



AGENDA FOR THE ANNUAL GENERAL MEETING OF ELECTORS

31 JANUARY 2024



Annual General Meeting of Electors Notice Paper

31 JANUARY 2024

An Annual General Meeting of Electors is called for Wednesday, 31 January 2024 in the Council Chambers, Victoria Street, Mingenew, commencing at 5. 00 pm. Members of the public are most welcome to attend.

Matt Fanning
Chief Executive Officer
25 January 2024

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AGENDA FOR THE ANNUAL GENERAL MEETING OF ELECTORS TO BE HELD IN COUNCIL CHAMBERS ON 31 JANUARY 2024 COMMENCING AT 5:00PM.

1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

2.0 RECORD OF ATTENDANCE/APOLOGIES

3.0 DECLARATIONS OF INTEREST

4.0 2022/23 ANNUAL REPORT AND AUDITORS REPORT

The Annual Report summarises the achievements of the Shire during the 2022/23 financial year and includes a report from the President and the Chief Executive Officer, the financial report and the Auditor's report for the period, and all matters prescribed by the Local Government Act 1995 (the Act). Copies of the Annual Report are available from the Shire's website www.mingenew.wa.gov.au, or Shire Administration and will be available in hard copy form at the meeting.

OFFICER RECOMMENDATION – ITEM 4.0

That the Electors of the Shire of Mingenew receive the Annual Report, as adopted by Council at the Ordinary Meeting held 6 December 2023, incorporating the Shire President's Report, the CEO report, the Annual Financial Report and the Auditor's Report for 2022/23.

5.0 RESPONSE TO QUESTIONS SUBMITTED BY ELECTORS

5.1 QUESTIONS RECEIVED IN WRITING PRIOR TO THE MEETING

Nil.

5.2 QUESTIONS AT THE MEETING

6.0 GENERAL BUSINESS

7.0 CLOSURE

The meeting was closed at ____pm.

2022/23

ANNUAL REPORT

SHIRE OF MINGENEW

SHIRE

OF MINGENEW





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Shire President's Report

July 2022 to June 2023 has been another busy year for the Shire.

Highlights for the year include the introduction to our community of our new CEO Matt Fanning and his family. We also welcomed Shane Noon as our new Works Manager following the retirement of Peter Wood. Both guys have hit the ground running and have seen the completion and advancement of many projects.

By the end of the next financial year we will see the completion of the new Tennis Clubhouse and hopefully acceptance of tenders to construct the new Childcare facility. The estimated cost of this project has grown to around \$1,000,000 which has been fully funded, with Lotterywest recently announcing support. We are grateful for their contribution and the work done by our Executive team in progressing this much needed project for our community.

During this year we have been reviewing the Strategic Community Plan and updating content and strategies to ensure we are working to achieve our future vision. It is our hope and expectation that your Council will be in a position to make an informed, definitive decision on the future of the Town Hall and development and renovation of the Recreation Centre as identified as key priorities by the community.

One of the key projects that has been completed in 2022/23 has been the airstrip upgrade so it can now accommodate the Flying Doctor 24/7. Our development of Cecil Newton Park is now near completion and is an outstanding feature of our town.

Our roads have been a focus for your Shire and plans are in place to upgrade our maintenance practices to get and keep them to a suitable standard. As our CEO is a qualified engineer, he has highlighted some areas for improvement and established a plan for future requirements. This has led us to implementing a rate increase specifically to facilitate our road requirements.

One of the areas for concern for the Shire has been ongoing heavy vehicle movement in and around out town. The last budget saw us make funds available, along with CBH and Main Roads WA, to undertake a study to investigate and recommend ways to alleviate some of these issues.

Not often do we get accolades from above but the Office of the Auditor General recognised our Shire for its financial reporting and auditing for the 201/22 financial year as one of its inaugural "best practice entities". Congratulations to our Executive team on this fantastic achievement.

Finally but certainly not last, I would like to recognise the efforts and diligence of my fellow Councillors. I can assure our community that you have a committed Council that is always working for the benefit of Mingenew.

Gary Cosgrove

Shire President



Cecil Newton Park



CEO's Report

It brings me great honour to continue to serve the Shire of Mingenew and deliver positive and valuable outcomes for the community.

This year we undertook several key projects in the hopes of bringing opportunities all whilst navigating the continual disruptions being experienced as a result of the pandemic.

Despite these challenges there have been some significant achievements which need mention:

- Improvement of the region's road safety, with the widening and sealing of the 1.7km of Yandanooka North-East Road, stabilisation and reconstruction of 1.3km of failed sealed pavement on the Coalseam Road and the delivery of the Yandanooka / Morawa Road intersection realignment.
- Gravel Resheeting of 4km of the Yandanooka Morawa Road and 2km of the Yandanooka West Road and gravel patching of Strawberry North-East Road.
- The continued development of the Cecil Newton Park Precinct with the implementation of lighting, shade trees and shelters, the turfing and fencing of the park.
- The completion of the \$2.5M reinstatement of various road restoration works resulting from Severe TC Seroja.
- Completion of the restoration of the old Mingenew Railway Station to establish a creative community hub.
- Renovation of the Racetrack, Oval and Hockey Field
- The delivery of two astrotourism education nights with the Perth Observatory and Astrotourism WA
- Undertook a detailed public survey regarding the Mingenew Town Hall which will help inform the Council as it contemplates the Hall's possible future.

- Completion of the Airport upgrade incorporating water storage and pumping equipment, strip upgrade and solar lighting.
- Shoulder grading of Depot Hill Road, Allanoooka Springs Road, and Yandanooka North East Road
- The delivery of the Mingenew Space Precinct Masterplan Report.
- Redesign of the Mingenew Hill access stairs to blend in with the environment.
- Advocacy on necessary changes and issues with the proposed Cultural Heritage Legislation
- Assisted our local traditional owners with on-country celebration preparations.
- Plant purchases of a works truck, two utilities, and tractor.
- The delivery of a new light attack fire appliance, fully funded by DFES.

These are only the main projects not to mention the great works done by our maintenance crew and administration staff. They really achieve a lot considering limited resources and budgets. I would like to thank the Staff for their tireless efforts, delivering these achievements in serving the Mingenew community. I would also like to thank the Council for their ongoing commitment and direction in leading the Shire.

I am pleased to present this Report for the 2022/23 financial year, and I look forward to working with our Councillors, staff and the community to continue to realise our Shire's Vision.

Matt Fanning

Chief Executive Officer



Mingenew Railway Station

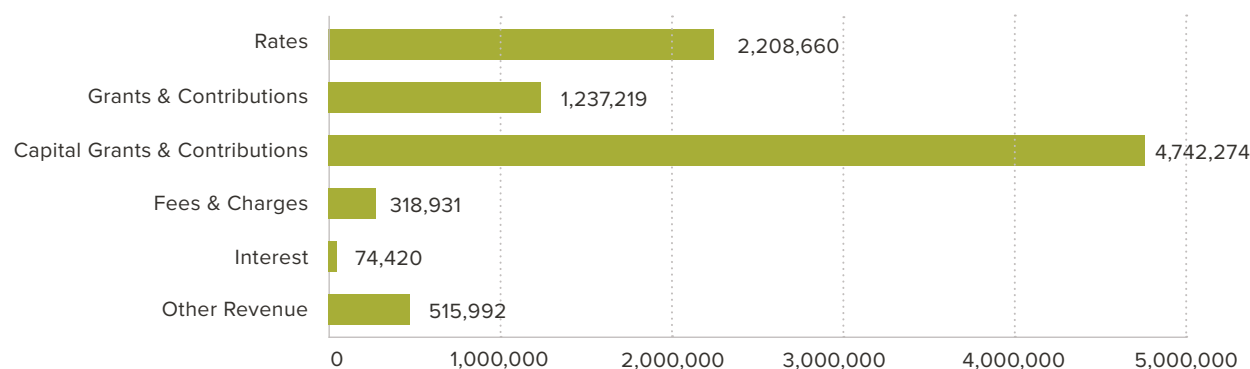
Finance Statistics

Revenue

The revenue (operating and capital) generated by the Shire is spent providing infrastructure and services for the community. The Shire provides many services including maintaining and improving roads, parks and gardens, leisure services and other community projects. A significant amount of the Shire's resources (approximately 80%) are spent on maintaining road infrastructure and the provision of recreation services.

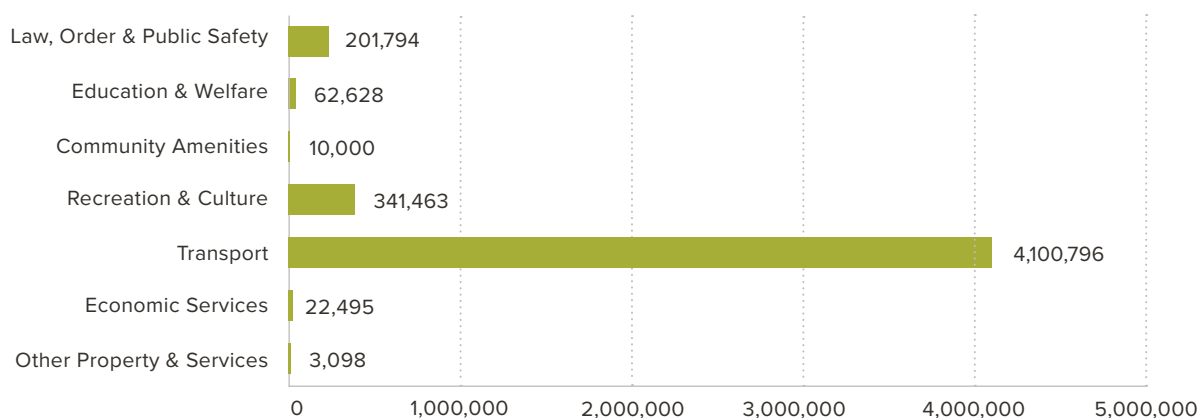
The Shire of Mingenew had a total revenue of \$9.097m (including operating and capital grants) for the 2022/23 financial year. A total of 52% (\$4.742m) of the Shire's revenue for 2022/23 was Capital Grants and contributions which helped to fund a number of key capital projects, in particular the completion of the intersection realignment, widening and reseal of Yandanooka North East Road, reconstruction of the Coalseam Road and the completion of repairs to the roads damaged by Cyclone Seroja. Operating Grants and contributions account for 14% and Rates (24%) are also significant contributing factors to the total revenue figure. The remaining revenue comes from interest received, Department of Transport agency and other miscellaneous services carried out by the Shire during the financial year. There was a total of 3.5% of revenue made up of Fees and Charges.

Total Revenue by Nature & Type



The below graph depicts the total capital grants and contributions received by program, of which 86% relates to road grants consisting of Disaster Recovery \$1.956m; Blackspot \$642k; Regional Road Group 360k; Roads to Recovery \$372k and Commodity Route \$552.

