



Annual Report

2022/2023





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



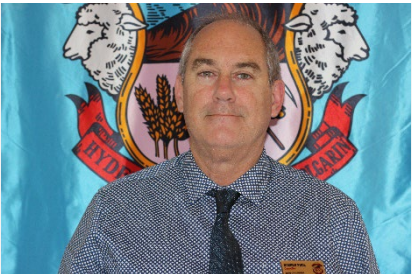
**Councillor Bruce
Browning**

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



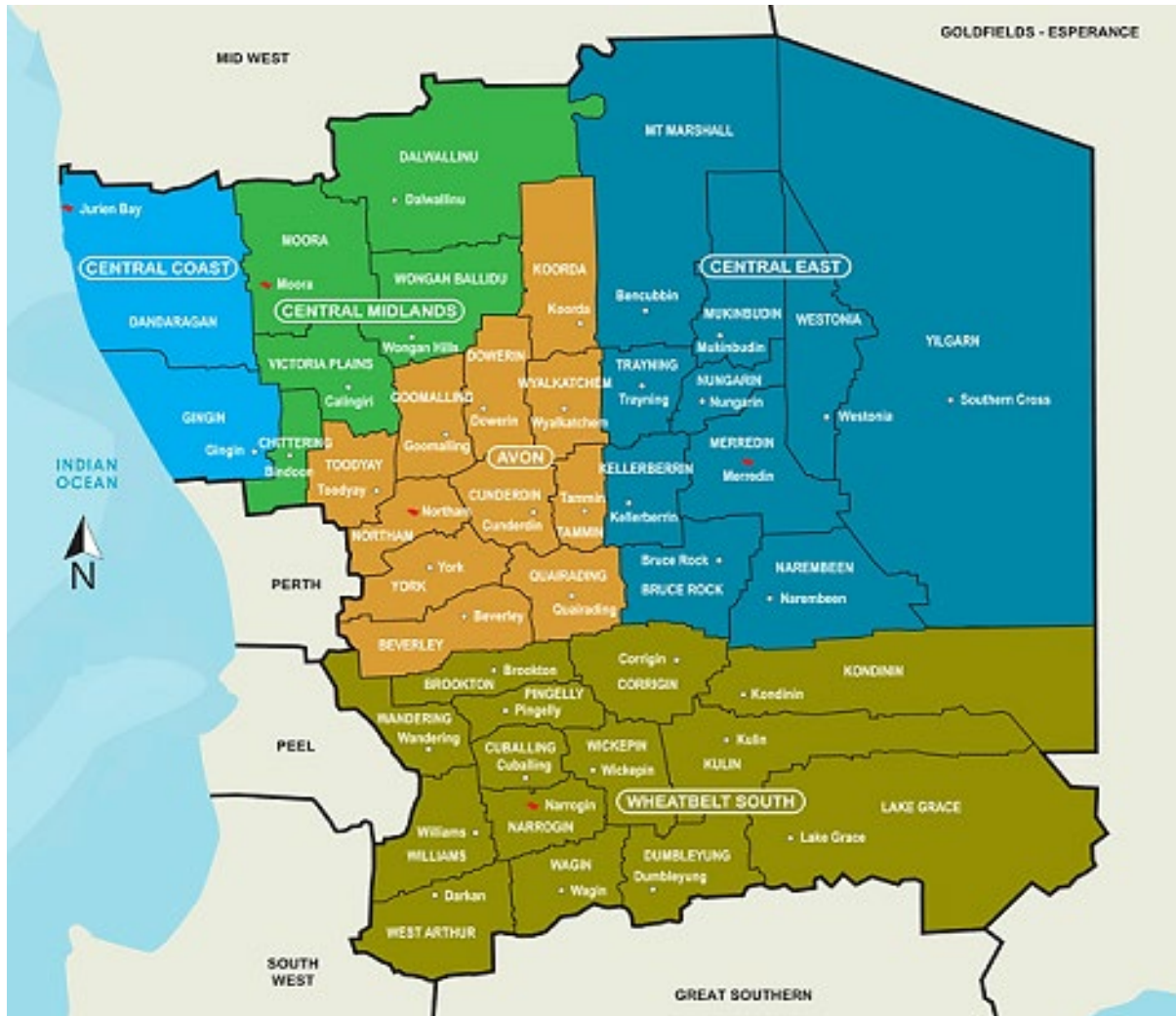
Councillor Paul Green Term Expires 2025



Councillor Brett Smith Term Expires 2025



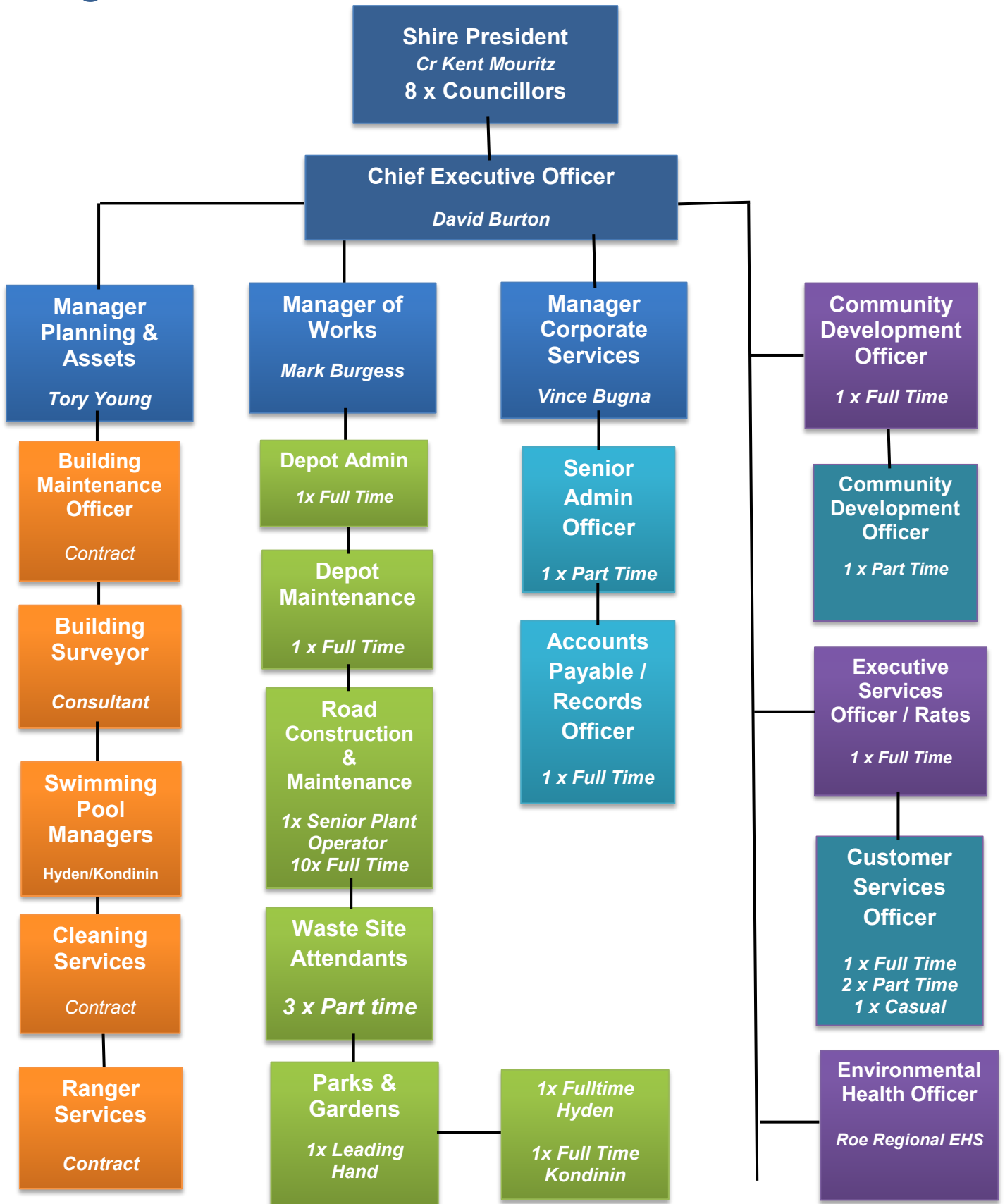
Shire of Kondinin



The Shire of Kondinin covers an area of 7,340km² in the Wheatbelt of Western Australia and has a population of approximately 847 (ABS, 2021). The Shire comprises of three town sites, those being Hyden, Karlgarin and Kondinin.

- The Shire includes 289km of sealed roads and 1193km of unsealed roads
- The total number of households within the Shire is 460 (ABS, 2021)
- Key industries include cereal, sheep, cattle and feed lots, mining, manufacturing and tourism.

Organisational Structure



Shire President's Report

As President for the Shire of Kondinin, I am pleased to present this year's Annual Report for the year ended 30th June 2023.

For our towns we still had the threat of COVID, but normality was returning for our region with visitors coming back and life returning to normal without any lockdowns or isolation requirements impacting our local business.

In October 2022, Hyden celebrated its Centenary in spectacular fashion with a wonderful day of events organised by the Hyden Progress Association members. The history of Hyden was presented well and the day allowed the sharing of memories and created some new ones.



We also say our communities pushing ahead with other projects such as the murals in Kondinin and on Yerrakine Rock as a tribute to our history and our local residents that served in armed conflict.

COUNCIL and CEO

I would like to thank my fellow Councillors for their support, professionalism and dedication towards the Shire. Many hours are spent by our local members in attending meetings and deliberating over items for our towns to ensure the Shire of Kondinin is looking towards a sustainable future with our assets and infrastructure while also being compliant with the rules and regulations required for Local Government.

I would also like to acknowledge our CEO, who along with all the staff have carried out the works for the Shire and worked diligently to ensure services are provided to a high quality, the assets, infrastructure and our towns are maintained and the Shire is progressing our projects current and future with care and planning.

STRATEGIC COMMUNITY PLAN

The Shire of Kondinin Strategic Community Plan undertook a major review and was renewed in 2021/22. Following this, the Corporate Business Plan and other strategic documents were reviewed to ensure the Shire could deliver on the Strategic Community Plan.

