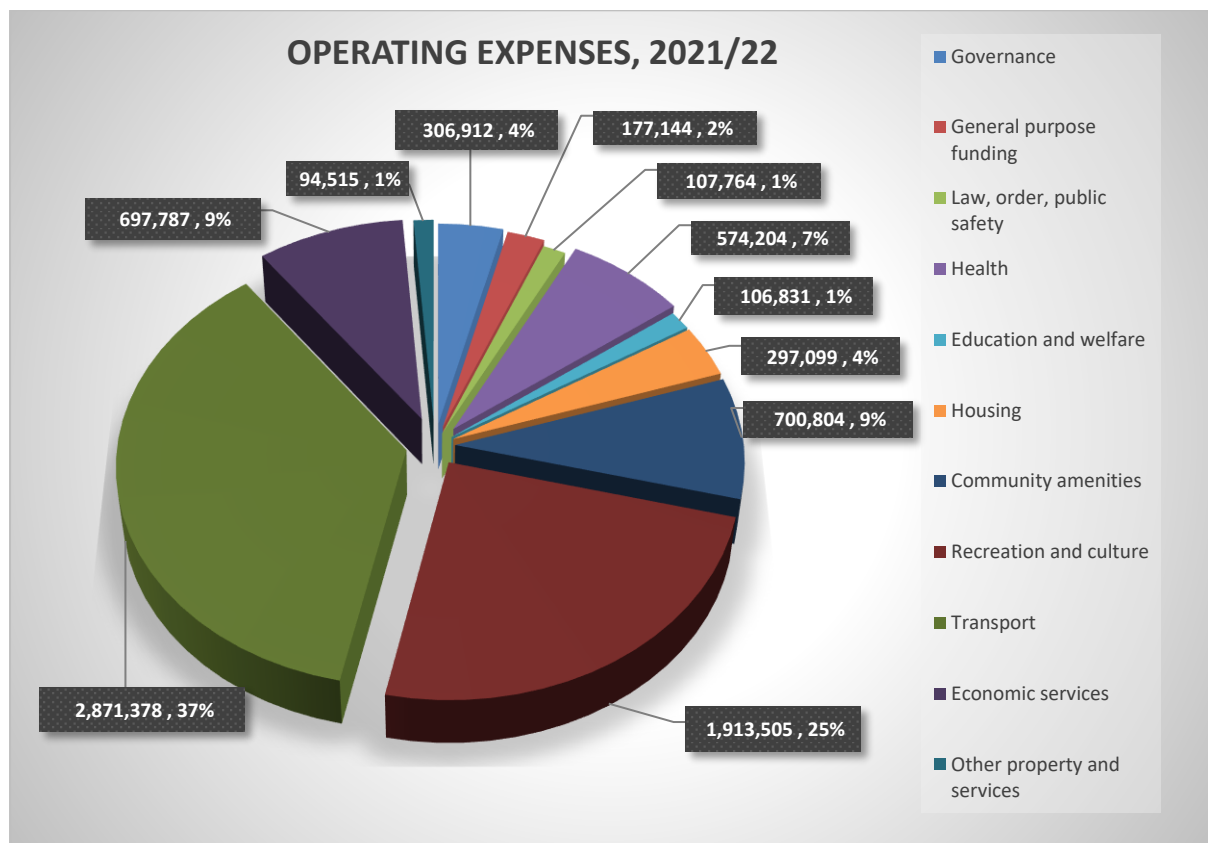
GRAPHICAL OVERVIEW – OPERATING REVENUES



FINANCIAL SUMMARY HIGHLIGHTS (continued)

Operating expenditure consists of Governance \$306,912, General Purpose Funding \$177,144, Law, Order and Public Safety \$107,764, Health \$574,204, Education and Welfare \$106,831, Housing \$297,099, Community Amenities \$700,804, Recreation and Culture \$1,913,505, Transports and Roads \$2,871,378, Economic Services \$697,787 and Other Property and Services \$94,514.

GRAPHICAL OVERVIEW – OPERATING EXPENSES



Roads Program and Plant Replacement

Roads

The Shire continued its road maintenance and capital works upgrades on our road network this year. Major construction and re-sheeting was done as per the listing below.

The Shire also commenced the works for the Kondinin-Narembeen Roads which will be widened as part of the Secondary Freight Network road program that is being rolled out across 40 Shires. This is only the start of the project, with completion of works in 2022/23 Financial Year.

This year was a wetter than normal winter which did cause some damage to maintenance works and cause several issues with roads and blowouts on sections.

Road Work Program	Description of Works	Actual \$ RRG)	Funding Program (R2R, SFN)
Hyden - Mt Walker Road	Clearing, Culverts and first coat seal	\$351,426	RRG
Pederah Road	Shoulder Widening, Reseal	\$265,821	RRG
Hyden - Norseman Road	Gravel Sheeting	\$253,924	R2R
Whyte Road	Form and Gravel	\$128,273	R2R
Worland Road	Form and Gravel	\$148,881	R2R
Koorikin Road	Gravel Sheeting	\$68,144	Shire
Bendering East Road	Shoulder Works, Gravel Sheeting	\$80,345	Shire
Modesty Rock Road	Gravel Sheeting	\$37,684	Shire
Lake O'Connor Road	Form and Gravel	\$53,496	Shire
De Gruchy Road	Form and Gravel	\$49,219	Shire
Kondinin - Narembeen Road	Reconstruct and Seal	\$333,500	SFN
Kondinin - Narembeen Road	Reconstruct and Seal	\$1,734,146	SFN
		\$3,504,859	



Plant Replacement

In 2021/22 the Shire outright purchased the trucks that had been leased.

Council's plant replacement included light vehicles and Volvo L90 Loader and Compaction Smooth Drum Roller.

Plant Replaced		
Plant	Plate	Actual \$
Toyota Prado	0KN	\$59,028
Subaru Outback	KN04	\$38,131
Subaru Outback	KN54	\$37,183
Subaru Outback	KN52	\$44,356
Submersible Pump		\$26,165
Ride on Lawnmower	KN801	\$47,390
Toyota Prado	KN0	\$59,828
Toyota Hilux	KN51	\$31,100
Toyota Hilux	KN56	\$30,903
Volvo L90 Loader	KN67	\$282,900
Compaction Smooth Drum Roller	KN78	\$146,000
Mitsubishi Dual Cab	KN89	\$21,364
Water Truck Lease Expiry	KN59	\$74,545
Prime Mover Lease Expiry	KN58	\$68,182
Prime Mover Lease Expiry	KN62	\$68,182
Prime Mover Lease Expiry	KN77	\$68,182
		\$1,103,439

Other Infrastructure and Assets

Other Infrastructure and Assets (not including roads)

The Shire of Kondinin continued to upgrade facilities and assets as required and to ensure that our facilities are not degrading. This year saw additional funding through the Local Roads and Community Infrastructure Program grant funds which allowed additional projects to be completed.

The Kondinin Hockey Oval had grass and improvements to the sprinkler to ensure the grass would be maintained.

The Kondinin Bowling Green was replaced with financial assistance from the Kondinin Community Recreation Centre.

The Shire also participated in the Southern Wheatbelt Aged Housing alliance with neighbouring Shires that saw additional Aged Housing units being completed in Kondinin and Hyden.

Other Capital Works			
Building / Facility	Description of Works	Actual \$	
Aged Care Housing	Construction of 4 Units (2 Kondinin, 2 Hyden)	\$451,668	Grant Funded
51 Jones Street, Kondinin	Staff Housing purchase	\$117,339	
Land Purchase	Block to be cleared for housing	\$15,479	
Gordon Street Toilet	Completion of project	\$3,685	Grant Funded
Wave Rock Toilet Block	Screens for toilets	\$1,970	Grant Funded
Kondinin Caravan Park	Upgrades to facilities	\$87,517	Grant Funded
Medical Centre IT/Communications	Server and Phone System upgrades	\$42,473	
Hyden Golf Club	Replace Ceiling	\$41,500	Grant Funded
Kondinin Bowling Green	Resurfacing	\$128,556	Grant Funded
Hyden Swimming Pool Carpark	Drainage for sealing	\$94,014	Grant Funded
Public Amenities	BBQ's installed - various locations	\$6,774	Grant Funded
Kondinin Hockey Field	Grass Surface	\$143,892	Grant Funded
Footpaths	Various Locations	\$205,365	Grant Funded
Wave Rock Tourist Precinct	Improvements	\$4,889	
Community Garden	Shelter & Playground Equipment	\$35,683	Grant Funded
Wave Rock Precinct	Boardwalk and Plantings	\$15,765	Grant Funded
Standpipe Controllers	Various Locations	\$6,217	Grant Funded
		\$1,402,786	



Community Programs

COMMUNITY SHIRE GRANTS PROGRAM

The Shire of Kondinin Community Grants Program provides a source of funding for local community organisations operating within the Shire.

Council approved the following grants from the Shire Community Grants Program 2021/2022 as follows:

	Community Organisation	Project	Amount Awarded
1	Karlgarin/Hyden/Pingaring Cricket Club	Replacement of cricket pitch cover in Hyden	\$ 7,500.00
2	Kondinin Burnout Challenge	Upgrade the fencing and lighting	\$ 7,500.00
3	Hyden Swimming Club	Swim Coaching & swimming uniforms	\$ 5,950.00
4	Hyden Lions Club Inc	Croquet new equipment's	\$ 3,500.00
5	Hyden Karlgarin Football Club	Replacement of cricket pitch cover in Hyden	\$ 7,500.00
6	Regional Early Education & Development Inc	Cooperative Play	\$ 4,991.84
7	Hyden Community Resource Centre	Update the equipment and facility	\$ 6,602.90
8	Hyden Whispering Gums	Internal, common ground & landscaping	\$ 7,500.00
9	Kondinin Community Resource Centre	Computer update	\$ 4,142.80
10	St John WA - Kondinin Hyden	Medical Storage Shelving & new laptop	\$ 5,011.17
11	Kondinin Community Recreation Centre	Staging	\$ 7,500.00
	TOTAL		\$67,698.71



Kondinin Burnout Fencing Upgrade

FUNCTIONS AND EVENTS

ANZAC Day

Kondinin - Anzac Day was a beautiful event starting with the Dawn Service held at Yeerakine Rock in the early morning with a large crowd from in and around the Shire. After the Dawn service patrons moved back to Kondinin for the memorial walk and Gun Fire Breakfast with support from Kondinin P&C and the Kondinin Primary School creating beautiful art work that was displayed for the Gunfire breakfast.