Total Capital Grants & Contributions



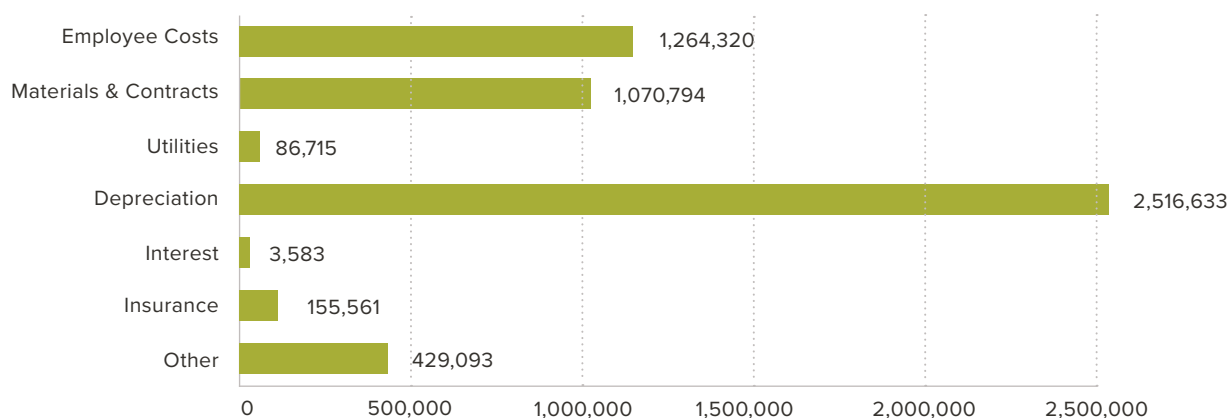


Kangaroo Paws at Depot Hill

Operating Expenditure

When comparing the breakdown of these costs by nature and type, a significant 45% of all operating expenditure is attributed to depreciation charges. Depreciation is a non-cash item and is attributed to the Shire having in excess of \$61.7m worth of assets, of which 84% is attributed to the Shire's road network and other related infrastructure whilst 16% is attributed to Property, Plant & Equipment. Other significant expenditure includes Operating Employee Costs (22%), Materials & Contracts (19%) and Other Expenditure (8%). The majority of these Other Expenditure costs are attributed to Department of Transport agency costs.

Operating Expenditure by Nature & Type



Finance Statistics cont.

Reserve Funds

As at 30 June 2023 the balance in the Reserve Accounts was \$1,103,077 as per table below:

Table 1

Reserve	Balance
Building and Land Reserve	\$323,061
Recreation Reserve	\$13,633
Plant Reserve	\$524,627
Employee Entitlement Reserve	\$79,212
Aged Persons Units Reserve	\$15,217
Economic Development & Marketing Reserve	\$21,107
Environmental Reserve	\$25,649
Land Development Reserve	\$7,216
RTC/PO/NAB Reserve	\$22,974
Insurance Reserve	\$44,693
Mingenew Daycare Centre Redevelopment Reserve	\$25,688
Total	\$1,103,077

A transfer of \$241k to the Plant Reserve occurred during the year along with a transfer of \$250k to the Building and Land Reserve. Funds held in the COVID-19 Emergency Reserve were transferred back to the original reserves including the interest earned (\$80k). During the year a Mingenew Daycare Centre Redevelopment Reserve was established to hold funds raised externally to assist with the future redevelopment of the Daycare Centre. The Shire will continue to make a concerted effort to improve our cash reserves for the provision of future acquisitions and proposed developments.

Loan Liability

The outstanding principal loan balance as at 30 June 2023 was \$197,169, which is due to be paid off by 2026/27.

Activities and Projects:

In addition to the normal operating activities, a number of significant capital works projects were undertaken during the 2022/23 financial year, as per below:

Table 2

Coalseam Road – stabilisation and reconstruction	\$451k
Yandanooka North East Road – intersection realignment	\$990k
Yandanooka North East Road – widening and reseal	\$412k
Completion of the Railway Station upgrade	\$186k
Completion of the Airstrip upgrade	\$274k
Completion of road repairs due to Cyclone Seroja damage	\$2.185m
Commencement of the tennis clubhouse upgrade	\$108k
Completion of Cecil Newton Precinct upgrade	\$118k
Plant purchases (including canter truck, water tanker trailer, utilities and tractor)	\$247k
Light attack fire utility (fully funded by DFES)	\$231k



Camping at Coalseam

Financial Ratio Performance Summary

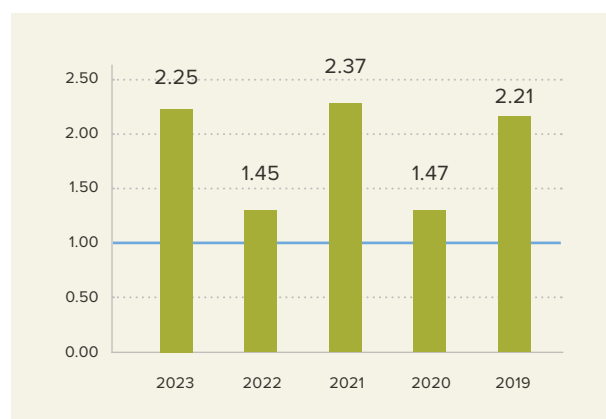
The following is a summary of the performance of the Shire's financial ratios.

Current Ratio

This ratio is designed to show the Shire's ability to meet its short-term financial obligations.

2022/23 ratio: 2.25

The Shire's current ratio is above the benchmark of 1.00.



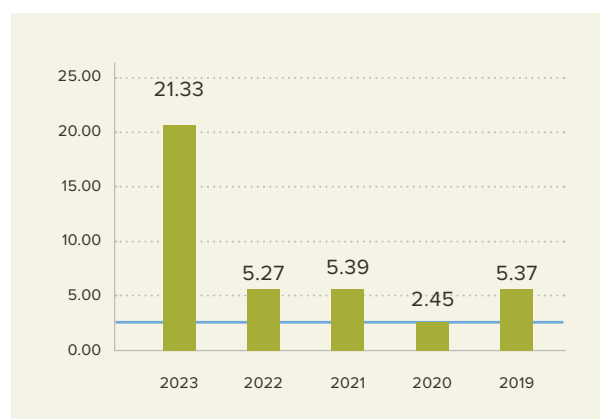
Current ratio Benchmark line

Debt Service Cover Ratio

This ratio is the measurement of the Shire's ability to repay its debt including interest, principal and lease payments.

2022/23 ratio: 21.33

The Shire's debt service cover ratio is above the benchmark of 2.00.



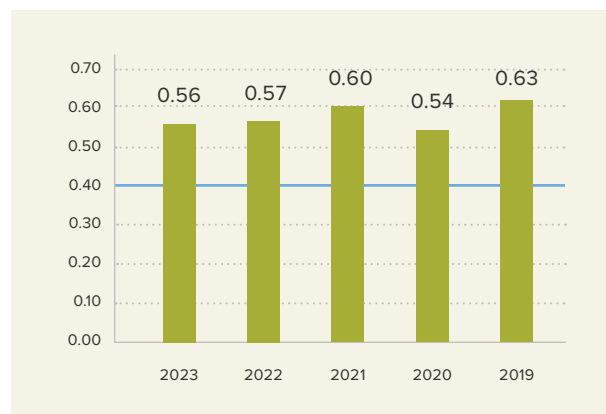
Debt service cover ratio Benchmark line

Own Source Revenue Coverage Ratio

This ratio is the measurement of the Shire's ability to cover its costs through its own revenue efforts.

2022/23 ratio: 0.56

The Shire's own source revenue coverage ratio is above the benchmark of 0.40.



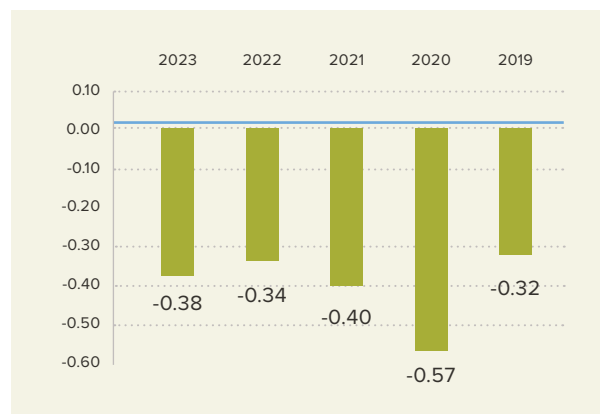
Own source revenue coverage ratio Benchmark line

Operating Surplus Ratio

This ratio is a measure of the Shire's ability to cover its operational costs and have revenues available for capital funding or other purposes.

2022/23 ratio: -0.38

The Shire's operating surplus ratio is below the benchmark of 0.01.