Forward Planning is vital for the Shire to ensure our finances are able to meet our goals and we can continue to deliver outcomes to the community without the requirement of large rate increase causing financial strain for our residents.

RoeROC

The Shire has been an active participant in the RoeROC Council with the Shires of Corrigin, Kondinin, Kulin and Narembeen. RoeROC provides a basis for the Shires to collaborate in projects that serve our district and our local communities, such as the Bending Waste Facility

RoeROC serves as a united approach for benefits for our local district in matters that have a regional focus and allows us to capitalise on the total number of residents in all our towns and the size of our regional district.

RoeROC has been working on forward planning for the Bending Waste Facility to ensure the Shires can meet the requirements of running the facility for many years to come, control waste and also meet our environmental obligations of the facility.

COMMUNITY GRANTS AND SUPPORT

The Shire continues to support many community groups and events in 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 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. Our towns, local clubs/organisations and emergency services 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. Our staff were also successful in obtaining funding through the Remote Roads Upgrades Pilot Program for the sealing of a section of the Hyden-Norseman Road with the majority of works to happen in the near future.

These grant funds were allocated to various 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:

- CCTV in various locations around the Shire
- Hyden Swimming pool Carpark sealing finalised
- Hyden Swimming Pool Changerooms Upgrades
- Hyden Entrance Signs
- Kondinin Footpath from Hospital to Recreation facilities
- Water tanks for community water
- Improvements to the Hyden reticulation
- Hyden tennis courts replaced
- Hot water system at Karlgarin oval.

We also successfully completed our roads capital program of \$3.5million including commencement of the Hyden-Norseman Road funded project, just under \$200,000 of footpaths in our town and \$1.3million in buildings and infrastructure, 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



Hyden Swimming Pool sealed carpark

Chief Executive Officer's Report

The stimulus funding from COVID through the Local Roads and Community Infrastructure Program was still available and did assist the Shire of pushing several of its projects that were required. External funding is always a welcomed assist to reduce the cost impacts on the Ratepayers.

While COVID still was around, it did not cause any major issues for staff throughout the financial year. Any staff member who contracted COVID remained at home or worked from home where possible.

This year also saw the Hyden 100-year Centenary celebrated in spectacular style and I congratulate all the working group and many volunteers who helped to make this a memorable day.

This year also saw the start of major road works to be done on the Hyden Norseman Road over the next 2 years. This large project of \$5million (\$4million in grant funding) will see a section of approximately 20kms of the Hyden Norseman Road sealed

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 deliver 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.

We also had a slight shuffle of duties in the administration office to allow staff to continue to develop their skills and learn new things. We thank all our customers for being patient with us through the transition period while staff were learning new duties.

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. The Shire is currently in the process of starting a new Doctor for the area and we are likely to see the new Doctor start early in the new financial year.

SWIMMING POOLS

The 2022/2023 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 and organising of events to encourage patrons to visit. These facilities 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 area:

EHO Services

Joint waste facility at Bendering

Joint waste and recycling services through Avon Waste

For the start of the 2022/2023 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. Administration duties for RoeROC were transferred to the Shire of Corrigin in early 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 and ensuring the safety of our residents.

In closing, I would just like to thank the Council Members, staff and the community for your understanding and assistance for the year.

David Burton
Chief Executive Officer

The updated changerooms at the Hyden and Districts Aquatic Centre



Financial Highlights and Capital Grants for 2022/2023

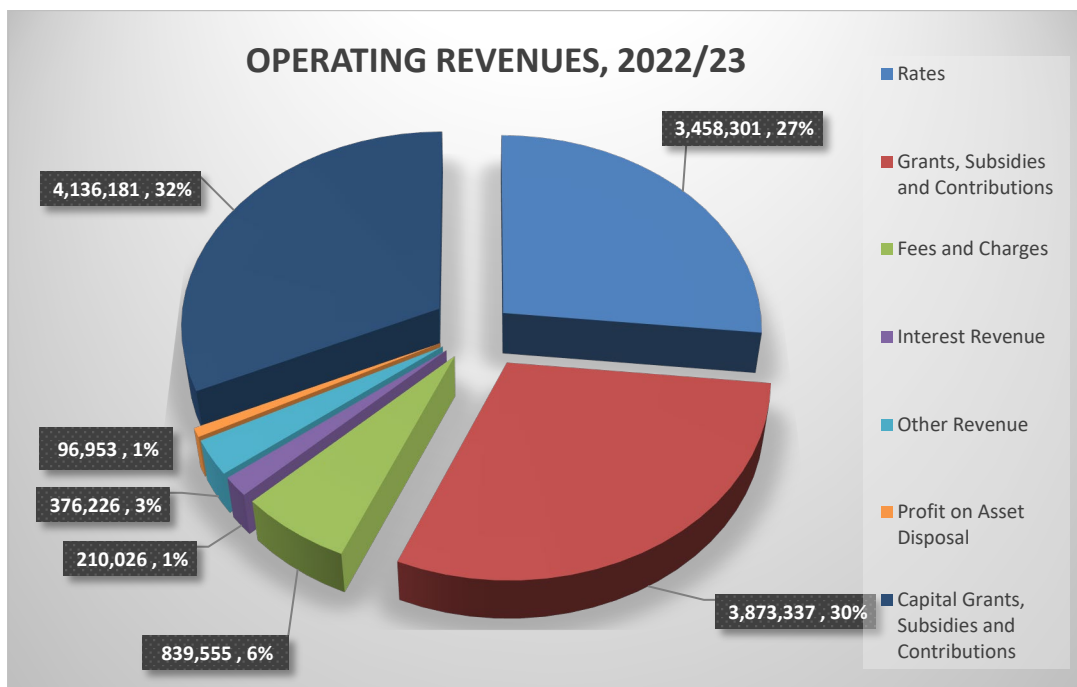
FINANCIAL SUMMARY

The 2022/2023 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 2022/2023 of \$12,990,579 is made up of General-purpose funding being Rates of \$3,458,301 and Grants, subsidies and contributions of \$3,873,337. Other operating revenue consisted of Fees and charges \$839,555, Interest revenue \$210,026, Other revenue \$376,226, Profit on asset disposal and FV adjustment to LG House Trust \$96,953 and Capital Grants, Subsidies and Contributions \$4,136,181.

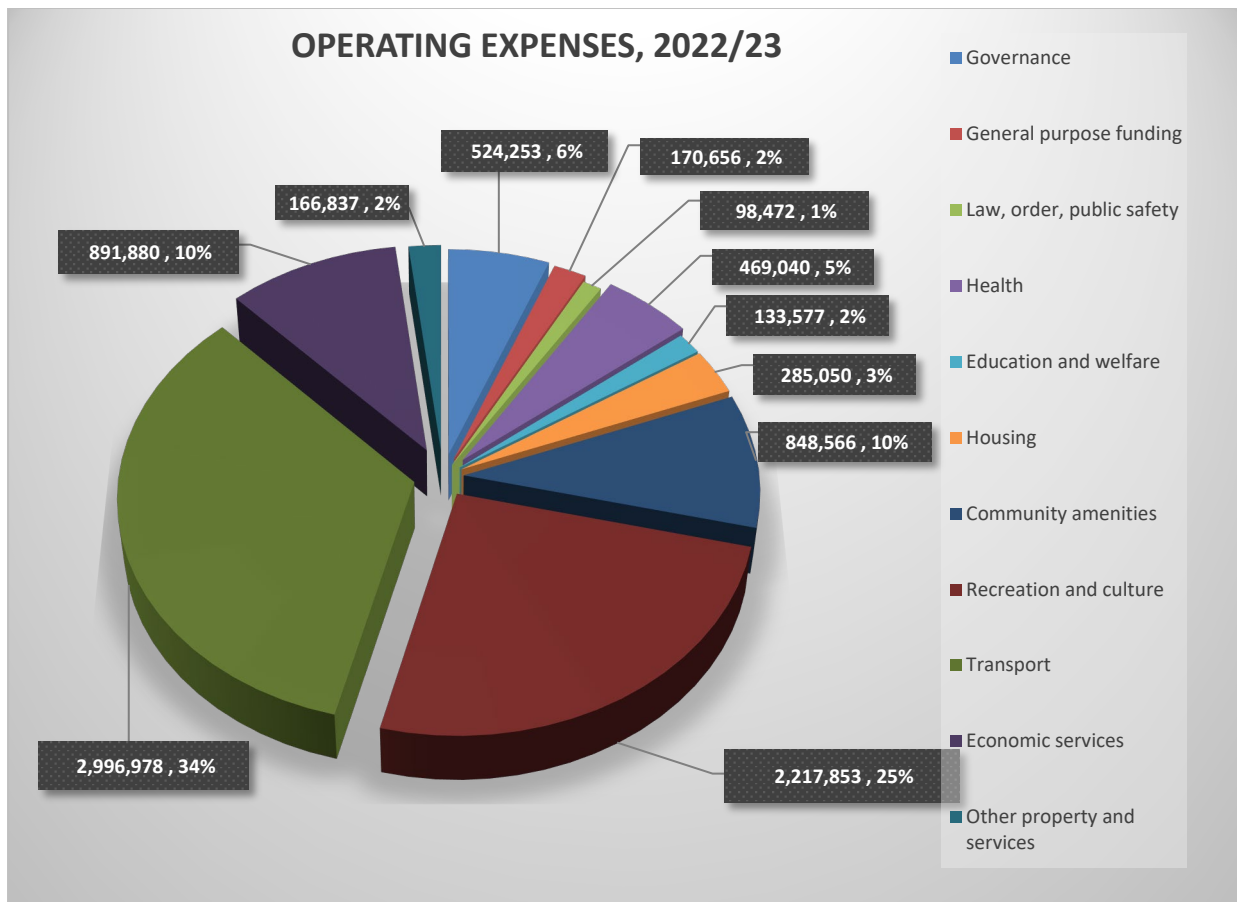
GRAPHICAL OVERVIEW – OPERATING REVENUES



FINANCIAL SUMMARY HIGHLIGHTS (continued)

Operating expenditure consists of Governance \$524,253, General Purpose Funding \$170,656, Law, Order and Public Safety \$98,472, Health \$469,040, Education and Welfare \$133,577, Housing \$285,050, Community Amenities \$848,566, Recreation and Culture \$2,217,853, Transports and Roads \$2,996,978, Economic Services \$891,880 and Other Property and Services \$166,837.