Hyden – ANZAC Day started with a Dawn Service held at the war memorial to commemorate the day and a Gun Fire Breakfast provided at the Hyden Hotel. This was well attended by the local residents.



Kondinin Triathlon

Kondinin Triathlon is a huge event for the Kondinin community with over 40 entrants from Hyden, Karlgarin, Kondinin, Kulin, Narembeen, and more. It was a busy day for the volunteers starting early starting with registration then the 4 categories started Open Long for Adults, Junior under 12 then Junior 12 to 16 and Open Short for the Adults. It was a great day with heaps of support from local sporting groups and huge help from the volunteers.



Children's Week

'Go for 2 & 5 Children's colouring the street' was funded by Healthway, this event was run both in Kondinin & Hyden. The day was filled with outdoor sports & craft activities, this event was designed to educate the importance of eating healthy and staying active while young, as well as having fun and creating community connections.



Kids fun day – HYDEN

Over the school holidays in April, Tricia from Arty-brellas came to Hyden and ran a community engagement art workshop for the children, this day also included of an afternoon of outdoor activities/games and ended with an Easter egg hunt.



Mental Health Week – Paint a tree blue project

Hyden's event was on a Saturday morning, the CDO & Community members painted the tree than all headed over to the rec-centre to have a community bbq and a group discuss on mental health and 'it's ok not to be ok'.

In Kondinin the CDO was joined by the primary school / community members, was a fun filled morning of painting & laughter



Laser tag

We had Laser Corp come to Hyden in the first week of the school holidays and we had 35 kids participate in the laser tag fun. The kids had a blast playing against each other and can't wait for Laser Corp to come back next year.

All the kids had a great time.



Kids fun day - Kondinin

We had the Kids fun day in the second week of the school holidays and we had 24 kids throughout the fun day. Starting with team games such as marshmallow and spaghetti towers and newspaper dresses, then painting animal sculptures. After some lunch we played the kids favourite game dodgeball!

It was a great day with kids from Kondinin, Hyden and outside of the Shire participated.



Remuneration

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

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

Regulation 19B 2(e) of the Local Government (Administration) Regulations states the Annual Report in to include the remuneration paid or provided to the CEO during the financial year. The remuneration provided for the CEO for the 2021/2022 financial year is as follows:

Remuneration as per Band 4 Salaries and Allowances	\$203,549
Allowances outside of Remuneration (inc. Housing, vehicle, etc.)	\$ 47,019

Register of Complaints and Minor Breach

In accordance with section 5.53(2) and 5.121 of the Local Government Act 1995, the Annual Report is required to disclose the number of Complaints of Minor Breach received each year.

For the year 2021/2022 the Shire of Kondinin received no formal complaints lodged against Elected Members.

Council Meetings Attended

Council Members for the Shire of Kondinin attended to following number of Council and Committee Meetings.

Council Members	Ordinary Council Meetings	Audit Meeting	Special Meeting	Annual Electors Meeting	Sum
Sue Meeking	3	-	1	-	4
Bruce Browning	9	-	1	1	11
Beverley Gangell	11	3	-	1	15
Murray James	9	-	1	1	11
Tom Mulcahy	11	-	1	1	13
Darren Pool	11	-	1	1	13
Gerard Lynch	3	-	1	-	4
Steve Jones	3	-	1	-	4
Kent Mouritz	9	2	1	1	13
Paul Green	6	3	-	-	9
Kerrie Green	7	-	-	-	7
Brett Smith	8	3	-	1	12

Disability Access and Inclusion Plan

The Shire of Kondinin is committed to ensuring that the community is accessible and inclusive for people with disabilities, their families and carers. The Shires Disability Access and Inclusion Plan addressed our commitments and can be found on the Shires website. Whilst no capital upgrades were undertaken, the Shire staff continued to ensure all residents and visitors to the Shire had access to facilities and events.

National Competition Policy

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

During the 2021/2022 financial year the Shire met its obligations concerning National Competition Policy. The Shire has no local laws or policies that contain anti-competitive provision. No complaints were received during the period.

Record Keeping Plan

In compliance with the State Records Act 2000, as required by Standard 2, Principle 6, Council maintains a Record Keeping Plan which is reviewed annually by the Chief Executive Officer.

Public Interest Disclosure

In compliance with the Public Interest Disclosure Act 2003, as required by Section 23, par 18 1, Council has appointed a PID Officer in the agency, being the Chief Executive Officer, and Council has published internal procedures relating to the agency's obligations.

During the 2021/2022 period, no public interest disclosures were lodged.

Freedom of Information

The Shire has been subject to the provisions of the Freedom of Information Act 1992 since the Act was first introduced. The Act gives a general right of access to information held by the Shire, subject to limitations as set out in Clauses 1 to 15 of Schedule 1 to the Freedom of Information

Act. The Act is intended to make Government, its agencies and officers more accountable. It is not intended to open the private and professional lives of its citizens to public scrutiny without the consent of the individuals concerned, where there is no demonstrable benefit to the public interest in doing so.

The Shire received no Freedom of Information Applications in the 2021/2022 reporting year.

Structural Reform

Integrated Planning was introduced in the Shire of Kondinin in 2012/13, and comprises:

- Strategic Community Plan
- Corporate Business Plan
- Asset Management Plan
- Long Term Financial Plan, and
- Workforce Plan

The Strategic Community Plan was adopted in the 2021/2022 financial year, and the Corporate Business Plan and supporting Plans are still being drafted.

Strategic Community Plan

The current document belongs to the community and is designed to give everyone the opportunity to participate in achieving the goals and actions set out in the Plan. The goals and actions in each of the identified focus areas reflect the words and ideas presented by members of the Shire.



Workshop for Strategic Community Plan

The Shire of Kondinin Strategic Community Plan contains four goals;

1. Community
2. Economy
3. Environment
4. Civic Leadership

The actions in each focus area are;

Community

1.1 Community members have the opportunity to be active, engaged and connected

- We hold well attended local events and activities
- We collaborate with CRCs and local organisations to deliver community programs and activities
- Positive engagement and co-design of projects with young people occurs
- We are showcasing local artists and attracting cultural events to our communities

1.2 Facilitate and advocate for quality health services, health facilities and programs in the Shire

- Local health facilities, visiting allied health and volunteer health services are retained
- Seniors have access to local support services and social programs
- Achieve and update the Aged Friendly Community Plan
- Achieve and update the Disability Access Inclusion Plan

1.3 Celebrate our pioneers, community members and protect our heritage

- Cemetery access and aesthetics are improved
- Shire owned heritage buildings and places of interest are maintained and managed appropriately

1.4 Recreational and social spaces encourage active and healthy lifestyles

- Achievement of the Sport and Recreation Facilities Plan
- Parks, nature reserves and community spaces are green, tidy, accessible and activated

1.5 Support local volunteer organisations

- Clubs and service organisations feel supported
- Community Grant Scheme is well subscribed

1.6 Support emergency services planning, risk mitigation, response and recovery

- We collaboratively plan service delivery and respond to emergency situations (LEMC)
- St Johns Sub Centres are well resourced and fit for purpose
- Resourced bush fire brigades and support to meet compliance and encourage participation
- Local police service is retained

Economy

2.1 Support the diverse industry across the Shire

- Townsite entrances, Shire verges and aesthetics are tidy, green and welcoming
- We support and advocate for the agricultural industry in our Shire
- Coordinated communication and promotion of business, employment and lifestyle opportunities occurs
- Passive spaces in central business districts are activated
- Business activity increases in industrial areas
- Improved telecommunications (including data) service across the Shire and reduced number of blackspots

2.2 Safe and efficient transport network enables economic growth

- Achievement of our Road Construction program
- Collaboration and demonstrated progress towards the sealing of Hyden-Norseman Rd
- Current footpaths are maintained and expansion across the townsites occurs
- We actively participate in Roe Tourism to receive local benefit

2.3 Coordinated planning and promotion of the visitor and tourist experience

- RVs can access townsites and park close to amenities and businesses
- Visitors receive timely and up to date information on experiences, attractions and amenities
- Complete the Hyden Visitor Centre with additional funding

2.4 Housing meets existing and future community needs for families and workers

- Shire housing stock is well maintained and expanded upon
- We advocate for improved State Government and Public Housing stock

2.5 We facilitate and support learning and education programs and services

- Apprentices and trainees are part of the Shire workforce
- The Hyden childcare service is retained
- Primary Schools are retained

Environment

3.1 Maintain a high standard of environmental health and waste services

- Participation in the Roe EHO Scheme ensures our compliance and local businesses with environmental health legislation
- Community is educated about waste avoidance, reduction and reuse
- Transfer stations are accessible, safe and tidy

3.2 We conserve and protect our natural environment

- Community participates in the management of invasive species

Civic Leadership

4.1 Skilled, capable and transparent team

- RoeROC and regional groupings deliver local benefit
- We are inclusive and our communities feel heard
- We engage with the community on key projects and we provide regular, transparent communication
- Elected members are trained and feel supported
- The capability of our organisation is continually improved
- We celebrate our community successes

4.2 We are a compliant and resourced Local Government

- External audits and reviews confirm compliance with relevant Local Government legislation
- Financial sustainability in achieving community aspirations
- Strategic Resource Plan - ratios

2021/2022

Annual Financial

Report

&

Independent

Auditors Report



SHIRE OF KONDININ

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

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The Shire of Kondinin conducts the operations of a local government with the following community vision.