Operatin surplus ratio Benchmark line

Councillors and Staff

Councillors



Gary Cosgrove
Shire President



Justin Bagley
Deputy President



Carol Farr
Councillor



Hellene McTaggart
Councillor



Anthony Smyth
Councillor



Jonathon Holmes
Councillor



Alexander Pearce
Councillor

Staff

Leadership Team



Matt Fanning
Chief Executive Officer



Jeremy Clapham
**Finance and Admin
Manager**



Erin Greaves
**Governance and
Community Manager**

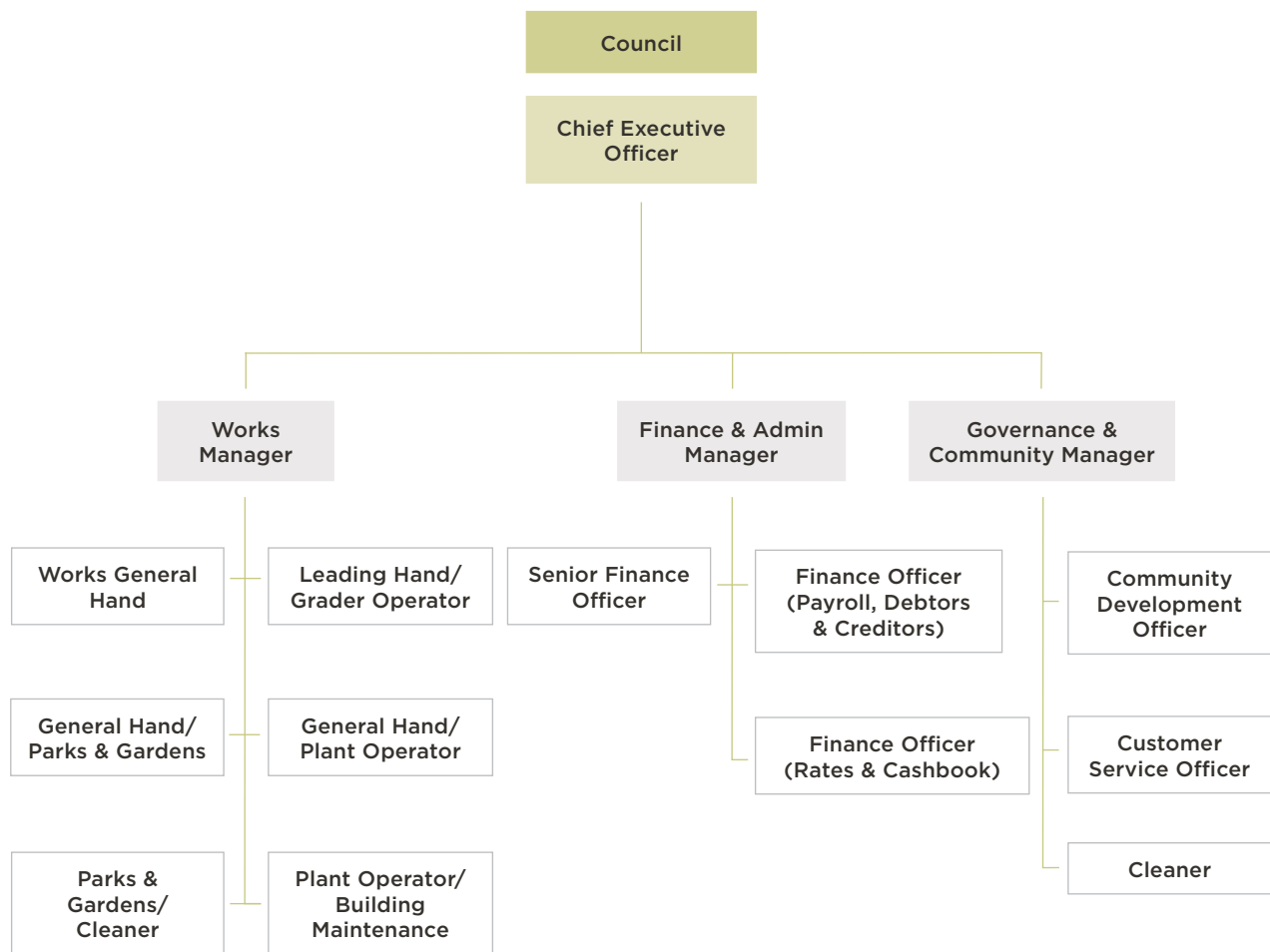


Peter Wood
Works Manager



Shane Noon
Works Manager

Organisational Chart



Strategic Community Plan

FY 22/23 Outcomes And FY 23/24 Deliverables

We continue to be guided in our activities by the Strategic Community Plan 2019-29 (SCP), and its five key strategic pillars. Council conducted a minor review of the SCP in 2021 and full review is underway in 2023/24 to ensure our path for the future aligns with community needs and priorities.

Strategy 1

Leading Mingenew

Goal: Council will provide accountable and transparent leadership with the Community to deliver on the Strategic Community Plan.

1.1 Infrastructure

In 2022, the Shire undertook to seek feedback from the community on the future of the Town Hall with responses indicating a preference to redevelop. As a result of this feedback, the Shire has been working to collate existing reports and gather current information on the condition of the building, with the aim of developing a comprehensive report and costings to enable Council to make an informed decision. A public tender process in FY23/24 will be used to develop the options report for Council to consider and make a final decision on its future, in further consultation with the community.

Another major project undertaken and completed in FY22/23 is the upgrade to the airstrip, with lengthening and widening of the airstrip, installation

of solar strip lighting, fuel storage and pump system and a large water tank, made possible through significant funding from the Federal Government's Regional Airports Scheme. The project aims to ensure safe access and use of the airstrip, particularly for emergency services.

The Shire continues to liaise with CBH and Main Roads WA to highlight stacking distance issues at rail crossings and advocate for a potential road realignment to support future CBH activity and improve traffic flow and safety. The Shire, along with CBH and Main Roads are jointly funding a study to assess the issues and consider options to address.

Funding opportunities are currently being sought to fund the installation of a community noticeboard in the main street that aims to communicate community events and emergency alerts. Depended on funding availability, this project should be rolled out in 2023/24.

In FY22/23 the Shire transitioned from the dated SynergySoft system for payroll processing to Altus Payroll. This is phase one of a transitioning process for its broader operating system, with the Financial



Mingenew Hockey Team



Mingenew wildflowers

modules to be phased in in FY23/24. The payroll system is proving beneficial in digitising timesheets and reducing time for manual timesheet entering and overall efficiencies in processing payroll.

1.2 Capability

The Shire is well underway with completion of a major review of the Strategic Community Plan (SCP), with early community engagement at the end of FY22/23. As this Annual Report is being prepared, the second round of in-person community engagement sessions have been held which will inform the final document for Council consideration.

Development of a new Long Term Financial Plan (LTFP) will be a focus for the Shire in FY23/24, once the major review process for the SCP has been completed. The SCP provides the Shire with its strategic direction and the LTFP will enable the Shire to plan and set priorities, based on resourcing capabilities, for the delivery of short, medium and long term community priorities. This will, in turn, lead to a review of the Asset Management Plan (AMP) and other informing strategic documents.

In response to community feedback received through the Community Satisfaction Survey and our internal assessments of local roads, the Shire has been gathering information and developing a road improvement plan to implement over the next 5 years, which has been budgeted for in 2023/24.

The Shire also continues to advocate for priority road infrastructure to receive funding support from the State Government, including the Yandanooka NE Road / Mingenew - Morawa Road intersection realignment which has been completed, and widening and pavement repair of sections of Coalseam Road and Yandanooka NE Road. Our engagement with the community on roadworks and priorities continue to improve, with updates now provided directly to Council and recorded in our Minutes.

Our performance and community priorities will continue to be evaluated through two-yearly community surveys, with the next scheduled for FY24/25.

1.3 Compliance

We finish FY22/23 with another unqualified audit result (no adverse findings) and a management note recognising that the LTFP requires updating, which is being addressed this year. For a small regional local government in which each person has a significant workload, we continue to achieve and meet our compliance requirements, which is a credit to the quality staff we have on board. To confirm this, the Office of the Auditor General listed the Shire of Mingenew as demonstrating best practice in the preparation of its 2021/22 financials.

Another year passes in which our application for a new fire shed continues to be passed over for funding through the ESL Capital Grant. We are reassured by DFES that we should continue to advocate for the project to proceed.

A key learning from liaison with emergency services, and evident through the TC Seroja event, it was identified that a consistent addressing system for local (including rural) properties would be beneficial. As identified in the FY22/23 Corporate Business Plan, a project to improve the addressing system is awaiting internal resourcing.

1.4 Resource Management

In FY22/23 the Shire has reviewed the existing management plan for the Transfer Station and continue to implement improvements to ensure our facility is compliant and managed efficiently. Access and management continue to be sourced through an external party and we will be monitoring performance over the contract period. Changes are foreshadowed for the receipt of septage waste at the site due to restrictions made at the Meru Waste Facility in Geraldton.

Strategic Community Plan cont.

Strategy 2

Love living in Mingenew

Goal: *Maintain and build a healthy, connected and sustainable community with great public open spaces, facilities and enable community volunteerism.*

2.1 Health

Telehealth services at the Mingenew Silverchain are viewed as an integral service for the community, and the Shire has supported Silverchain to advocate for the necessary equipment to be made available. It is hoped this will be introduced in FY23/24.

Demand for availability of GP services in Mingenew has lead to discussions with other service providers on feasibility and logistics of introducing an additional service. This is in early stages of development but is at the forefront of Council in ensuring quality health services to Mingenew residents.

2.2 Education

After significant resourcing of advocacy and promotion of the strong need for a new or upgraded day care facility for the Mingenew community and surrounding areas, the Shire has been successful in attracting sufficient funding based on estimated costs to progress with the tender process for the design and construction of a new Mingenew Early Childhood & Education Centre. Lotterywest and MWDC (through the Regional Economic Development Grant Scheme) are major funding partners of the project.

In tandem with the upgrade project, the Shire continues to liaise with REED, the current day care service providers, to ensure good communication is maintained and community needs are met.

2.3 Culture and Heritage

The Community Resource Centre continues to receive support from the Shire to deliver relevant tourist and information services at The Exchange, following successful coordination of the service for the last three years. In FY22/23, the Exchange has been a successful hub for broader arts and cultural events and opportunities, possible through key partnerships with North Midlands Project and Euphorium.

To further support community development and empowerment, a local team, represented by shire staff and other passionate community members, have been involved in the Community Builders Program (as part of the North Midlands group) which represents a grassroots leadership program that seeks to support local community builders within a defined cluster of communities to better understand and identify opportunities to build their local and regional community and economy. Our team is inspired to implement ideas so keep your eye out for the work they are doing.

Whilst continuing to promote our widely renowned annual events, such as Mingenew Midwest Expo and the Mingenew Annual Race Day, and smaller events, we have maintained a more moderate effort in showcasing Mingenew as a wildflower destination and expanded efforts in promoting liveability. We are undertaking a review of our marketing and communication activities to ensure we get the best value for the community and aim to report on this in early 2024.

2.4 Sense of Community

Each year Council allocates 1.5% of the value of rates per financial year to support community groups, volunteers and individual to maximise the impact of their contributions to enhancing liveability and vibrancy of our community. The CAS supports projects, activities and events that:

- are consistent with the values and strategies contained within the Shire of Mingenew Strategic Community Plan; and
- Where able, will endeavour to provide facilities and services that increase opportunities for inclusion, participation, social wellbeing and physical activity, as the Shire recognises the value of accessibility and community involvement; and
- In exceptional circumstances and when financial circumstances permit, will consider self- supporting loans to provide community organisations with an opportunity to raise loan funds through the Shire at competitive rates.



Big Ears



Mingenew Tennis Clubhouse

The CAS has two funding streams – the Annual Community Grants Program and a Quick Response Fund. In 2022/23, the Shire supported the following worthy projects:

Mingenew Historical Society - Oral History	\$1,190.18
Friends of the Spring - Micro Bat Boxes	\$940.40
Mingenew CRC Youth Program	\$4,500.20

There has been ongoing engagement with local bushfire volunteers regarding safety systems. We continue to participate in industry forums and engage local volunteers to improve the impact of their contributions and better understand the implications of the Work Health and Safety legislation.

The Mingenew Spring is earmarked for a transformation in 2023/24 and engagement with locals and experts on the best plantings and features have established a project this year to redevelop the area into a Botanical Garden. Initial works have commenced on clearing out some of the growth and identifying the Spring's natural water course. An initial concept design has been developed and grant funding is being sought to further enhance the space in 2023/24.

To connect the Mingenew Spring, the Caravan Park, main street precinct and other key foot traffic areas, the Shire has sought funding from the State Government to implement its 10 Year Shared Pathways Plan. With no support provided in FY22/23, the Shire aims to advocate further in FY23/24.

Mingenew Hill has been identified as a key site for local and visitor safe access and trails development. Initial concepts have been developed through the support of the DLGSC Trails funding program in FY22/23 and further funding support will be essential in seeing this project come to fruition in 2023/24.

The investigation and support for the consolidation of recreational facilities was facilitated, in part, during the SCP major review process in FY22/23 and will be further explored in FY23/24. Due to diminishing volunteer numbers and burnout risk, there has been growing support for engagement on this topic and the Shire will continue to consult with the community and relevant agencies.

In FY22/23 we celebrate the completion of enhancement works on the Cecil Newton Park Precinct to compliment the new skate park and playground, with lighting, tree planting, pathways and the restoration of Big Ears, finishing off a renewed community space for all to enjoy. Special recognition for those passionate and generous community members who contributed to the project.

