

# ANNUAL REPORT 2021/22





# Shire of Wagin

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*on behalf of:*

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## Contents

About the Shire of Wagin .....	5
Suburbs and Localities.....	5
Significant Local Events.....	5
Ordinary Council Meeting.....	5
Tourist Attractions .....	5
Local Industries .....	5
Purpose of the Annual Report .....	6
PRESIDENT'S REPORT .....	7
CHIEF EXECUTIVE OFFICER'S REPORT .....	10
THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022 .....	13
AUDITOR'S REPORT .....	59
EMPLOYEE REMUNERATION .....	62
COUNCIL .....	63
<b>ELECTED MEMBERS OF COUNCIL 2021/22</b> .....	64
<b>ELECTED MEMBERS REMUNERATION AND ALLOWANCES</b> .....	66
<b>ELECTED MEMBER COUNCIL AND COMMITTEE MEETING ATTENDANCE</b> .....	66
<b>ELECTED MEMBER DEMOGRAPHIC INFORMATION</b> .....	66
<b>COMPLAINTS</b> .....	67
<b>ELECTED MEMEBR CONFERENCE ATTENDANCE</b> .....	67
OVERVIEW OF THE PLAN FOR THE FUTURE .....	68
<b>Community Strategic Vision</b> .....	69
<b>Council's Mission and Philosophy</b> .....	69
<b>Council's Guiding Values</b> .....	69
KEY RESULT AREAS.....	70
DISABILITY ACCESS AND INCLUSION PLAN .....	71
CORPORATE .....	72
<b>Public Interest Disclosure</b> .....	72
<b>National Competition Policy</b> .....	72
<b>Competitive Neutrality</b> .....	73
<b>Record Keeping</b> .....	73
<b>Equal Opportunity</b> .....	73
<b>Local Laws</b> .....	73
Integrated Planning and Reporting Framework.....	74
Health and Building .....	74

Waste Management .....	75
COMMUNITY DEVELOPMENT .....	76
<b>WAGIN LIBRARY AND GALLERY</b> .....	78
EMERGENCY MANAGEMENT .....	80
<b>LOCAL EMERGENCY MANAGEMENT COMMITTEE (LMEC)</b> .....	80
BUSHFIRE BRIGADES.....	80
<b>Pole top fire concerns raised</b> .....	80
<b>Emergency Services Levy (ESL) funding overview</b> .....	80
<b>Other Brigade information</b> .....	80
WAGIN HOMECARE .....	81
WORKS AND SERVICES .....	82

## ABOUT THE SHIRE OF WAGIN

### Suburbs and Localities

Piesseville 6315; Wagin 6315.

### Significant Local Events

Wagin Woolorama - incorporates the State Sheep Show and is held on the second weekend in March each year; Australia Day Breakfast - in Wetlands Park; WA Day Celebration - at Wagin Historical Village includes Vintage Car Club Rally; Christmas Carnival - December.

### Ordinary Council Meeting

Meets the fourth Tuesday of each month except January where no meeting is planned and on the third Tuesday in April and December.

### Tourist Attractions

Wagin's Giant Ram and Wetlands Park; Wagin Historical Village & Museum; Wagin Woolorama - March; Heritage Walk Trail; Puntapin Rock; Norring Lake; Mount Latham.

### Local Industries

Wool; grain; engineering manufacture; seed-working; pet food production; Gilmac Hay (hay export); Wagin Duck and Game.



## PURPOSE OF THE ANNUAL REPORT

The Local Government Act 1995 requires every local government to produce an annual report and have it accepted by Council by 31 December (s. 5.54 (1)).

In addition, the annual report:

- Is an essential tool to inform the community and stakeholders of achievements, challenges and future plans.
- Promotes awareness;
- Demonstrates performance against Council's plans;
- Illustrates commitment to accountable and transparent government.

## Acknowledgements

The Shire of Wagin thanks all contributors of photographs and material to this report.

## Feedback or questions

Feedback or questions about this document are welcome.

Email: [shire@wagin.wa.gov.au](mailto:shire@wagin.wa.gov.au)

PO Box 200  
WAGIN WA 6315



## **PRESIDENT'S REPORT**

(s. 5.53 (2) (a) Local Government Act 1995)

### **Annual Report 2021/22**

It gives me pleasure to report on what proved to be a busy and challenging year for the Shire of Wagin.

#### **The Local Economy**

Due to good rainfall and commodity prices, the agricultural sector enjoyed one of its most prosperous years for some time. The COVID-19 situation resulted in strong local patronage of the retail sector, however, did result in some detrimental impacts through difficulties in attracting workers from overseas which exacerbated a labour shortage which some of our local enterprises are experiencing.

#### **The Road Network**

The Shire successfully achieved one of its largest road programs on record and contended with some significant damage to roads through flooding during July 2021. The Shire's works crew is commended for its efforts in completing this program and for bringing the road network up to a sound condition in time to accommodate the high volume of heavy haulage traffic through harvest.

#### **Council Elections**

The biennial Local Government elections in October saw the number of elected members for the Shire reduce from 11 to 9. The Shire farewelled Councillors Jason Reed, Lyn Lucas and Dave Atkins and an uncontested election saw Councillors Ball and Kilpatrick returned, and new Councillor Ann O'Brien taking office. An extraordinary election was held for an unfilled vacancy. Councillor Dale Lloyd was elected unopposed and was sworn into office for a four-year term at the November meeting of Council.

#### **Community Events**

Wagin continued hosting a number of community events throughout the year. These included the *Gymkhamarama*, the Christmas Street Party, the Seniors Christmas Luncheon and a plaque unveiling ceremony at the *Betty Terry Community Theatre* to acknowledge the service rendered by the late Frank and Elizabeth Terry who screened movies in town over several decades. Regrettably, the 50<sup>th</sup> *Woolorama* scheduled for March had to be postponed at the 11<sup>th</sup> hour due to the difficulties and impracticalities associated with COVID-19 requirements.

#### **Sportsground Precinct Redevelopment**

Planning for what this development should comprise; and how it might be staged continued with several meetings with stakeholder representatives. Appreciation is extended to those sporting and community representatives on the committee who liaised with their respective organisations and who participated in the many meetings that were held. Whilst this continues to be a work in progress, there is confidence that

much of the planning associated with this redevelopment is progressing and that some tangible on-ground works will commence in the not-too-distant future.

### **Improvements to Community Facilities**

The 2021/22 financial year saw further development in the Wetlands Park with the completion of the Ninja Adventure Park and murals on the toilet block. Improvements were also made to *Bojanning Park* with the installation of playground equipment (including a trampoline), shelter, fencing and a gas BBQ. Further work continued the upgrade of the Wagin War Memorial with seating and a silhouetted soldier installed and the concreted hardstand around the memorial being painted to lift the profile and attractiveness of the area. Many of these improvements were funded through grants and acknowledgment is made of the efforts of staff in applying for and acquitting the grant funding and managing projects through to successful completion.

### **Wagin Medical Services**

Council was advised in mid-2022 that *IPN Medical Centres* which has been operating the Wagin Medical Centre for the last nine years had taken the decision to withdraw from Wagin at the end of January 2023. Council has embarked upon a concerted tender process to attract another General Practitioner to Wagin to retain this vital service and to ideally retain the very efficient staff at the Medical Centre. There is an acute shortage of General Practitioners throughout all of regional Australia and these positions are becoming increasingly challenging to fill.

### **Management of Bushfire Brigades**

The provisions of the *Workplace Health and Safety Act 2020* provide that volunteers are deemed to be *workers*. In the case of volunteer Bush Fire Brigade members, the responsibility for their health and safety when attending fires, rests squarely on the shoulders of Local Government CEO's. Significant penalties have been provided for in the legislation in the event that a volunteer sustains injury or death when attending a fire, even though a Local Government CEO has no direct control of operations on the fireground.

This situation is causing concern to the extent that many Local Governments are advocating the handover of responsibility for the management of local Bush Fire Brigades to the State Government. If this occurs, it will reduce the responsiveness of Brigades in attending fires, would likely reduce volunteer participation and would result in a huge cost impost which, in all probability would be imposed on property owners, either through a markedly increased *Emergency Services Levy*, or some other form of levy. This is the direct result of poorly framed legislation which brings with it detrimental impacts on regional communities.

A critical responsibility of Local Government and elected members is to exercise vigilance and lobby the other tiers of Government when legislative changes, such as this threaten to severely impact on their communities.

## **Appreciation**

In terms of Wheatbelt regional communities, Wagin is faring very well, and this is largely attributable to the efforts of the many volunteers who provide essential emergency response functions, organise community events, maintain the viability of social and sporting groups and generally ensure that Wagin remains a good and safe place to live. We owe our volunteers much gratitude for the important contributions that they make.

I would also like to record my appreciation to the elected members and staff for their commitment and diligence in ensuring that the Shire of Wagin continues to serve its community well.

Specifically, on the retirement of our CEO Bill Atkinson, I acknowledge his contribution to, not only the Shire of Wagin, but to other shires and the Local Government sector as well. Bill has been a model and the benchmark of what a CEO should be over many years. We have been fortunate to have had Bill for our CEO and his legacy will live on in this community.

Council has been fortunate to secure the very capable services of Mr Ian McCabe as Acting CEO until we can fulfil our statutory obligations of recruitment for the position.

**Cr PHILLIP BLIGHT**  
**PRESIDENT**



*Anzac Day 2022*

## CHIEF EXECUTIVE OFFICER'S REPORT

(s. 5.53 (2) (b) Local Government Act 1995)

The 2021/22 financial year was marked by challenge, opportunity and achievement.

I am pleased to report on the following matters:

### PROJECTS

The Federal Government's economic stimulus initiatives by way of the *Local Roads and Community Infrastructure Program* enabled the Shire to progress a number of improvements including:

- Wagin War Memorial Upgrade
- Extensive new kerbing in several areas
- Cleaning and sealing of paved footpaths in the main business area of town
- Upgrade of Bojanning Park with playground equipment BBQ and gazebo
- Construction of large *History of Wagin* shed at the Wagin Historical Village
- Bitumen sealing of Moore Street
- Bitumen widening of Bullock Hills Road

During the year, the Shire also accepted the gifting of the prominent National Australia Bank property in Tudor Street and carried out some improvements to this iconic building to make it suitable for tenancy.

### TOWNSITE AMENITY

Work continued with improving the appearance and amenity of the Wagin townsite and included continued landscaping and plantings, new street furniture and signage. Drainage improvements were also undertaken to further improve the town's capacity to better sustain heavy rainfall events.

The Wagin Town Square has come of age as a welcoming facility for visitors and locals wishing to access the main business area and to use the parking and facilities provided.

### HEAVY HAULAGE ISSUES

The volume and size of heavy haulage traffic through Wagin has markedly increased over the last decade and discussions have been restarted with Main Roads WA to address the issue.

A program of road counts has been commenced to obtain some primary data on traffic through town and which will form the basis for further discussion and determination of how the future road network in and around town should be developed. There is some degree of unauthorised use of streets by Restricted Access Vehicle configurations which prejudices the safety of other road users and pedestrians and offenders are reported to the Road Transport Compliance – Heavy Vehicle Services section of Main Roads WA.

## **REGIONAL COOPERATION**

The Shire has continued its positive working relationship with other local governments in the region and has participated in a joint approach to investigate options to address worker accommodation and short stay tourist accommodation shortfalls in our towns.

In addition, Wagin has been a participant in the *Regional Drought Resilience Program – Southern Wheatbelt* which has undertaken drought resilience planning for the region. Wagin also continues its partnership with Woodanilling in administering the *Wagin Woodanilling Landcare Zone* and purchases Environmental Health services from the Shire of Narrogin.

## **WAGIN CONVERSATIONS (ORAL HISTORY) PROJECT**

The program of recording the life experiences and memories of some of the older residents of Wagin got well underway with several interviews being completed. This program has great potential to capture the rich social and economic history of the Shire.

A training program has been initiated to better equip those conducting interviews to help ensure that a professional approach is taken and that high quality outcomes are achieved.

## **SHIRE STAFFING**

During the year under review, the Administration farewelled some long serving and valued members of staff. Notwithstanding the tight labour market, success was achieved in recruiting well qualified replacement staff to key positions in the areas of Finance, Administration and Homecare.