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

Principal Place of Business:
Gordon Street
KONDININ WA 6367


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

Signed on the *14th* day of *December* 2022



Chief Executive Officer

DAVID W. BURTON
Name of Chief Executive Officer



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
Revenue				
Rates	26(a)	3,367,662	3,335,383	3,217,782
Operating grants, subsidies and contributions		3,512,955	1,260,744	2,690,150
Fees and charges	25(c)	605,413	544,800	937,284
Interest earnings	2(a)	36,904	25,680	45,487
Other revenue		445,429	385,573	1,564,170
		<u>7,968,362</u>	<u>5,552,180</u>	<u>8,454,873</u>
Expenses				
Employee costs		(2,056,105)	(1,887,182)	(2,191,544)
Materials and contracts		(1,620,657)	(2,210,613)	(2,284,744)
Utility charges		(281,805)	(333,850)	(314,445)
Depreciation	10(a)	(3,266,878)	(3,232,935)	(3,220,207)
Finance costs	2(b)	(133,128)	(177,324)	(144,005)
Insurance		(242,781)	(240,290)	(226,974)
Other expenditure	2(b)	(208,758)	(313,205)	(272,658)
		<u>(7,810,112)</u>	<u>(8,395,399)</u>	<u>(8,654,577)</u>
		158,250	(2,843,219)	(199,705)
Non-operating grants, subsidies and contributions		3,398,804	7,048,465	2,090,663
Profit on asset disposals	10(c)	123,619	9,488	12,831
Loss on asset disposal	10(c)	(33,581)	(31,739)	(47,478)
Share of result in associate	21	(4,250)		(2,368)
Fair value adjustments to financial assets at fair value through profit or loss		2,998	0	1,939
		<u>3,487,590</u>	<u>7,026,214</u>	<u>2,055,586</u>
Net Result for the period	25(b)	3,645,840	4,182,995	1,855,881
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequent to profit or loss</i>				
Share of changes in asset revaluation surplus in associate		0	0	(132,656)
Total other comprehensive income for the period		0	0	(132,656)
Total comprehensive income for the period		<u>3,645,840</u>	<u>4,182,995</u>	<u>1,723,225</u>

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



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

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	7,136,946	5,445,996
Trade and other receivables	5	314,167	850,125
Other financial assets	4(a)	58,180	131,733
Inventories	6	22,213	21,510
Other assets	7	93,304	7,636
TOTAL CURRENT ASSETS		7,624,810	6,457,000
NON-CURRENT ASSETS			
Trade and other receivables	5	1,636	13,629
Other financial assets	4(b)	215,363	270,545
Investment in associate	21(a)	48,097	41,850
Property, plant and equipment	8(a)	26,917,233	26,805,842
Right of use assets	11(a)	0	34,774
Infrastructure	9(a)	133,970,729	131,693,442
TOTAL NON-CURRENT ASSETS		161,153,058	158,860,083
TOTAL ASSETS		168,777,868	165,317,083
CURRENT LIABILITIES			
Trade and other payables	12	557,152	639,669
Other liabilities	13	503,262	451,924
Lease liabilities	28(d)	0	36,513
Borrowings	14	204,187	196,328
Employee related provisions	15	418,002	363,067
TOTAL CURRENT LIABILITIES		1,682,603	1,687,502
NON-CURRENT LIABILITIES			
Borrowings	14	2,513,375	2,717,562
Employee related provisions	15	68,904	44,871
TOTAL NON-CURRENT LIABILITIES		2,582,279	2,762,434
TOTAL LIABILITIES		4,264,882	4,449,937
NET ASSETS		164,512,986	160,867,145
EQUITY			
Retained surplus		29,526,446	26,905,217
Reserves accounts	29	2,771,992	1,747,380
Revaluation surplus	16	132,214,548	132,214,548
TOTAL EQUITY		164,512,986	160,867,145

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



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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/ INVESTMENT BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		25,230,566	1,550,151	132,347,204	159,143,921
Comprehensive income for the period					
Net Result for the period		1,855,881	0	0	1,855,881
Other comprehensive income for the period		0	0	(132,656)	(132,656)
Total comprehensive income for the period		1,855,881	0	(132,656)	1,723,225
Transfer from reserves	29	309,942	(309,942)	0	0
Transfer to reserves	29	(499,172)	499,172	0	0
Balance as at 30 June 2021		26,905,217	1,747,380	132,214,548	160,867,146
Comprehensive Income					
Net Result for the period		3,645,840	0	0	3,645,840
Other comprehensive income for the period		0	0	0	0
Total comprehensive income		3,645,840	0	0	3,645,840
Transfer from reserves	29	30,000	(30,000)	0	0
Transfer to reserves	29	(1,054,611)	1,054,611	0	0
Balance as at 30 June 2022		29,526,446	2,771,992	132,214,548	164,512,986

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,374,310	3,335,383	3,240,693
Operating grants, subsidies and contributions		3,512,955	1,260,744	2,690,150
Fees and charges		1,208,652	544,800	407,571
Service charges		0	0	0
Interest received		36,904	25,680	45,487
Goods and services tax received		720,823	1,955,151	545,481
Other revenue		448,427	385,573	1,572,847
		<u>9,302,071</u>	<u>7,507,331</u>	<u>8,502,228</u>
Payments				
Employee costs		(1,969,402)	(2,137,182)	(2,154,746)
Materials and contracts		(1,811,370)	(2,413,716)	(2,377,804)
Utility charges		(281,805)	(333,850)	(314,445)
Finance costs		(135,303)	(240,290)	(146,157)
Insurance paid		(242,781)	(177,324)	(226,974)
Goods and services tax paid		(759,775)	(1,505,151)	(327,404)
Other expenditure		(177,636)	(313,205)	(255,044)
		<u>(5,378,072)</u>	<u>(7,120,718)</u>	<u>(5,802,574)</u>
Net cash provided by (used in) operating activities	17(b)	<u>3,923,999</u>	<u>386,610</u>	<u>2,699,656</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(1,736,143)	(7,317,170)	(1,458,858)
Payments for construction of infrastructure	9(a)	(4,263,232)	(4,255,503)	(1,899,156)
Non-operating grants, subsidies and contributions		3,398,804	7,048,465	2,090,663
Proceeds for financial assets at amortised cost - term deposits	4(a)	75,593	0	(75,593)
Proceeds for financial assets at amortised cost - self supporting loans	28(a)	56,140	56,140	54,173
Proceeds from sale of plant & equipment	10(c)	468,630	318,000	257,864
Net cash provided by (used in) investment activities		<u>(2,000,208)</u>	<u>(4,150,068)</u>	<u>(1,030,908)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	28(a)	(196,328)	(221,247)	(188,780)
Payments for principal portion of lease liabilities	28(d)	(36,513)	(36,513)	(134,080)
Proceeds from new borrowings	28(a)	0	1,352,306	0
Net cash provided by (used in) financing activities		<u>(232,841)</u>	<u>1,094,546</u>	<u>(322,860)</u>
Net increase (decrease) in cash held		<u>1,690,950</u>	<u>(2,668,912)</u>	<u>1,345,889</u>
Cash at Beginning of Year		5,445,996	5,503,975	4,100,108
Cash and cash equivalents at the end of the year	17(a)	<u>7,136,946</u>	<u>2,835,064</u>	<u>5,445,996</u>

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



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	27(b)	3,198,819	3,217,380	1,647,080
OPERATING ACTIVITIES				
Revenue from operating activities (excluding rates)				
Operating grants, subsidies and contributions		3,512,955	1,260,744	2,690,150
Fees and charges		605,413	544,800	937,284
Interest earnings		36,904	25,680	45,487
Other revenue		445,429	385,573	1,557,271
Profit on asset disposals		123,619	9,488	12,831
Fair value adjustments to financial assets at fair value through profit or loss		2,998	0	1,939
		<u>4,727,317</u>	<u>2,226,284</u>	<u>5,244,964</u>
Expenditure from operating activities				
Employee costs		(2,056,105)	(1,887,182)	(2,191,544)
Materials and contracts		(1,620,657)	(2,210,613)	(2,280,215)
Utility charges		(281,805)	(333,850)	(314,445)
Depreciation		(3,266,878)	(3,232,935)	(3,220,207)
Finance costs		(133,128)	(177,324)	(144,005)
Insurance		(242,781)	(240,290)	(226,974)
Other expenditure		(213,008)	(313,207)	(272,658)
Loss on asset disposals		(33,581)	(31,739)	(47,478)
		<u>(7,847,943)</u>	<u>(8,427,137)</u>	<u>(8,697,526)</u>
Non-cash amounts excluded from operating activities	27(a)	3,203,621	3,255,186	3,253,925
Amount attributable to operating activities		<u>3,281,814</u>	<u>271,712</u>	<u>1,448,443</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		3,398,804	7,048,465	2,090,663
Proceeds from disposal of assets	10(c)	468,630	318,002	257,864
Proceeds for financial assets at amortised cost - self supporting loans	28(a)	56,140	56,140	54,173
Purchase of property, plant and equipment	8(a)	(1,736,143)	(7,317,170)	(1,458,858)
Purchase and construction of Infrastructure	9(a)	(4,263,232)	(4,255,503)	(1,899,156)
Amount attributable to investing activities		<u>(2,075,801)</u>	<u>(4,150,067)</u>	<u>(955,314)</u>
FINANCING ACTIVITIES				
Repayment of borrowings	28(a)	(196,328)	(221,246)	(188,780)
Proceeds from borrowings	28(a)	0	1,352,306	0
Payments for principal portion of lease liabilities	28(b)	(36,513)	(36,513)	(134,080)
Transfers to reserves (restricted assets)	29	(1,054,611)	(801,572)	(499,172)
Transfers from reserves (restricted assets)	29	30,000	250,000	309,942
Amount attributable to financing activities		<u>(1,257,452)</u>	<u>542,975</u>	<u>(512,089)</u>
Surplus/(deficit) before imposition of general rates		<u>(51,439)</u>	<u>(3,335,383)</u>	<u>(18,961)</u>
Total amount raised from general rates	26(a)	3,367,662	3,335,383	3,217,782
Surplus/(deficit) after imposition of general rates	27(b)	<u>3,316,224</u>	<u>0</u>	<u>3,198,819</u>