With the new Tennis Clubhouse arriving in September 2023, the Tennis Club looks forward to the arrival of the new fit-for-purpose facility they, the Shire and the Department of Local Government, Sport and Cultural Industries (through the Community Sport and Recreation Facilities Fund) are supporting. The Mingenew Tennis Club has a strong membership base and active volunteers that have worked closely with the Shire in the achievement of this project. It is anticipated the project will be fully completed in the first quarter of 2024.

Strategic Community Plan cont.

Strategy 3

Growing Mingenew

Goal: *Develop key enabling and underpinning investments to grow the community to a population of 500 by 2029.*

3.1 Housing

The housing market continues to be a cause for concern in supporting economic outcomes for the community. Council and staff have been working hard at higher government levels to communicate the issues faced in regional WA and identifying opportunities for local government to have a positive impact on encouraging local investment and construction.

In response to Council's own housing needs, a number of maintenance and upgrade projects have been supported in FY22/23. In FY23/24 the Shire-managed Aged Person Units will undergo complete bathroom renovations and a more comprehensive program is to be established for maintenance and renewal of community assets over 2024.

The Shire continues to feel the effects of TC Seroja and market conditions of the building and construction industry, which has increased demand for suitable housing but limited capacity to deliver. Development of Council land by Tender

from 2021/22 has been particularly inhibited by the market conditions and an amendment to the original contract conditions has been supported by Council to alleviate pressures to ensure development and investment in Mingenew continues.

3.2 Development

As a result of TC Seroja, the Shire is focusing on its future preparedness for emergencies by investigating options to facilitate the Recreation Centre as an evacuation hub that will include consideration of renewable energy generation. This is a future project in conceptual stages and is part of a broader strategy to also reduce our carbon footprint as a sustainable and responsible government entity and is proposed as a consideration in the major review of the SCP.

In conjunction with the Midwest Development Commission, the Shire of Mingenew facilitated the development of a Space Precinct Master Plan in FY22/23. The masterplan and business case will identify opportunities and confirm what is required to deliver a dedicated precinct / region that respects the needs and sensitivities of existing operators / instruments and is likely to attract new radio astronomy and space related ventures and investment. This project supports the development growing and diverse space sciences, radio astronomy, defence, optical communications, and related sectors that is uniquely possible in our region of Australia.



Mingenew Midwest Expo



Fun and games at Mingenew Turf Club 100 Year Anniversary Races

Strategy 4

See you in Mingenew

Goal: *Attract visitors to Mingenew by making it a highly desirable and dynamic place to visit and live, resulting in an increase in population.*

4.1 Diversity of Accommodation

Accommodation to support visitor demand, business and industry growth and local residents continues to be a high priority and challenging matter to address. Council's capacity predominantly exists in advocacy, facilitation and support of others to achieve this goal.

4.2 Events

As highlighted above, the CRC continues to deliver a diverse events program throughout the year, supported by the Shire, with a focus on youth development, seniors' activities and health and well-being.

The Mingenew Turf Club celebrated its 100 year anniversary in 2023 and saw a great number of visitors to the event, as it is reputationally a significant event for the region. Minor improvements to the Turf Bar continue to be implemented to ensure the facility is well equipped for the event and volunteers to support the program.

Expo returned to its two day format in 2023, and it was great to see the event supported after the impacts of covid reducing the event to a smaller version in the previous year. Well done to the Expo Board on the success of this year's event!

4.3 Tourism Assets

The Shire now has a well-established brand, following the success of the "See You in Mingenew" campaign and we continue to explore further visitor experiences to broaden the original focus around wildflowers. We now hold annual Astrotourism-focused events in partnership with Astrotourism WA. We've been fortunate to attract some experts in this field to showcase our ideal night skies to locals and visiting enthusiasts.

Strategy 5

Making business easy In Mingenew

Goal: *Ensure Mingenew is supporting local businesses to grow and maintain employment within the community.*

5.1 Digital Capacity

Council continues its role to lobby for improved telecommunications to support the space industry, businesses, events and the general community.

5.2 Economic Development

The Shire continues to explore economic development opportunities and will be focusing on promoting business investment through various advocating mediums, industry groups and community interest groups.

As the resource sector increases activity in our region, the Shire is focused on advocating for accountability for socially responsible practices and promotion of local employment, housing and support services to ensure our community benefit. As this is relatively new activity in our area, this will be a feature consideration in our newly developed SCP.

Governance

Elected Member Attendance

Elected Member Attendance - 1 July 2022 to 30 June 2023

6 [6] Number of meetings attended / total number meetings held.

N/A Elected Member not required to Attend

Elected Member	Term Commenced	Term Expiry	Council (6)	Special Council (4)	Audit & Risk Committee (4)	Bushfire Advisory Committee (2)	Executive Committee (1)	Electors Meeting (1)	LEMC (4)
Cr G Cosgrove	2019	2023	6 (6)	4 (4)	2 (4)		1 (1)	1 (1)	
Cr J Bagley	2019	2023	5 (6)	4 (4)		1 (2)	1 (1)	1 (1)	
Cr H McTaggart	2019	2023	5 (6)	4 (4)	4 (4)		1 (1)	1 (1)	
Cr C Farr	2019	2023	4 (6)	2 (4)				1 (1)	
Cr A Smyth	2021	2025	6 (6)	3 (4)	4 (4)	1 (2)		1 (1)	4 (4)
Cr JR Holmes	2021	2025	6 (6)	4 (4)	1 (1)			1 (1)	
Cr AT Pearse*	2022	2025	5 (6)	1 (2)	2 (3)			1 (1)	

* Councillor appointed in July 2022 by resolution

[indicates total number of meetings for which the Councillor was an eligible member/delegate]

Elected Member Training

Part 10 – Training of the Local Government (Administration) Regulations 1996 was introduced requiring all elected members to complete the Council Member Essentials training course within 12 months of their election, in accordance with s5.126(1) of the Local Government Act 1995. The status of Councillor-completed training as at 30 June 2023 is as follows:

Council Member Essentials module completion status

Elected Member	Understanding Local Government	Serving on Council	Meeting Procedures	Conflicts of Interest	Understanding Financial Reports and Budget
Cr G Cosgrove	In Progress	Completed	In Progress	In Progress	Completed
Cr J Bagley	Completed	Completed	In Progress	In Progress	Completed
Cr H McTaggart	Completed	Completed	Completed	Completed	Completed
Cr C Farr	In Progress	Completed	In Progress	In Progress	Completed
Cr A Smyth	Completed	Completed	In Progress	In Progress	Completed
Cr JL Holmes	Completed	Completed	Completed	Completed	Completed
Cr AT Pearse	In Progress	In Progress	In Progress	In Progress	In Progress

Elected Remuneration

Elected Member	President's Allowance	Deputy President's Allowance	Meeting Attendance Fees	ICT Expenses	Training/ Conferences	Travel/ Accommodation expenses
Cr G Cosgrove	\$7,608	-	\$6,608	\$872	\$1,754	\$2,299
Cr J Bagley	-	\$1,904	\$3,896	\$872	\$600	-
Cr H McTaggart	-	-	\$3,896	\$872	\$600	-
Cr C Farr	-	-	\$3,896	\$872	\$600	-
Cr A Smyth	-	-	\$3,896	\$872	\$600	-
Cr JL Holmes	-	-	\$3,896	\$872	\$600	-
Cr AT Pearse	-	-	\$3,610	\$872	\$600	-

Employee Remuneration

In accordance with s19(b) of the Local Government (Administration) Regulations 1996, the number of Shire employees entitled to an annual salary of \$130,000 or more during the 2022/23 year were:

Table 4

Salary Range	Number of Employees
\$130 000 to \$139,999	0
\$140 000 to \$149,999	0
\$150 000 to \$159,999	0
\$160,000 to \$169,999	1

The Total Remuneration for the CEO in 2022/23 is \$230,616 (remuneration is defined as salary, allowances, fees, enrolments and benefits (whether in money or not)).

Freedom of Information

The Shire aims to make information available, whenever possible, outside the freedom of information process. However, on occasion, access to documents may require an application in accordance with the Freedom of Information Act 1992. Should members of the public wish to access information and documents held by the Shire please access the annually updated Shire of Mingenew Information Statement located on the Shire website to guide you in this process.

The Shire did not receive any applications under the Freedom of Information Act in 2022/23.

Disability and Access Inclusion Plan

The Shire's Disability Access and Inclusion Plan (DAIP) 2019-2024, last reviewed in 2023, is a key strategic document that outlines the Shire's approach to working towards a more accessible and inclusive community. The DAIP ensures that services, facilities and information meet the needs of people with disability, their families and carers and supports an environment in which people with disability have the same opportunities, rights and responsibilities enjoyed by all other people in the community.

Key strategies include:

- I. Ensuring that people with disability have the same opportunities as other people to access the services of, and any events organised by the Shire through consultation, policy development and improved services
- II. Ensuring that people with disability have the same opportunities as other people to access the buildings and other facilities of the Shire through improved planning and consultation during new and development works, including parking and access ways
- III. Ensuring people with a disability receive information in a format that will enable them to access information as readily as other people by having information available in alternative formats and continuously improving the Shire's website formatting
- IV. Ensuring people with disability receive the same level and quality of service from staff as other people through training, inductions and seeking advice from disability service providers
- V. Ensuring the Shire's grievance mechanisms are accessible for people with a disability
- VI. Ensuring people with disability have the same opportunity to participate in any public consultation through promotion of the DAIP and targeting affected community members on relevant matters
- VII. Using inclusive recruitment methods and practices to support people with disability in obtaining and maintaining employment with the Shire

The DAIP is monitored regularly, and Progress Reports are provided to the Department of Communities.

The DAIP is due to undergo a review in the early half of 2024.

Governance

Complaints Register

The Shire reports no complaints, as defined under s5.105 of the Act – ‘Breaches by council members’, for the period ending 30 June 2023. The complaints officer (CEO for the Shire of Mingenew) is required to maintain a register of complaints that result in a finding under s5.110(2)(a) that a minor breach has occurred. A copy of the Register is available on the Shire’s website.

Public Disclosures

The *Public Interest Disclosure Act 2013* aims to ensure openness and accountability in government. Disclosures are treated in confidence and persons making a disclosure are protected from detrimental action. The Chief Executive Officer is the appointed Public Interest Disclosure (PID) Officer for the Shire. During 2022/23 the Shire did not receive any disclosures.

Recordkeeping Plan

The Shire of Mingenew is committed to the reliable and systematic management of government records, in accordance with legislative requirements and best practice standards.

Council undertook a formal review of its Recordkeeping Plan in 2020 and prepared an updated Recordkeeping Plan in 2021.

The objectives of the Shire of Mingenew RKP are to ensure:

- Compliance with Section 28 of the State Records Act 2000;
- Recordkeeping within the Local Government is moving towards compliance with State Records Commission Standards and Records Management Standard AS ISO 15489;
- Processes are in place to facilitate the complete and accurate record of business transactions and decisions;
- Recorded information can be retrieved quickly, accurately and cheaply when required; and the
- Protection and preservation of the Local Government’s records.