The Shire Works crew completed one of the largest works programs undertaken by the Shire and coped with the additional challenges of restoring the road network after the extensive flooding that occurred. The town's parks and gardens were maintained to a high standard and continuing improvements were made.

## **APPRECIATION**

This will be my last report as CEO of the Shire of Wagin, and I take this opportunity to thank Council and staff members for their support and cooperation during my tenure of office. For the most part it has been a happy and cooperative team effort and some enduring improvements have been made in several areas of the Shire's operations. The Shire is well resourced and is in a strong financial position.

I would especially like to acknowledge the long term and ongoing efforts of President, Phillip Blight who continues his strong advocacy for Local Government generally and country Shires in particular. Few would appreciate the time, effort and courage that Phil devotes to the task, of addressing legislation and government policy decisions that have potentially adverse impacts on regional communities. It has been my privilege to provide support, where possible, to the President in the oftentimes contesting; and sometimes combative environment in which alternative viewpoints are

not always welcomed, however necessarily have to be prosecuted for the good of our communities.

I believe that the governance of the Shire of Wagin is in good hands and wish Council, staff and the community my best wishes for the future.

**BILL ATKINSON**  
**CHIEF EXECUTIVE OFFICER**

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

Certification of Financial Report	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Rate Setting Statement	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	47

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

To have a community where individuals, families and businesses can invest and prosper, preserving the safe, affordable and inclusive country lifestyle and ensuring Wagin is a place people like to live in and visit.

Principal place of business:  
2 Arthur Road  
WAGIN WA 6315

SHIRE OF WAGIN  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the *Eighth (8)* day of *December* 2022



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Chief Executive Officer

*IAN MC CABE*

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Name of Chief Executive Officer



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

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	21(a),2(a)	2,422,470	2,430,396	2,369,728
Operating grants, subsidies and contributions	2(a)	2,785,586	1,422,200	2,054,182
Fees and charges	20(c),2(a)	762,553	839,443	802,247
Interest earnings	2(a)	17,338	34,086	20,171
Other revenue	2(a)	339,324	425,546	231,980
		6,327,271	5,151,671	5,478,308
<b>Expenses</b>				
Employee costs		(2,491,587)	(2,875,828)	(2,417,005)
Materials and contracts		(1,243,693)	(1,326,731)	(1,059,284)
Utility charges		(302,409)	(377,293)	(372,713)
Depreciation	10(a)	(2,706,150)	(2,727,261)	(2,622,817)
Finance costs	2(b)	(27,605)	(27,905)	(31,112)
Insurance		(204,189)	(201,777)	(190,012)
Other expenditure	2(b)	(164,625)	(155,204)	(145,928)
		(7,140,258)	(7,691,999)	(6,838,871)
		(812,987)	(2,540,328)	(1,360,563)
Capital grants, subsidies and contributions	2(a)	1,181,295	1,364,052	1,025,945
Profit on asset disposals	10(c)	7,046	9,580	7,969
Loss on asset disposals	10(c)	(1,393)	(8,504)	(19,204)
Fair value adjustments to financial assets at fair value through profit or loss		3,997	0	2,586
		1,190,945	1,365,128	1,017,295
<b>Net result for the period</b>	20(b)	<b>377,958</b>	<b>(1,175,200)</b>	<b>(343,267)</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	1,938,000	0	0
<b>Total other comprehensive income for the period</b>	15	<b>1,938,000</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>2,315,958</b>	<b>(1,175,200)</b>	<b>(343,267)</b>

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

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

	NOTE	2022	2021
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	2,672,362	3,158,235
Trade and other receivables	5	195,270	241,721
Other financial assets	4(a)	2,030,573	19,925
Inventories	6	52,102	34,903
Other assets	7	43,168	34,896
<b>TOTAL CURRENT ASSETS</b>		<b>4,993,475</b>	<b>3,489,680</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	56,066	51,932
Other financial assets	4(b)	154,759	171,298
Property, plant and equipment	8	21,136,189	19,590,362
Infrastructure	9	103,058,693	103,616,883
<b>TOTAL NON-CURRENT ASSETS</b>		<b>124,405,707</b>	<b>123,430,475</b>
<b>TOTAL ASSETS</b>		<b>129,399,182</b>	<b>126,920,155</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	199,488	233,319
Other liabilities	12	515,399	244,213
Borrowings	13	74,569	70,889
Employee related provisions	14	403,352	361,196
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,192,808</b>	<b>909,617</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	420,772	495,341
Employee related provisions	14	63,545	109,101
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>484,317</b>	<b>604,442</b>
<b>TOTAL LIABILITIES</b>		<b>1,677,125</b>	<b>1,514,059</b>
<b>NET ASSETS</b>		<b>127,722,057</b>	<b>125,406,097</b>
<b>EQUITY</b>			
Retained surplus		33,914,402	34,116,553
Reserve accounts	24	2,288,741	1,708,631
Revaluation surplus	15	91,518,913	89,580,913
<b>TOTAL EQUITY</b>		<b>127,722,057</b>	<b>125,406,097</b>

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

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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2020</b>		<b>34,512,143</b>	<b>1,656,308</b>	<b>89,580,913</b>	<b>125,749,364</b>
Comprehensive income for the period					
Net result for the period		(343,267)	0	0	(343,267)
Total comprehensive income for the period		(343,267)	0	0	(343,267)
Transfers from reserves	24	223,077	(223,077)	0	0
Transfers to reserves	24	(275,400)	275,400	0	0
<b>Balance as at 30 June 2021</b>		<b>34,116,553</b>	<b>1,708,631</b>	<b>89,580,913</b>	<b>125,406,097</b>
Comprehensive income for the period					
Net result for the period		377,958	0	0	377,958
Other comprehensive income for the period	15	0	0	1,938,000	1,938,000
Total comprehensive income for the period		377,958	0	1,938,000	2,315,958
Transfers from reserves	24	185,500	(185,500)	0	0
Transfers to reserves	24	(765,610)	765,610	0	0
<b>Balance as at 30 June 2022</b>		<b>33,914,402</b>	<b>2,288,741</b>	<b>91,518,913</b>	<b>127,722,057</b>

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		2,431,177	2,420,396	2,369,090
Operating grants, subsidies and contributions		2,819,485	1,262,883	2,002,091
Fees and charges		765,935	839,443	798,374
Interest received		17,338	34,086	20,171
Goods and services tax received		0	0	231,980
Other revenue		339,324	425,546	
		6,373,259	4,982,354	5,421,706
<b>Payments</b>				
Employee costs		(2,483,987)	(2,875,828)	(2,299,007)
Materials and contracts		(1,313,995)	(1,251,731)	(1,142,379)
Utility charges		(302,409)	(377,293)	(372,713)
Finance costs		(27,605)	(28,105)	(31,112)
Insurance paid		(204,189)	(201,777)	(190,012)
Other expenditure		(164,625)	(155,204)	(145,928)
		(4,496,810)	(4,889,938)	(4,181,151)
<b>Net cash provided by (used in) operating activities</b>	16(b)	1,876,449	92,416	1,240,558
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(344,632)	(589,172)	(699,727)
Payments for construction of infrastructure	9(a)	(1,448,228)	(1,778,204)	(1,607,100)
Non-operating grants, subsidies and contributions		1,448,810	1,364,052	1,177,578
Proceeds from financial assets at amortised cost		(2,000,000)	0	0
Proceeds from financial assets at amortised cost - self supporting loans		9,888	19,925	19,333
Proceeds from sale of property, plant & equipment	10(c)	42,727	41,000	167,729
<b>Net cash provided by (used in) investing activities</b>		(2,291,435)	(942,399)	(942,187)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	23(a)	(70,889)	(70,889)	(67,403)
<b>Net cash provided by (used In) financing activities</b>		(70,889)	(70,889)	(67,403)
<b>Net increase (decrease) in cash held</b>		(485,875)	(920,872)	230,968
Cash at beginning of year		3,158,235	3,150,035	2,927,268
<b>Cash and cash equivalents at the end of the year</b>	16(a)	2,672,362	2,229,163	3,158,235

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>	22(b)	1,247,880	1,283,591	1,149,080
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities (excluding general rate)</b>				
Rates (excluding general rate)	21(b)	14,298	12,767	12,517
Operating grants, subsidies and contributions		2,785,586	1,422,200	2,054,182
Fees and charges		762,553	839,443	802,247
Interest earnings		17,338	34,086	20,171
Other revenue		339,324	425,546	231,980
Profit on asset disposals	10(c)	7,046	9,580	7,969
Fair value adjustments to financial assets at fair value through profit or loss		3,997	0	2,586
		3,930,142	2,743,622	3,131,652
<b>Expenditure from operating activities</b>				
Employee costs		(2,491,587)	(2,875,828)	(2,417,005)
Materials and contracts		(1,243,693)	(1,326,731)	(1,059,284)
Utility charges		(302,409)	(377,293)	(372,713)
Depreciation		(2,706,150)	(2,727,261)	(2,622,817)
Finance costs		(27,605)	(27,905)	(31,112)
Insurance		(204,189)	(201,777)	(190,012)
Other expenditure		(164,625)	(155,204)	(145,928)
Loss on asset disposals	10(c)	(1,393)	(8,504)	(19,204)
		(7,141,651)	(7,700,503)	(6,858,075)
Non-cash amounts excluded from operating activities	22(a)	2,646,810	2,726,185	2,681,558
<b>Amount attributable to operating activities</b>		(564,699)	(2,230,696)	(1,044,865)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		1,181,295	1,364,052	1,025,945
Proceeds from disposal of assets	10(c)	42,727	41,000	167,729
Proceeds from financial assets at amortised cost - self supporting loans	23(a)	9,888	19,925	19,333
Purchase of property, plant and equipment	8(a)	(344,632)	(589,172)	(699,727)
Purchase and construction of infrastructure	9(a)	(1,448,227)	(1,778,204)	(1,607,100)
		(558,949)	(942,399)	(1,093,820)
<b>Amount attributable to investing activities</b>		(558,949)	(942,399)	(1,093,820)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	23(a)	(70,889)	(70,889)	(67,403)
Transfers to reserves (restricted assets)	24	(765,610)	(642,736)	(275,400)
Transfers from reserves (restricted assets)	24	185,500	185,500	223,077
<b>Amount attributable to financing activities</b>		(650,999)	(528,125)	(119,726)
<b>Surplus/(deficit) before imposition of general rates</b>		(526,767)	(2,417,629)	(1,109,331)
<b>Total amount raised from general rates</b>	21(a)	2,408,172	2,417,629	2,357,211
<b>Surplus/(deficit) after imposition of general rates</b>	22(b)	<b>1,881,405</b>	<b>0</b>	<b>1,247,880</b>

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

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

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Other Assets	15
Note 8	Property, Plant and Equipment	16
Note 9	Infrastructure	18
Note 10	Fixed Assets	20
Note 11	Trade and Other Payables	23
Note 12	Other Liabilities	24
Note 13	Borrowings	25
Note 14	Employee Related Provisions	26
Note 15	Revaluation Surplus	27
Note 16	Notes to the Statement of Cash Flows	28
Note 17	Related Party Transactions	29
Note 18	Financial Risk Management	32
Note 19	Other Significant Accounting Policies	36
Note 20	Function and Activity	37
<b>Information required by legislation</b>		
Note 21	Rating Information	40
Note 22	Rate Setting Statement Information	43
Note 23	Borrowing and Lease Liabilities	44
Note 24	Reserve accounts	45

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

**1. BASIS OF PREPARATION**

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

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

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

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

**The local government reporting entity**

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

**Judgements and estimates**

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

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

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

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

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

**2. REVENUE AND EXPENSES**

**Revenue Recognition**

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

**For the year ended 30 June 2022**

Nature or type	Contracts with customers \$	Capital grant/contributions \$	Statutory Requirements \$	Other \$	Total \$
Rates	0	0	2,422,470	0	2,422,470
Operating grants, subsidies and contributions	2,785,586	0	0	0	2,785,586
Fees and charges	0	0	762,553	0	762,553
Interest earnings	0	0	10,023	7,315	17,338
Other revenue	0	0	0	339,324	339,324
Non-operating grants, subsidies and contributions	0	1,181,295	0	0	1,181,295
<b>Total</b>	<b>2,785,586</b>	<b>1,181,295</b>	<b>3,195,046</b>	<b>346,639</b>	<b>7,508,566</b>