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

**SHIRE OF KONDININ
FOR THE YEAR ENDED 30 JUNE 2022
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1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Operating grants, subsidies and contributions with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - sale of stock	Fuel, sand and gravel	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods sold
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	Output method based on works done

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

Revenue from contracts with customers was recognised during the year for the following nature or types of goods or services:

	2022 Actual \$	2021 Actual \$
Operating grants, subsidies and contributions	3,512,955	2,690,150
Fees and charges	605,413	937,284
Other revenue	445,429	1,564,170
Total revenue from contracts with customers recognised during the year	4,563,797	5,191,604

Capital grant/contributions

Revenue from capital grant/contributions recognised as non-operating grants/contributions and reimbursements

3,398,804	2,090,663
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Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or type classifications:

General rates	3,367,662	3,217,702
Statutory permits and licenses	605,413	937,084
Fines	0	200
	3,973,075	4,155,086

SHIRE OF KONDININ
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings				
Interest on reserve funds		7,719	4,680	10,782
Rates instalment and penalty interest (refer Note 26(e))		24,963	13,000	26,519
Other interest earnings		4,222	8,000	8,186
		36,904	25,680	45,487
(b) Expenses				
Auditors remuneration				
- Audit of the Annual Financial Report		33,100	33,000	29,800
- Other services (Acquittals)		2,000	2,000	900
		35,100	35,000	30,700
Finance costs				
Borrowings	28(a)	133,001	177,197	141,832
Lease liabilities	28(d)	127	127	2,173
		133,128	177,324	144,005
Other expenditure				
Impairment loss on rates receivables		(64,404)	0	46,730
Sundry expenses		273,162	313,205	225,928
		208,758	313,205	272,658

3. CASH AND CASH EQUIVALENTS

NOTE	2022	2021
	\$	\$
Cash at bank and on hand	2,318,895	2,725,665
Term deposits	4,818,051	2,720,331
Total cash and cash equivalents	7,136,946	5,445,996
Held as		
- Unrestricted cash and cash equivalents	3,838,312	3,220,070
- Restricted cash and cash equivalents	3,298,634	2,216,918
	7,136,946	5,445,996
Restrictions		
The restricted cash and cash equivalents are a result of the following specific purposes to which the assets may be used:		
- Reserves - cash asset backed	2,771,992	1,747,380
- Other liabilities	503,262	451,924
- Bonds and deposits	23,380	17,614
	3,298,634	2,216,918

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.

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.

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

Restricted financial assets

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

Details of restrictions on financial assets can be found at Note 18.

4. OTHER FINANCIAL ASSETS

(a) Current assets

	2022	2021
	\$	\$
Financial assets at amortised cost	58,180	131,733
	58,180	131,733
Other financial assets at amortised cost		
Self supporting loans receivable	58,180	58,140
Term deposits	0	75,593
	58,180	131,733
Held as		
- Unrestricted other financial assets at amortised cost	58,180	58,140
- Restricted other financial assets at amortised cost	0	75,593
	58,180	131,733

(b) Non-current assets

	2022	2021
	\$	\$
Financial assets at amortised cost	157,010	215,191
Financial assets at fair value through profit and loss	58,353	55,355
	215,363	270,545
Financial assets at amortised cost		
Self supporting loans receivable	157,010	215,191
Term deposits	0	0
	157,010	215,191
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	58,353	55,355
	58,353	55,355

Loans receivable from clubs/divisions have the same terms and conditions as the related borrowing disclosed in Note 28(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair value of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 24(i)) due to 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 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 24.

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

5. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	194,820
Trade and other receivables	103,959
GST receivable	67,380
Allowance for credit losses of trade and other receivables	(7,650)
Allowance for credit losses of rates receivables	(44,343)

Non-current

Pensioner's rates and ESL deferred	1,636
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	2022	2021
	\$	\$
	194,820	201,468
	103,959	707,197
	67,380	57,857
	(7,650)	(7,648)
	(44,343)	(100,749)
	<u>314,167</u>	<u>850,125</u>
	1,636	13,629
	<u>1,636</u>	<u>13,629</u>

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 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 on Note 22.

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

	2022	2021
	\$	\$
Current		
Fuel and materials	22,213	21,510
	<u>22,213</u>	<u>21,510</u>

The following movements in inventories occurred during the year:

Balance at beginning of year	21,510	13,490
Additions to inventory	358,619	262,446
Inventories expensed during the year	(357,916)	(254,426)
Balance at end of year	<u>22,213</u>	<u>21,510</u>

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 costs until completion of development.

Land held for resale (Continued)

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

Gains and losses are recognised in profit and 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 KONDININ
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

7. OTHER ASSETS

Other assets - current

Prepayments	513
Accrued Income	0
Contract assets	92,791
Allowance for impairment of contract assets	0

	2022	2021
	\$	\$
	513	707
	0	6,929
	92,791	0
	0	0
	<u>93,304</u>	<u>7,636</u>

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Contract assets

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

Impairment of associated with contracts with customers are detailed in note 2 (b).

Non-current assets held for sale (Continued)

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 24(i).

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	898,109	6,675,662	16,365,715	23,939,485	246,647	2,664,714	26,850,846
Additions	7,400	0	893,258	900,658	27,156	531,044	1,458,858
(Disposals)	0	0	0	0	0	(292,510)	(292,510)
Adjustment for expenditure transferred to investment in associate	(60,000)	0	0	(60,000)	0	0	(60,000)
Depreciation (expense)	0	(209,925)	(524,118)	(734,043)	(34,135)	(383,174)	(1,151,352)
Carrying amount at 30 June 2021	845,509	6,465,737	16,734,856	24,046,100	239,668	2,520,074	26,805,842
Comprises:							
Gross carrying amount at 30 June 2021	845,509	6,675,662	17,258,973	24,780,143	301,312	3,272,532	28,353,987
Accumulated depreciation at 30 June 2021	0	(209,925)	(524,118)	(734,043)	(61,644)	(752,458)	(1,548,145)
Carrying amount at 30 June 2021	845,509	6,465,737	16,734,856	24,046,100	239,667	2,520,074	26,805,842
Additions	26,111	112,363	451,668	590,142	42,473	1,138,302	1,770,917
(Disposals)	0	0	0	0	(31,726)	(346,867)	(378,593)
Depreciation (expense)	0	(258,777)	(517,249)	(776,026)	(35,605)	(469,302)	(1,280,933)
Carrying amount at 30 June 2022	871,620	6,319,323	16,669,275	23,860,217	214,810	2,842,207	26,917,233
Comprises:							
Gross carrying amount at 30 June 2022	871,620	6,788,025	17,710,641	25,370,286	294,629	3,736,946	29,401,861
Accumulated depreciation at 30 June 2022	0	(468,702)	(1,041,367)	(1,510,069)	(79,819)	(894,740)	(2,484,628)
Carrying amount at 30 June 2022	871,620	6,319,323	16,669,274	23,860,217	214,810	2,842,207	26,917,233

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

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last Valuation	Inputs used
(i) Fair Value					
Land and buildings					
Freehold land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuer	June 2020	Price per hectare / market borrowing rate
Buildings - non-specialised	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2020	Construction costs and current condition, residual values and remaining useful life assessments inputs
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2020	Construction costs and current condition, residual values and remaining useful life assessments inputs

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

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

(ii) Cost

Furniture and equipment	N/A	Cost	Not applicable	N/A
Plant and equipment	N/A	Cost	Not applicable	N/A

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

9. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks & ovals	Infrastructure - other	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	123,830,624	639,847	1,420,731	393,956	5,560,615	131,845,773
Additions	1,262,116	244,112	0	172,588	220,340	1,899,156
Adjustment for share of assets transferred to investment in associate	0	0	0	0	(116,874)	(116,874)
Depreciation (expense)	(1,497,618)	(22,274)	(26,976)	(27,828)	(359,917)	(1,934,613)
Carrying amount at 30 June 2021	123,595,121	861,684	1,393,755	538,716	5,304,164	131,693,442
Comprises:						
Gross carrying amount at 30 June 2021	128,029,706	915,226	1,459,548	614,248	6,377,361	137,396,090
Accumulated depreciation at 30 June 2021	(4,434,585)	(53,542)	(65,792)	(75,532)	(1,073,197)	(5,702,648)
Carrying amount at 30 June 2021	123,595,121	861,684	1,393,755	538,716	5,304,164	131,693,442
Additions	3,508,838	226,018	0	143,892	384,483	4,263,232
Depreciation (expense)	(1,515,042)	(32,949)	(26,976)	(38,179)	(372,799)	(1,985,945)
Carrying amount at 30 June 2022	125,588,917	1,054,753	1,366,779	644,429	5,315,849	133,970,729
Comprises:						
Gross carrying amount at 30 June 2022	131,538,544	1,141,244	1,459,548	758,140	6,761,844	141,659,322
Accumulated depreciation at 30 June 2022	(5,949,627)	(86,491)	(92,768)	(113,711)	(1,445,996)	(7,688,593)
Carrying amount at 30 June 2022	125,588,917	1,054,753	1,366,780	644,429	5,315,849	133,970,729

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

9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last Valuation	Inputs used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent valuers & Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Independent valuers	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Independent valuers & Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - parks and ovals	3	Cost approach using depreciated replacement cost	Independent valuers	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - other	3	Cost approach using depreciated replacement cost	Independent valuers & Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments 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 infrastructure using level 3 inputs.