GRAPHICAL OVERVIEW – OPERATING EXPENSES



CAPITAL GRANTS RECEIVED

As part of the Annual Report, the Shire is required to the amount of all Capital Grants for the current reporting year and previous 2 financial years.

The Shire of Kondinin has received the following grant funds for the years 2020/21, 2021/22 and current 2022/23.

SHIRE OF KONDININ			
FOR THE PERIOD ENDED 30 JUNE 2021			
CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS			
			Actual Revenue
Provider			Project Information
			\$
Welfare			
	Aged Housing Grant (WSAHA)	Construction of Aged Housing Units - Hyden and Kondinin	726,227
Recreation and Culture			
	LRCI-2 Grant Hyden S/Pool Carpark	Seal carpark at Hyden and Districts Aquatic Centre	740
	LRCI-2 Grant (x3) BBQ's	Install BBQ facilities at various locations	19,435
	LRCI-1 Grant (Car Parks)	Upgrade carparks at various locations including sporting venues	34,869
Transport			
	Grant - Secondary Freight Project	Windening and reseal of Kondinin-Naremben Road	16,500
	RRG Grants - Capital Projects	Various Roadworks	329,772
	LRCI Program Grant (Footpath)	Various footpaths in towns	184,921
	R2R Grants - Capital Projects	Various Roadworks	506,417
Economic Services			
	LRCI Grant (Bush Tucker + Landscape@Marhsall St)	Bush Tucker Garden at Wave Rock and Town Landscaping	48,070
	LRCI Grant (Gordon Street Toilet Block)	Toilet facilities at truck stop in Kondinin	114,720
	LRCI Grant (Wave Rock Toilet Block Screen)	Toilet block screens at Wave Rock	4,842
	LRCI Grant (Standpipe controller)	Standpipe Controllers for district.	99,633
TOTALS			2,090,663



SHIRE OF KONDININ		
FOR THE PERIOD ENDED 30 JUNE 2022		
CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS		
Provider	Project information	Actual Revenue
		\$
Capital grants and subsidies		
Law, Order and Public Safety		
Grant - Water Tanks	Installation of Community Water Tanks	2,775
Welfare		
Aged Housing Grant (WSAHA)	Construction of Aged Housing Units - Hyden and Kondinin	73,695
Recreation and Culture		
LRCI-2 Grant Hyden S/Pool Carpark	Seal carpark at Hyden and Districts Aquatic Centre	98,941
LRCI-2 Grant (x3) BBQ's	instal BBQ facilities at various locations	1,209
LRCI-2 Grant (KN Caravan Park Upgrade)	Upgrade acces to Kondinin Caravan Park Chalets	58,614
LRCI-3 Grant Hyden Golf Club (Ceiling Replacement)	Replace ceiling for Hyden Golf Club	40,000
Kondinin Bowling Green Resurfacing	Replace Kondinin Bowling Green	59,928
Kondinin Hockey Field (Contribution from KCRC)	Instal new turf at Kondinin Hockey Oval	17,964
Kondinin Hockey Field CSRFF	Instal new turf at Kondinin Hockey Oval	40,000
Transport		
WSFN Grant - Secondary Freight Project	Widening and reseal of Kondinin-Naremben Road	1,822,166
LRCI-2 Grant (Shared Pathway Hyden)	Footpath Works - Hyden	56,926
RRG Grants - Capital Projects	Various Roads	375,000
LRCI-1 Program Grant (Footpaths)	Footpath Works - Kondinin & Karlgarin	105,037
R2R Grants - Capital Projects	Various Roads	506,417
Economic Services		
LRCI-2 Grant (Picnic Shelter-Community Garden)	Sheltered area - Kondinin Community Garden	35,683
LRCI Grant (Gordon Street Toilet Block)	Toilet facilities at truck stop in Kondinin	63,914
LRCI-1 Grant - Wave Rock Toilet Block Screening	Toilet block screens at Wave Rock	1,970
LRCI-1 WR Precinct planting & boardwalk	Improvements for Wave Rock	12,147
LRCI-1 Marshall Street - roadside reticulation & landscaping	Retic and Landscaping for Hyden	3,250
LRCI-2 Grant (BBQ Facilities)	Various BBQ Facilities	7,500
LRCI-2 Grant (Standpipe controller)	Standpipe Controllers for district.	15,668
TOTALS		3,398,804

SHIRE OF KONDININ		
FOR THE PERIOD ENDED 30 JUNE 2023		
CAPITAL GRANTS, SUBSIDIES AND CONTRIBUTIONS		
Provider	Project Information	Actual Revenue
		\$
Capital grants and subsidies		
Community Amenities		
LRCI-3 Program Grant (Bin Enclosures)	Replace Street Bins in town with historical photos and information	91,000
Recreation and Culture		
LRCI-3 Grant Hyden S/Pool Building	Upgrade changerooms to Hyden and Districts Aquatic Centre	602,035
LRCI-3 Grant Hyden S/Pool Carpark	Seal carpark at Hyden and Districts Aquatic Centre	93,433
LRCI-3 Grant Hyden Tennis Club (Re-Roofing)	Re-roofing of the Hyden Tennis Club building	44,169
Hyden Tennis Court		93,421
Transport		
WSFN Grant - Secondary Freight Project	Widening and reseal of Kondinin-Naremben Road	1,827,467
DOT Grant - Shared Pathway	Pathway from Kondinin Hospital into main town area.	101,838
Regional Road Group Grants - Capital Projects	Various Roads	390,807
Main Roads WA WBS Direct Grant	Various Roads	4,762
Roads to Recovery Grants - Capital Projects	Various Roads	506,417
Grant - Remote Road Upgrade Pilot Program	Sealing section of the Hyden-Norseman Road	305,832
Economic Services		
Grant - Hyden Mural & Centenary - Lotterywest	Centenary Celebrations and Mural in Coronation Park.	15,000
Water Management Infrastructure Grant	Improved Community Water at various locations.	60,000
TOTALS		4,136,181

Roads Program and Plant

ROADS

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

The Shire finalised the works for the Kondinin-Narembeen Road as part of the Secondary Freight Network road program and also did considerable works on Lovering Road.

To take advantage of the moisture in the ground, works started on the Hyden-Norseman Road which is funded under the Remote Roads Upgrade Pilot Project. This works will be completed over the next few years and is a \$5million project to extend the sealed area for approximately 20kms along the road.

Road Work Program

Road Work Program	Description of Works	Actual \$	Funding Program (R2R, RRG)
Lovering Road	Reseal and Shoulders	\$601,116	RRG
Kondinin - Narembeen Road	Reconstruct and Seal	\$1,783,208	SFN
Pederah Road	Overlay Reconstruction	\$457,376	R2R
Tolland Road	Form and Gravel	\$126,717	R2R
Kondinin Lake Road	Repairs	\$10,299	Shire
Notting-Karlgarin Road	Form and Gravel	\$43,597	Shire
Sloan Road	Gravel Sheeting	\$50,881	Shire
Kulin Rocks Road	Form and Gravel	\$34,897	Shire
Billericay Road	Form and Gravel	\$102,954	Shire
Modesty Rock Road	Gravel Sheeting	\$30,984	Shire
Reservoir East Road	Form and Gravel	\$38,791	Shire
Hyden-Norseman Road	Sealing	\$305,832	RRUP
Footpaths	Kondinin	\$189,267	Grant Funded
		\$3,775,919	



sealing Hyden and Districts Aquatic Centre carpark

PLANT REPLACEMENT

The 2022/23 financial year was difficult for the Shire in sourcing vehicle. While several items were listed for replacement, finding the replacement vehicles proved to be very challenging. As a result, only a few items were actually replaced and many vehicle replacements carried forward.

Vehicles replaced in the financial year included:

Plant Replaced

Plant	Plate	Actual \$
Toyota Hilux	KN61	\$27,168
Toyota Hilux	KN55	\$27,168
Prime Mover	KN77	\$234,411
Prime Mover	KN62	\$234,411
Toro Groundmaster Mower		\$45,500
		<u>\$568,658</u>
		\$5,558,096



one of the two new UD trucks purchased by the Shire

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 the Shire also included security of our facilities as a priority and installed CCTV in several locations to help protect our assets.

The Hyden Swimming Pool received several upgrades with the completion and sealing of the carpark and also the major upgrade of the changeroom facilities.

Our bins located around the towns were upgraded to include information and historical pictures about our towns and their growth. This is part of the Shires efforts to make our towns more welcoming to visitors.

The Hyden Tennis Courts received a much-needed replacement surface and we thank the Tennis Club for their assistance, financial and in-kind to ensuring the surfaces were replaced with minimal fuss.

The Shire is also looking at the longer-term issues with water for our sporting facilities with upgrade and pumps and reticulation being replaced at Kondinin, Karlgarin and Hyden.