**For the year ended 30 June 2021**

Nature or type	Contracts with customers \$	Capital grant/contributions \$	Statutory Requirements \$	Other \$	Total \$
Rates	0	0	2,369,728	0	2,369,728
Operating grants, subsidies and contributions	2,054,182	0	0	0	2,054,182
Fees and charges	0	0	802,247	0	802,247
Interest earnings	0	0	11,569	8,602	20,171
Other revenue	0	0	0	231,980	231,980
Non-operating grants, subsidies and contributions	0	1,025,945	0	0	1,025,945
<b>Total</b>	<b>2,054,182</b>	<b>1,025,945</b>	<b>3,183,544</b>	<b>240,582</b>	<b>6,504,253</b>

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

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

	Note	2022 Actual	2022 Budget	2021 Actual
<b>Interest earnings</b>				
Interest on reserve funds		6,685	17,086	6,813
Rates instalment and penalty interest (refer Note 21(e))		10,023	12,000	11,569
Other interest earnings		630	5,000	1,789
		17,338	34,086	20,171
<b>(b) Expenses</b>				
<b>Auditors remuneration</b>				
- Audit of the Annual Financial Report		23,400	20,400	20,400
		23,400	20,400	20,400
<b>Finance costs</b>				
Borrowings	23(a)	27,605	27,905	31,112
		27,605	27,905	31,112
<b>Other expenditure</b>				
Sundry expenses		164,625	155,204	145,928
		164,625	155,204	145,928

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

**3. CASH AND CASH EQUIVALENTS**

Note	2022	2021
	\$	\$
Cash at bank and on hand	2,672,362	1,449,604
Term deposits	0	1,708,631
<b>Total cash and cash equivalents</b>	<b>2,672,362</b>	<b>3,158,235</b>
16(a)		
Held as		
- Unrestricted cash and cash equivalents	2,383,621	1,449,604
- Restricted cash and cash equivalents	288,741	1,708,631
16(a)	<b>2,672,362</b>	<b>3,158,235</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

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

**Restricted financial assets**

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

Details of restrictions on financial assets can be found at Note 16.

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

	2022	2021
	\$	\$
	2,030,573	19,925
	<b>2,030,573</b>	<b>19,925</b>

**Other financial assets at amortised cost**

Self supporting loans receivable  
 Term deposits

22(b)	30,573	19,925
	2,000,000	0
	<b>2,030,573</b>	<b>19,925</b>

Held as

- Unrestricted other financial assets at amortised cost  
 - Restricted other financial assets at amortised cost

16(a)	30,573	19,925
	2,000,000	0
	<b>2,030,573</b>	<b>19,925</b>

**(b) Non-current assets**

Financial assets at amortised cost  
 Financial assets at fair value through profit and loss

	76,955	97,491
	77,804	73,807
	<b>154,759</b>	<b>171,298</b>

**Financial assets at amortised cost**

Self supporting loans receivable

	76,955	97,491
	<b>76,955</b>	<b>97,491</b>

**Financial assets at fair value through profit and loss**

Units in Local Government House Trust

	77,804	73,807
	<b>77,804</b>	<b>73,807</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 19 (i)) due to the observable market rates.

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

**Financial assets at fair value through profit and loss**

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

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

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 18.

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

**5. TRADE AND OTHER RECEIVABLES**

**Current**

Rates receivable  
 Trade and other receivables  
 Allowance for credit losses of trade and other receivables  
 Allowance for credit losses of rates receivables

Note	2022	2021
	\$	\$
	77,623	90,464
	147,392	177,620
18(b)	(2,013)	(3,856)
18(b)	(27,732)	(22,507)
	195,270	241,721
	56,066	51,932
	56,066	51,932

**Non-current**

Pensioner's rates and ESL deferred

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 18.

**Classification and subsequent measurement**

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

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

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

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

**6. INVENTORIES**

Current	Note	2022	2021
		\$	\$
Fuel and materials		52,102	34,903
		52,102	34,903

The following movements in inventories occurred during the year:

<b>Balance at beginning of year</b>	34,903	34,903
Additions to inventory	17,199	0
<b>Balance at end of year</b>	52,102	34,903

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

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

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

**7. OTHER ASSETS**

	2022	2021
	\$	\$
<b>Other assets - current</b>		
Accrued income	3,376	0
Contract assets	39,792	34,896
	43,168	34,896

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

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

**Contract assets**

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

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

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

**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	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>		3,284,499	14,265,474	17,549,973	234,454	1,956,094	19,740,521
Additions		0	81,347	81,347	134,484	483,896	699,727
Disposals		0	0	0	0	(178,964)	(178,964)
Depreciation	10(a)	0	(375,894)	(375,894)	(31,638)	(263,390)	(670,922)
<b>Balance at 30 June 2021</b>		3,284,499	13,970,927	17,255,426	337,300	1,997,636	19,590,362
<b>Comprises:</b>							
Gross balance amount at 30 June 2021		3,284,499	15,451,421	18,735,920	395,735	2,457,594	21,589,249
Accumulated depreciation at 30 June 2021		0	(1,480,494)	(1,480,494)	(58,435)	(459,958)	(1,998,887)
<b>Balance at 30 June 2021</b>		3,284,499	13,970,927	17,255,426	337,300	1,997,636	19,590,362
Additions		0	176,385	176,385	25,941	142,306	344,632
Disposals		0	0	0	0	(37,074)	(37,074)
Revaluation increments / (decrements) transferred to revaluation surplus		30,101	1,907,899	1,938,000	0	0	1,938,000
Depreciation	10(a)		(379,395)	(379,395)	(42,191)	(278,145)	(699,731)
<b>Balance at 30 June 2022</b>		3,314,600	15,675,816	18,990,416	321,050	1,824,723	21,136,189
<b>Comprises:</b>							
Gross balance amount at 30 June 2022		3,314,600	15,675,816	18,990,416	421,676	2,533,330	21,945,422
Accumulated depreciation at 30 June 2022		0	0	0	(100,626)	(708,607)	(809,233)
<b>Balance at 30 June 2022</b>		3,314,600	15,675,816	18,990,416	321,050	1,824,723	21,136,189

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

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

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	2	Market Approach to determine Fair Value using recent observable market data for similar properties	Independent Registered Valuers	June 2022	Rawlinson cost data & cost indices. Building size, material, type & structure. Condition. Useful Life. Restrictions associated with site. Valuer's judgement.
Buildings	2	Market Approach to determine Fair Value using recent observable market data for similar properties	Independent Registered Valuers	June 2022	Rawlinson cost data & cost indices. Building size, material, type & structure. Condition. Useful Life. Restrictions associated with site. Valuer's judgement.
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
<b>(ii) Cost</b>					
<b>Furniture and equipment</b>		N/A	Cost	June 2019	N/A
<b>Plant and equipment</b>		N/A	Cost	June 2019	N/a

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

**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 Other	infrastructure Drainage	Total Infrastructure
		\$	\$	\$	\$
<b>Balance at 1 July 2020</b>		89,304,296	11,309,120	3,348,262	103,961,678
Additions		1,013,969	593,131	0	1,607,100
Depreciation	10(a)	(1,498,114)	(385,449)	(68,332)	(1,951,895)
<b>Balance at 30 June 2021</b>		88,820,151	11,516,802	3,279,930	103,616,883
<b>Comprises:</b>					
Gross balance at 30 June 2021		93,257,035	12,640,842	3,416,594	109,314,471
Accumulated depreciation at 30 June 2021		(4,436,884)	(1,124,040)	(136,664)	(5,697,588)
<b>Balance at 30 June 2021</b>		88,820,151	11,516,802	3,279,930	103,616,883
Additions		1,174,035	274,192	0	1,448,227
Depreciation	10(a)	(1,518,656)	(419,430)	(68,332)	(2,006,418)
<b>Balance at 30 June 2022</b>		88,475,530	11,371,564	3,211,599	103,058,692
<b>Comprises:</b>					
Gross balance at 30 June 2022		94,431,070	12,915,034	3,416,594	110,762,698
Accumulated depreciation at 30 June 2022		(5,955,540)	(1,543,470)	(204,995)	(7,704,005)
<b>Balance at 30 June 2022</b>		88,475,530	11,371,564	3,211,599	103,058,693

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

**9. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>(i) Fair Value</b>	<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
	<b>Infrastructure Roads</b>	3	Cost Approach using depreciated replacement cost	Independent Registered Valuers	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	<b>Infrastructure Other</b>	3	Cost Approach using depreciated replacement cost	Independent Registered Valuers	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	<b>infrastructure Drainage</b>	3	Cost Approach using depreciated replacement cost	Independent Registered Valuers	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

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

**10. FIXED ASSETS**

**(a) Depreciation**

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings	8(a)	379,395	377,229	375,894
Furniture and equipment	8(a)	42,191	91,191	31,638
Plant and equipment	8(a)	278,145	271,561	263,390
Infrastructure Roads	9(a)	1,518,656	1,516,845	1,498,114
Infrastructure Other	9(a)	419,430	402,103	385,449
Infrastructure Drainage	9(a)	68,332	68,332	68,332
		<u>2,706,150</u>	<u>2,727,261</u>	<u>2,622,817</u>

**Depreciation rates**

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation pavement seal	not depreciated
- bituminous seals	50 years
- asphalt surfaces	20 years
Gravel roads formation pavement	25 years
Footpaths - slab	not depreciated
Sewerage piping	50 years
Water supply piping and drainage systems	20 years
Right of use (buildings)	100 years
Right of use (plant and equipment)	75 years
Intangible assets - computer software licence	Based on the remaining lease
	Based on the remaining lease
	5 years

**(b) Fully Depreciated Assets in Use**

	2022 \$	2021 \$
The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.	0	0
Furniture and equipment	524,806	524,806
Plant and equipment	6,500	14,500
	<u>531,306</u>	<u>539,306</u>

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

10. FIXED ASSETS (Continued)

(c) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant and equipment	37,074	42,727	7,046	(1,393)	39,924	41,000	9,580	(8,504)	178,964	167,729	7,969	(19,204)
	37,074	42,727	7,046	(1,393)	39,924	41,000	9,580	(8,504)	178,964	167,729	7,969	(19,204)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
<b>Plant and Equipment</b>				
<b>Health</b>				
PO5 - Doctor's Vehicle	25,938	24,545	0	(1,393)
<b>Transport</b>				
P08- EHO Vehicle	11,136	18,182	7,046	0
	37,074	42,727	7,046	(1,393)

## 10. FIXED ASSETS (Continued)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

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

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

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

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

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

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

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

#### Revaluation

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

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

#### Revaluation (continued)

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

#### Depreciation

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

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

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

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

#### Depreciation on revaluation

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

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

#### 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).

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

**11. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors
Accrued payroll liabilities
Bonds and deposits held
Regional Refuse Group Acrued Funds
Accrued interest on loans

2022	2021
\$	\$
95,448	141,184
45,487	34,487
19,143	17,938
37,071	37,071
2,339	2,639
199,488	233,319

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

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

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

**Prepaid rates**

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

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

**12. OTHER LIABILITIES**

**Current**

Contract liabilities  
 Capital grant/contributions liabilities  
 Accrued Creditors

	2022	2021
	\$	\$
Contract liabilities	22,000	18,329
Capital grant/contributions liabilities	487,889	225,884
Accrued Creditors	5,510	0
	515,399	244,213

**Reconciliation of changes in contract liabilities**

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

Opening balance	18,329	33,057
Additions	22,000	18,329
Revenue from contracts with customers included as a contract liability at the start of the period	(18,329)	(33,057)
	22,000	18,329

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

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

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

Opening balance	225,884	74,251
Additions	487,889	225,884
Revenue from capital grant/contributions held as a liability at the start of the period	(225,884)	(74,251)
	487,889	225,884

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 19(i)) due to the unobservable inputs, including own credit risk.