In accordance with Section 17 of the Act, the Shire of Mingenew and all its employees are legally required to comply with the contents of this Plan. Induction and training programs are in place to ensure recordkeeping obligations are met by employees, contractors, Elected Members and outsourced services.

National Competition Policy

The Federal and State governments have a Competition Principles Agreement in place, which is binding on local government.

The Agreement requires the Shire to carry out activities, including a report on those activities in each year’s Annual Report. The three areas that affect local government are:

1. Competitive neutrality

To remove benefits (and costs) which accrue to government business as a result of their public ownership.

2. Structural reform

Local government is required to reform the structure of publicly owned monopoly businesses where it is proposed to introduce competition.

3. Legislation review

To review legislation that restricts competition.

Competitive Neutrality

There are several tests to apply that assist in determining if there is a ‘significant business enterprise’:

- Does the activity receive revenue from external sources that exceeds \$200,000 per annum? (In determining this amount, Council has been advised to disregard grant income, internal charges, and statutory fees.)
- Would the benefits to be realised from the implementation of competitive neutrality exceed the costs?

From an examination of the revenue statement of the Shire for the preceding period, there is no activity that satisfies this first part of the test, and accordingly the principles of competitive neutrality do not apply to any Shire of Mingenew activities.

Structural Reform

In this area, Council has no monopoly activities.

What is basic to the function of restructuring public monopolies is the splitting or division of the regulatory role from the service provision role.

To address the question of monopoly, the following test has been applied to each activity:

- Definition: In regard to this service, does Council have ‘exclusive or near exclusive control of the market supply of this service?’
- Dual function: Does Council have both a regulatory and supply function in this area of activity?

Legislation Review

Council has a portfolio of local laws (previously known as by-laws) which may or may not conflict with the Competition Principles Agreement. These local laws will be reviewed to ensure compliance with the reporting requirements.

The Shire last conducted a review of its Local Laws in 2017 and is continuing to implement actions from this review.

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Wildflowers at Mingenew Hill



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

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

Mingenew Shire is a safe, inclusive and connected community with a thriving local economy that provides opportunity for all to succeed.

Principal place of business:
21 Victoria Street
Mingenew WA 6522

**SHIRE OF MINGENEW
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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

STATEMENT BY CEO

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

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

Signed on the thirty day of November 2023



Matt Fanning
Chief Executive Officer

Nexia Perth Audit Services Pty Ltd

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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),25	2,208,660	2,184,413	2,044,488
Grants, subsidies and contributions	2(a)	1,237,219	886,902	1,404,866
Fees and charges	2(a)	318,931	304,262	284,303
Interest revenue	2(a)	74,420	12,740	13,106
Other revenue	2(a)	515,992	724,919	927,375
		4,355,222	4,113,236	4,674,138
Expenses				
Employee costs	2(b)	(1,264,320)	(1,235,494)	(1,274,568)
Materials and contracts		(1,031,584)	(904,521)	(1,542,929)
Utility charges		(86,715)	(83,800)	(91,941)
Depreciation		(2,516,633)	(2,382,070)	(2,261,471)
Finance costs	2(b)	(3,583)	(8,383)	(8,994)
Insurance		(155,561)	(146,784)	(127,906)
Other expenditure	2(b)	(468,303)	(697,416)	(720,920)
		(5,526,699)	(5,458,468)	(6,028,729)
		(1,171,477)	(1,345,232)	(1,354,591)
Capital grants, subsidies and contributions	2(a)	4,742,274	8,087,764	7,341,589
Profit on asset disposals		26,393	7,705	182,950
Loss on asset disposals		(42,960)	(7,000)	(11,945)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,764	0	2,998
		4,728,471	8,088,469	7,515,592
Net result for the period		3,556,994	6,743,237	6,161,001
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	0	0	680,232
Total other comprehensive income for the period	16	0	0	680,232
Total comprehensive income for the period		3,556,994	6,743,237	6,841,233

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



Nexia Perth Audit Services Pty Ltd

SHIRE OF MINGENEW
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	1,693,610	2,004,070
Trade and other receivables	5	245,195	1,053,488
Other financial assets	4(a)	563,254	0
Inventories	6	8,808	4,228
Other assets	7	434,574	33,179
TOTAL CURRENT ASSETS		2,945,441	3,094,965
NON-CURRENT ASSETS			
Trade and other receivables	5	29,029	22,978
Other financial assets	4(b)	61,117	58,353
Property, plant and equipment	8	9,988,618	10,277,916
Infrastructure	9	51,729,040	48,524,746
Right-of-use assets	11(a)	2,913	5,654
TOTAL NON-CURRENT ASSETS		61,810,717	58,889,647
TOTAL ASSETS		64,756,158	61,984,612
CURRENT LIABILITIES			
Trade and other payables	12	478,089	1,218,298
Other liabilities	13	667,549	680,099
Lease liabilities	11(b)	642	3,675
Borrowings	14	55,774	55,331
Employee related provisions	15	107,008	92,603
TOTAL CURRENT LIABILITIES		1,309,062	2,050,006
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	0	642
Borrowings	14	141,395	197,169
Employee related provisions	15	23,732	11,820
TOTAL NON-CURRENT LIABILITIES		165,127	209,631
TOTAL LIABILITIES		1,474,189	2,259,637
NET ASSETS		63,281,969	59,724,975
EQUITY			
Retained surplus		42,171,894	39,157,083
Reserve accounts	28	1,103,077	560,894
Revaluation surplus	16	20,006,998	20,006,998
TOTAL EQUITY		63,281,969	59,724,975

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



Nexia Perth Audit Services Pty Ltd

**SHIRE OF MINGENEW
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		33,085,132	471,844	19,326,766	52,883,742
Comprehensive income for the period					
Net result for the period		6,161,001	0	0	6,161,001
Other comprehensive income for the period	16	0	0	680,232	680,232
Total comprehensive income for the period		6,161,001	0	680,232	6,841,233
Transfers to reserve accounts	28	(89,050)	89,050	0	0
Balance as at 30 June 2022		39,157,083	560,894	20,006,998	59,724,975
Comprehensive income for the period					
Net result for the period		3,556,994	0	0	3,556,994
Total comprehensive income for the period		3,556,994	0	0	3,556,994
Transfers from reserve accounts	28	81,193	(81,193)	0	0
Transfers to reserve accounts	28	(623,376)	623,376	0	0
Balance as at 30 June 2023		42,171,894	1,103,077	20,006,998	63,281,969

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

Nexia Perth Audit Services Pty Ltd

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

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		2,175,489	2,031,399
Grants, subsidies and contributions		1,552,001	1,155,515
Fees and charges		298,444	282,397
Interest revenue		74,420	13,106
Goods and services tax received		0	156,678
Other revenue		515,992	924,089
		4,616,346	4,563,184
Payments			
Employee costs		(1,247,961)	(1,222,293)
Materials and contracts		(2,160,674)	(519,924)
Utility charges		(86,715)	(91,941)
Finance costs		(3,583)	(8,479)
Insurance paid		(155,561)	(127,906)
Goods and services tax paid		70,134	(90,076)
Other expenditure		(17,005)	(720,400)
		(3,601,365)	(2,781,019)
Net cash provided by (used in) operating activities		1,014,981	1,782,165
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(812,432)	(996,844)
Payments for construction of infrastructure	9(a)	(4,671,206)	(7,607,096)
Capital grants, subsidies and contributions		4,742,274	7,108,919
Payments for financial assets at amortised cost		(563,254)	0
Proceeds from sale of property, plant & equipment		38,183	391,491
Net cash provided by (used in) investing activities		(1,266,435)	(1,103,530)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27(a)	(55,331)	(193,419)
Payments for principal portion of lease liabilities	27(b)	(3,675)	(7,393)
Proceeds from new borrowings	27(a)	0	280,000
Net cash provided by (used in) financing activities		(59,006)	79,188
Net increase (decrease) in cash held		(310,460)	757,823
Cash at beginning of year		2,004,070	1,246,247
Cash and cash equivalents at the end of the year	3	1,693,610	2,004,070

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

Nexia Perth Audit Services Pty Ltd

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

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	2,153,597	2,129,671	2,005,305
Rates excluding general rates	25	55,063	54,741	39,183
Grants, subsidies and contributions		1,237,219	886,902	1,404,866
Fees and charges		318,931	304,262	284,303
Interest revenue		74,420	12,740	13,106
Other revenue		515,992	724,919	927,375
Profit on asset disposals		26,393	7,705	182,950
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,764	0	2,998
		4,384,379	4,120,940	4,860,086
Expenditure from operating activities				
Employee costs		(1,264,320)	(1,235,494)	(1,274,568)
Materials and contracts		(1,031,584)	(904,521)	(1,542,929)
Utility charges		(86,715)	(83,800)	(91,941)
Depreciation		(2,516,633)	(2,382,070)	(2,261,471)
Finance costs		(3,583)	(8,383)	(8,994)
Insurance		(155,561)	(146,784)	(127,906)
Other expenditure		(468,303)	(697,416)	(720,920)
Loss on asset disposals		(42,960)	(7,000)	(11,945)
		(5,569,659)	(5,465,468)	(6,040,674)
Non-cash amounts excluded from operating activities	26(a)	2,550,702	2,381,365	2,071,124
Amount attributable to operating activities		1,365,422	1,036,837	890,536
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		4,742,274	8,087,764	7,341,589
Proceeds from disposal of assets		38,183	26,862	391,491
		4,780,457	8,114,626	7,733,080
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(812,432)	(2,815,157)	(996,844)
Purchase and construction of infrastructure	9(a)	(4,671,206)	(6,374,940)	(7,607,096)
		(5,483,638)	(9,190,097)	(8,603,940)
Amount attributable to investing activities		(703,181)	(1,075,471)	(870,860)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	27(a)	0	0	280,000
Transfers from reserve accounts	28	81,193	0	0
		81,193	0	280,000
Outflows from financing activities				
Repayment of borrowings	27(a)	(55,331)	(57,041)	(193,419)
Payments for principal portion of lease liabilities	27(b)	(3,675)	(3,187)	(7,393)
Transfers to reserve accounts	28	(623,376)	(493,607)	(89,050)
		(682,382)	(553,835)	(289,862)
Amount attributable to financing activities		(601,189)	(553,835)	(9,862)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(b)	635,672	592,469	625,858
Amount attributable to operating activities		1,365,422	1,036,837	890,536
Amount attributable to investing activities		(703,181)	(1,075,471)	(870,860)
Amount attributable to financing activities		(601,189)	(553,835)	(9,862)
Surplus or deficit after imposition of general rates	26(b)	696,724	0	635,672

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

Nexia Perth Audit Services Pty Ltd

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

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. No Trust Funds were held as at 30 June 2023.