Other Capital Works

Building / Facility	Description of Works	Actual \$	Funding
Close Circuit TV Systems (CCTV)	installation at various locations	\$107,562	Grant Funded
Clearing land for future use	Kondinin	\$31,804	
Hyden Swimming Pool	Upgrade changerooms	\$624,695	Grant Funded
Hyden Tennis Club	Preparation for reroofing	\$13,205	
Karlgarin Oval	Hot water system	\$3,158	
Hyden Recreation Centre	Preparation for upgrades	\$7,680	
Interactive screen	Shire Admin Office	\$7,040	
Staff Housing	Replace Aircon Unit	\$17,550	
Outdoor seating	Hyden Townsite	\$9,352	Community
Kondinin Community Garden	Playground Equipment	\$7,745	Community
Bin Enclosures	various locations	\$100,286	Grant Funded
Submersible Pump	Kondinin CBH Dam	\$97,231	Grant Funded
Hyden Tennis Courts	Replace Courts	\$288,864	Grant Funded
Hyden Swimming Pool	Carpark Completion	\$93,433	Grant Funded
Hyden Ovals	Reticulation Upgrades	\$132,140	
Wave Rock Precinct	Various Improvements	\$33,903	

Hyden Entry Signs	Signs on Highway	\$81,453	
Water Tanks	The Humps - Hyden	\$27,792	Grant Funded
		\$1,684,893	

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 2023/2024 as follows:

	Community Organisation	Project	Amount Awarded
1	Kondinin Artist Group Inc	Dark room workshop & equipment	\$5,000
2	Whispering Gums Retirement Village	Toilets for visitors to Whispering Gums	\$7,500.00
3	Hyden CWA	New floor covering CWA kitchen area	\$4,493.50
4	Kondinin Kreative	JW West Place Revitalisation Project: planter box, signage to create a 'I-Spy game' to accompany new mural	\$3,094.00
5	Hyden Tennis Club	Hot Shot Courts fencing	\$7,500.00
6	Karlgarin Country Club	Fencing to enclose children's playground	\$4,202.00
7	Kondinin Burnout Challenge	Kondinin Burnout Challenge Development: trees & chain mesh gates	\$2,565
8	Hyden Golf Club	Square EFTPOS & laptop for treasurer	\$1,721
9	Hyden Lions Club	Hyden Lions croquet	\$4,595
	TOTAL		\$ 40, 080.75



Planter boxes and signage at JW West Place

GRANT FUNDING

The Shire of Kondinin applies for a range of grants to support Shire projects.

Below is an overview of all applications that were submitted during the period 1st July 2022 – 30th June 2023:

Grant & Grantee	Purpose	Amount applied	Amount received
Friends of Libraries Australia Incorporated	Update resources and equipment in local libraries to educate children.	\$1500	\$1500
NAIDOC Week Grant National Indigenous Australian Agency	Celebrate Aboriginal and Torres Strait Islander histories, cultures, achievements and continuing contributions to our country and society.	\$2000	\$2000
Children Week Grant Meerilinga Association	Provide children and their families an opportunity to participate in a community activity and engage socially.	\$1000	\$1000

FUNCTIONS AND EVENTS:

HYDEN 100

October 2022 Hyden celebrated its century, this was a 3-day event that included historical displays, fashion parades, documentaries, fireworks and so much more. This event attracted a lot of past locals and visitors to the town and was a great success.



ANZAC DAY

Kondinin – ANZAC Day

ANZAC Day in Kondinin this year coincided with the completion of the new water tank mural on top of Yeerakine Rock. The mural was commissioned by the Kondinin Community and Recreation Council, in collaboration with the Shire and the Kondinin Artist's Group and painted by artist Jacob Butler.

The Dawn Service was extremely well attended by local residents and by travellers from further afield this year. The sunrise over Yeerakine Rock was breathtaking, as always, and was made even more special this year with the unveiling of the mural. The Service was followed by a March to the Kondinin Memorial Garden and a Gun Fire Breakfast at the Town Hall.



Hyden – ANZAC Day

Hyden – ANZAC Day started with a Dawn Service held at the war memorial to commemorate the day and a Gun Fire BBQ breakfast cooked by the Hyden Lions Club, this event well attended by the local residents.



DON'T MESS WITH THE DUMMIES

Dummies Corp are the Australian circus-comedy specialists, recognised for creations of quality that are intelligent, theatrical, inventive and resonate across generations. Their productions transcend language barriers and their unique brand of dumb and delightful has created treasured experiences for audiences across the globe. Don't Mess with the Dummies performed in Hyden on Friday the 24th of February which was a fun family filled night.



HYDEN MARKETS

The Hyden Long Weekend Markets hosted a variety of new stallholders, community fundraising BBQ & children's activities this year. It was great to see a good attendance from the Hyden community and surrounding towns. The Wave Rock Weekender is the same weekend as the markets, we are lucky enough to have volunteers bringing these visitors to and from the Markets. There was a great family atmosphere and everyone enjoyed themselves.



COMMUNITY EVENTS AND KIDS ACTIVITIES

The Shire has collaborated with the local Community Resource Centres this year to host a number of children's & Community activities throughout the year including during school holidays.

These events included of

- Kid's fun days with arts, crafts, & sports
- Hands on Reptile workshop
- Hands on Science Workshops
- Community cycling days

- Community colour runs
- Community Movie nights
- Community Clean up days

These events were supported by the community and the Shire has received great feedback.



KONDININ TRIATHLON

Kondinin Triathlon is a huge event for the Kondinin community with over 40 entrants from Hyden, Karlgarin, Kondinin, Kulin, Narembreen, 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.

GOURMET IN THE GARDEN

The Gourmet in the Garden was a huge success this year with over 100 guests from in and around the Shire. Chef Sophie Budd came back for her 5th year as part of the event and cooked an amazing 3 course meal, along with musician Sunny days and the Mint event collectives. This event is great for the locals to enjoy a night in our beautiful community garden.



KEY PROJECTS

PROJECT	DESCRIPTION
Bin Enclosure Project	The Shire of Kondinin installed various bin enclosures across the Shire, which feature historical photos and information about local landmarks.
Wave Rock Sign upgrade	The Shire has removed and updated a number of signs leading to and at Wave Rock.
Shire Town Maps	The Shire has developed and published new town maps for tourists and guests.

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	1
\$140,001 to \$150,000	0
\$150,001 to \$160,000	0
\$160,001 to \$170,000	1
\$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 **\$210,774**
 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 2022/2023 the Shire of Kondinin received no formal complaints lodged against Elected Members.

Council Meetings Attended and Payments

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	Committee Meetings (Works, Sports & Housing)	Sum
Bruce Browning	10	0	1	1	3	15
Beverley Gangell	10	1	1	1	2	15
Murray James	10	0	2	1	7	20
Tom Mulcahy	10	1	3	1	8	23
Darren Pool	11	0	2	1	4	18
Kent Mouritz	9	1	2	1	3	16
Paul Green	11	2	3	1	5	22
Kerrie Green	11	0	3	1	4	19
Brett Smith	10	2	2	0	5	19

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

Councillor	Member	Presidential Allowance	Council Meeting Fee	Other Meeting Fee	Communications Dongle	Travel Allowance	Total
Kent Mouritz	President	12,000.00	2,070.00	3,230.00		2,913.00	\$20,213.00
Beverley Gangell	Deputy President		2,300.00	1,760.00		926.70	\$4,986.70
Bruce Browning	Councillor		2,300.00	790.00		936.40	\$4,026.40
Tom Mulcahy	Councillor		2,300.00	1,960.00		1,256.35	\$5,516.35
Darren Pool	Councillor		2,530.00	940.00		636.30	\$4,106.30
Murray James	Councillor		2,300.00	1,780.00		1,503.75	\$5,583.75
Kerrie Green	Councillor		2,530.00	1,700.00		2,090.45	\$6,320.45
Paul Green	Councillor		2,530.00	1,560.00		-	\$4,090.00
Brett Smith	Councillor		2,300.00	1,330.00		1,393.00	\$5,023.00
Shared					1,921.82		\$1,921.82
						TOTAL	\$61,787.77

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.

This year the footpath on Kondinin from the Hospital, past the Primary School to the Sporting and Business area of town was replaced to improve access. The Shire staff continued to ensure all residents and visitors to the Shire have 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 2022/2023 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, part 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 2022/2023 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 2022/2023 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 adopted just after the financial year.

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.

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

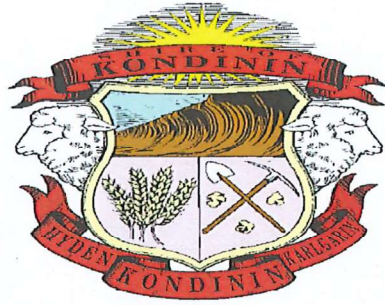
- External audits and reviews confirm compliance with relevant Local Government legislation
- Financial sustainability in achieving community aspirations
- Strategic Resource Plan - ratios

2022/2023

Annual Financial
Report

&

Independent
Auditors Report



SHIRE OF KONDININ

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

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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:
11 Gordon Street
KONDININ WA 6367

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

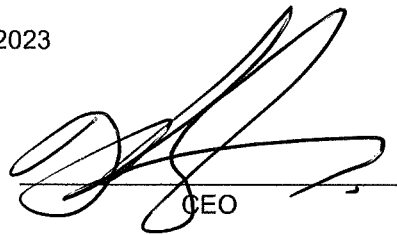
LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CEO

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

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

Signed on the 15th day of December, 2023



CEO

David N. Burton
Name of CEO



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

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
Revenue				
Rates	25(a)	3,458,301	3,448,040	3,367,662
Grants, subsidies and contributions	2(a)	3,873,337	723,668	3,512,955
Fees and charges	2(a)	839,555	640,900	605,413
Service charges		0	0	0
Interest revenue	2(a)	210,026	78,285	36,904
Other revenue	2(a)	376,226	404,737	448,429
		<u>8,757,445</u>	<u>5,295,630</u>	<u>7,971,362</u>
Expenses				
Employee costs	2(b)	(2,146,849)	(1,946,371)	(2,056,105)
Materials and contracts		(1,857,902)	(2,288,747)	(1,620,657)
Utility charges		(321,711)	(328,850)	(281,805)
Depreciation	10(a)	(3,354,435)	(3,279,275)	(3,266,878)
Finance costs	2(b)	(119,598)	(142,790)	(133,128)
Insurance		(265,734)	(233,923)	(242,781)
Other expenditure	2(b)	(411,038)	(300,449)	(208,758)
		<u>(8,477,267)</u>	<u>(8,520,405)</u>	<u>(7,810,112)</u>
		280,178	(3,224,775)	161,250
Capital grants, subsidies and contributions	2(a)	4,136,181	7,380,532	3,398,804
Profit on asset disposals		94,189	29,806	123,619
Loss on asset disposals		(150,546)	(6,083)	(33,581)
Share of result in associate	22	(5,898)	0	(4,250)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,764	0	2,998
Loss on revaluation of infrastructure - footpaths	9(a)	(169,451)	0	0
		<u>3,907,239</u>	<u>7,404,255</u>	<u>3,487,590</u>
Net Result for the period		4,187,417	4,179,481	3,648,840
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequent to profit or loss</i>				
Changes in asset revaluation surplus	16	101,451,583	0	0
Total other comprehensive income for the period		101,451,583	0	0
Total comprehensive income for the period		105,639,000	4,179,481	3,648,840