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

10. FIXED ASSETS

(a) Depreciation	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings-non-specialised		258,777	177,478	209,925
Buildings-specialised		517,249	579,387	524,118
Furniture and equipment		35,605	67,452	34,135
Plant and equipment		434,529	380,113	383,174
Infrastructure - Roads		1,515,042	1,568,121	1,497,618
Infrastructure - Footpaths		32,949	13,145	22,274
Infrastructure - Drainage		26,976	12,260	26,976
Infrastructure - Parks and ovals		38,874	28,075	27,828
Infrastructure - Other		372,104	372,130	359,918
Right of use assets (refer Note 11(a))		34,774	34,774	134,241
		<u>3,266,878</u>	<u>3,232,935</u>	<u>3,220,207</u>

Depreciation rates

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

Asset Class	Useful life
Buildings	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 seal	20 years
- asphalt surfaces	25 years
Gravel roads	
formation pavement	not depreciated
gravel sheet	12 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage - piping	100 years
Water supply piping and drainage systems	75 years
Parks and ovals	10 to 40 years
Right of use (plant and equipment)	Based on the remaining lease term

(b) Fully depreciated assets in Use

The gross carrying amount of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below:

	2022 \$	2021 \$
Furniture and equipment	26,041	26,041
Plant and equipment	0	0
	<u>26,041</u>	<u>26,041</u>

10. FIXED ASSETS (Continued)

(c) Disposals of Assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Furniture and Equipment	31,726	627	0	(190)	0	0	0	0	0	0	0	0
Plant and Equipment	346,868	468,003	123,619	(33,391)	340,253	318,000	9,488	(31,739)	292,510	257,864	12,831	(47,478)
	378,593	468,630	123,619	(33,581)	340,253	318,000	9,488	(31,739)	292,510	257,864	12,831	(47,478)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
	\$	\$	\$	\$
Furniture and Equipment				
Governance				
Laptop Computer	817	627	0	(190)
Other Health				
Alcon Unit (faulty) replaced	30,908	0	0	(30,908)
Plant and Equipment				
Governance				
Toyota Prado - 0KN	42,579	56,364	13,784	0
Subaru Outback - KN04	23,132	26,364	3,232	0
Subaru Outback - KN54	7,020	26,364	19,334	0
Other Health				
Subaru Forester - KN52	22,273	33,549	11,276	0
Parks and Gardens				
Panther 1600 Flail Mower	1,771	6,818	5,048	0
Reel Master 6700D Mower	14,165	11,682	0	(2,483)
Transport				
Toyota Hilux - KN51	11,759	20,000	8,241	0
Toyota Hilux - KN58	10,120	20,000	9,880	0
Bitumen Sprayer	0	800	800	0
Free Roll	9,827	15,000	5,173	0
Volvo L90F Loader - KN87	94,049	95,000	951	0
Dynapac Roller - KN78	66,219	99,700	33,481	0
Other property and services				
Toyota Prado - KN49	43,944	56,364	12,420	0
	378,593	468,630	123,619	(33,581)

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either 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 City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between initial recognition and the next revaluation 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 anniversary date in accordance with the mandatory measurement framework.

Revaluation

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

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

Revaluation (continued)

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

Depreciation

The depreciation 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 or 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. Those 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 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.

Amortisation

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

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

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

11. LEASES

(a) Right of Use Assets

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

	Right of use assets - plant and equipment	Right of use assets Total
	\$	\$
Balance at 1 July 2020	169,015	169,015
Additions	0	0
Depreciation (expense)	(134,241)	(134,241)
Balance at 30 June 2021	34,774	34,774
Additions	0	0
Depreciation (expense)	(34,774)	(34,774)
Balance at 30 June 2022	0	0

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

	2022	2021
	\$	\$
Depreciation expense on right-of-use assets	(34,774)	(134,241)
Interest expense on lease liabilities	(127)	(2,173)
Total amount recognised in the statement of comprehensive income	(34,901)	(136,414)
Total cash outflow from leases	(36,640)	(136,253)

The Shire has 5 leases relating to plant and equipment. The lease term for all leases is 5 years and all expired on October 2021. The Shire negotiated the price and bought all the 5 trucks at the expiry of lease which also included in the 2021/22 approved budget.

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 20(d).

Right-of-use assets - valuation

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

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

Right-of-use assets - depreciation

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

12. TRADE AND OTHER PAYABLES

Current

	2022	2021
	\$	\$
Sundry creditors	301,624	421,497
Accrued interest on long term borrowings	30,921	33,098
Accrued salaries and wages	98,161	88,432
ATO liabilities (PAYG Tax)	34,621	36,615
Accrued Expenses	68,444	42,416
Bonds and deposits	23,380	17,614
	<u>557,151</u>	<u>639,669</u>

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 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.

Financial liabilities

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.

13. OTHER LIABILITIES

Current

Contract liabilities
 Capital grant/contributions liabilities

	2022 \$	2021 \$
	0	0
	503,262	451,924
	<u>503,262</u>	<u>451,924</u>

Non-current

Capital grant/contributions liabilities

	0	0
	<u>0</u>	<u>0</u>

Reconciliation of changes in capital grant/contributions liabilities

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

	451,924	428,494
	543,234	451,924
	<u>(491,696)</u>	<u>(428,494)</u>
	503,262	451,924

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year
 1 to 2 years
 2 to 3 years
 3 to 4 years
 4 to 5 years
 > 5 years

	503,262	451,924
	0	0
	0	0
	0	0
	0	0
	0	0
	<u>503,262</u>	<u>451,924</u>

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

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

14. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		204,187	2,513,375	2,717,562	196,328	2,717,562	2,913,890
Other loans		0	0	0	0	0	0
Total secured borrowings	28(a)	204,187	2,513,375	2,717,562	196,328	2,717,562	2,913,890

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and other loans are secured by a floating charge over the assets of the Shire of Kondinin.

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

SIGNIFICANT ACCOUNTING POLICIES

borrowing costs

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs including own credit risk.

Risk

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

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

15. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	2022 Actual \$	2021 Actual \$
Current provisions		
Employee benefit provisions		
Annual leave	234,908	200,090
Long service leave	183,093	162,977
	<u>418,002</u>	<u>363,067</u>
Non-current provisions		
Long service leave	68,904	44,871
	<u>68,904</u>	<u>44,871</u>
Total employee related provisions	<u>486,905</u>	<u>407,939</u>

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

(a) Annual leave liabilities: 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:

	2022 \$	2021 \$
Within 12 months of the end of the reporting date	164,436	120,054
More than 12 months from reporting date	70,473	80,036
	<u>234,908</u>	<u>200,090</u>

Expected reimbursements of employee related provisions from other WA local governments

NIL NIL

(b) Long service leave liabilities: Unconditional long service leave provisions are classified as current liabilities as the Shire does not have an unconditional right to defer settlement of the liability 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:

	2022 \$	2021 \$
Within 12 months of the end of the reporting date	72,066	58,069
More than 12 months from reporting date	179,931	149,780
	<u>251,997</u>	<u>207,849</u>

Expected reimbursements of employee related provisions from other WA local governments

NIL NIL

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave and long service 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 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.

16. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	Adjustments	2021 Restated Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus -Land - freehold land	(106,125)	0	0	0	(106,125)	(61,375)	(44,250)	(106,125)	0	0	0
Revaluation surplus -Buildings - non-specialised	45,257,072	0	0	0	45,257,072	45,257,072	0	45,257,072	0	0	0
Revaluation surplus -Buildings - specialised	4,511,367	0	0	0	4,511,367	4,511,367	0	4,511,367	0	0	0
Revaluation surplus -Furniture and equipment	40,444	0	0	0	40,444	40,444	0	40,444	0	0	0
Revaluation surplus -Plant and equipment	1,897,724	0	0	0	1,897,724	1,897,724	0	1,897,724	0	0	0
Revaluation surplus -Infrastructure - Roads	77,728,239	0	0	0	77,728,239	77,728,239	0	77,728,239	0	0	0
Revaluation surplus -Infrastructure - Footpaths	(2,476)	0	0	0	(2,476)	(2,476)	0	(2,476)	0	0	0
Revaluation surplus -Infrastructure - Drainage	(2,851)	0	0	0	(2,851)	(2,851)	0	(2,851)	0	0	0
Revaluation surplus -Infrastructure - Parks and Gardens	114,768	0	0	0	114,768	114,768	0	114,768	0	0	0
Revaluation surplus -Infrastructure - Other	2,776,388	0	0	0	2,776,388	2,864,793	(88,405)	2,776,388	0	0	0
	132,214,548	0	0	0	132,214,548	132,347,204	(132,655)	132,214,548	0	0	0

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.