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

**13. BORROWINGS**

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		74,569	420,772	495,341	70,889	495,341	566,230
<b>Total secured borrowings</b>	23(a)	74,569	420,772	495,341	70,889	495,341	566,230

**Secured liabilities and assets pledged as security**

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 19(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Information regarding exposure to risk can be found at Note 18. Details of individual borrowings required by regulations are provided at Note 23(a).

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

**14. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual Leave

Long Service Leave

**Non-current provisions**

Long Service Leave

	2022	2021
	\$	\$
	197,798	186,133
	205,554	175,063
	403,352	361,196
	63,545	109,101
	63,545	109,101
	466,897	470,297

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

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

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

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
	305,000	280,744
	161,897	189,553
	466,897	470,297

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

5

15,019

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

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

**15. REVALUATION SURPLUS**

	<b>2022 Opening Balance</b>	<b>2022 Revaluation Increment</b>	<b>2022 Revaluation (Decrement)</b>	<b>Total Movement on Revaluation</b>	<b>2022 Closing Balance</b>	<b>2021 Opening Balance</b>	<b>2021 Revaluation Increment</b>	<b>2021 Closing Balance</b>
	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	2,920,241	30,101	0	30,101	2,950,342	2,920,241	0	2,920,241
Revaluation surplus - Buildings	8,319,066	1,907,899	0	1,907,899	10,226,965	8,319,066	0	8,319,066
Revaluation surplus - Plant and equipment	106,181	0	0	0	106,181	106,181	0	106,181
Revaluation surplus - Infrastructure Roads	65,074,533	0	0	0	65,074,533	65,074,533	0	65,074,533
Revaluation surplus - Infrastructure Other	9,744,298	0	0	0	9,744,298	9,744,298	0	9,744,298
Revaluation surplus - infrastructure Drainage	3,416,594	0	0	0	3,416,594	3,416,594	0	3,416,594
	<b>89,580,913</b>	<b>1,938,000</b>	<b>0</b>	<b>1,938,000</b>	<b>91,518,913</b>	<b>89,580,913</b>	<b>0</b>	<b>89,580,913</b>

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

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

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

**(a) Reconciliation of Cash**

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	2,672,362	2,229,163	3,158,235

**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	288,741	2,165,868	1,708,631
- Financial assets at amortised cost	4	2,000,000	0	0
		<u>2,288,741</u>	<u>2,165,868</u>	<u>1,708,631</u>

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

Restricted reserve accounts	24	2,288,741	2,165,868	1,708,631
<b>Total restricted financial assets</b>		<u>2,288,741</u>	<u>2,165,868</u>	<u>1,708,631</u>

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

Net result		377,958	(1,175,200)	(343,267)
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(3,997)	0	(2,586)
Depreciation/amortisation		2,706,150	2,727,261	2,622,817
(Profit)/loss on sale of asset		(5,653)	(1,076)	11,235
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		42,317	40,000	(36,219)
(Increase)/decrease in other assets		(8,272)	34,896	(5,655)
(Increase)/decrease in inventories		(17,199)	5,000	3,671
Increase/(decrease) in trade and other payables		(33,831)	69,800	(65,857)
Increase/(decrease) in employee related provisions		(3,400)	0	97,089
Increase/(decrease) in other provisions		0	0	3
Increase/(decrease) in other liabilities		271,186	(244,213)	136,905
Non-operating grants, subsidies and contributions		(1,448,810)	(1,364,052)	(1,177,578)
Net cash provided by/(used in) operating activities		<u>1,876,449</u>	<u>92,416</u>	<u>1,240,558</u>

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank overdraft limit				
Bank overdraft at balance date				
Credit card limit		19,000		19,000
Credit card balance at balance date		0		0
<b>Total amount of credit unused</b>		<u>19,000</u>		<u>19,000</u>

**Loan facilities**

Loan facilities - current		74,569		70,889
Loan facilities - non-current		420,772		495,341
<b>Total facilities in use at balance date</b>		<u>495,341</u>		<u>566,230</u>

Unused loan facilities at 2021/22 date

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

**17. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Cr Phillip Blight</b>			
President's annual allowance	12,000	12,000	12,000
Meeting attendance fees	5,375	4,500	5,250
Travel and Telecommunication expenses	1,000	1,000	750
	<b>18,375</b>	<b>17,500</b>	<b>18,000</b>
<b>Cr Greg Ball</b>			
Deputy President's annual allowance	3,000	3,000	3,000
Meeting attendance fees	2,125	1,500	2,188
Travel and Telecommunication expenses	1,684	1,000	1,366
	<b>6,809</b>	<b>5,500</b>	<b>6,554</b>
<b>Cr David Atkins</b>			
Meeting attendance fees	125	1,500	1,500
Travel and Telecommunication expenses	250	500	750
	<b>375</b>	<b>2,000</b>	<b>2,250</b>
<b>Cr Sherryl Chilcott</b>			
Meeting attendance fees	1,687	1,500	2,063
Travel and Telecommunication expenses	1,000	500	750
	<b>2,687</b>	<b>2,000</b>	<b>2,813</b>
<b>CR Bronwyn Heggarty</b>			
Meeting attendance fees	1,938	1,500	2,000
Travel and Telecommunication expenses	1,000	500	750
	<b>2,938</b>	<b>2,000</b>	<b>2,750</b>
<b>Cr Bryan Kilpatrick</b>			
Meeting attendance fees	1,938	1,500	2,250
Travel and Telecommunication expenses	1,000	500	750
	<b>2,938</b>	<b>2,000</b>	<b>3,000</b>
<b>Cr Wade Longmuir</b>			
Meeting attendance fees	1,375	1,500	1,938
Travel and Telecommunication expenses	750	500	750
	<b>2,125</b>	<b>2,000</b>	<b>2,688</b>
<b>Cr Lyn Lucas</b>			
Meeting attendance fees	375	1,500	1,375
Travel and Telecommunication expenses	250	500	750
	<b>625</b>	<b>2,000</b>	<b>2,125</b>
<b>Cr Jason Reed</b>			
Meeting attendance fees	375	1,500	1,125
Travel and Telecommunication expenses	250	500	750
	<b>625</b>	<b>2,000</b>	<b>1,875</b>
<b>Cr Geoff West</b>			
Meeting attendance fees	1,313	1,500	1,625
Travel and Telecommunication expenses	750	500	750
	<b>2,063</b>	<b>2,000</b>	<b>2,375</b>
<b>Cr Dale Lloyd</b>			
Meeting attendance fees	750	0	0
Travel and Telecommunication expenses	750	0	0
	<b>1,500</b>	<b>0</b>	<b>0</b>
<b>Cr Ann O'Brien</b>			
Meeting attendance fees	875	0	0
Travel and Telecommunication expenses	750	0	0
	<b>1,625</b>	<b>0</b>	<b>0</b>
<b>Cr David Reed</b>			
Meeting attendance fees	0	0	375
Travel and Telecommunication expenses	0	0	250
	<b>0</b>	<b>0</b>	<b>625</b>
	<b>42,685</b>	<b>39,000</b>	<b>45,055</b>

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

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
President's annual allowance	12,000	12,000	12,000
Deputy President's annual allowance	3,000	3,000	3,000
Meeting attendance fees	18,251	18,000	21,689
Child care expenses	9,434	6,000	8,366
17(b)	42,685	39,000	45,055

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

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	565,849	547,046
Post-employment benefits	66,333	50,301
Employee - other long-term benefits	6,975	6,753
Employee - termination benefits	58,938	0
Council member costs	42,685	45,055
17(a)	740,780	649,155

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Termination benefits*

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

*Council member costs*

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

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

**17. RELATED PARTY TRANSACTIONS**

**(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:

Sale of goods and services  
Purchase of goods and services

**Amounts outstanding from related parties:**

Trade and other receivables

**Amounts payable to related parties:**

Trade and other payables

	<b>2022 Actual</b>	<b>2021 Actual</b>
	\$	\$
Sale of goods and services	21,203	5,133
Purchase of goods and services	58,082	102,125
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables	3,249	1,697
<b>Amounts payable to related parties:</b>		
Trade and other payables	9,928	13,848

**(d) Related Parties**

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

*i. Key management personnel*

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

*ii. Other Related Parties*

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

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

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

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

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

**18. FINANCIAL RISK MANAGEMENT**

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

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

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

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

**(a) Interest rate risk**

**Cash and cash equivalents**

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

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

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2022</b>					
Cash and cash equivalents	0.05%	2,672,362	0	1,198,046	1,474,316
Financial assets at amortised cost - term deposits	1.10%	2,000,000	2,000,000	0	0
<b>2021</b>					
Cash and cash equivalents	0.10%	3,158,235	1,708,631	908,676	540,928

**Sensitivity**

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

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit and loss and equity*	11,980	9,087

\* Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 23(a).

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

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

**(b) Credit risk**

**Trade and Other Receivables**

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

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

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

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

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

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

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
<b>30 June 2022</b>						
Rates receivable						
Expected credit loss	15.15%	8.68%	36.16%	0.00%		
Gross carrying amount	29,792	25,548	22,850	-567	77,623	
Loss allowance	4,515	2,306	8,264	12,648	27,732	5
<b>30 June 2021</b>						
Rates receivable						
Expected credit loss		24.64%	16.08%	32.34%		
Gross carrying amount	745	33,501	34,012	22,206	90,464	
Loss allowance	1,598	8,257	5,470	7,182	22,507	5

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

	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
<b>30 June 2022</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	6.78%		
Gross carrying amount	108,713	8,423	588	29,669	147,392	
Loss allowance	0	0	0	2,013	2,013	5
<b>30 June 2021</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	8.73%		
Gross carrying amount	118,895	4,613	8,018	46,094	177,620	
Loss allowance	0	0	0	3,856	3,856	5

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

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

**(b) Credit risk**

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

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
<b>Opening loss allowance as at 1 July</b>	\$ 22,507	\$	\$ 3,856	\$	\$ 0	\$
Unused amount reversed	5,225	22,507	(1,843)	3,856	0	0
<b>Closing loss allowance at 30 June</b>	<b>27,732</b>	<b>22,507</b>	<b>2,013</b>	<b>3,856</b>	<b>0</b>	<b>0</b>

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

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

**Contract Assets**

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

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

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

**(c) Liquidity risk**

**Payables and borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16(c).

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

	<b>Due within 1 year</b>	<b>Due between 1 &amp; 5 years</b>	<b>Due after 5 years</b>	<b>Total contractual cash flows</b>	<b>Carrying values</b>
	\$	\$	\$	\$	\$
<b><u>2022</u></b>					
Trade and other payables	199,488	0	0	199,488	199,488
Borrowings	74,472	277,465	143,404	495,341	495,341
	<u>273,960</u>	<u>277,465</u>	<u>143,404</u>	<u>694,829</u>	<u>694,829</u>
<b><u>2021</u></b>					
Trade and other payables	233,319	0	0	233,319	233,319
Borrowings	70,889	302,420	192,921	566,230	566,230
	<u>304,208</u>	<u>302,420</u>	<u>192,921</u>	<u>799,549</u>	<u>799,549</u>