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



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

	NOTE	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	3	9,035,720	7,136,946
Trade and other receivables	5	436,060	314,167
Other financial assets	4(a)	41,577	58,180
Inventories	6	12,264	22,213
Other assets	7	10,335	93,304
TOTAL CURRENT ASSETS		9,535,956	7,624,810
NON-CURRENT ASSETS			
Trade and other receivables	5	788	1,636
Other financial assets	4(b)	176,550	215,363
Investment in associate	22	42,199	48,097
Property, plant and equipment	8(a)	32,001,710	26,917,233
Infrastructure	9(a)	232,586,941	133,970,729
TOTAL NON-CURRENT ASSETS		264,808,188	161,153,058
TOTAL ASSETS		274,344,144	168,777,868
CURRENT LIABILITIES			
Trade and other payables	12	713,120	557,151
Other liabilities	13	624,668	503,262
Borrowings	14	165,909	204,187
Employee related provisions	15	441,332	418,002
TOTAL CURRENT LIABILITIES		1,945,029	1,682,603
NON-CURRENT LIABILITIES			
Borrowings	14	2,150,403	2,513,375
Employee related provisions	15	96,727	68,904
TOTAL NON-CURRENT LIABILITIES		2,247,130	2,582,279
TOTAL LIABILITIES		4,192,159	4,264,882
NET ASSETS		270,151,985	164,512,986
EQUITY			
Retained surplus		33,084,815	29,526,446
Reserves accounts	28	3,401,039	2,771,992
Revaluation surplus	16	233,666,131	132,214,548
TOTAL EQUITY		270,151,985	164,512,986

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 2023

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		26,905,217	1,747,380	132,214,548	160,867,146
Comprehensive income for the period					
Net Result for the period		3,645,840	0	0	3,645,840
Other comprehensive income for the period	16	0	0	0	0
Total comprehensive income for the period		3,645,840	0	0	3,645,840
Transfer from reserve accounts	28	30,000	(30,000)	0	0
Transfer to reserve accounts	28	(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
Comprehensive income for the period					
Net Result for the period		4,187,417	0	0	4,187,417
Other comprehensive income for the period	16	0	0	101,451,583	101,451,583
Total comprehensive income for the period		4,187,417	0	101,451,583	105,639,000
Transfer from reserve accounts	28	170,000	(170,000)	0	0
Transfer to reserve accounts	28	(799,047)	799,047	0	0
Balance as at 30 June 2023		33,084,815	3,401,039	233,666,131	270,151,985

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 2023**

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		3,375,726	3,374,310
Operating grants, subsidies and contributions		3,873,337	3,512,955
Fees and charges		813,283	1,208,652
Service charges		0	0
Interest revenue		210,026	36,904
Goods and services tax received		305,571	720,823
Other revenue		206,775	448,427
		8,784,718	9,302,071
Payments			
Employee costs		(2,059,768)	(1,969,402)
Materials and contracts		(1,628,109)	(1,811,370)
Utility charges		(321,711)	(281,805)
Finance costs		(119,598)	(135,303)
Insurance paid		(265,734)	(242,781)
Goods and services tax paid		(229,521)	(759,775)
Other expenditure		(225,263)	(177,636)
		(4,849,704)	(5,378,072)
Net cash provided by (used in) operating activities		3,935,014	3,923,999
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at amortised cost		0	75,593
Payments for purchase of property, plant & equipment	8(a)	(1,595,967)	(1,736,143)
Payments for construction of infrastructure	9(a)	(4,433,505)	(4,263,232)
Capital grants, subsidies and contributions		4,136,181	3,398,804
Proceeds from financial assets at amortised cost - self supporting loans	27(a)	58,180	56,140
Proceeds from sale of property, plant & equipment		200,123	468,630
		(1,634,990)	(2,000,208)
Net cash provided by (used in) investment activities		(1,634,990)	(2,000,208)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27(a)	(401,250)	(196,328)
Payments for principal portion of lease liabilities	27(d)	0	(36,513)
		(401,250)	(232,841)
Net cash provided by (used in) financing activities		(401,250)	(232,841)
Net increase (decrease) in cash held		1,898,774	1,690,950
Cash at beginning of year		7,136,946	5,445,996
Cash and cash equivalents at the end of the year	3	9,035,720	7,136,946

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



**SHIRE OF KONDININ
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities (excluding rates)				
Rates	25(a)	3,458,301	3,448,040	3,367,662
Grants, subsidies and contributions	2(a)	3,873,337	723,668	3,512,955
Fees and charges	2(a)	839,555	640,900	605,413
Service charges	2(a)	0	0	0
Interest revenue	2(a)	210,026	78,285	36,904
Other revenue		376,226	404,737	445,429
Profit on asset disposals		94,189	29,806	123,619
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,764	0	2,998
		<u>8,854,398</u>	<u>5,325,436</u>	<u>8,094,980</u>
Expenditure from operating activities				
Employee costs		(2,146,849)	(1,946,371)	(2,056,105)
Materials and contracts		(1,857,902)	(2,288,747)	(1,620,657)
Utility charges		(321,711)	(328,850)	(281,805)
Depreciation		(3,354,435)	(3,279,275)	(3,266,878)
Finance costs		(119,598)	(142,790)	(133,128)
Insurance		(265,734)	(233,923)	(242,781)
Other expenditure		(416,936)	(300,449)	(213,008)
Loss on asset disposals		(150,546)	(6,083)	(33,581)
Loss on revaluation of non-current assets	9(a)	(169,451)	0	0
		<u>(8,803,162)</u>	<u>(8,526,487)</u>	<u>(7,847,943)</u>
Non-cash amounts excluded from operating activities	26(a)	3,612,045	3,255,552	3,203,620
Amount attributable to operating activities		<u>3,663,281</u>	<u>54,501</u>	<u>3,450,658</u>
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		4,136,181	7,380,532	3,398,804
Proceeds from disposal of assets		200,123	349,000	468,630
Proceeds from financial assets at amortised cost - self supporting loans	27(a)	58,180	58,180	56,140
		<u>4,394,484</u>	<u>7,787,712</u>	<u>3,923,574</u>
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(1,595,967)	(3,660,166)	(1,736,143)
Purchase and construction of infrastructure	9(a)	(4,433,505)	(6,601,483)	(4,263,232)
		<u>(6,029,472)</u>	<u>(10,261,649)</u>	<u>(5,999,375)</u>
Amount attributable to investing activities		<u>(1,634,988)</u>	<u>(2,473,937)</u>	<u>(2,075,801)</u>
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	28	170,000	70,000	30,000
		<u>170,000</u>	<u>70,000</u>	<u>30,000</u>
Outflows from financing activities				
Repayment of borrowings	27(a)	(401,250)	(204,187)	(196,328)
Payments for principal portion of lease liabilities	27(b)	0	0	(36,513)
Transfers to reserve accounts	28	(799,047)	(597,129)	(1,054,611)
		<u>(1,200,297)</u>	<u>(801,316)</u>	<u>(1,287,452)</u>
Amount attributable to financing activities		<u>(1,030,297)</u>	<u>(731,316)</u>	<u>(1,257,452)</u>
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(b)	3,316,224	3,150,752	3,198,819
Amount attributable to operating activities		3,663,281	54,501	3,450,658
Amount attributable to investing activities		(1,634,988)	(2,473,937)	(2,075,801)
Amount attributable to financing activities		(1,030,297)	(731,316)	(1,257,452)
Surplus/(deficit) after imposition of general rates	26(b)	<u>4,314,220</u>	<u>0</u>	<u>3,316,224</u>

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

SHIRE OF KONDININ
FOR THE YEAR ENDED 30 JUNE 2023
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1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 of the financial report.

Judgements and estimates

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

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

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

- * estimated fair value of certain financial assets
- * impairment of financial assets
- * estimation of fair values of land and buildings, infrastructure and investment property
- * estimation uncertainties made in relation to lease accounting
- * estimated useful life of intangible asset

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

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

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

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
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
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	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contract with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	3,458,301	0	3,458,301
Grants, subsidies and contributions	248,618	0	0	3,624,719	3,873,337
Fees and charges	74,787	0	764,767	0	839,555
Interest revenue	0	0	32,865	177,161	210,026
Other revenue	321,414	0	0	54,812	376,226
Capital grants, subsidies and contributions	0	4,136,181	0	0	4,136,181
Total	644,819	4,136,181	4,255,933	3,856,692	12,893,625

For the year ended 30 June 2022

Nature	Contract with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	3,367,662	0	3,367,662
Grants, subsidies and contributions	231,291	0	0	3,281,664	3,512,955
Fees and charges	77,705	0	527,708	0	605,413
Service charges	0	0	0	0	0
Interest revenue	0	0	24,963	11,941	36,904
Other revenue	386,395	0	0	62,034	448,429
Capital grants, subsidies and contributions	0	3,278,261	0	120,543	3,398,804
Total	695,391	3,278,261	3,920,333	3,476,182	11,370,166

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	Note	2023 Actual	2022 Actual
Interest revenue			
Interest on reserve account funds		107,703	7,719
Trade and other receivables overdue interest	25	32,865	24,964
Other interest earnings		69,459	4,219
		210,026	36,904
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$18,000.			
Fees and charges relating to rates receivable			
Charges on instalment plan		1,060	1,710
The 2023 original budget estimate in relation to: Charges on instalment plan was \$1,500.			
(b) Expenses			
Auditors remuneration			
Audit of the Annual Financial Report		37,000	33,100
Other services - grant acquittals		3,000	2,000
		40,000	35,100
Employee Costs			
Employee benefit costs		1,880,737	1,836,608
Other employee costs		266,113	219,497
		2,146,849	2,056,105
Finance costs			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss		119,598	133,128
		119,598	133,128
Other expenditure			
Impairment loss on rates and statutory receivables		29,353	(64,404)
Sundry expenses		381,686	273,162
		411,038	208,758

3. CASH AND CASH EQUIVALENTS

NOTE	2023	2022
	\$	\$
Cash at bank and on hand	5,016,286	2,318,895
Term deposits	4,019,434	4,818,051
Total cash and cash equivalents	9,035,720	7,136,946
Held as		
- Unrestricted cash and cash equivalents	5,010,014	3,861,692
- Restricted cash and cash equivalents	17(a) 4,025,707	3,275,254
	9,035,720	7,136,946

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.