17. 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, not of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	7,136,946	2,835,064	5,445,996

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	2,771,992	2,298,953	1,671,787
- Financial assets at amortised cost	4	0	0	75,593
		<u>2,771,992</u>	<u>2,298,953</u>	<u>1,747,380</u>

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

Restricted reserve accounts	29	2,771,992	2,298,953	1,747,380
Unspent loans		0	0	0
Total restricted financial assets		<u>2,771,992</u>	<u>2,298,953</u>	<u>1,747,380</u>

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

Net result		3,645,840	4,182,995	1,855,881
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit or loss		(2,998)	0	(1,939)
Depreciation		3,266,878	3,232,935	3,220,207
(Profit)/loss on sale of asset		(90,038)	22,251	34,647
Share result/fair value adjustment to investment in associate		(4,250)	0	2,368
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		547,951	318,329	(529,443)
(Increase)/decrease in other assets		(85,669)	0	3,899
(Increase)/decrease in inventories		(703)	1,510	(520)
Increase/(decrease) in trade and other payables		(84,514)	(173,694)	169,525
Increase/(decrease) in employee related provisions		78,967	6,933	12,264
Increase/(decrease) in other provisions		0	0	0
Increase/(decrease) in other liabilities		51,338	(156,184)	23,430
Non-operating Grants and contributions for the development of assets		(3,398,804)	(7,048,465)	(2,090,663)
Net cash provided by/(used in) operating activities		<u>3,923,999</u>	<u>386,610</u>	<u>2,699,657</u>

(c) Undrawn Borrowing Facilities

Credit Standby arrangements

Bank overdraft limit	250,000	250,000
Bank overdraft at balance date	0	0
Credit card limit	20,000	20,000
Credit card balance at balance date	(3,269)	(523)
Total amount of credit unused	<u>266,731</u>	<u>269,477</u>

Loan facilities

Loan facilities - current	204,187	196,328
Loan facilities - non-current	2,513,375	2,717,562
Total facilities in use at balance date	<u>2,717,562</u>	<u>2,913,890</u>

Unused loan facilities at balance date NIL NIL

SHIRE OF KONDININ
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18. CONTINGENT LIABILITIES

As disclosed in Note 21, the Shire of Kondinin has 25% interest in the Bending Landfill Site (the Site). The Site has been registered as a Category 89 Prescribed Premises under Part V of the Environmental Protection Act 1986 (EPA). The Environmental Protection (Rural Landfill) Regulations 2002 (WA Rural Landfill Regulations) apply to category 89 Prescribed Premises in Schedule 1 Part 2 of the Environmental Protection Regulations 1987, for a putrescible landfill site that accepts between 20 and 5,000 tonnes of waste per year. These regulations outline requirements for the Site including a post-closure plan. A Landfill Management Plan (Plan) was prepared by Talis Consultants outlining the post-closure rehabilitation plan for the Site. The Plan was received by the members of the Roe Regional Organisation of Councils (RoeROC) at their meeting in July 2022. The Plan estimates the remaining life of Stage 1 of the Site to be approximately four years and that the closure cost for Stage 1 will be \$514,337. The Shire of Kondinin's 25% share of this cost will be \$128,584. The Shire currently has \$36,325 accumulated fund in Bending Landfill Reserve account by way of Council resolution in 2016/17. The Shire will transfer the balance of \$92,259 for the next three financial years to cover the costs of rehabilitation Stage 1 of the Site.

19. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

	<u>2022</u>	<u>2021</u>
	\$	\$
Contracted for:		
- capital expenditure projects	146,986	527,842
- plant & equipment purchases	85,966	300,455
Payable:		
- not later than one year	232,952	828,297

The capital expenditure projects outstanding at the end of the current reporting period represent the installation of security cameras (at Kondinin, Hyden and Karlgarin towns), Hyden Tennis Club reroofing, ducted aircon installation at #6 Hinck Street house and purchase of Trail signs for Wave Rock precinct.

The prior year commitment was for the construction aged care facilities and purchase of lease trucks.

20. RELATED PARTY TRANSACTIONS

(a) Elected Members Remuneration

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Councillors [K Mouritz]			
President's annual allowance [S Meeking: Jul to Oct '21]	12,000	12,000	12,000
Meeting attendance fees	3,900	4,710	3,850
Annual ICT expenses	143	500	292
Travel and accommodation expenses	793	1,000	459
	16,836	18,210	16,601
Councillor [B Gangell]			
Meeting attendance fees	3,520	3,150	2,610
ICT expenses	143	500	292
Travel and accommodation expenses	229	600	346
	3,893	4,250	3,248
Councillor [B Browning]			
Meeting attendance fees	2,300	3,150	2,840
Annual ICT expenses	143	500	292
Travel and accommodation expenses	615	1,000	1,055
	3,059	4,650	4,187
Councillor [M James]			
Meeting attendance fees	2,540	3,150	2,300
ICT expenses	143	500	292
Travel and accommodation expenses	676	700	715
	3,360	4,350	3,307
Councillor [D Pool]			
Meeting attendance fees	3,150	3,150	2,760
ICT expenses	143	500	292
Travel and accommodation expenses	585	500	466
	3,878	4,150	3,518
Councillor [T Mulcahy]			
Meeting attendance fees	3,230	3,150	3,070
ICT expenses	143	500	292
Travel and accommodation expenses	669	1,000	672
	4,042	4,650	4,034
Councillor [K Green]			
Meeting attendance fees	2,080	2,100	0
Meeting attendance fees [K Mouritz: Jul to Oct '21]	920	1,050	2,310
Annual ICT expenses	143	500	292
Travel and accommodation expenses	785	1,000	1,156
	3,929	4,650	3,758
Councillor [B Smith]			
Meeting attendance fees	2,550	2,100	0
Meeting attendance fees [S Jones: Jul to Oct '21]	920	1,050	2,530
Annual ICT expenses	143	500	292
Travel and accommodation expenses	459	600	344
	4,072	4,250	3,166

20. RELATED PARTY TRANSACTIONS (continued)

(a) Elected Members Remuneration (continued)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Councillor [P Green]			
Meeting attendance fees	1,930	2,100	0
Meeting attendance fees [G Lynch: Jul to Oct '21]	920	1,050	2,300
ICT expenses	143	500	292
Travel and accommodation expenses	134	600	401
	<u>3,127</u>	<u>4,250</u>	<u>2,993</u>
	<u>46,195</u>	<u>53,410</u>	<u>44,812</u>

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

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
President's Allowance	12,000	12,000	12,000
Meeting attendance fees	27,960	29,910	24,570
ICT expenses	1,290	4,500	2,628
Travel and accommodation expenses	4,945	7,000	5,614
	<u>46,195</u>	<u>53,410</u>	<u>44,812</u>

(b) Key Management Personnel (KMP) Compensation

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	509,278	532,332
Post-employment benefits	59,362	55,237
Other long-term benefits	133,479	50,144
	<u>702,119</u>	<u>637,713</u>

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be 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 benefits accruing during the year.

20. RELATED PARTY TRANSACTIONS (continued)

(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:

	2022 Actual \$	2021 Actual \$
Sale of goods and services	0	0
Purchase of goods and services	3,615	11,760
Purchase of goods and services from close family member of kmp	0	0
Contribution expense to RoeROC	39,350	46,905

Amounts outstanding from related parties:

Trade and other receivables	0	0
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Amounts payable to related parties:

Trade and other payables	0	0
Outstanding payables with RoeROC	0	0

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 elected member, are considered key management personnel.

ii. Other Related Parties

The 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.

21. INVESTMENT IN ASSOCIATE AND JOINT ARRANGEMENT

	2022	2021
	\$	\$
(a) Balance of investment in associate		
The Shire has a 1/4th interest in RooROC assets at the Bendinger landfill site and 23.08% interest in environmental health service.		
The Shire's share in the assets based on the audited results of the Roa Regional Organisation of Council is as follows:		
Current assets	0	0
Non-current assets	192,386	167,400
Total assets	192,386	167,400
Liabilities	0	0
Net assets	192,386	167,400
Shire's 1/4th interest in associate	48,097	41,850
Balance as at 1 July	41,850	0
- Movement in land previously recorded as joint operation	0	60,000
- Movement in other infrastructure previously recorded as joint operation	0	116,873
- Movement in other infrastructure previously not recorded as joint operation	10,497	0
- Movement in asset revaluation surplus previously recorded as joint operation	0	(132,655)
- Movement in share of result in associate	(4,250)	(2,368)
Balance as at 30 June	48,097	41,850

(b) Share of joint operations

The Shire has a 23.08% interest in roe Environmental Health Services (Roe EHS)

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

Other expenditure	(35,310)	(49,392)
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SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, 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.

Interests in joint arrangements (Continued)

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

SHIRE OF KONDININ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest 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 and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	1.16%	7,136,946	4,818,051	2,317,695	1,200
2021					
Cash and cash equivalents	0.15%	5,445,996	2,746,114	2,699,182	700
Financial assets at amortised cost - term deposits	0.40%	75,593	75,593	0	0

Sensitivity

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

	2022	2021
	\$	\$
Impact of 1% movement in interest rates on profit and loss and equity	23,177	26,992

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 may be found at Note 28(a).

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

(b) Credit risk

Trade and Other Receivables

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

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. Whilst the Shire was historically 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. There are no material receivables that have been subject to a re-negotiation of repayment terms.

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2022					
Rates receivable					
Expected credit loss	22.56%	22.57%	22.57%	22.57%	
Gross carrying amount	2,934	47,090	32,954	113,478	196,456
Loss allowance	662	10,629	7,438	25,614	44,343
30 June 2021					
Rates receivable					
Expected credit loss	62.01%	12.50%	25.83%	9.24%	
Gross carrying amount	164,769	19,877	7,735	22,716	215,097
Loss allowance	102,166	2,486	1,998	2,099	108,749

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2022					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	46.65%	
Gross carrying amount*	80,811	6,142	608	16,398	103,959
Loss allowance	0	0	0	7,650	7,650
30 June 2021					
Sundry Receivables					
Expected credit loss	0.00%	0.00%	0.00%	9.95%	
Gross carrying amount*	181,390	446,898	2,054	76,855	707,197
Loss allowance	0	0	0	7,650	7,650

*Excludes GST receivable from the ATO.

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Rates receivable		Trade and other receivables		Contract assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
	\$	\$	\$	\$	\$	\$
Opening loss allowance as at 1 July	108,747	62,017	7,650	7,650	0	0
Increase in loss allowance recognised in profit or loss during the year	0	46,730	0	0	0	0
Receivables written off during the year as uncollectible	(21,000)		0		0	0
Unused amount reversed	(43,404)	0	0	0	0	0
Closing loss allowance at 30 June	44,343	108,747	7,650	7,650	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.