**19. OTHER SIGNIFICANT ACCOUNTING POLICIES**

**a) Goods and services tax (GST)**

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

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

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

**b) Current and non-current classification**

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

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

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

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

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

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

**h) Interest earnings**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

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

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

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

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

**k) Initial application of accounting standards**

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

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

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

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

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

20. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
<p><b>Governance</b></p> <p>To provide a decision making process for the efficient allocation of resources.</p>	<p>Includes costs associated with elected members, the running costs of the Administration building and associated clerical staff, records management and computer operation costs.</p>
<p><b>General purpose funding</b></p> <p>To collect revenue to allow for the provision of services and facilities for the community.</p>	<p>Includes rate revenue and associated costs, general purpose government grants, costs associated with the repayment of Council loans, including reimbursement from government bodies and community organisations, as well as interest earned on Council investments.</p>
<p><b>Law, order, public safety</b></p> <p>To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Includes costs associated with fire prevention and control, control of dogs, cats and other animals, abandoned vehicles, enforcement of associated local laws and other aspects of public safety including emergency services.</p>
<p><b>Health</b></p> <p>To provide an operational framework for environmental and community health.</p>	<p>Includes costs associated with providing doctor, maternal and infant health services, analytical expenses ie water sampling, and the running of the Regional Health Scheme together with the Shire of Williams and Shire of Dumbleyung.</p>
<p><b>Education and welfare</b></p> <p>To provide services and facilities to the elderly, disadvantaged, children and youth of the community.</p>	<p>Includes costs associated with providing a building for daycare, administering and running of the Wagin Homecare Program, including the Commonwealth Home Support Programme and Homecare Packages for clients. Also some assistance to Wagin Frail Aged Lodge.</p>
<p><b>Community amenities</b></p> <p>To provide required essential services for the community.</p>	<p>Includes provision for the collection and disposal of residential, commercial and industrial refuse, provide an effective waste recycling service, ongoing maintenance of the Wagin Cemetery and running costs associated with providing public conveniences.</p>
<p><b>Recreation and culture</b></p> <p>To establish and effectively manage infrastructure, resources and provide opportunities which will help the social well-being of the community.</p>	<p>Includes costs associated with public halls, the Wagin Memorial Swimming Centre, Wagin Recreation Centre, sportsground maintenance and sportsground buildings / facilities maintenance, the provision of recreational services and programs, library services together with a contribution towards the costs associated with the running of the Wagin Woolorama.</p>
<p><b>Transport</b></p> <p>To provide safe, effective and efficient transport services to the community.</p>	<p>Includes construction and maintenance of Council's infrastructure assets including roads, bridges, footpaths, parking facilities, townscape, street trees and street lighting. Also, improvements to Council's plant and the provision of aircraft landing facilities and their associated costs.</p>
<p><b>Economic services</b></p> <p>To help promote the Shire and its economic wellbeing.</p>	<p>Includes area promotion, tourism, economic and community development, control of declared flora and fauna, the Rural Town's programme, Landcare, LCDC projects, ongoing maintenance of the Wagin Caravan Park, building control and the provision of standpipes.</p>
<p><b>Other property and services</b></p> <p>To monitor and control Council's overhead operating accounts and other miscellaneous items.</p>	<p>Includes private works, town planning schemes and the provision for new residential developments, materials in store, costs associated with employment of the outside works crew, costs associated with the running of all Council plant and other unclassified revenue and expenses.</p>

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

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

**(b) Income and expenses**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Income excluding grants, subsidies and contributions</b>			
Governance	21,159	6,000	4,019
General purpose funding	2,621,334	2,638,839	2,459,422
Law, order, public safety	19,891	28,850	36,465
Health	26,150	62,680	60,503
Education and welfare	107,005	133,137	116,522
Community amenities	352,752	369,450	364,942
Recreation and culture	99,385	87,655	79,629
Transport	73,233	65,280	69,171
Economic services	93,011	214,700	135,397
Other property and services	138,808	132,460	108,611
	<b>3,552,728</b>	<b>3,739,051</b>	<b>3,434,681</b>
<b>Grants, subsidies and contributions</b>			
General purpose funding	1,971,075	666,819	1,422,839
Law, order, public safety	158,730	90,094	142,579
Education and welfare	485,046	528,950	319,469
Community amenities	0	0	8,000
Recreation and culture	182,857	202,576	57,778
Transport	1,169,173	1,297,813	1,129,462
	<b>3,966,881</b>	<b>2,786,252</b>	<b>3,080,127</b>
<b>Total Income</b>	<b>7,519,609</b>	<b>6,525,303</b>	<b>6,514,808</b>
<b>Expenses</b>			
Governance	(364,395)	(457,923)	(374,661)
General purpose funding	(425,285)	(413,253)	(283,390)
Law, order, public safety	(326,202)	(259,528)	(301,718)
Health	(168,999)	(267,093)	(258,375)
Education and welfare	(630,035)	(715,720)	(518,810)
Community amenities	(522,903)	(547,210)	(519,368)
Recreation and culture	(1,377,984)	(1,415,522)	(1,327,019)
Transport	(2,777,695)	(2,857,935)	(2,677,991)
Economic services	(244,400)	(389,739)	(315,166)
Other property and services	(303,753)	(376,580)	(281,577)
<b>Total expenses</b>	<b>(7,141,651)</b>	<b>(7,700,503)</b>	<b>(6,858,075)</b>
<b>Net result for the period</b>	<b>377,958</b>	<b>(1,175,200)</b>	<b>(343,267)</b>

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

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

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
<b>(c) Fees and Charges</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
General purpose funding	68,199	56,000	67,210
Law, order, public safety	14,705	20,350	19,096
Health	6,904	8,680	7,727
Education and welfare	95,172	118,568	95,586
Community amenities	337,867	348,950	345,262
Recreation and culture	73,850	71,355	66,714
Transport	8,328	9,700	15,572
Economic services	91,259	138,000	132,536
Other property and services	66,269	67,840	52,544
	<b>762,553</b>	<b>839,443</b>	<b>802,247</b>
<b>(d) Total Assets</b>	<b>\$</b>	<b>\$</b>	
Governance	2,178,286	4,390,933	
General purpose funding	4,762,235	1,292,824	
Law, order, public safety	458,931	492,542	
Health	904,120	834,174	
Education and welfare	615,697	446,380	
Community amenities	1,326,574	1,032,600	
Recreation and culture	14,042,834	14,772,050	
Transport	102,321,286	101,647,532	
Economic services	505,683	445,456	
Other property and services	2,283,536	1,565,664	
	<b>129,399,182</b>	<b>126,920,155</b>	

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

21. RATING INFORMATION

(a) General Rates

RATE TYPE		2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2020/21		
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value *	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue	
Gross Rental Valuations	Gross rental valuation	0.11377	746	7,973,769	907,192	(69)	(99)	907,024	907,193	2,000	1,000	910,193	887,822	
Unimproved Valuations	Unimproved valuation	0.00633	293	230,560,500	1,458,296	1,968	0	1,460,264	1,458,295	2,000	0	1,460,295	1,431,888	
<b>Sub-Total</b>			1,039	238,534,269	2,365,488	1,899	(99)	2,367,288	2,365,488	4,000	1,000	2,370,488	2,319,710	
<b>Minimum payment</b>														
<b>Minimum \$</b>														
Gross Rental Valuations	Gross rental valuation	600	145	278,599	87,000	0	0	87,000	87,000	0	0	87,000	83,520	
Unimproved Valuations	Unimproved valuation	600	85	5,180,775	51,000	0	0	51,000	51,000	0	0	51,000	44,660	
<b>Sub-Total</b>			230	5,459,374	138,000	0	0	138,000	138,000	0	0	138,000	128,180	
			1,269	243,993,643	2,503,488	1,899	(99)	2,505,288	2,503,488	4,000	1,000	2,508,488	2,447,890	
Discounts on general rates (Refer note 21(d))								(97,116)					(90,859)	(90,679)
<b>Total amount raised from general rates</b>								2,408,172					2,417,629	2,357,211
* Rateable value is based on the value of properties at the time the rate is raised.														
<b>(b) Rates (excluding general rates)</b>														
<b>Ex-gratia Rates</b>														
CBH			-	-	14,298	0	0	14,298	12,767	0	0	12,767	12,517	
<b>Sub-Total</b>			0	0	14,298	0	0	14,298	12,767	0	0	12,767	12,517	
<b>Total amount raised from rates (excluding general rates)</b>								14,298					12,767	12,517
<b>(c) Total Rates</b>								2,422,470					2,430,396	2,369,728

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

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

21. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Type	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$	Circumstances in which Discount is Granted
Early Payment Discount	Rate	5.00%		97,116	90,859	90,679	Rate paid in full by the due date - 24 September 2021
				97,116	90,859	90,679	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/Concession	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$
Betty Terry Theatre	Rate	Concession	50.00%		0	0	404
Betty Terry Theatre	Fee and charge	Concession	50.00%		0	0	163
St Joh Ambulance	Fee and charge	Waiver	100.00%		325	325	325
Wagin Care & Share	Fee and charge	Waiver	100.00%		325	325	325
Wagin CWA	Rate	Waiver	100.00%		1,052	1,000	979
Wagin CWA	Fee and charge	Waiver	100.00%		325	325	325
Waratah Lodge	Fee and charge	Waiver	100.00%		325	325	325
					2,352	2,300	2,846
Total discounts/concessions (Note 21)					99,468	93,159	93,525

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Betty Terry Theatre		Rates Payable	To assist and encourage community groups
Betty Terry Theatre	1st Bin Waived, Remaining Payable	Rubbish Charges for 1 Bin	To assist and encourage community groups
St Joh Ambulance	1st Bin Waived, Remaining Payable	Rubbish Charges for 1 Bin	To assist and encourage community groups
Wagin Care & Share	1st Bin Waived, Remaining Payable	Rubbish Charges for 1 Bin	To assist and encourage community groups
Wagin CWA		Rates Payable	To assist and encourage community groups
Wagin CWA	1st Bin Waived, Remaining Payable	Rubbish Charges for 1 Bin	To assist and encourage community groups

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

**21. RATING INFORMATION (Continued)**

**(e) Interest Charges & Instalments**

<b>Instalment Options</b>	<b>Date Due</b>	<b>Instalment Plan Admin Charge</b>	<b>Instalment Plan Interest Rate</b>	<b>Unpaid Rates Interest Rate</b>
		<b>\$</b>	<b>%</b>	<b>%</b>
<b>Option One</b>				
Single full payment	24/09/2021	0.0	0.00%	7.00%
<b>Option Two</b>				
First instalment	24/09/2021	5.5	5.50%	7.00%
Second instalment	24/01/2022	5.5	5.50%	7.00%
<b>Option Three</b>				
First instalment	24/09/2021	5.5	5.50%	7.00%
Second instalment	24/11/2021	5.5	5.50%	7.00%
Third instalment	24/01/2022	5.5	5.50%	7.00%
Fourth instalment	25/03/2022	5.5	5.50%	7.00%

	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest on unpaid rates	6,244	8,000	7,917
Interest on instalment plan	3,779	4,000	3,652
Charges on instalment plan	5,137	6,000	4,243
	<b>15,160</b>	<b>18,000</b>	<b>15,812</b>

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

**22. RATE SETTING STATEMENT INFORMATION**

	2021/22 (30 June 2022 Carried Forward)	2021/22 Budget (30 June 2022 Carried Forward)	2020/21 (30 June 2021 Carried Forward)
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	10(c) (7,046)	(9,580)	(7,969)
Less: Fair value adjustments to financial assets at fair value through profit and loss	(3,997)	0	(2,586)
Add: Loss on disposal of assets	10(c) 1,393	8,504	19,204
Add: Depreciation	10(a) 2,706,150	2,727,261	2,622,817
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(4,134)	0	5,291
Employee benefit provisions	(45,556)	0	44,801
<b>Non-cash amounts excluded from operating activities</b>	<b>2,646,810</b>	<b>2,726,185</b>	<b>2,681,558</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	24 (2,288,741)	(2,165,868)	(1,708,631)
Less: Financial assets at amortised cost - self supporting loans	4(a) (30,573)	0	(19,925)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	13 74,569	0	70,889
- Employee benefit provisions	325,483	361,195	325,484
<b>Total adjustments to net current assets</b>	<b>(1,919,262)</b>	<b>(1,804,673)</b>	<b>(1,332,183)</b>
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets	4,993,475	2,460,787	3,489,680
Less: Total current liabilities	(1,192,808)	(656,114)	(909,617)
Less: Total adjustments to net current assets	(1,919,262)	(1,804,673)	(1,332,183)
<b>Net current assets used in the Rate Setting Statement</b>	<b>1,881,405</b>	<b>0</b>	<b>1,247,880</b>