4. OTHER FINANCIAL ASSETS

(a) Current assets

	2023	2022
	\$	\$
Financial assets at amortised cost	41,577	58,180
	41,577	58,180

Other financial assets at amortised cost

Self supporting loans receivable	27(a) 41,577	58,180
Term deposits	0	0
	41,577	58,180

Held as

- Unrestricted other financial assets at amortised cost	41,577	58,180
- Restricted other financial assets at amortised cost	0	0
	41,577	58,180

(b) Non-current assets

Financial assets at amortised cost	27(a) 115,433	157,010
Financial assets at fair value through profit and loss	61,117	58,353
	176,550	215,363

Financial assets at amortised cost

Self supporting loans receivable	115,433	157,010
Term deposits	0	0
	115,433	157,010

Financial assets at fair value through profit and loss

Units in Local Government House Trust	58,353	55,355
Movement attributable to fair value increment	2,764	2,998
Units in Local Government House Trust - closing balance	61,117	58,353

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 27(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 elected to recognise as fair value gains and losses through profit or loss.

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

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
Current		
Rates and statutory receivables	277,394	194,820
Trade receivables	126,806	103,959
GST receivable	126,415	67,380
Allowance for credit losses of rates and statutory receivables	(90,331)	(44,343)
Allowance for credit losses of trade receivables	(4,224)	(7,650)
	436,060	314,167
Non-current		
Pensioner's rates and ESL deferred	788	1,636
	788	1,636

Disclosure of opening and closing balances related to contract with customers

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

Note	30 June 2023 Actual	30 June 2022 Actual	1 July 2021 Actual
	\$	\$	\$
Trade and other receivables from contracts with customers	89,278	79,146	615,134
Contract assets	0	92,791	0
Allowances for credit losses of trade receivables	(4,224)	(7,650)	(7,648)
Total trade and other receivables from contracts with customers	85,054	164,287	607,486

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any 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 2023

6. INVENTORIES

	2023	2022
	\$	\$
Current		
Fuel and materials	12,264	22,213
	12,264	22,213

The following movements in inventories occurred during the year:

Balance at beginning of year	22,213	21,510
Inventories expensed during the year	(397,503)	(357,916)
Additions to inventory	387,554	358,619
Balance at end of year	12,264	22,213

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.

7. OTHER ASSETS

Other assets - current

Prepayments	
Accrued income	
Contract assets	
Allowance for impairment of contract assets	

2023	2022
\$	\$
3,340	513
6,995	0
0	92,791
0	0
10,335	93,304

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 2023

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

Note	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Buildings - work in progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$		\$
Balance at 1 July 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)
Balance at 30 June 2022	871,620	6,319,323	16,669,275	23,850,217	214,310	2,842,207		26,917,233
Comprises:								
Gross balance amount at 30 June 2022	871,620	6,788,025	17,710,641	25,370,286	294,529	3,736,946		29,401,861
Accumulated depreciation at 30 June 2022	0	(468,702)	(1,041,366)	(1,510,069)	(79,819)	(894,740)		(2,484,628)
Balance at 30 June 2022	871,620	6,319,323	16,669,275	23,850,217	214,310	2,842,207		26,917,233
Additions	31,804	0	756,300	738,104	41,587	766,176		1,595,967
(Disposals)	0	(51,000)	(99,546)	(150,546)	0	(105,935)		(256,480)
Revaluation increments / (decrements) transferred to revaluation surplus	250,284	1,227,258	3,537,312	5,014,854	0	0		5,014,854
Depreciation (expense)	0	(248,778)	(520,851)	(769,629)	(32,132)	(511,676)		(1,313,437)
Transfers	(1,708)	1,708	0	0	0	43,573		43,573
Balance at 30 June 2023	1,152,000	7,248,511	20,342,490	28,743,001	224,365	3,034,345		32,001,710
Comprises:								
Gross balance amount at 30 June 2023	1,152,000	7,268,231	20,342,490	28,732,721	336,316	4,366,331		33,465,368
Accumulated depreciation at 30 June 2023	0	(19,720)	0	(19,720)	(111,951)	(1,331,986)		(1,463,658)
Balance at 30 June 2023	1,152,000	7,248,511	20,342,490	28,743,001	224,365	3,034,345		32,001,710

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last Valuation	Inputs used
(i) Fair Value					
Land and buildings					
Freehold land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuer	June 2023	Price per hectare / market borrowing rate
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuer	June 2023	Price per square metre / market borrowing rate
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2023	Improvements to land using construction cost and current condition, residual values and remaining useful life.
<p>Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.</p> <p>During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.</p>					
(ii) Cost					
Furniture and equipment		N/A	Cost	Not applicable	N/A
Plant and equipment		N/A	Cost	Not applicable	N/A

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Note	Infrastructure - roads \$	Infrastructure - footpaths \$	Infrastructure - drainage \$	Infrastructure - parks & ovals \$	Infrastructure - other \$	Total Infrastructure \$
Balance at 1 July 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)	10(a)	(1,515,042)	(32,949)	(26,976)	(38,179)	(372,799)	(1,985,945)
Balance at 30 June 2022		125,588,917	1,054,753	1,366,779	644,429	5,315,849	133,970,729
Comprises:							
Gross balance 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)
Balance at 30 June 2022		125,588,917	1,054,753	1,366,780	644,429	5,315,849	133,970,729
Additions		3,586,651	223,171	0	132,140	491,542	4,433,504
Revaluation increments / (decrements) transferred to revaluation surplus	16	91,866,775	2,476	2,008,405	75,276	2,483,798	96,436,729
Revaluation (loss)/ reversals transferred to profit or loss		0	(169,451)	0	0	0	(169,451)
Depreciation	10(a)	(1,552,424)	(40,436)	(26,976)	(44,045)	(377,116)	(2,040,997)
Transfers	8(a)	0	0	0	0	(43,573)	(43,573)
Balance at 30 June 2023		219,489,919	1,070,513	3,348,209	807,800	7,870,500	232,586,941
Comprises:							
Gross balance at 30 June 2023		219,489,919	1,070,513	3,348,209	807,800	7,870,500	232,586,941
Accumulated depreciation at 30 June 2023		0	0	0	0	0	0
Balance at 30 June 2023		219,489,919	1,070,513	3,348,209	807,800	7,870,500	232,586,941

Significant movements in infrastructure assets

The Shire of Kondinin's roads, footpaths and other infrastructure assets were independently revalued as at 30 June 2023 in line with AASB 13 *Fair Value Measurement and the Local Government (Financial Management) Regulations 1996*. The revaluation resulted in a material increase in the fair value of the Shire's road assets. The independent valuation involved a visual road condition survey of the Shire's entire road and footpath network, which resulted in some footpaths being downgraded and their useful lives being adjusted accordingly.

The 30 June 2023 valuation increment to infrastructure assets is largely due to applying unit rates that are more relevant to the Shire based on new and current information than previously applied in the prior year valuation performed for the year ended 30 June 2018.

SHIRE OF KONDININ
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9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last Valuation	Inputs used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - footpaths	3	Cost approach using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - drainage	3	Cost approach using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - parks and ovals	3	Cost approach using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - other	3	Cost approach using current replacement cost	Independent registered valuer	June 2023	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 2023**

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings	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 seal surface	80 years
- bituminous seal	15. years
- asphalt surfaces	30 years
Gravel roads formation	not depreciated
pavement	10 years
Footpaths - slab	20 to 50 years
Sewerage - piping	80 years
Water supply piping and drainage systems	60 to 80 years
Parks and ovals	10 to 40 years
Other infrastructure	8 to 80 years

Revision of useful lives of property, plant and equipment and infrastructure assets

During the year there was a change in the estimated total useful lives of the Shire's depreciable assets since its last revaluation dates. The Shire's land and buildings were previously revalued on 30 June 2018, plant and equipment on 30 June 2019 and other infrastructure on 30 June 2018. Based on the independent valuers reports the Estimated Remaining Life Years (ERLY) for property, plant and equipment, Total Useful Life (TUL) for infrastructure assets fall within the useful life included in the table above. The total movement in depreciation from previous year to current year is a net increase of \$87,557.

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 any accumulated depreciation and impairment losses.

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

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

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

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

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

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

Revaluation

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

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

Revaluation (continued)

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of 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.

Depreciation on revaluation

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

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

Amortisation

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

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

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

Impairment

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

Gains or losses on disposal

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

11. LEASES

(a) Right-of-Use Assets

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

Note	Right-of-use assets - plant and equipment \$	Right-of-use assets Total \$
Balance at 1 July 2021	34,774	34,774
Additions	0	0
Depreciation	(34,774)	(34,774)
Balance at 30 June 2022	0	0
Additions	0	0
Depreciation	0	0
Balance at 30 June 2023	0	0

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

	2023 Actual \$	2022 Actual \$
Depreciation expense on right-of-use assets	0	(34,774)
Interest expense on lease liabilities	0	(127)
Total amount recognised in the statement of comprehensive income	0	(34,901)
Total cash outflow from leases	0	(36,640)

The Shire has five leases relating to plant and equipment. The lease term for all leases is 5 years. Four leases expired on September 2021 and one expired on October 2021. The Shire negotiated the prices and purchased all the 5 trucks at the expiry of lease.

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 27(d).

Right-of-use assets - measurement

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not 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 at fair value.