Contract Assets

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance to all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables are a reasonable approximation of the loss rates for the contract assets.

SHIRE OF KONDININ
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22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 18(c).

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2022					
Payables	557,151	0	0	557,151	557,151
Lease liabilities	0	0	0	0	0
Borrowings	312,848	1,439,312	2,121,811	3,873,971	2,717,562
	<u>869,999</u>	<u>1,439,312</u>	<u>2,121,811</u>	<u>4,431,122</u>	<u>3,274,713</u>
2021					
Payables	639,669	0	0	639,669	639,669
Lease liabilities	36,513	0	0	36,513	36,513
Borrowings	312,848	1,173,238	2,387,890	3,873,976	2,913,890
	<u>989,030</u>	<u>1,173,238</u>	<u>2,387,890</u>	<u>4,550,158</u>	<u>3,590,073</u>

23. EVENTS OCCURRING AFTER THE END OF REPORTING PERIOD

There was no event occurring after the end of the reporting period.

24. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

ii) 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 regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends 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 governments 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 2020-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2020-7 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.

25. ACTIVITIES/PROGRAMS

(a) Service objectives and descriptions

Shire operations as disclosed in these financial statements encompass the following service oriented functions and activities.

Objective	Description
Governance To provide decision making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific local government services.
General purpose funding To collect revenue to allow the provision of services.	Rates, general purpose government grants and interest revenue.
Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
Health To provide operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
Education and welfare To provide services to disadvantage persons, the elderly, children and youth.	Maintenance of child minding centre, playgroup centre, senior citizen centre and aged aged care centre. Provision and maintenance of home care programs and youth services.
Housing To provide and maintain staff housing.	Provision and maintenance of staff accommodation.
Community amenities To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
Recreation and culture To establish and effectively manage infrastructure and resources which will help the social being of the community.	Maintenance of public halls, civic centres, aquatic centres, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of libraries and other cultural facilities.
Transport To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, airstrips, lighting of streets, etc.
Economic services To help promote the local government and its economic well being.	Tourism and area promotion, building control, maintenance and operation of caravan park. Provision of rural services including weed control, vermin control and standpipes. Licensing transactions under contract with the Department of Transport.
Other property and services To monitor and control operating accounts.	Private works operation, plant repair and costs.

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

25. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
Income excluding grants, subsidies and contributions			
Governance	63,393	21,387	37,783
General purpose funding	3,409,881	3,368,313	3,276,113
Law, order, public safety	2,940	2,300	3,827
Health	330,747	335,475	351,114
Housing	72,136	50,600	53,048
Community amenities	132,757	113,400	144,736
Recreation and culture	37,264	35,448	38,779
Transport	63,573	0	2,182
Economic services	304,121	253,000	294,231
Other property and services	165,212	121,101	1,570,783
	<u>4,582,024</u>	<u>4,300,924</u>	<u>5,772,594</u>
Grants, subsidies and contributions			
Governance	4,630	0	0
General purpose funding	3,205,229	978,168	2,240,844
Law, order, public safety	30,485	25,804	36,735
Education and welfare	73,695	73,695	726,227
Recreation and culture	263,030	251,075	57,669
Transport	3,077,099	3,100,731	1,237,682
Economic services	198,746	3,829,935	412,784
Other property and services	58,846	50,000	68,872
	<u>6,911,759</u>	<u>8,309,208</u>	<u>4,780,813</u>
Total Income	<u>11,493,783</u>	<u>12,610,132</u>	<u>10,553,407</u>
Expenses			
Governance	(306,912)	(384,245)	(269,196)
General purpose funding	(177,144)	(193,046)	(170,756)
Law, order, public safety	(107,764)	(135,471)	(125,265)
Health	(574,204)	(623,694)	(489,584)
Education and welfare	(106,831)	(97,220)	(78,671)
Housing	(297,099)	(298,318)	(216,503)
Community amenities	(700,804)	(757,576)	(678,361)
Recreation and culture	(1,913,505)	(1,976,193)	(1,756,612)
Transport	(2,871,378)	(2,905,596)	(2,825,892)
Economic services	(697,787)	(884,896)	(801,919)
Other property and services	(94,514)	(170,883)	(1,284,767)
Total expenses	<u>(7,847,943)</u>	<u>(8,427,137)</u>	<u>(8,697,526)</u>
Net Result for the period	<u>3,645,840</u>	<u>4,182,995</u>	<u>1,855,881</u>

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

25. FUNCTION AND ACTIVITY (Continued)

(c) Fees and Charges

NOTE	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Governance	1,587	1,000	1,279
General purpose funding	3,605	5,750	11,315
Law, order, public safety	2,940	2,300	3,827
Health	28,258	15,300	30,052
Housing	68,691	50,000	52,356
Community amenities	130,518	113,400	143,940
Recreation and culture	18,403	16,550	20,456
Economic services	278,734	220,500	237,975
Other property and services	72,678	120,000	436,086
	605,413	544,800	937,284

(d) Total Assets

	2022	2021
	\$	\$
Governance	1,018,155	1,022,701
Law, order, public safety	490,407	507,104
Health	952,565	933,641
Education and welfare	3,300,373	2,923,764
Housing	3,368,378	3,368,917
Community amenities	580,722	615,960
Recreation and culture	16,373,038	16,816,965
Transport	128,359,924	126,138,820
Economic services	2,111,822	2,062,121
Other property and services	3,517,065	3,354,664
Unallocated	8,705,417	7,572,425
	168,777,868	165,317,083

26. RATING INFORMATION

(a) Rates

RATE TYPE		Rate in	Number	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2020/21
Rate Description	Basis of valuation	\$	of Properties	Actual Rateable Value	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
GRV - Residential	Gross rental valuation	0.123795	302	2,530,328	313,242	(30)	0	313,212	314,117	0	0	314,117	311,266	
GRV - Mining	Gross rental valuation	0.247500	4	1,046,750	259,071	0	0	259,071	259,071	0	0	259,071	255,816	
UV - Mining	Unimproved valuation	0.298485	112	2,994,898	893,932	(11,019)	0	882,913	847,384	0	0	847,384	823,020	
UV - Rural	Unimproved valuation	0.015420	357	124,003,502	1,912,134	431	0	1,912,565	1,912,149	0	0	1,912,149	1,880,660	
Sub-Total			775	130,575,478	3,378,379	(10,618)	0	3,367,761	3,332,721	0	0	3,332,721	3,270,763	
		Minimum \$												
GRV - Residential	Gross rental valuation	450	45	46,275	20,700	0	0	20,700	20,250	0	0	20,250	19,360	
UV - Mining	Unimproved valuation	450	35	27,632	15,750	0	0	15,750	9,000	0	0	9,000	13,640	
UV - Rural	Unimproved valuation	450	20	356,100	9,000	0	0	9,000	14,400	0	0	14,400	9,240	
Sub-Total			100	430,007	45,450	0	0	45,450	43,650	0	0	43,650	42,240	
								3,413,211				3,376,371	3,313,003	
Discounts/concessions (refer note 26(d))								(91,066)				(84,000)	(138,233)	
Total amount raised from general rate								3,322,145				3,292,371	3,174,770	
Specified Area Rate (refer note 25(b))								0				0	0	
Ex Gratia Rate								45,517				43,012	43,012	
Total Rates								3,367,662				3,335,383	3,217,782	

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*.

26. RATING INFORMATION (Continued)

(b) Specified Area Rate

The Shire has not imposed any specified area rate for 2021/2022.

(c) Service Charges

The Shire has not imposed any service charges for 2021/2022.

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

Rates Discounts

Rate or Fee Discount Granted	Discount	2022 Actual	2022 Budget	2021 Actual	Circumstances in which Discount is Granted
	%	\$	\$	\$	
General rates	5	90,926	83,860	138,103	Full payment made within 35 days of the date service appearing on the rate notice. Being a community sporting club and as declared by council
Rubbish charges - Kondinin Golf Club	50	140	140	130	
		<u>91,066</u>	<u>84,000</u>	<u>138,233</u>	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount	Budget	Actual
		%		\$
Kondinin Community Resource Centre	Concession	100%	0	0
Kondinin Golf Club Inc	Concession	100%	0	0
Kondinin Arts Centre	Concession	100%	0	0
Hyden Pre-School Committee	Concession	100%	0	0
Hyden Golf Club	Concession	100%	0	0
Kondinin Country Club	Concession	100%	0	0
Kondinin Tennis Club	Concession	100%	0	0
Hyden Tennis Club	Concession	100%	0	0
Hyden Resource and Telecentre	Concession	100%	0	0
Kondinin Lions Club & Seniors Centre	Concession	100%	0	0
Karlgarin Country Club	Concession	100%	0	0
Kondinin Mens Shed	Concession	100%	0	0
			<u>0</u>	<u>0</u>

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Unpaid Rates	Instalment Plan
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
Option One				
Single full payment	8/10/2021	0.00	10%	5%
Option Two				
First instalment	8/10/2021	0.00	10%	5%
Second instalment	7/12/2021	10.00	10%	5%
Third instalment	7/02/2022	10.00	10%	5%
Fourth instalment	8/04/2022	10.00	10%	5%
Option Three				
First instalment	8/10/2021	0.00	10%	5%
Second instalment	7/02/2022	10.00	10%	5%
		<u>2022 Actual</u>	<u>2022 Budget</u>	<u>2021 Actual</u>
		\$	\$	\$
Interest on unpaid rates		21,813	10,000	22,982
Interest on instalment plan		3,150	3,000	3,538
Charges on instalment plan		1,710	1,500	1,530
		<u>26,674</u>	<u>14,500</u>	<u>28,049</u>