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

23. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Rec Centre Deevlopment	131	49,939	0	(9,909)	40,030	0	(10,553)	29,477	40,030	0	(10,553)	29,477
Swimming Pool Redevelopment	139	214,622	0	(13,322)	201,300	0	(14,016)	187,284	201,300	0	(14,016)	187,284
Staff Housing	137	155,432	0	(13,917)	141,515	0	(14,778)	126,737	141,515	0	(14,778)	126,737
Doctor Housing	138	76,891	0	(10,922)	65,969	0	(11,617)	54,352	65,969	0	(11,617)	54,352
<b>Total</b>		<b>496,884</b>	<b>0</b>	<b>(48,070)</b>	<b>448,814</b>	<b>0</b>	<b>(50,964)</b>	<b>397,850</b>	<b>448,814</b>	<b>0</b>	<b>(50,964)</b>	<b>397,850</b>
<b>Self Supporting Loans</b>												
Wagin Ag Society	141	136,749	0	(19,333)	117,416	0	(19,925)	97,491	117,416	0	(19,925)	97,491
<b>Total Self Supporting Loans</b>		<b>136,749</b>	<b>0</b>	<b>(19,333)</b>	<b>117,416</b>	<b>0</b>	<b>(19,925)</b>	<b>97,491</b>	<b>117,416</b>	<b>0</b>	<b>(19,925)</b>	<b>97,491</b>
<b>Total Borrowings</b>	<b>13</b>	<b>633,633</b>	<b>0</b>	<b>(67,403)</b>	<b>566,230</b>	<b>0</b>	<b>(70,889)</b>	<b>495,341</b>	<b>566,230</b>	<b>0</b>	<b>(70,889)</b>	<b>495,341</b>

\* WA Treasury Corporation

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

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
						\$	\$	\$
Rec Centre Deevlopment		Recreation and culture	139	NAB	5.11%	(2,392)	(2,392)	(3,035)
Swimming Pool Redevelopment		Recreation and culture	131	WATC	6.39%	(9,924)	(10,021)	(10,623)
Staff Housing		Other property and services	137	WATC	6.02%	(8,101)	(8,116)	(8,963)
Doctor Housing		Other property and services	138	WATC	6.27%	(3,819)	(3,957)	(4,519)
<b>Total</b>						<b>(24,236)</b>	<b>(24,486)</b>	<b>(27,140)</b>
<b>Self Supporting Loans Interest Repayments</b>								
Wagin Ag Society		Recreation and culture	141	WATC	3.04%	(3,370)	(3,419)	(3,972)
<b>Total Self Supporting Loans Interest Repayments</b>						<b>(3,370)</b>	<b>(3,419)</b>	<b>(3,972)</b>
<b>Total Interest Repayments</b>	<b>2(b)</b>					<b>(27,606)</b>	<b>(27,905)</b>	<b>(31,112)</b>

\* WA Treasury Corporation

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

**24. RESERVE ACCOUNTS**

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by legislation/agreement</b>												
(a) Leave Reserve	379,536	56,172	(40,000)	395,708	379,536	3,795	(40,000)	343,331	304,895	74,641	0	379,536
(b) Plant Replacement Reserve Recreation Centre Equipment	287,746	171,557	0	459,303	287,746	173,877	0	461,623	302,669	13,077	(28,000)	287,746
(c) Reserve Aerodrome Maintenance & Development Reserve	12,926	1,825	0	14,751	12,926	1,929	0	14,855	11,479	1,847	(400)	12,926
(d) Municipal Buildings Reserve	17,855	5,885	0	23,740	17,855	8,079	0	25,934	10,629	7,226	0	17,855
(e) Admin Centre Furniture, Equipment & IT Reserve	71,763	139	0	71,902	71,763	718	0	72,481	121,264	499	(50,000)	71,763
(f) Land Development Reserve	10,538	5,020	0	15,558	10,538	5,105	0	15,643	5,515	5,023	0	10,538
(g) Community Bus Reserve	10,753	21	0	10,774	10,753	108	0	10,861	10,709	44	0	10,753
(h) Homecare Reserve	17,430	1,577	0	19,007	17,430	174	0	17,604	16,975	455	0	17,430
(i) Recreation Development Reserve Refuse Site / Waste Management	90,464	17,596	0	108,060	90,464	905	0	91,369	122,789	505	(32,830)	90,464
(j) Reserve Refuse Site Rehabilitation	281,894	30,546	(85,500)	226,940	281,894	32,819	(85,500)	229,213	270,681	61,113	(49,900)	281,894
(k) Reserve Refuse Site Rehabilitation	167,510	41,780	0	209,290	167,510	27,625	0	195,135	136,947	30,563	0	167,510
(l) Reserve	118,546	20,230	0	138,776	118,546	21,186	0	139,732	98,142	20,404	0	118,546
(m) Water Management Reserve	71,077	138	0	71,215	71,077	711	0	71,788	78,255	322	(7,500)	71,077
(n) Electronic Sign Reserve	14,854	29	0	14,883	14,854	149	0	15,003	65,616	270	(51,032)	14,854
(o) CommunityGym Reserve Sportsground Precenct	11,888	7,286	0	19,174	11,888	4,119	0	16,007	12,337	51	(500)	11,888
(p) Redevelopment Reserve Emergney/Bushfire Control	128,324	100,249	(60,000)	168,573	128,324	61,283	(60,000)	129,607	80,906	50,333	(2,915)	128,324
(q) Reserve	6,527	5,543	0	12,070	6,527	65	0	6,592	6,500	27	0	6,527
(r) Community Evernts Reserve	9,000	17	0	9,017	9,000	90	0	9,090	0	9,000	0	9,000
(s) Staff Housing Reserve	0	300,000	0	300,000	0	300,000	0	300,000	0	0	0	0
	1,708,631	765,610	(185,500)	2,288,741	1,708,631	642,737	(185,500)	2,165,868	1,656,308	275,400	(223,077)	1,708,631

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

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

<b>Name of Reserve</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
(a) Leave Reserve	Ongoing	Provide provisions to meet Councils' Long Service and Accrued Annual Leave liabilities to minimise effect on Councils' budget annually.
(b) Plant Replacement Reserve	Ongoing	Provide funds for the ongoing replacement and upgrading of Plant necessary in the performance of Councils' core functions.
(c) Recreation Centre Equipment Reserve	Ongoing	Provide funds for the purchase of equipment, fixtures and fittings at the Wagin Community Recreation Centre.
(d) Aerodrome Maintenance & Development Reserve	Ongoing	Provide funds for major maintenance (eg resealing runway area) and development works (eg runway reconstruction) at the Wagin Airstrip.
(e) Municipal Buildings Reserve	Ongoing	Provide for the upgrading, renovating and restoration of existing Council owned buildings as well as construction of new Council owned buildings.
(f) Admin Centre Furniture, Equipment Reserve	Ongoing	Provide for the purchase of furniture, fittings, equipment and IT requirements in relation to the Council Administration Building.
(g) Land Development Reserve	Ongoing	Provide funds for the purchase and development of land within the Wagin Shire as the need arises and Council see fit.
(h) Community Bus Reserve	Ongoing	Provide funds for the maintenance, upgrade and change-over of the Wagin Community Bus.
(i) Homecare Reserve	Ongoing	Provide funds to meet Homecare staff leave provisions, replacement of plant and equipment and on-going operations of the Homecare program.
(j) Recreation Development Reserve	Ongoing	Provide funds for the expansion, upgrading and development of Council's recreation and sporting facilities.
(k) Refuse Site / Waste Management Reserve	Ongoing	Provide funds for a new waste site, on-going operation with the Shire's waste management and recycling program and working towards zero waste.
(l) Refuse Site Rehabilitation Reserve	Ongoing	Provide funds to rehabilitate the existing refuse site once the site has been decommissioned.
(m) Water Management Reserve	Ongoing	To ensure Council spends the surplus Rural Towns Funds on measures and projects in line with Council's Water Management Plan.
(n) Electronic Sign Reserve	Ongoing	Provide funds for the purchase and installation of an electronic sign in the Wagin townsite in the future.
(o) Community Gym Reserve	Ongoing	Provide funds for the maintenance, upgrade and change-over of the Wagin Community Gym equipment as required.
(p) Sportsground Precinct Redevelopment Reserve	Ongoing	Provide funds for the future Sportsground Precinct Redevelopment.
(q) Emergency/Bushfire Control Reserve	Ongoing	Provide funds for unexpected times of extreme emergency recovery and provide adequate assistance for bushfire requirements.
(r) Community Events Reserve	Ongoing	Provide funds for future Community Events.
(s) Staff Housing Reserve	Ongoing	Provide funds for future staff housing requirements



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2022 Shire of Wagin

To the Councillors of the Shire of Wagin

#### Opinion

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

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

In my opinion, the financial report is:

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

#### Basis for opinion

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

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

#### Other information

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

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

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

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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

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

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

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

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

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

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

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

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

*Mark Ambrose*

Mark Ambrose  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
12 December 2022

## EMPLOYEE REMUNERATION

(s. 5.53 (2) (g) Local Government Act 1995)

Regulation 19B (2) (a) Local Government (Administration) Regulations 1996 requires:

*'the number of employees of the local government entitled to an annual salary of \$130,000 or more'; and at (b) the number of employees of the local government entitled to an annual salary that falls within each band of \$10,000 over \$130,000.'*

Employees entitled to an annual salary of \$130,000 or more in 2021/22:

\$130,000 - \$139,999	0
\$140,000 - \$149,999	0
\$150,000 - \$159,999	0
\$160,000 - \$169,999	1

Regulation 19B (2) (e) Local Government (Administration) Regulations 1996 requires: *'the remuneration paid or provided to the CEO during the financial year'*:

In the financial year, the following was paid or provided to the CEO:

- Salary, superannuation benefits, private use of a motor vehicle and fringe benefits tax on benefits provided; total reward package of \$204,487

## COUNCIL

The Council of the Shire of Wagin comprises of nine councillors, referred to as elected members. Councillors are elected for four-year terms with about half of the Council elected at each election. Elections are held each two years, most recently 2021 and the next in 2023.

The role of the Council is to govern the local government's affairs; be responsible for the performance of the local government's functions; oversee the allocation of the local government's finance and resources; and, determine the local government's policies (s.2.7 Local Government Act 1995).

Council elects from their number a presiding person (the President) to perform the following functions (s. 2.8 Local Government Act 1995):

- Preside at meetings;
- Provide leadership and guidance in the community;
- Carry out civic and ceremonial duties;
- Speak on behalf of the local government;
- Other functions as given by the Local Government Act or written laws; and,
- Liaise with the Chief Executive Officer on the local government's affairs and the performance of its functions.

The President, Deputy-President and other councillors perform the following functions (s. 2.10 Local Government Act 1995):

- Represent the interests of electors, ratepayers and residents of the district;
- Provide leadership and guidance in the district;
- Facilitate communication between the community and council;
- Participate in the local government's decision-making at Council and Committee meetings;
- Perform any other function under the Local Government Act or any other written law.

Council may have ordinary and special meetings. Special meetings are held for emergent purposes. The Shire of Wagin holds ordinary meetings the fourth Tuesday of each month, except April and December when meetings are held the third Tuesday of the month and January when there is no meeting.

The Shire of Wagin Committees, are formed for specific purposes and are tabled at Council meetings. Committees include:

- Works and Services;
- Sportsground Precinct Re-development Steering;
- Audit;
- Finance and General Purposes;
- Bushfire Advisory;

- Local Emergency Management;
- Sportsground Advisory;
- CEO Recruitment and Selection.

## ELECTED MEMBERS OF COUNCIL 2021/22



Cr Phillip Blight  
President  
Term Expires 2023



Cr Greg Ball  
Deputy President  
Term Expires 2025



Cr Geoff West  
Term Expires 2023



Cr Sherryl Chilcott  
Term Expires 2023



Cr Bronwyn Hegarty  
Term Expires 2023



Cr Bryan Kilpatrick  
Term Expires 2025



Cr Wade Longmuir  
Term Expires 2023



Cr Dale Lloyd  
Term Expires 2025



Cr Ann O'Brien  
Term Expires 2025



Cr Lyn Lucas  
Retired October 2021



Cr Jason Reed  
Retired October 2021



Cr Dave Atkins  
Retired October 2021

## ELECTED MEMBERS REMUNERATION AND ALLOWANCES

(Regulation 19B (2) (c) Local Government (Administration) Regulations 1996; Schedule 5.1, clause 9 Local Government Act 1995).