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

Right-of-use assets - depreciation

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

11. LEASES (Continued)

(b) Lessor - Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

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

	2023 Actual \$	2022 Actual \$
	65,460	65,460
	65,460	65,460
	65,460	65,460
	65,460	65,460
	65,460	65,460
	327,300	327,300
	<u>654,600</u>	<u>654,600</u>
Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease	69,996	70,259

The Shire leases houses to staff, Department of Education (for School Principal) and WACHS (for Hospital staff) with rentals payable fortnightly. These leases are classified as operating lease as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The Shire houses are not considered investment property as they are leased for use in the supply of services to the community.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire group typically enters into new operating leases and therefore will not immediately realise any reduction in the residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

SIGNIFICANT ACCOUNTING POLICIES

the Shire as Lessor

Upon entering into each contract as a lessor, the Shire assess if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to set-up) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Shire applies AASB 15 to allocate the consideration under the contract to each component.

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued payroll liabilities
 ATO liabilities
 Bonds and deposits held

	2023	2022
	\$	\$
	473,870	336,995
	49,167	63,994
	115,081	98,161
	53,631	34,621
	21,370	23,380
	<u>713,120</u>	<u>557,151</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 (excluding financial guarantees) are subsequently measured at amortised cost.

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

Trade and other payables

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

Prepaid rates

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

13. OTHER LIABILITIES

	2023	2022
	\$	\$
Current		
Contract liabilities	0	0
Capital grant/contributions liabilities	624,668	503,262
	624,668	503,262
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	503,262	451,924
Additions	1,213,734	543,234
Revenue from capital grant/contributions held as a liability at the start of the period	(1,092,329)	(491,896)
	624,668	503,262
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	624,668	503,262
1 to 2 years	0	0
2 to 3 years	0	0
3 to 4 years	0	0
4 to 5 years	0	0
> 5 years	0	0
	624,668	503,262

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 income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cashflows 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.

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14. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured							
Debentures		\$ 165,909	\$ 2,150,403	\$ 2,316,312	\$ 204,187	\$ 2,513,375	\$ 2,717,562
Other loans		0	0	0	0	0	0
Total secured borrowings	27(a)	165,909	2,150,403	2,316,312	204,187	2,513,375	2,717,562

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

Details of individual borrowings required by regulations are provided at Note 27(a).

15. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	2023 Actual	2022 Actual
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	226,938	199,922
Long service leave	153,228	160,608
	380,166	360,530
Other provisions		
Employment on-costs	61,166	57,471
	61,166	57,471
Total current employee related provisions	441,332	418,001
Non-current provisions		
Long service leave	84,679	60,442
	84,679	60,442
Other provisions		
Employment on-costs	12,048	8,462
	12,048	8,462
Total non-current employee related provisions	96,727	68,904

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.

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

16. REVALUATION SURPLUS

	2023 Opening Balance \$	Total Movement on Revaluation \$	2023 Closing Balance \$	2022 Opening Balance \$	Total Movement on Revaluation \$	2022 Closing Balance \$
Revaluation surplus -Land - freehold land	(106,125)	250,284	144,159	(106,125)	0	(106,125)
Revaluation surplus -Buildings - non-specialised	45,257,072	1,227,258	46,484,330	45,257,072	0	45,257,072
Revaluation surplus -Buildings - specialised	4,511,367	3,537,312	8,048,679	4,511,367	0	4,511,367
Revaluation surplus -Furniture and equipment	40,444	0	40,444	40,444	0	40,444
Revaluation surplus -Plant and equipment	1,897,724	0	1,897,724	1,897,724	0	1,897,724
Revaluation surplus -Infrastructure - roads	77,728,239	91,866,775	169,595,014	77,728,239	0	77,728,239
Revaluation surplus -Infrastructure - footpaths	(2,476)	2,476	0	(2,476)	0	(2,476)
Revaluation surplus -Infrastructure - drainage	(2,851)	2,008,405	2,005,554	(2,851)	0	(2,851)
Revaluation surplus -Infrastructure - Parks and ovals	114,768	75,276	190,044	114,768	0	114,768
Revaluation surplus -Infrastructure - other	2,776,388	2,483,798	5,260,186	2,776,388	0	2,776,388
	<u>132,214,548</u>	<u>101,451,583</u>	<u>233,666,131</u>	<u>132,214,548</u>	<u>0</u>	<u>132,214,548</u>

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17. NOTES TO THE STATEMENT OF CASH FLOWS

Note	2023 Actual \$	2022 Actual \$
(a) 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 4,025,707	3,275,254
Financial assets at amortised cost	4 0	0
	<u>4,025,707</u>	<u>3,275,254</u>
The restricted financial assets are a result of the following specific purposes to which the assets may be used:		
Restricted reserve accounts	28 3,401,039	2,771,992
Capital grant/contributions liabilities	13 624,668	503,262
Total restricted financial assets	<u>4,025,707</u>	<u>3,275,254</u>
(b) 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	(4,955)	(3,269)
Total amount of credit unused	<u>265,045</u>	<u>266,731</u>
Loan facilities		
Loan facilities - current	165,909	204,187
Loan facilities - non-current	2,150,403	2,513,375
Total facilities in use at balance date	<u>2,316,312</u>	<u>2,717,562</u>
Unused loan facilities at balance date	NIL	NIL

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18. CONTINGENT LIABILITIES

The Shire of Kondinin has no contingent liabilities as at 30 June 2023. It should be noted that the Shire's 25% share in the Bendinger landfill site and the resulting liability for site rehabilitation has previously been disclosed as a contingent liability.

The liability has been recorded as part of the net assets of the RoeROC investment in associates in note 22.

In compliance with the Contaminated Sites Act 2003, the Shire has listed sites to be possible sources of contamination. Details of those sites are:

- Shire of Kondinin Airport

This site is suspected of being contaminated but has not been assessed at this time.

- Shire of Kondinin Transfer Station - Kondinin Lake Road, Kondinin.

This site is suspected of being contaminated but has not been assessed at this time.

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Water and environmental Regulation on the need and criteria for remediation of a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

19. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

	2023	2022
	\$	\$
- capital expenditure projects	121,070	146,986
- plant & equipment purchases	0	85,966
Payable:		
- not later than one year	121,070	232,952

The capital expenditure projects outstanding at the end of the current reporting period represent the additional security camera at Wave Rock Precinct, Changeroom upgrade at Hyden Swimming Pool and architect's fee for Kondinin Pavilion upgrade.

The prior year commitment represent the installation of security cameras at Kondinin, Hyden and Karlgarin towns, Hyden Tennis Club reroofing, ducted aircon at No. 6 Hinck Street Shire house and purchase of Trail signs for Wave Rock precinct.

20. RELATED PARTY TRANSACTIONS

(a) Elected Members Remuneration

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

Note	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
President's Allowance	12,000	12,000	12,000
Meeting attendance fees	36,210	29,910	27,960
ICT expenses	1,922	4,500	1,290
Travel and accommodation expenses	11,656	7,000	4,945
20(b)	61,788	53,410	46,195

(b) Key Management Personnel (KMP) Compensation

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

	2023 Actual	2022 Actual
	\$	\$
Short-term employee benefits	574,516	509,278
Post-employment benefits	67,369	59,362
Other long-term benefits	170,086	133,479
Council member costs	61,788	46,195
20(a)	873,759	748,314

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:

	2023 Actual \$	2022 Actual \$
Sale of goods and services	0	0
Purchase of goods and services	10,807	3,615
Short term employee benefits - other related parties	0	0
Contribution expense to RoeROC	48,355	39,350
Amounts outstanding from related parties:		
Trade and other receivables	0	0
Amounts payable to related parties:		
Trade and other payables	0	0
Outstanding payables with RoeROC	7,561	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 and are detailed in Notes 20(a) and 20(b).

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

SHIRE OF KONDININ
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21. JOINT ARRANGEMENTS

Share of joint operations

The Shire of Kondinin together with the Shires of Corrigin, Kulin, Narembeen and Lake Grace formed the Roe Environmental Health Scheme (Roe EHS). The Roe EHS was formed to manage the the provision of environmental health service.

The Shire has 25.08% 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

	2023	2022
	Actual	Actual
	\$	\$
Materials and contracts	(48,316)	(35,310)
Profit/(loss) for the period	(48,316)	(35,310)

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

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

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

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22. INVESTMENT IN ASSOCIATES

(a) Investment in associates

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

Name of entity	% of ownership interest		2023	2022
	2023	2022	Actual	Actual
			\$	\$
Roe Regional Organisation of Council (RoeROC)	25.00%	25.00%	42,199	48,097
Total equity-accounted investments			42,199	48,097

(b) Share of Investment in associates

The RoeROC was formed to manage the provision of a waste facility and to provide environmental health services across the four member Shires. The Shire of Kondinin has a 25% interest in the net assets of the RoeROC.

The Shire of Kondinin's share of RoeROC's net assets as at 30 June 2023 are based on the records for the RoeROC kept by the Shire of Corrigin, as follows:

	Note	2023 Actual	2022 Actual
		\$	\$
Summarised statement of comprehensive income			
Revenue		0	111,188
Depreciation		(23,592)	(23,592)
Profit/(loss) from continuing operations		(23,592)	87,596
Total comprehensive income for the period		(23,592)	87,596
Summarised statement of financial position			
Cash and cash equivalents		0	0
Other current assets		0	0
Total current assets		0	0
Non-current assets		974,276	192,388
Total assets		974,276	192,388
Current financial liabilities		0	0
Other current liabilities		237,812	0
Total current liabilities		237,812	0
Non-Current financial liabilities		0	0
Other non-current liabilities		567,668	0
Total non-current liabilities		567,668	0
Total liabilities		805,480	0
Net assets		168,796	192,388
Reconciliation to carrying amounts			
Opening net assets 1 July		192,388	104,792
Change in members contributions		0	0
Profit/(Loss) for the period		(23,592)	87,596
Other comprehensive income		0	0
Closing net assets 1 July		168,796	192,388
Carrying amount at 1 July		48,097	41,850
-Share of associates net profit/(loss) for the period	22(c)	(5,898)	(4,250)
-Share of associates other comprehensive income arising during the period		0	10,497
Carrying amount at 30 June (Refer to Note 22(a))		42,199	48,097

SIGNIFICANT ACCOUNTING POLICIES

Investment in associates

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

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

(c) Share of associates net profit/(loss) for the period

Share of investment in RoeRoc (refer Note 22(b))