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

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified. Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General rates	Over time	Payment date adopted by Council during the year	None	When rates notice is issued
Operating grants, subsidies and contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Operating grants, subsidies and contracts with customers	General appropriations and contributions with no specific contractual commitments	No obligations	Not applicable	Not applicable	On receipt of funds
Non operating grants, subsidies and contracts with customers	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste collection	Kerbside collection service	Over time	Payment on an annual basis in advance	None	When rates notice is issued
Reimbursements	Insurance claims, rental utilities and debt collection costs	Single point in time	Payment in arrears for claimable event	None	Earlier of when the event is agreed or cash received
Other revenue	Agency revenue - Department of Transport	Single point in time	Payment in full on receipt	None	On receipt of funds

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,208,660	0	2,208,660
Grants, subsidies and contributions	20,683	0	1,152,174	64,362	1,237,219
Fees and charges	293,703	0	25,228	0	318,931
Interest revenue	67,542	0	6,878	0	74,420
Other revenue	452,659	0	0	63,333	515,992
Capital grants, subsidies and contributions	0	4,742,274	0	0	4,742,274
Total	834,587	4,742,274	3,392,940	127,695	9,097,496

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,044,488	0	2,044,488
Grants, subsidies and contributions	95,840	0	1,116,029	192,997	1,404,866
Fees and charges	190,052	0	94,251	0	284,303
Interest revenue	5,247	0	7,859	0	13,106
Other revenue	805,359	0	226	121,790	927,375
Capital grants, subsidies and contributions	0	7,341,589	0	0	7,341,589
Total	1,096,498	7,341,589	3,262,853	314,787	12,015,727

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)		2023	2022
	Note	Actual	Actual
		\$	\$
Interest revenue			
Interest on reserve account funds		18,064	465
Trade and other receivables overdue interest		6,697	7,859
Other interest revenue		49,659	4,782
		74,420	13,106
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$3,550.			
Fees and charges relating to rates receivable			
Charges on instalment plan		2,000	1,800
The 2023 original budget estimate in relation to: Charges on instalment plan was \$2,000.			
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report		28,200	25,100
- Other services – grant acquittals		3,000	1,800
		31,200	26,900
Employee Costs			
Employee benefit costs		1,201,665	1,212,161
Other employee costs		62,655	62,407
		1,264,320	1,274,568
Finance costs			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss		3,583	8,994
		3,583	8,994
Other expenditure			
Impairment losses on trade receivables		(1,575)	1,075
Department of Transport - licencing expenditure		393,176	652,104
Fees paid to Councillors		39,210	37,008
Community grants scheme		18,912	16,875
Sundry expenses		18,580	13,858
		468,303	720,920

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

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	1,693,610	1,531,901
Term deposits	0	472,169
Total cash and cash equivalents	1,693,610	2,004,070
Held as		
- Unrestricted cash and cash equivalents	487,550	766,407
- Restricted cash and cash equivalents	1,206,060	1,237,663
17	1,693,610	2,004,070

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 reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

2023	2022
\$	\$
563,254	0
563,254	0

Other financial assets at amortised cost

Term deposits

563,254	0
563,254	0

Held as

- Restricted other financial assets at amortised cost

17	563,254	0
	563,254	0

(b) Non-current assets

Financial assets at fair value through profit or loss

61,117	58,353
61,117	58,353

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance

58,353

Movement attributable to fair value increment

2,764

Units in Local Government House Trust - closing balance

61,117

Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

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

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

Financial assets at fair value through profit or loss

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

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

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

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
Current		
Rates and statutory receivables	57,702	39,714
Trade receivables	81,104	838,804
GST receivable	106,411	176,545
Allowance for credit losses of trade receivables	(22)	(1,575)
	245,195	1,053,488
Non-current		
Rates and statutory receivables	29,029	22,978
	29,029	22,978

Disclosure of opening and closing balances related to contracts with customers

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

Note	30 June 2023 Actual	30 June 2022 Actual	1 July 2021 Actual
	\$	\$	\$
Trade and other receivables from contracts with customers	72,409	836,729	94,554
Contract assets	413,671	0	0
Allowance for credit losses of trade receivables	(22)	(1,575)	(500)
Total trade and other receivables from contracts with customers	486,058	835,154	94,054

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

	Note	2023 \$	2022 \$
Current			
Fuel and materials		8,808	4,228
		8,808	4,228
The following movements in inventories occurred during the year:			
Balance at beginning of year		4,228	3,152
Additions to inventory		4,580	1,076
Balance at end of year		8,808	4,228

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

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

7. OTHER ASSETS

Other assets - current

Prepayments
 Accrued income
 Contract assets

2023	2022
\$	\$
5,200	28,907
15,703	4,272
413,671	0
434,574	33,179

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.

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Total land and buildings not subject to operating lease										Total property, plant and equipment			
	Land	Buildings - non-specialised	Buildings - specialised	Buildings - operating lease	Total land and buildings	Furniture and equipment	Plant and equipment	Bushfire equipment	Buildings - work in progress					
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	616,000	5,618,566	2,609,900	8,844,466	8,844,466	2,708	1,213,707	232,397	0	10,293,278				
Additions	0	45,720	17,246	62,966	62,966	13,827	705,549	0	214,502	996,844				
Disposals	(5,000)	0	0	(5,000)	(5,000)	0	(208,341)	0	0	(213,341)				
Depreciation	0	(330,003)	(206,898)	(536,901)	(536,901)	(3,802)	(222,426)	(45,100)	0	(808,229)				
Transfers				0	0	9,364				9,364				
Balance at 30 June 2022	611,000	5,334,283	2,420,248	8,365,531	8,365,531	22,097	1,488,489	187,297	214,502	10,277,916				
Comprises:														
Gross balance amount at 30 June 2022	611,000	5,664,286	2,627,146	8,902,432	8,902,432	43,141	2,153,751	457,898	214,502	11,771,724				
Accumulated depreciation at 30 June 2022	0	(330,003)	(206,898)	(536,901)	(536,901)	(21,044)	(665,262)	(270,601)	0	(1,493,808)				
Balance at 30 June 2022	611,000	5,334,283	2,420,248	8,365,531	8,365,531	22,097	1,488,489	187,297	214,502	10,277,916				
Additions	0	29,357	186,821	216,178	216,178	0	247,061	230,976	118,217	812,432				
Disposals	0	(42,960)	0	(42,960)	(42,960)	0	0	(11,790)	0	(54,750)				
Depreciation	0	(333,488)	(383,881)	(717,369)	(717,369)	(5,060)	(267,456)	(57,095)	0	(1,046,980)				
Transfers	0	7,102	163,868	170,970	170,970	0	0	0	(170,970)	0				
Balance at 30 June 2023	611,000	4,994,294	2,387,056	7,992,350	7,992,350	17,037	1,468,094	349,388	161,749	9,988,618				
Comprises:														
Gross balance amount at 30 June 2023	611,000	5,629,145	2,977,836	9,217,981	9,217,981	43,141	2,400,812	654,313	161,749	12,477,996				
Accumulated depreciation at 30 June 2023	0	(634,851)	(590,780)	(1,225,631)	(1,225,631)	(26,104)	(932,718)	(304,925)	0	(2,489,378)				
Balance at 30 June 2023	611,000	4,994,294	2,387,056	7,992,350	7,992,350	17,037	1,468,094	349,388	161,749	9,988,618				

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2021	Price per hectare
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2021	Market data/improvements to land using construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2021	Market data/improvements to land using 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 by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
(ii) Cost					
Furniture and equipment		N/A	Cost	Not applicable	N/A
Plant and equipment		N/A	Cost	Not applicable	N/A
Bushfire equipment		N/A	Cost	Not applicable	N/A

**SHIRE OF MINGENEE
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FOR THE YEAR ENDED 30 JUNE 2023**

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - drainage	Infrastructure - bridges	Infrastructure - footpaths	Infrastructure - parks & ovals	Infrastructure - airfields	Other infrastructure	Service concession assets - infrastructure	Infrastructure - work in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	33,499,003	133,036	5,662,133	232,701	1,618,840	103,500	193,378	252,473	0	41,695,064
Additions	5,271,694	0	2,041,202	0	84,161	0	59,945	0	150,094	7,607,096
(Disposals)	0	0	0	0	(7,145)	0	0	0	0	(7,145)
Revaluation increments / (decrements) transferred to revaluation surplus	887,282	12,374	(399,265)	(2,398)	175,314	0	66,267	(59,342)	0	680,232
Depreciation	(1,072,751)	(1,728)	(135,671)	(8,416)	(191,216)	(6,640)	(20,948)	(13,131)	0	(1,450,501)
Balance at 30 June 2022	38,585,228	143,682	7,168,399	221,887	1,679,954	96,860	298,642	180,000	150,094	48,524,746
Comprises:										
Gross balance at 30 June 2022	38,585,228	143,682	7,168,399	221,887	1,684,759	103,500	309,161	180,000	150,094	48,546,710
Accumulated depreciation at 30 June 2022	0	0	0	0	(4,805)	(6,640)	(10,519)	0	0	(21,964)
Balance at 30 June 2022	38,585,228	143,682	7,168,399	221,887	1,679,954	96,860	298,642	180,000	150,094	48,524,746
Additions	4,179,913	0	0	0	151,580	273,904	36,009	29,800	0	4,671,206
Depreciation	(1,119,323)	(1,796)	(143,368)	(7,426)	(142,069)	(6,645)	(32,305)	(11,980)	0	(1,466,912)
Transfers	0	0	0	0	106,499	12,634	30,961	0	(150,094)	0
Balance at 30 June 2023	41,645,818	141,886	7,025,031	214,461	1,795,964	374,753	333,307	197,820	0	51,729,040
Comprises:										
Gross balance at 30 June 2023	42,765,141	143,682	7,168,399	221,887	1,942,837	390,038	376,131	209,800	0	53,217,915
Accumulated depreciation at 30 June 2023	(1,119,323)	(1,796)	(143,368)	(7,426)	(146,873)	(15,285)	(42,824)	(11,980)	0	(1,466,875)
Balance at 30 June 2023	41,645,818	141,886	7,025,031	214,461	1,795,964	374,753	333,307	197,820	0	51,729,040

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	3	Cost approach using current replacement cost	Independent specialist valuer	June 2022	Depreciated cost value of similar assets adjusted for condition and comparability.
	Infrastructure - drainage	3	Cost approach using current replacement cost	Independent specialist valuer	June 2022	Depreciated cost value of similar assets adjusted for condition and comparability.
	Infrastructure - bridges	3	Cost approach using current replacement cost	Independent specialist valuer	June 2022	Depreciated cost value of similar assets adjusted for condition and comparability.
	Infrastructure - footpaths	3	Cost approach using current replacement cost	Independent specialist valuer	June 2022	Depreciated cost value of similar assets adjusted for condition and comparability.
	Infrastructure - parks & ovals	3	Cost approach using current replacement cost	Independent specialist valuer	June 2022	Depreciated cost value of similar assets adjusted for condition and comparability.
	Infrastructure - airfields	3	Cost approach using current replacement cost	Independent specialist valuer	June 2021	Depreciated cost value of similar assets adjusted for condition and comparability.
	Other infrastructure	3	Cost approach using current replacement cost	Independent specialist valuer	June 2022	Depreciated cost value of similar assets adjusted for condition and comparability.
	Service concession assets - infrastructure	3	Cost approach using current replacement cost	Independent specialist valuer	June 2022	Depreciated cost value of similar assets adjusted for condition and comparability.