Please refer to Note 17 within the 2021/22 Financial Report

## ELECTED MEMBER COUNCIL AND COMMITTEE MEETING ATTENDANCE

(Regulation 19B (2) (f) Local Government (Administration) Regulations 1996).

Elected Member Meeting Attendance	Ordinary		Special		Committee	
Total Number Held During the Year	11		3		17	
Elected Member	Present	Apology / Leave	Present	Apology / Leave	Present	Apology / Leave
Cr Phillip Blight	11		3		7	
Cr Greg Ball	10	1	3		2	
Cr Geoff West	10	1	2	1	1	
Cr Sherryl Chilcott	9	2	3		1	
Cr Bronwyn Hegarty	10	1	3		1	1
Cr Bryan Kilpatrick	9	1	3		1	
Cr Wade Longmuir	10	1	3		4	
Cr Dale Lloyd	4	1				
Cr Ann O'Brien	6	2	1			
Cr Dave Atkins		2	1			
Cr Jason Reed	1	2		1		
Cr Lyn Lucas	2	1		1		

## ELECTED MEMBER DEMOGRAPHIC INFORMATION

(Regulation 19B (2) (g) (h) (i) Local Government (Administration) Regulations 1996).

There are six male (67%) and three female councillors (33%).

Number of councillors by age demographic	%
18 - 24 years	0
25 - 34 years	0
35 - 44 years	22
45 - 54 years	12
55 - 64 years	22
Over 64 years	44

## COMPLAINTS

(s. 5.53 (2) (hb); s. 5.121 Local Government Act 1995)

Section 5.121 Local Government Act 1995 requires the complaints officer (usually the Chief Executive Officer) to maintain a register of complaints against elected members (section 5.105, 5.107, 5.109 refers).

No breaches were recorded in the financial year 2021 / 22.

## ELECTED MEMEBR CONFERENCE ATTENDANCE

A full list of training and development undertaken by elected members during 2021/22 is available on the shire website.

To enable elected members to develop skills and knowledge relevant to their roles as representatives of the shire, elected members are encouraged to attend training and conference events. The following were attended in 202/22.

Elected Member	Conference Details	City	Date
Cr Phillip Blight	Local Government Convention 2021	Perth	20 - 21 September 2021
Cr Greg Ball	Local Government Convention 2021	Perth	20 - 21 September 2021
Cr Sherryl Chilcott	Local Government Convention 2021	Perth	20 - 21 September 2021

## OVERVIEW OF THE PLAN FOR THE FUTURE

(s.5.53 (2) (e) Local Government Act 1995)

The Local Government Act 1995 requires a local government to plan for the future (s.5.56 (1)) and that such plans meet the requirements of regulations (s.5.56 (2)).

***The Shire of Wagin has a strategic community plan and may be viewed at <https://www.wagin.wa.gov.au/documents/strategic-documents>***

Division 3, Regulation 19C of the Local Government (Administration) Regulations 1996 lists these:

- A local government is to make a strategic community plan for the district to cover a period of at least ten years (19C (2)); ***the shire's plan is for the period 2020 – 2030.***
- A strategic community plan is to set out the vision, aspirations and objectives of the community in the district (19C (3)); ***the vision may be viewed at the foot of this report and at page 5 of the Strategic Community Plan with Key Result Areas at page 12 in that document;***
- A local government is to review the current strategic community plan at least once each four (4) years (19C (4)); ***a review of the document was conducted in financial year 2021 / 22.***
- In making or reviewing a strategic community plan, a local government is to have regard for resource capacity; performance indicators; demographic trends (19C (5)); ***local government resource constraints, incidents of COVID and lower levels of public engagement than desired meant the review was not as detailed as would be ideal. The 2021 ABS Census is referred to at page 7; demographic relevance of community survey results are referenced throughout the review document.***
- A Council is to consider and adopt the modified plan by absolute majority (19C (7)); ***the reviewed Plan was adopted by an Absolute Majority at Council's ordinary meeting August 2022.***
- A local government is to ensure electors and ratepayers of the district are consulted (19C (9)); ***a community survey was conducted and details of this and the results are published at pages 8 – 10 of the review document.***

No major changes were made to the Strategic Community Plan (19B (2) (j) Local Government (Administration) Regulations 1996. The main reason for this is the relatively low level of response to the survey (4.5% of the adult population) which was skewed toward persons aged 50 years or more. This is despite an extension to the survey period and wide publication and distribution of the survey. It is thought that the design and length of the survey was a disadvantage or deterrent to participation. A strategy of smaller, multiple engagements (such as postcards with just a few questions) may be more successful in providing a range of views across

all demographics and enable the local government to more accurately assess community aspirations and satisfaction.

Additionally, an assessment was made that the impact of COVID; re-evaluation at the local government; and consideration of changed methodology to increase engagement could present opportunities to validate elements of the current plan or to implement positive change to the plan at a future point.

Accordingly, at this time, the Key Results Areas of the existing plan were retained and are attached to this item. The Plan was updated to reflect census results and modernise the language and content of the current plan with a view to a future review.

## **Community Strategic Vision**

Wagin is a community where individuals, families and businesses can invest and prosper, preserving the safe, affordable and inclusive country lifestyle and ensuring that Wagin is a place people like to live in and visit.

## **Council's Mission and Philosophy**

The Shire of Wagin is a focussed Local Government providing progressive and innovative leadership that builds a sustainable future while supporting a vibrant, healthy and caring community.

## **Council's Guiding Values**

- Governance and Leadership
- Honesty and Integrity
- Innovation and Creativity
- Community Focused
- Environmentally Aware

1. Economic Development	2. Buildings and Infrastructure	3. Community Services and Social Environment	4. Town and Natural Environment	5. Council Leadership
1.1 Increase in the number and diversity of businesses in the town and district.	2.1 Improve road conditions on all Shire and State roads.	3.1 Keep the family-friendly country lifestyle, community spirit, safe community with low crime rate.	4.1 Upgrade main street appearance for the amenity of residents and encourage travellers and tourists to stop.	5.1 Support and provide incentives for more businesses and retail opportunities.
1.2 Support more job/ training opportunities, and entities especially for young people.	2.2 Monitor heavy vehicle movements through the townsite.	3.2 Retain the school and hospital and grow health, Doctor services, allied health and aged care services.	4.2 Improve town approach and entry statements.	5.2 Foster Communication with the community.
1.3 Increase tourism and promotion of town and heritage.	2.3 Improvement in condition and appearance of the main streets of the Town and improved signage.	3.3 Housing, Job and training especially for young people.	4.3 Maintain and improve natural environment and recreation areas	5.3 Plan services and activities based on sustainability, affordability and resources.
1.4 Facilitate Broadband and other associated electronic media infrastructure	2.4 Continue to upgrade Footpaths in town.	3.4 Progress the Wagin Community Recreational Hub	4.4 Improved waste management in town and Shire.	5.4 Encourage and acknowledge volunteering.
1.5 Explore affordable accommodation for workers.	2.5 Refine Infrastructure to support arts, culture, entertainment and library services.	3.5. Youth focus on services and recreation development including coordination of effort across the Shire/region.	4.5 Continue to increase the number of suitable trees within the townsite to enhance the tree canopy in particular the CBD	5.5 Be responsive to community aspirations and requirements within the capacity of council.
1.6 Aid retention and encourage more government services in Wagin.	2.6 Encourage greater care and restoration or preservation of heritage buildings.	3.6 Foster and support Woolorama and other events, cultural and other entertainment opportunities.		5.6 Council to have a sound strategy to the sustainability to the Shire
1.7 Support and Promote Wagin as a business opportunity.	2.7 Develop a safe fenced playground for children in a park environment	3.7 Support community activities with resources and facilities as required.		5.7 Investigate rebranding of the Shire.
1.8 Determine further waste management options.	2.8 Investigate planning and development of sporting facilities	3.8 Investigate to establish Wi-Fi Hotspots		5.8 Continue lobbying and advocacy for road infrastructure and freight networks and other strategic infrastructure for the benefit of the Shire
1.9 Maintain and improve the freight network in the Shire	2.9 Investigate future housing and expansion for tourist and other attractions.	3.9 Promote and Enhance the Wagin caravan and camping experience.	Shire of Wagin Strategic Community Plan - Key Results Areas	
	2.10 Optimise water harvesting and storage			

## DISABILITY ACCESS AND INCLUSION PLAN

(s. 5.53 (ha) Local Government Act 1995).

The Local Government Act 1995 states the local government is to prepare a plan for disability, access and inclusion as a requirement of s.29 (2) of the Disability Services Act 1993 (this is a reference to the Disability Access and Inclusion Plan 2020 – 2024 – see <https://www.wagin.wa.gov.au/documents/strategic-documents>).

The Shire of Wagin has a Disability Access and Inclusion Plan for the period 2020 – 2024. The Plan was reviewed in the calendar year 2022 and was approved by Council at its August 2022 ordinary meeting.

The document was completely reviewed and refreshed for modern language, format and content. There was public notice and engagement as part of the review. No change was made to the objectives of the plan and a report was submitted to the Disability Services commission in accordance with the s. 29 (6) of the Disability Services Act 1993.

There are persons living with disability in the Shire of Wagin; equally, there are persons who may have limitations on access to council services or opinions about inclusion. Despite public notice and attempts to engage with such persons, the local government is unable to assess whether access or inclusion presents issues within the district.

Despite this, the local government is intent on discovering persons so affected and maximising engagement to address the situation of those persons. A possible method in doing this is communicating with education and health institutions to develop professional relationships. This will allow the shire to access appropriate knowledge and connections to improve local government understanding.

This and a review of business and employment practices will be focussed on reaffirming the disability, access and inclusion objectives and wherever possible improving community outcomes.

## CORPORATE

### Public Interest Disclosure

A local government is a public authority for purposes of the Public Interest Disclosure Act 2003 (section 3 (1)).

Public interest information means information that tends to show that, in relation to its performance of a public function, a public authority, a public officer, a public sector contractor, (either) improper conduct, an act or omission that is an offence, unauthorised or misuse of public resources, or an act or omission that involves a risk of injury to public health; or prejudice public safety; or harm to the environment.

There are no public interest disclosures recorded in 2021 / 22.

### National Competition Policy

In 1995, Australian Governments entered into a number of policies known as National Competition Policy. The Local Government sector is affected where it operates significant business activity that competes with or has the potential to compete with private business.

The Shire of Wagin does not operate significant non-government business activities. There are limited operations in situations where market failure could mean that without the intervention of the local government the service would not be available to the community.

One example is Wagin Home Care, a visiting home care service delivering services to the aged in their home. This program is fully funded by the federal government and regulated client contributions. Private business is not excluded from delivering this service but the absence of profit margin makes it unlikely. In addition, the primary objective of this service is caring for community in the client's home. The nature of this caring service is not commercial and fits well with the service philosophy of the local government's purpose.

The Shire of Wagin does not engage in the delivery of medical services but does provide asset and financial support to ensure medical practitioners will deliver contracted medical services to the community of Wagin. This is a benefit to residents of neighbouring councils as well as visitors to the region. Private entities are not excluded from providing the service without support from the local government but the number of unfilled general practitioner vacancies Australia-wide demonstrates the consequence of market failure should local government not engage in a level of intervention. There are currently 11,000 vacancies for general practitioners Australia-wide.

The Shire of Wagin successfully tendered for medical services in calendar year 2022 with an independent contractor commencing 1 February 2023.

### **Competitive Neutrality**

The principle of competitive neutrality forms part of the National Competition Policy. The principle requires that any government cannot benefit from resource allocation distortions that result from government resourcing – in essence, the government cannot benefit from public sector ownership and any advantage that may offer (for example, any exemptions that a private entity cannot access).

No activities of the Shire of Wagin can be assessed as significant business activities and no instances of breaching competitive neutrality.

### **Record Keeping**

The State Records Commission is a state government entity of four commissioners, three of whom are ex-officio: the Auditor-General; the Ombudsman; the Information Commissioner. The fourth commissioner is appointed by the Governor, on recommendation of the Government, and is a person with significant record-keeping experience.

The relevant legislation is the State Records Act 2000. For the purposes of this Act, the Shire of Wagin is a Government Organisation (Schedule 1, number 12). Government organisations are required to have a record keeping plan (Part 3 of that Act) and the legislation details how records are kept and what review process is enforced.