	2023 Actual	2022 Actual
	\$	\$
Share of investment in RoeRoc (refer Note 22(b))	(5,898)	(4,250)
	(5,898)	(4,250)

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 revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

25. RATING INFORMATION

(a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2022/23 Actual Rateable Value \$	2022/23 Actual Rate Revenue \$	2022/23 Actual Interim Rates \$	2022/23 Actual Total Revenue \$	2022/23 Budget Rate Revenue \$	2022/23 Budget Interim Rate \$	2022/23 Budget Total Revenue \$	2021/22 Actual Total Revenue \$
GRV - Residential	Gross rental valuation	0.122684	304	2,704,338	331,779	(1,289)	330,490	333,118	0	333,118	313,212
GRV - Mining	Gross rental valuation	0.245350	4	760,500	186,589	0	186,589	186,589	0	186,589	259,071
UV - Mining	Unimproved valuation	0.289846	124	3,235,104	937,682	2,848	940,530	934,085	0	934,085	882,913
UV - Rural	Unimproved valuation	0.013409	360	148,568,008	1,992,148	(178)	1,991,970	1,992,148	0	1,992,148	1,912,565
Total general rates			792	155,267,950	3,448,198	1,380	3,449,578	3,445,940	0	3,445,940	3,367,761
Minimum Payment											
Minimum payment											
GRV - Residential	Gross rental valuation	4.50	52	59,199	23,400	0	23,400	22,950	0	22,950	20,700
UV - Mining	Unimproved valuation	4.50	37	35,437	16,650	0	16,650	16,200	0	16,200	15,750
UV - Rural	Unimproved valuation	4.50	21	443,092	9,450	0	9,450	9,450	0	9,450	9,000
Total minimum payments			110	537,728	49,500	0	49,500	48,600	0	48,600	45,450
Total general rates and minimum payments			902	155,805,678	3,497,698	1,380	3,499,078	3,494,540	0	3,494,540	3,413,211
Ex-gratia Rates											
Rural	Unimproved valuation	0.011061	2	595,100	48,239	0	48,239	45,500	0	45,500	45,517
Total amount raised from rates (excluding general rates)			2	595,100	48,239	0	48,239	45,500	0	45,500	45,517
Discounts							(89,017)			(92,000)	(91,065)
Total rates							3,458,301			3,448,040	3,367,662
Rate instalment interest							2,181			3,000	3,151
Rate overdue interest							30,685			15,000	21,813

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

SHIRE OF KONDININ
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27. BORROWINGS AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal		Repayments	Principal at	Principal		Principal at	Principal		Principal at	
		1 July 2021	New Loans During 2021-22			30 June 2022	2022-23		30 June 2023	1 July 2022		New Loans During 2022-23
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Doctor's Housing**		171,484	0	11,122	160,362	0	160,362	0	160,362	0	11,617	148,745
Staff Housing**		78,118	0	14,669	63,449	0	63,449	0	63,449	0	15,131	48,318
Hyden Sewerage		494,121	0	27,281	466,840	0	28,741	438,099	466,840	0	28,741	438,099
Townsite Drainage		1,548,869	0	64,417	1,484,452	0	66,810	1,417,642	1,484,431	0	66,810	1,417,621
Kondinin Swimming Pool		349,968	0	22,698	327,270	0	23,708	303,561	328,369	0	23,708	304,661
Total		2,642,560	0	140,188	2,502,372	0	343,070	2,159,302	2,503,451	0	146,007	2,357,444
Self Supporting Loans												
Kondinin Community Rec Com'tee		31,024	0	9,915	21,109	0	10,336	10,774	21,110	0	10,336	10,774
Hyden Progress Association		205,123	0	28,999	176,124	0	29,888	146,236	176,124	0	29,888	146,236
Karlgarin Progress Association		35,183	0	17,226	17,957	0	17,957	0	17,957	0	17,957	0
Total Self Supporting Loans		271,330	0	56,140	215,190	0	58,180	157,010	215,191	0	58,179	157,010
Total Borrowings		2,913,890	0	196,328	2,717,562	0	401,250	2,316,312	2,718,642	0	204,187	2,514,454

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

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
						\$	\$	\$
Doctor's Housing**		137A	WATC*	4.40%	15/01/2033	5,076	7,769	8,325
Staff Housing**		140	WATC*	3.13%	29/01/2026	664	2,079	2,606
Hyden Sewerage		139	WATC*	5.28%	22/03/2034	26,948	32,123	28,597
Townsite Drainage		142	WATC*	3.68%	11/10/2038	63,631	74,191	66,503
Kondinin Swimming Pool		136	WATC*	4.40%	14/01/2033	15,743	15,894	16,987
Total						112,062	132,056	123,018
Self Supporting Loans Finance Cost Payments								
Kondinin Community Rec Com'tee		131A	WATC*	4.20%		885	1,401	1,369
Hyden Progress Association		134A	WATC*	3.04%		6,163	7,744	7,261
Karlgarin Progress Association		138	WATC*	4.20%		487	1,591	1,353
Total Self Supporting Loans Finance Cost Payments						7,535	10,736	9,983
Total Finance Cost Payments						119,598	142,791	133,001

27. BORROWINGS AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2022/23 - NIL

(c) Unspent Borrowings - NIL

(d) Lease Liabilities

Purpose	Note	Actual								Budget					
		Principal at	New Leases	Principal	Principal at	New Leases	Principal	Principal at	Principa at	New Leases	Principal	Principal at			
		1 July 2021	During 2021-22	Repayments	30 June 2022	During 2022-23	Repayments	30 June 2023	1 July 2022	During 2022-23	Repayments	30 June 2023			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Prime Mover - KN62		7,862	0	7,862	0	0	0	0	0	0	0	0	0	0	0
Prime Mover - KN77		7,733	0	7,733	0	0	0	0	0	0	0	0	0	0	0
Prime Mover - KN58		7,737	0	7,737	0	0	0	0	0	0	0	0	0	0	0
Canter Crew Cab - KN89		2,917	0	2,917	0	0	0	0	0	0	0	0	0	0	0
Water Truck - KN59		10,264	0	10,264	0	0	0	0	0	0	0	0	0	0	0
Total Lease Liabilities		36,512	0	36,513	0	0	0	0	0	0	0	0	0	0	0

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending	Budget for year ending	Actual for year ending	Lease Term
						30 June 2023	30 June 2023	30 June 2022	
						\$	\$	\$	
Prime Mover - KN62		400172MB	Mercedes Leasing	2.0%	21/09/2021	0	0	26	60 months
Prime Mover - KN77		400171MB	Mercedes Leasing	2.0%	21/09/2021	0	0	26	60 months
Prime Mover - KN58		401041MB	Mercedes Leasing	2.0%	21/09/2021	0	0	22	60 months
Canter Crew Cab - KN89		400172MB	Mercedes Leasing	2.0%	21/09/2021	0	0	10	60 months
Water Truck - KN59		400172MB	Mercedes Leasing	2.0%	8/10/2021	0	0	43	60 months
Total Finance Cost Payments						0	0	127	

SHIRE OF KONDININ
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28. RESERVE ACCOUNTS

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Plant Reserve	658,334	124,729	0	783,063	658,334	113,496	0	771,829	445,703	212,631	0	658,334
(b) Housing Reserve	388,958	114,042	0	503,000	388,958	107,974	0	496,931	188,030	200,927	0	388,958
(c) Leave Reserve	365,689	64,071	0	429,760	365,689	7,497	0	373,186	364,562	1,127	0	365,689
(d) Tourism Development Reserve	164,421	42,833	(50,000)	157,255	164,421	39,715	(50,000)	154,135	132,795	31,627	0	164,421
(e) Water Infrastructure Reserve	70,623	2,472	(20,000)	53,093	70,623	1,448	(20,000)	52,071	100,314	310	(30,000)	70,623
(f) Community Bus Reserve	50,942	1,517	0	52,458	50,942	1,044	0	51,986	50,713	229	0	50,942
(g) Radio Reserve	24,993	744	0	25,737	24,993	512	0	25,505	24,881	112	0	24,993
(h) Landfill Reserve	31,217	6,221	0	37,438	31,217	5,640	0	36,857	26,135	5,082	0	31,217
(i) SJA Capital Upgrade Reserve	100,430	52,848	(100,000)	53,278	100,430	52,059	0	152,489	50,157	50,273	0	100,430
(j) Medical Services Reserve	78,079	2,558	0	80,637	78,079	1,601	0	79,679	77,839	240	0	78,079
(k) Hyden Recreation Centre Reserve	287,281	110,169	0	397,451	287,281	5,889	0	293,170	286,253	1,028	0	287,281
(l) Roads Reserve	300,775	10,276	0	311,051	300,775	4,100	0	304,875	0	300,775	0	300,775
(m) Hyden Visitor Centre Reserve	250,249	215,104	0	465,353	250,249	205,130	0	455,379	0	250,249	0	250,249
(n) Office Equipment Reserve	0	51,463	0	51,463	0	51,025	0	51,025	0	0	0	0
	2,771,992	799,047	(170,000)	3,401,039	2,771,990	597,129	(70,000)	3,299,119	1,747,381	1,054,611	(30,000)	2,771,992

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

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

Name of reserve account	Anticipated date of use	Purpose of the reserve account
(a) Plant Reserve	Ongoing	Future expenditure for replacement of plant.
(b) Housing Reserve	2024	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	2024	To be used for the replacement of the community bus.
(g) Radio & TV Reserve	Ongoing	To account for service charges raised.
(h) Landfill Reserve	2026	Expenditure for future waste management the rehabilitation, redevelopment Bending refuse site.
(i) SJA Capital Upgrade Reserve	Ongoing	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.
(l) Roads Reserve	Ongoing	To fund the Shire roadworks and to supplement road grants received.
(m) Hyden Visitor Centre Reserve	2025	To fund for the construction of a new Visitor/Discovery Centre located in Hyden.
(n) Office Equipment Reserve	Ongoing	To fund for the replacement of old office computers.

29. 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.



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Kondinin

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

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

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

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

The Chief Executive Officer (CEO) of the Shire is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

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

Patrick Arulsingham
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
18 December 2023