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

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Land - freehold land	Not depreciated
Buildings - non-specialised	40 to 60 years
Buildings - specialised	40 to 60 years
Furniture and equipment	5 to 10 years
Plant and equipment	5 to 20 years
Bushfire equipment	5 to 30 years
Right-of-use assets - Furniture and equipment	Based on the remaining lease term
Infrastructure - roads	15 to 80 years
Infrastructure - drainage	80 years
Infrastructure - bridges	50 years
Infrastructure - footpaths	10 to 40 years
Infrastructure - parks & ovals	3 to 50 years
Infrastructure - airfields	10 years
Other infrastructure	5 to 50 years
Service concession assets - infrastructure	5 to 50 years

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

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

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

Impairment

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

Gains or losses on disposal

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

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

11. LEASES

(a) Right-of-Use Assets

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

	Right-of-use assets - furniture and equipment	Right-of-use assets Total
Note		
	\$	\$
Balance at 1 July 2021	17,760	17,760
Gains/(losses) from sale and leaseback transactions	(9,364)	(9,364)
Depreciation	(2,742)	(2,742)
Balance at 30 June 2022	5,654	5,654
Gross balance amount at 30 June 2022	13,707	13,707
Accumulated depreciation at 30 June 2022	(8,053)	(8,053)
Balance at 30 June 2022	5,654	5,654
Depreciation	(2,741)	(2,741)
Balance at 30 June 2023	2,913	2,913
Gross balance amount at 30 June 2023	13,707	13,707
Accumulated depreciation at 30 June 2023	(10,794)	(10,794)
Balance at 30 June 2023	2,913	2,913

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

	2023 Actual	2022 Actual
	\$	\$
Depreciation on right-of-use assets	(2,741)	(2,742)
Finance charge on lease liabilities	(217)	(1,932)
Total amount recognised in the statement of comprehensive income	(2,958)	(4,674)
Total cash outflow from leases	(3,892)	(9,325)
(b) Lease Liabilities		
Current	642	3,675
Non-current	0	642
27(b)	642	4,317

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 27(b).

Right-of-use assets - measurement

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

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

Right-of-use assets - depreciation

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

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

11. LEASES (Continued)

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

	2023 Actual	2022 Actual
Less than 1 year	102,492	96,590
1 to 2 years	92,534	96,590
2 to 3 years	92,534	96,590
3 to 4 years	92,534	96,590
4 to 5 years	92,534	96,590
> 5 years	92,534	96,590
	565,162	579,540
Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease		
Rental income	112,483	116,856

The Shire leases houses to staff, community and aged persons with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The staff and community houses are not considered investment property as they are leased for use in the supply of services to the community. The aged persons housing are considered a joint operation and are not considered investment property as the primary purpose is provision of community housing.

Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

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

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

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

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

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

12. TRADE AND OTHER PAYABLES

Current

	2023	2022
	\$	\$
Sundry creditors	237,230	645,163
Prepaid rates	6,801	13,937
Accrued payroll liabilities	46,456	36,530
ATO liabilities	47,971	101,341
Bonds and deposits held	40,281	15,507
Accrued interest	402	515
Accrued expense	98,302	398,960
Other payables	646	6,345
	478,089	1,218,298

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

Prepaid rates

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

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

13. OTHER LIABILITIES

	2023	2022
	\$	\$
Current		
Capital grant/contributions liabilities	666,237	676,769
Other liabilities income in advance	1,312	3,330
	<u>667,549</u>	<u>680,099</u>
The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$666,237 (2022: \$676,769)		
The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.		
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	676,769	420,600
Additions	666,237	628,288
Revenue from capital grant/contributions held as a liability at the start of the period	(676,769)	(372,119)
	<u>666,237</u>	<u>676,769</u>
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	566,237	564,269
1 to 2 years	100,000	112,500
	<u>666,237</u>	<u>676,769</u>

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

SIGNIFICANT ACCOUNTING POLICIES

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

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

14. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		55,774	141,395	197,169	55,331	197,169	252,500
Total secured borrowings	27(a)	55,774	141,395	197,169	55,331	197,169	252,500

Secured liabilities and assets pledged as security

Debentures are secured by a floating charge over the assets of the Shire of Mingenew.

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

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

Risk

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

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

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Total non-current employee related provisions

Total employee related provisions

	2023	2022
	\$	\$
	75,614	64,926
	31,394	27,677
	107,008	92,603
	107,008	92,603
	23,732	11,820
	23,732	11,820
	23,732	11,820
	130,740	104,423

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

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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

16. REVALUATION SURPLUS

	2023 Opening Balance	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	786,615	786,615	786,615	0	786,615
Revaluation surplus - Buildings - non-specialised	4,241,524	4,241,524	4,241,524	0	4,241,524
Revaluation surplus - Buildings - specialised	2,419,608	2,419,608	2,419,608	0	2,419,608
Revaluation surplus - Plant and equipment	232,384	232,384	232,384	0	232,384
Revaluation surplus - Bushfire equipment	40,733	40,733	40,733	0	40,733
Revaluation surplus - Infrastructure - roads	9,501,272	9,501,272	8,613,990	887,282	9,501,272
Revaluation surplus - Infrastructure - drainage	780,643	780,643	768,269	12,374	780,643
Revaluation surplus - Infrastructure - bridges	1,087,918	1,087,918	1,487,183	(399,265)	1,087,918
Revaluation surplus - Infrastructure - footpaths	167,382	167,382	169,780	(2,398)	167,382
Revaluation surplus - Infrastructure - parks & ovals	519,934	519,934	344,620	175,314	519,934
Revaluation surplus - Infrastructure - airfields	148,860	148,860	148,860	0	148,860
Revaluation surplus - Other infrastructure	80,125	80,125	73,200	6,925	80,125
	20,006,998	20,006,998	19,326,766	680,232	20,006,998

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

17. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2023 Actual \$	2022 Actual \$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	1,206,060	1,237,663
- Financial assets at amortised cost	4	563,254	0
		1,769,314	1,237,663
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	1,103,077	560,894
Capital grant liabilities	13	666,237	676,769
Total restricted financial assets		1,769,314	1,237,663

**18. UNDRAWN BORROWING FACILITIES AND CREDIT
STANDBY ARRANGEMENTS**

Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	14,500	14,500
Credit card balance at balance date	(101)	(2,551)
Total amount of credit unused	514,399	511,949
Loan facilities		
Loan facilities - current	55,774	55,331
Loan facilities - non-current	141,395	197,169
Total facilities in use at balance date	197,169	252,500
Unused loan facilities at balance date	0	0

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

19. CONTINGENT LIABILITIES

In compliance with the *Contaminated Sites Act 2003*, the Shire has listed a site to be a possible source of contamination. Details of the site are:

- Mingenew Transfer Station

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

20. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	655,638	2,220,091
	655,638	2,220,091
Payable:		
- not later than one year	555,638	2,220,091
- 1 to 2 years	100,000	0

The capital expenditure projects outstanding at the end of the current reporting period represent the renewal of Mingenew-Mullewa Road Bridge, childcare centre upgrade and Midland Road garden rest area upgrade (the prior year represent the Essential Public Assets Reconstruction for roadworks from Tropical Cyclone Seroja that occurred on 11-12 April 2021. This was fully funded through Disaster Recovery Funding Arrangements WA).

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

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
President's annual allowance	7,608	7,608	7,424
President's meeting attendance fees	6,608	6,608	6,444
President's other expenses	1,755	1,714	2,022
President's ICT expenses	872	714	699
President's travel and accommodation expenses	2,300	714	1,009
	19,143	17,358	17,598
Deputy President's annual allowance	1,904	1,904	1,866
Deputy President's meeting attendance fees	3,896	3,896	3,800
Deputy President's other expenses	600	1,714	1,903
Deputy President's ICT expenses	872	714	699
Deputy President's travel and accommodation expenses	0	714	961
	7,272	8,942	9,229
All other council member's meeting attendance fees	19,194	19,480	17,474
All other council member's other expenses	3,000	8,572	6,242
All other council member's ICT expenses	4,359	3,572	3,414
All other council member's travel and accommodation expenses	0	3,572	2,629
	26,553	35,196	29,759
21(b)	52,968	61,496	56,586

(b) Key Management Personnel (KMP) Compensation

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

Note	2023 Actual \$	2022 Actual \$
Short-term employee benefits	527,754	504,230
Post-employment benefits	70,384	62,393
Employee - other long-term benefits	18,471	7,517
Employee - termination benefits	2,802	24,703
Council member costs	52,968	56,586
21(a)	672,379	655,429

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

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

Council member costs

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

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

21. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

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

	2023 Actual	2022 Actual
	\$	\$
Purchase of goods and services	26,912	36,489

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 21(a) and 21(b)

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

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

22. JOINT ARRANGEMENTS

Share of joint operations

In 1997/98, Council, in conjunction with Homeswest, constructed 3 x 2 bedroom and 1 x 1 bedroom Aged Persons' Units in Mingenew townsite. The terms of the joint agreement provided for Council to contribute \$54,777 which equates to an equity of 15.34%. Council has subsequently capitalised expenditure on the units. The recalculated equity for Council is 18.58%. Fair value assessment of the property was undertaken in 2020/21, along with all other Council Land and Buildings assets. The amount shown below is 18.58% of the fair value of \$439,000 and is included in Note 9.

The initial term of the agreement was 25 years and expired on 20 August 2022. The contract is ongoing under the same terms of the original contract.

Statement of Financial Position	2023 Actual	2022 Actual
	\$	\$
Cash and cash equivalents	16,608	13,187
Property, plant and equipment (Asset # 0254)	81,566	81,566
Less: accumulated depreciation	(5,106)	(2,553)
Total assets	93,068	92,200
Reserve accounts	16,608	13,187
Retained Surplus	76,460	79,013
Total equity	93,068	92,200
Statement of Comprehensive Income		
Housing revenue	25,440	34,263
Interest	422	13
Depreciation	(2,553)	(2,553)
Housing expenditure	(22,441)	(32,967)
Profit/(loss) for the period	868	(1,244)
Total comprehensive income for the period	868	(1,244)
Other revenue	25,862	34,276
Other expense	(22,441)	(32,967)
Net cash provided by (used in) operating activities	3,421	1,309

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

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

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

23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no events occurring after the end of the reporting period.