The Shire of Wagin has a Record Keeping Plan which is due for review on 2022/23.

The Shire of Wagin employs an administration officer with a primary role of maintaining records and filing documents (in excess of 0.5 full-time equivalents). There is a continuous improvement approach to record keeping and principles of privacy, quality and historical relevance are reinforced to all officers.

### **Equal Opportunity**

The Shire of Wagin is committed to providing a work environment that demonstrates positive values of respectful inclusion, diversity and access, free of discrimination.

### **Local Laws**

There were no reviews of local law in 2021 / 22.

## INTEGRATED PLANNING AND REPORTING FRAMEWORK

Section 5.56 (1) of the Local Government Act 1995 requires local governments to prepare a plan for the future of the district; and that such plans accord with the requirements of regulations (5.56 (2)).

The relevant regulations are within Part 5 of the Local Government (Administration) Regulations 1996, which include requirements for a Plan for the Future for the district (a **Strategic Community Plan**) and a **Corporate Business Plan** (a business plan for the local government). These are the required plans and other plans, such as asset management, information technology or governance plans are referred to as *informing* plans or documents.

Regulations 19BA, 19C and 19DA detail the components of the plans and various operatives around public notice and the like.

The required plans must be reviewed periodically and be adopted by Council.

The Strategic Community Plan was reviewed in 2021 / 22 and was approved by Council in August 2022.

It is proposed to conduct further community consultation and provide an updated Strategic Community Plan and Corporate Business Plan in 2023.

## HEALTH AND BUILDING

A total of 25 new constructions/demolitions were commenced in the Shire of Wagin during 2021/2022

The total value of constructions for the year ending 30 June 2022 was \$1,245,687

Type	Quantity	Value
<b>New Dwellings</b>	7	\$615,000
<b>Dwelling Extensions/fit outs</b>	2	\$128,612
<b>Pools</b>	2	\$28,000
<b>Verandas</b>	1	\$6,000
<b>Carports</b>	2	\$26,843
<b>Sheds</b>	6	\$134,261
<b>Demolitions</b>	1	\$171
<b>Decking</b>	1	\$1800
<b>Telstra Mobile Phone Tower</b>	1	\$250,000
<b>Permit Extensions</b>	2	\$55,000

## **WASTE MANAGEMENT**

There were no reportable events and the three-bin system as delivered by contractors Great Southern Waste is well accepted.

**Ian McCabe**  
**Acting Deputy Chief Executive Officer**

## COMMUNITY DEVELOPMENT

**JULY 2021:** Funding of \$173,776 was approved by Lotterywest for the long-planned Ninja Park with a cheque presentation from the Hon. Shelley Payne MLC, member for the Agricultural Region. Consultations with the community had identified a gap in outdoor activities for older children in the community and this funding plus \$20,000 from the Wagin Action Group ensured this project would proceed.



*Ninja Park*

Other key events:

- Regional flooding with significant damage to community, one death at Buchanan river and a month of repairs.
- Homecare Christmas in July

**AUGUST 2021:** Regional Airports Programme funding of \$298,755 approved for runway upgrade.

**OCTOBER 2021:** Opening of the Town Square. The culmination of many upgrades and conversations to create a central contact and communication point centred on the library. Ms Rita Jarick was recognised for her 33 years' service as Librarian of the Shire of Wagin.



**DECEMBER 2021:** Christmas Street Carnival held with 250 people attending which was a good turnout in the midst of COVID. Kids and adults alike had a lot of fun with food and rides and community stalls. Funding support came from the Wagin Chamber of Commerce, Lotterywest, RoadWise, Wagin Action Group and the Shire of Wagin.

**JANUARY 2022:** Australia Day saw the traditional celebratory breakfast and music from Evan Ayres and the Swing Kings, rides for children and mural painting at the Wetlands toilet block. Support of \$20,000 from the National Australia Day Council ensured a diverse celebration including lunch.

**FEBRUARY 2022:** Community Builders programme commenced to identify drivers of community-based self-sufficiency.

**MARCH 2022:** refurbishment of the War Memorial with a metal art soldier with the ode sculpted into it; cleaning and painting of the concrete surrounding the plinth; installation of power and lights. The new additions highlight the memorial at night, finishing off the area nicely to support the previously installed seating. Funding gratefully received from the Federal Government's Local Roads and Community Infrastructure Programme (LRCIP).



### *Christmas Street Carnival 2021*

**MAY:** Community survey commenced for review of the Strategic Community Plan.

Other key events:

- The Shire President Cr Phillip Blight recognised by West Australian Local Government association (WALGA) for 30 years' service to the local government sector.
- Ninja Park officially opens

**JUNE:** Science Alive was presented at Town Hall with a visit from a travelling scientist to engage enthusiastic youngsters. A good crowd was very involved, and the show was very well received.

## **WAGIN LIBRARY AND GALLERY**

The Wagin Library and Gallery is managed by Ms Tina Svendsen and is supported by a library assistant. Ms Svendsen volunteers at playgroup once each term.

The library provides pamphlets and other information for social and community support and a wide range of experiences including:

- National Science Week
- Alzheimer's Week
- Scribbler's Festival
- Children's Book Week

- Story Time

A visit to Waratah Lodge each week provides residents with reading material or audio books. Members of the Wagin book club and Friends of the Wagin Library and Gallery meet monthly.



*Evan Ayres and the Swing Kings, Australia Day 2022*

The Wagin Library and Gallery acknowledges donations by the community which are in turn provided to the Salvation Army and Care and Share.

Library Statistics for the year:

- 2,443 patron visits
- 23 new borrowers
- 270 inter-library loans requests undertaken for patrons
- 25 requests for information searches undertaken for patrons

The team at the Wagin Library and Gallery team also provide internet and computer access to members of the public as well as a free tea or coffee. They look forward to welcoming youth and others in discovering that “Reading is Cool.”

**Donna George**  
**Community Liaison Officer**

## **EMERGENCY MANAGEMENT**

### **LOCAL EMERGENCY MANAGEMENT COMMITTEE (LMEC)**

One LEMC meeting was held during the 2021/22 year (please refer to <https://www.wagin.wa.gov.au/documents/2022-committee-minutes> to view the minutes). Emergency service providers in attendance presented updates as to status, staffing and volunteer situations.

### **BUSHFIRE BRIGADES**

The Wagin Bushfire Brigade Annual General Meeting was held at the Wagin Shire office 17 March 2022, with eight volunteers, one DFES staff and two Shire staff representatives attending. There were no changes to the elected officers.

#### **New Emergency Assets**

Funding has been approved for emergent water tank at the airfield; an emergency water tanker / trailer; and a 50KVA generator has been received.

Bush fire brigade tanks at Ballaying; Lime Lakes; Cancanning; and Badjarning are in place.

#### **Pole top fire concerns raised**

Volunteers raised concerns over the number of pole top fires on Western Power poles and the potentially devastating result if not dealt with quickly. A recommendation was made to escalate the concern through available channels to ensure the situation is safely dealt with for the long term.

#### **Emergency Services Levy (ESL) funding overview**

A new 4 x 4 2.4 fire tender for the Ballaying brigade to be housed in Ballaying; Wagin Town Brigade to add a 40,000l triaxle water tanker; Infra-red cameras for Wedgecarrup and Piesseville trucks; portable shelters for each standpipe trailer; and a freezer, to be stocked and stored at Shire office for emergency supplies.

#### **Other Brigade information**

There were two well attended sessions at the Eric Farrow Pavilion with 11 young people attending fire awareness training. In addition, four volunteers and one shire staff member attending the Fire Control Officer training. All Brigade areas now have at least one bush fire brigade (BFB) specific tank located in the area, with all but two being supplied via mains supply or catchment. Cancanning and Badjarning tanks will need to be filled post fire event locally.

## WAGIN HOMECARE

Wagin Homecare had a big year with significant staff changes, including a change of manager. Change can be difficult to embrace but clients have been kept informed by the reintroduction of the Newsletter issued monthly.

Homecare have a new Administration Officer as well as a Registered Nurse, available three days per week. This means provision of a much safer transition from hospital to home with the nurse able to offer clinical care in the home too, including observations, assistance with medication, dressing changes and personal care.

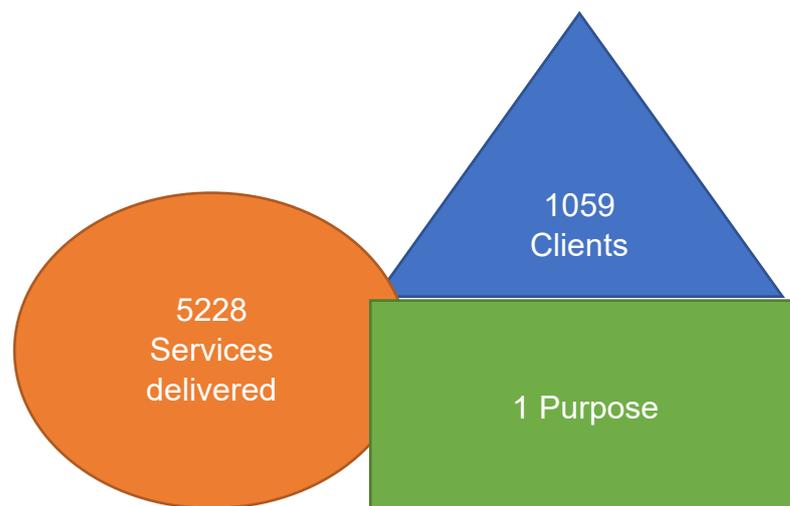
The Registered Nurse educates and assists our staff to observe and record in such a way that Homecare can often refer a client to relevant medical professionals, which may prevent further hospitalisation. It's hoped to build on this capability in the next year with education on healthy lifestyle habits to align aged care reforms for an holistic care approach

Clients have been quite active this year with events despite COVID still being a factor. As much as possible, events were kept local to prevent exposure with our monthly visits to join with West Arthur clients who participated in Christmas in July in Quindanning, luncheons at the Woolshed in Williams and the fortnightly activities here in Wagin. There were a number of collaborations with the Wagin and Darkan CRC's with guest speakers on health and wellbeing, safety in the home and falls prevention. Homecare's Registered Nurse presented at both Wagin and Darkan events.

The relationship with Waratah continues to build, although COVID again had an impact restricting the residents in joining our day centre activities. This has since recommenced as well as road trips about the region.

The staff do incredible work, caring for our elderly and frail with compassion, ensuring our residents can remain independently living in their homes for as long as possible. With aged care reforms already rolled out, next year will possibly have its challenges but our clients have remained appreciative of this vital community service.

**Robyn Flett**  
**Manager**



## **WORKS AND SERVICES**

The Works and Services team is responsible for managing the local government's infrastructure assets and delivering capital projects. This includes roads, footpaths, parks, reserves, drainage, street trees and the cemetery.

The works team have done an outstanding job in 2021/ 22 with roads, parks and footpaths all maintained to a high standard, particularly as flood damage to 63 roads impacted on capital and maintenance programmes.

### **Capital works**

The main projects for the financial year included:

- Reseals on Wendell Street, Kitchener Street, Pederick Drive and Marks Ct;
- Reconstruct, seal and widen shoulder on Dongolocking, Bullockhills Road , Unicorn and Ventnor Streets.
- Main water channel construct with cement walls on both sides of drain to control water flow and prevent flooding.
- Culvert extensions on Beaufort and Bullockhills Road
- Clear and widen Dongolocking, Morecombe , Dwelyernine , Robinson, Koobadong, Markham, Bockaring and Gundaring Roads.
- Gravel sheet Walker, Andrews, Robinson, Wagin-Wickepin, Jaloran Roads.
- Kerbing upgrade to Sawle, Stubbs, Morris, Johnston and Tudhoe Streets

### **Plant / Machinery**

Council's plant purchases included a new Komatsu Mini Excavator and Trailer which is used for a wide range of duties including grave digging; cleaning out drains; trenchers for pipes and power lines; and removing kerbs. The Building Maintenance Officer's utility vehicle was replaced in accordance with the plant replacement programme.

**Allen Hicks**  
**Manager of Works**



Shire of Wagin

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