27. RATE SETTING STATEMENT INFORMATION

Note	2021/22 (30 June 2022 Carried Forward) \$	2021/22 Budget (30 June 2022 Carried Forward) \$	2020/21 (30 June 2021 Carried Forward) \$	
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	10(c)	(123,619)	(9,488)	(12,831)
Less: Fair value adjustments to financial assets at fair value	4	(2,998)	0	(1,939)
Less: Fair value adjustments to investment in associate	21	(6,247)	0	2,368
Movement in employee benefit provisions (non-current)		24,032	0	12,272
Movement in trade and other receivables	5	11,993	0	(13,629)
Add: Loss on disposal of assets	10(c)	33,581	31,739	47,478
Add: Depreciation of assets	10(a)	3,266,878	3,232,935	3,220,207
Non cash amounts excluded from operating activities		3,203,621	3,255,186	3,253,925
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Surplus/(deficit) after imposition of general rates				
Less: Reserves - restricted cash	3	(2,771,992)	(2,298,953)	(1,747,380)
Less: Financial assets at amortised cost - self supporting loans	4(a)	(58,180)	(52,277)	(56,140)
Add: Current portion of long-term borrowings		204,187	188,780	196,328
Add: Current portion of lease liabilities	11(a)	0	0	36,513
Total adjustments to net current assets		(2,625,985)	(2,162,450)	(1,570,679)
Net current assets used in the Rate Setting Statement				
Total current assets		7,624,810	2,265,259	6,457,000
Less: Total current liabilities		(1,682,603)	(1,006,852)	(1,687,502)
Less: Total adjustments to net current assets		(2,625,985)	(1,258,408)	(1,570,679)
Net current assets used in the Rate Setting Statement		3,316,224	0	3,198,819

28. BORROWINGS AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal			Principal			Principal			Principal	
		Principal at 1 July 2020	New Loans During 2020-21	Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Repayments During 2021-22	Principal at 30 June 2022
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Doctor's Housing		182,133	0	10,649	171,484	0	11,122	160,362	171,484	0	11,122	160,362
Staff Housing		92,338	0	14,220	78,118	0	14,669	63,449	78,118	0	14,669	63,449
Hyden Sewerage		520,017	0	25,896	494,121	0	27,281	466,840	494,121	0	27,281	466,840
Townsite Drainage		1,610,979	0	62,111	1,548,869	0	64,417	1,484,452	1,548,869	0	64,417	1,484,452
Kondinin Swimming Pool		371,699	0	21,732	349,968	0	22,698	327,270	349,968	0	22,698	327,270
Hyden Community & Visitor Centre		0	0	0	0	0	0	0	0	1,352,306	24,919	1,327,387
Total		2,777,166	0	134,607	2,642,560	0	140,188	2,502,372	2,642,560	1,352,306	165,107	3,829,760
Self Supporting Loans												
Kondinin Community Rec Com'tee		40,536	0	9,511	31,024	0	9,915	21,109	31,024	0	9,915	21,109
Hyden Progress Association		233,251	0	28,137	205,123	0	28,999	176,124	205,123	0	28,999	176,124
Karlgarin Progress Association		51,707	0	16,525	35,183	0	17,226	17,957	35,183	0	17,226	17,957
Total Self Supporting Loans		325,504	0	54,173	271,331	0	56,140	215,190	271,331	0	56,140	215,190
Total Borrowings		3,102,670	0	188,780	2,913,890	0	196,328	2,717,562	2,913,890	1,352,306	221,247	4,044,950

*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
						\$	\$	\$
Doctor's Housing		Health	137A	WATC*	4.40%	8,325	8,801	8,852
Staff Housing		Housing	140	WATC*	3.13%	2,606	3,075	3,185
Hyden Sewerage		Community Amenities	139	WATC*	5.26%	23,597	30,094	30,163
Townsite Drainage		Community Amenities	142	WATC*	3.66%	66,503	68,714	69,269
Kondinin Swimming Pool		Recreation and Culture	136	WATC*	4.40%	16,987	17,942	18,062
Hyden Community & Visitor Centre		Economic Services	143	WATC*	4.40%	-	36,674	-
Total						123,018	165,300	129,511
Self Supporting Loans Interest Repayments								
Kondinin Community Rec Com'tee		Recreation and Culture	131A	WATC*	4.20%	1,369	1,804	1,832
Hyden Progress Association		Recreation and Culture	134A	WATC*	3.04%	7,251	8,037	8,325
Karlgarin Progress Association		Recreation and Culture	136	WATC*	4.20%	1,353	2,057	2,164
Total Self Supporting Loans Interest Repayments						9,983	11,898	12,321
Total Interest Repayments	2(b)					133,001	177,197	141,832

28. BORROWINGS AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2021/22 - NIL

(c) Unspent Borrowings NIL NIL

(d) Lease Liabilities

Purpose	Note	Actual								Budget			
		Principal at	New Leases	Principal	Principal at	New Leases	Principal	Principal at	Principal at	New Leases	Principal	Principal at	
		1 July 2020	During 2020-21	Repayments	30 June 2021	During 2021-22	Repayments	30 June 2022	1 July 2021	During 2021-22	Repayments	30 June 2022	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Prime Mover - KN62		38,923	0	31,051	7,862	0	7,862	0	7,862	0	7,862	0	0
Prime Mover - KN77		38,285	0	30,553	7,733	0	7,733	0	7,733	0	7,733	0	0
Prime Mover - KN58		38,290	0	30,553	7,737	0	7,737	0	7,737	0	7,737	0	0
Canter Crew Cab - KN89		14,442	0	11,525	2,917	0	2,917	0	2,917	0	2,917	0	0
Water Truck - KN59		40,652	0	30,388	10,264	0	10,264	0	10,264	0	10,264	0	0
Total Lease Liabilities		170,592	0	134,060	36,513	0	36,513	0	36,513	0	36,513	0	0

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year	Budget for year	Actual for year	Lease Term
						ending	ending	ending	
						30 June 2022	30 June 2022	30 June 2021	
						\$	\$	\$	
Prime Mover - KN62			400172MB	Mercedes Leasing	2.0%	26	26	491	60 months
Prime Mover - KN77			400171MB	Mercedes Leasing	2.0%	26	26	483	60 months
Prime Mover - KN58			401041MB	Mercedes Leasing	2.0%	22	22	484	60 months
Canter Crew Cab - KN89			400172MB	Mercedes Leasing	2.0%	10	10	182	60 months
Water Truck - KN59			400172MB	Mercedes Leasing	2.0%	43	43	532	60 months
Total Interest Repayments						127	127	2,173	

SHIRE OF KONDININ
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29. RESERVES - CASH BACKED	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Plant Reserve	445,703	212,631	0	658,334	445,703	211,864	0	657,567	577,277	102,926	(234,500)	445,703
(b) Housing Reserve	188,030	200,927	0	388,958	188,030	200,470	0	388,500	137,148	50,882	0	188,030
(c) Leave Reserve	364,562	1,127	0	365,689	364,562	911	0	365,473	212,398	152,164	0	364,562
(d) Tourism Development Reserve	132,795	31,627	0	164,421	132,794	31,474	(50,000)	114,268	148,539	34,255	(50,000)	132,794
(e) Water Infrastructure Reserve	100,314	310	(30,000)	70,623	100,314	125	0	100,439	0	100,314	0	100,314
(f) Community Bus Reserve	50,713	229	0	50,942	50,713	127	0	50,841	50,364	348	0	50,713
(g) Radio Reserve	24,881	112	0	24,993	24,881	62	0	24,943	24,710	171	0	24,881
(h) Landfill Reserve	26,135	5,082	0	31,217	26,135	5,065	0	31,200	21,008	5,127	0	26,135
(i) SJA Capital Upgrade Reserve	50,157	50,273	0	100,430	50,157	50,063	0	100,219	0	50,157	0	50,157
(j) Medical Services Reserve	77,839	240	0	78,079	77,839	195	0	78,034	77,415	424	0	77,839
(k) Hyden Recreation Centre Reserve	286,253	1,028	0	287,281	311,695	718	(200,000)	112,411	309,291	2,404	0	311,695
(l) Roads Reserve	0	300,775	0	300,775	0	300,500	0	300,500	0	0	0	0
(m) Hyden Visitor Centre Reserve	0	250,249	0	250,249	(25,442)			(25,442)	0	0	(25,442)	(25,442)
	1,747,381	1,054,611	(30,000)	2,771,992	1,747,380	801,572	(250,000)	2,298,953	1,558,151	499,172	(309,942)	1,747,380

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 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) Plant Reserve	Ongoing	Future expenditure for replacement of plant.
(b) Housing Reserve	Ongoing	To be used for the construction of new housing.
(c) Leave Reserve	Ongoing	To be used to pay annual and long service leave liabilities.
(d) Tourism Development Reserve	Ongoing	To be used to ensure that the Wave Rock area is kept at a good standard.
(e) Water Infrastructure Reserve	Ongoing	For the purchase of water pumps and installation of standpipe controllers and storage tanks.
(f) Community Bus Reserve	Ongoing	To be used for the replacement of the community bus.
(g) Radio & TV Reserve	Ongoing	To account for service charges raised.
(h) Landfill Reserve	Ongoing	To be used for the operational costs of Bendering landfill site.
(i) SJA Capital Upgrade Reserve	2024	Contribution for Sub Centre Capital upgrades in Kondinin and Hyden
(j) Medical Services Reserve	Ongoing	To be used for the operational costs of Kondinin Medical Centre.
(k) Hyden Recreation Centre Reserve	Ongoing	To be used for the construction of Hyden Recreation Building Extension.

30. TRUST FUNDS

From 30 June 2019, all bonds and deposits not required by legislation to be held in trust are included in restricted cash at Note 3 and shown as a current liability at Note 12.

31. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2021/22 financial year.



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Kondinin

To the Councillors of the Shire of Kondinin

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

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

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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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



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