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

24. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

25. RATING INFORMATION

(a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2022/23 Actual Rateable Value*	2022/23 Actual Rate	2022/23 Actual Interim Rates	2022/23 Actual Total Revenue	2022/23 Budget Rate	2022/23 Budget Interim Rate	2022/23 Budget Total Revenue	2021/22 Actual Total Revenue
GRV - Mingenew	Gross rental valuation	0.15921	131	1,170,876	186,415	1,081	187,496	186,415	0	186,415	180,722
GRV - Yandanooka	Gross rental valuation	0.15921	2	13,884	2,210	0	2,210	2,210	0	2,210	2,136
GRV - Commercial	Gross rental valuation	0.15921	14	346,630	55,187	66,770	121,957	55,187	14,000	69,187	53,339
GRV - Industrial	Gross rental valuation	0.15921	1	12,479	1,987	0	1,987	1,987	0	1,987	1,920
UV - Rural	Unimproved valuation	0.01082	110	163,131,200	1,765,080	(63)	1,765,017	1,765,081	0	1,765,081	1,672,207
UV - Mining	Unimproved valuation	0.01082	0	0	0	0	0	0	0	0	0
Total general rates			258	164,675,069	2,010,879	67,788	2,078,667	2,010,880	14,000	2,024,880	1,910,324
Minimum payment											
GRV - Mingenew	Gross rental valuation	764	65	27,288	49,660	1,143	50,803	49,660	0	49,660	45,836
GRV - Yandanooka	Gross rental valuation	764	0	0	0	0	0	0	0	0	0
GRV - Commercial	Gross rental valuation	764	9	5,962	6,876	0	6,876	6,876	0	6,876	6,552
GRV - Industrial	Gross rental valuation	764	3	2,787	2,292	0	2,292	2,292	0	2,292	2,184
UV - Rural	Unimproved valuation	1,148	22	875,400	25,256	0	25,256	25,256	0	25,256	27,268
UV - Mining	Unimproved valuation	1,148	20	98,671	22,960	1,003	23,963	21,812	0	21,812	14,209
Total minimum payments			119	1,010,108	107,044	2,146	109,190	105,896	0	105,896	96,049
Total general rates and minimum payments			377	165,685,177	2,117,923	69,934	2,187,857	2,116,776	14,000	2,130,776	2,006,373
Ex-gratia Rates											
CBH											
Murchison Regional Aboriginal Corporation					54,742		54,742	54,431		54,431	38,872
Total amount raised from rates (excluding general rates)					321		321	310		310	311
Concessions					55,063		55,063	54,741		54,741	39,183
Total Rates							(34,260)			(1,105)	(1,068)
							2,208,660			2,184,412	2,044,488
Rate instalment interest											3,999
Rate overdue interest											3,859

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

*Rateable Value at time of raising of rate.

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

26. DETERMINATION OF SURPLUS OR DEFICIT

		2022/23 Budget	2021/22 Budget
	2022/23 (30 June 2023)	(30 June 2023)	(30 June 2022)
	Carried Forward)	Carried Forward)	Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(26,393)	(7,705)	(182,950)
Less: Movement in liabilities associated with restricted cash	14,405	0	(12,178)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(2,764)	0	(2,998)
Add: Loss on disposal of assets	42,960	7,000	11,945
Add: Depreciation	2,516,633	2,382,070	2,261,471
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(6,051)	0	(4,885)
Employee benefit provisions	11,912	0	719
Non-cash amounts excluded from operating activities	2,550,702	2,381,365	2,071,124
(b) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	28 (1,103,077)	(1,054,501)	(560,894)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14 55,774	(1,710)	55,331
- Current portion of lease liabilities	11(b) 642	488	3,675
- Employee benefit provisions	107,006	92,603	92,601
Total adjustments to net current assets	(939,655)	(963,120)	(409,287)
Net current assets used in the Statement of Financial Activity			
Total current assets	2,945,441	2,067,194	3,094,965
Less: Total current liabilities	(1,309,062)	(1,104,073)	(2,050,006)
Less: Total adjustments to net current assets	(939,655)	(963,121)	(409,287)
Surplus or deficit after imposition of general rates	696,724	0	635,672

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

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget			
		New Loans		Principal		New Loans		Principal	
		Principal at 1 July 2021	Repayments During 2021-22	Principal at 30 June 2022	Repayments During 2022-23	Principal at 30 June 2023	Repayments During 2022-23	Principal at 30 June 2023	
		\$	\$	\$	\$	\$	\$	\$	\$
Senior Citizen Building		17,001	0	(17,001)	0	0	0	0	0
King Street - Triplex		14,222	0	(14,222)	0	0	0	0	0
Philip Street - House		10,499	0	(10,499)	0	0	0	0	0
Moore Street - House		18,175	0	(18,175)	0	0	0	0	0
Field Street - House		15,007	0	(15,007)	0	0	0	0	0
Pavilion Fitout		18,921	0	(18,921)	0	0	0	0	0
Roller		7,017	0	(7,017)	0	0	0	0	0
Grader		22,152	0	(22,152)	0	0	0	0	0
Side Tipper		15,032	0	(15,032)	0	0	0	0	0
Drum Roller		27,893	0	(27,893)	0	0	0	0	0
Grader		0	280,000	252,500	0	0	0	0	0
Total		165,919	280,000	(193,419)	252,500	0	(55,331)	197,169	(57,041)
Borrowing Finance Cost Payments									
		Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022
						\$	\$	\$	\$
Senior Citizen Building		137	* WATC	2.40%	29/06/2022	0	0	(520)	(520)
King Street - Triplex		133	* WATC	2.40%	29/06/2022	0	0	(331)	(331)
Philip Street - House		134	* WATC	2.40%	29/06/2022	0	0	(252)	(252)
Moore Street - House		136	* WATC	2.40%	29/06/2022	0	0	(629)	(629)
Field Street - House		142	* WATC	2.40%	29/06/2022	0	0	(290)	(290)
Pavilion Fitout		138	* WATC	2.40%	29/06/2022	0	0	(499)	(499)
Roller		139	* WATC	2.40%	29/06/2022	0	0	(123)	(123)
Grader		141	* WATC	2.40%	29/06/2022	0	0	(424)	(424)
Side Tipper		144	* WATC	2.40%	29/06/2022	0	0	(290)	(290)
Drum Roller		145	* WATC	2.40%	29/06/2022	0	0	(431)	(431)
Grader		146	* WATC	0.80%	29/09/2026	(3,366)	(6,849)	(3,273)	(7,062)
Total						(3,366)	(6,849)	(7,062)	(7,062)
Total Finance Cost Payments									
						(3,366)	(6,849)	(7,062)	
WA Treasury Corporation									

* WA Treasury Corporation

27. BORROWING AND LEASE LIABILITIES (Continued)

Purpose	Note	Actual				Budget			
		Principal		Principal at 30		Principal		Principal	
		Principal at 1 July 2021	New Leases During 2021-22	Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2022	New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023
Photocopier		7,705	0	(3,388)	4,317	4,317	0	0	1,130
IT equipment		4,005	0	(4,005)	0	0	0	0	0
Total Lease Liabilities	11(b)	11,710	0	(7,393)	4,317	4,317	0	0	1,130
Lease Finance Cost Payments									
Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023		Actual for year ending 30 June 2022	
						\$	\$	\$	\$
Photocopier			De Lage Landon	8.20%	7/09/2023	(217)	(1,534)	(505)	60 months
IT equipment			Finrent	12.80%	28/03/2022	0	0	(1,427)	36 months
Total Finance Cost Payments						(217)	(1,534)	(1,932)	

[illegible]

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

28. RESERVE ACCOUNTS

	2023		2023		2023		2023		2023		2023		2023		2023		2023	
	Actual	Opening	Actual	Transfer to	Actual	Transfer (from)	Budget	Opening	Budget	Transfer to	Budget	Transfer (from)	Closing	Actual	Opening	Actual	Transfer to	Actual
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation/agreement																		
(a) Aged person units reserve	12,795	2,422	0	0	15,217	0	12,795	2,013	0	2,013	0	0	14,808	12,782	13	0	12,795	0
	12,795	2,422	0	0	15,217	0	12,795	2,013	0	2,013	0	0	14,808	12,782	13	0	12,795	0
Restricted by council																		
(b) Employee entitlement reserve	76,723	2,489	0	0	79,212	0	30,331	69	0	69	0	0	30,400	68,134	8,589	0	76,723	0
(c) Building and land reserve	30,331	292,730	0	0	323,061	0	76,723	250,031	0	250,031	0	0	326,754	30,301	30	0	30,331	0
(d) Plant reserve	274,895	249,732	0	0	524,627	0	274,895	241,328	0	241,328	0	0	516,223	194,640	80,255	0	274,895	0
(e) Recreation reserve	3,099	10,534	0	0	13,633	0	3,099	3	0	3	0	0	3,102	3,096	3	0	3,099	0
(f) Environmental reserve	19,636	6,013	0	0	25,649	0	19,636	20	0	20	0	0	19,656	19,617	19	0	19,636	0
(g) Land development reserve	6,985	231	0	0	7,216	0	6,985	6	0	6	0	0	6,991	6,978	7	0	6,985	0
(h) TRC/PONAB building reserve	22,240	734	0	0	22,974	0	22,240	22	0	22	0	0	22,262	22,218	22	0	22,240	0
(i) Insurance reserve	23,068	21,625	0	0	44,693	0	23,068	23	0	23	0	0	23,091	23,045	23	0	23,068	0
(j) Economic development & marketing reserve	10,333	10,774	0	0	21,107	0	10,333	10	0	10	0	0	10,343	10,323	10	0	10,333	0
(k) Covid-19 emergency reserve	80,789	404	0	0	81,193	0	80,789	82	0	82	0	0	80,871	80,710	79	0	80,789	0
(l) Mingenew day care centre redevelopment	0	25,688	0	0	25,688	0	0	0	0	0	0	0	0	0	0	0	0	0
	548,099	620,954	(81,193)	(81,193)	1,087,860	0	548,099	491,594	0	491,594	0	0	1,039,693	459,062	89,037	0	548,099	0
	560,894	623,376	(81,193)	(81,193)	1,103,077	0	560,894	493,607	0	493,607	0	0	1,054,501	471,844	89,050	0	560,894	0

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

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

Name of reserve account	Purpose of the reserve account
Restricted by legislation/agreement	
(a) Aged person units reserve	Ongoing For funding of future operating shortfalls of the tagged person units in accordance with the Homeswest Joint Arrangement
Restricted by council	
(b) Employee entitlement reserve	Ongoing For acquisition, construction and maintenance of buildings and associated land
(c) Building and land reserve	Ongoing For purchase of plant and equipment
(d) Plant reserve	Ongoing For the improvement of sportsgrounds
(e) Recreation reserve	Ongoing To fund annual, sick and long service leave and accrued staff bonuses
(f) Environmental reserve	Ongoing For rehabilitation of sites such as gravel pits, refuse and contaminated sites
(g) Land development reserve	Ongoing For the acquisition, subdivision and development of land
(h) TRC/PONAB building reserve	Ongoing For the maintenance of the buildings
(i) Insurance reserve	Ongoing For the settlement of minor property expenses under \$5,000 that would otherwise been insurance claims
(j) Economic development & marketing reserve	Ongoing For economic development and marketing of the Shire of Mingenew
(k) Covid-19 emergency reserve	Ongoing For emergency relief to impacted staff and the fire or purchase of critical equipment
(l) Mingenew day care centre redevelopment	As needed For holding funds raised externally, to be used for the future redevelopment of the Mingenew Day Care Centre



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Mingenew

To the Council of the Shire of Mingenew

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Mingenew for the year ended 30 June 2023 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
1 December 2023



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