



shire of Ashburton
opportunity to community

2021-2022
annual report



acknowledgement **of country** and Aboriginal History

The Shire of Ashburton acknowledges the first custodians of this region, the richness of their culture and the responsibility of all Australians to respect Aboriginal heritage.

Tom Price: Eastern Guruma

Onslow: Thalanyji

Pannawonica: Kurrama

Paraburdoo: Yinhawangka

The land comprising the Shire of Ashburton has been home to Aboriginal Australians for millennia. Sustained by bonds of kinship, language, culture and connection to the land, the local Aboriginal people have demonstrated autonomy and innovation in adapting to a harsh environment.

We respect and honour the traditional owners, custodians, native land titles and Elders past, present and future.

We recognise the richness of their culture and the responsibility of all Australians to respect Aboriginal heritage.

We acknowledge the stories, traditions and living cultures of Aboriginal peoples on this land and commit to building a brighter future together.

2021/2022 Annual Report

The Shire of Ashburton is pleased to present our 2021/22 Annual Report, which details our activities and achievements throughout the 2021/22 financial year.

This report sets out to provide an overview of our progress over this period and aligns to our Strategic Community Plan 2022- 2032. Copies of the Strategic Community Plan 2022-2032 can be downloaded from our website.

Our financial statements have been certified by an independent auditor.

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Shire of Ashburton *profile*

The Shire of Ashburton continues to be a driving force of the Pilbara region and Western Australian economy.

The Shire itself is a unique expanse where the nexus of people, place and prosperity is real, tangible and invigorating, boasting a unique lifestyle with pristine National Parks, idyllic coastline, and a rich cultural heritage. Encompassing the towns of Tom Price, Onslow, Paraburdoo and Pannawonica, our residents boast a unique lifestyle.

The Shire contributes an unparalleled 12% to WA's Gross Domestic Product and delivers 38% or \$38.57 billion to the Gross Regional Product of the Pilbara region and continues to provide a diverse range of economic opportunities.

Council continues to drive, attract and source investment to the region to ensure ongoing expansion of services, accessibility, commercialisation and industry continues to grow along with our community's overall health and well-being. As champions for our community, working together towards a single vision to benefit all, we know that a sustained balance between economic strength and sense of community can be achieved.

Message from the Shire President



I am proud to continue to lead Council and deliver favourable opportunities for the Shire of Ashburton as Shire President, following my re-election into the position following Local Government Elections in October 2021.

This year the Shire of Ashburton committed to and achieved considerable social and infrastructure investment across the region.

At the start of the financial year, Council endorsed what was our largest ever budget with \$73.2M committed to a diverse line up of key capital projects to deliver projects of significant community and economic importance, which will provide opportunities to the community for decades to come.

In July we officially opened the newly created gym in Onslow, and in August we endorsed stage 2 of the Tom Price Skate Park upgrade, keeping community health and wellbeing in mind as we continued to navigate life with COVID prevention measures in place.

Onslow Airport hosted the Sir Norman Brearley Commemorative Flight to commemorate the 100th Anniversary of the first ever commercial flight in the southern hemisphere. 24 planes descended into Onslow Airport in September and were welcomed by Council, Onslow Airport staff, and members of the community.

Construction of the new Onslow Community Boat Precinct facility commenced in October in conjunction with the Department of Transport, that will provide a new boat ramp and central holding jetty with suitable space for the future development of a small marina with fully serviced boat pens at Beadon Creek.

Partnership and collaboration proved valuable when the COVID pandemic hit our towns in early 2022. The Shire of Ashburton, along with State response agencies including WA Country Health, Department of Communities, WA Police, neighbouring Local Government Authorities and industry partners Rio Tinto and Chevron met daily discuss items and community concerns and to collaboratively assist the communities as the outbreak spread across the region and demonstrated the value of community partnerships, particularly in remote areas.

As we launched our revised Strategic Community Plan, we recognised our progress and identified the need to ensure the Shire has the resource capacity to maintain and improve our infrastructure and current levels of services to community.

Council continues to ensure their decisions are in line with our Strategic Community Plan and we deliver and enable economic growth and attract and retain vibrant and active communities across our towns of Tom Price, Onslow, Paraburdoo and Pannawonica.

In April we commenced the first phase of community engagement on the future of Tom Price and Paraburdoo as part of the Community Infrastructure and Lifestyle Plan (CLIP). The concept of CLIP has been discussed with Council and community over the past 12 months and has been presented and supported by Pilbara Development Commission and Rio Tinto. An integral piece for the future of Tom Price and Paraburdoo, CLIP will address key needs and issues such as health facilities, recreation facilities and infrastructure, as well as the local economy and employment opportunities. It will also include an agreed upon framework that will assist in achieving long term liveability for the inland towns within the Shire of Ashburton.

To further cement our vision, we adopted the 2022 Priority Projects Statement that details the key advocacy projects Council is committed to focusing on for the next five years. As a visionary Statement, it enables the Shire to lobby for additional funding from Federal and State Government and from community and industry stakeholders, while also raising awareness of critical issues for the Shire and development opportunities in Onslow, Tom Price and Paraburdoo.

We ended the year on a high note, celebrating the Shire's 50th Anniversary with main events in Tom Price and Onslow over two weekends headlined by Ian Moss and The Choirboys. Surrounded by our residents, wider community, fellow Councillors and Shire stakeholders, it gave me great pleasure to host the celebrations marking 50 years as a Local Government Authority. The first meeting of the Shire in its current boundary, taking in the towns of Tom Price, Onslow, Paraburdoo and Pannawonica, along with the wards of Ashburton and Tableland, convened on June 8, 1972. Further celebratory events will also take place in both Paraburdoo and Pannawonica later in 2022.

Kerry White
Shire of Ashburton President

Elected *members*



Cr Kerry White
Shire President /
Onslow Ward



Cr Matthew Lynch
Deputy Shire President /
Tom Price Ward



Cr Doug Diver (to Oct 2021)
Deputy Shire President /
Tom Price Ward



Cr Rory de Pledge
Ashburton Ward



Cr Melanie Gallanagh
Pannawonica Ward



Cr Linton Rumble
Paraburdoo Ward



Cr Alana Sullivan
(from Oct 2021)
Paraburdoo Ward



Cr Douglas (Ivan) Dias
(to Oct 2021)
Paraburdoo Ward



Cr Jamie Richardson
Tableland Ward



Cr Audra Smith
Tom Price Ward



Cr Tina Mladenovic
Tom Price Ward

Meeting Attendance 2021-2022

Elected Member	Ordinary Council Meeting (11)	Audit and Risk (5)	Special Meetings (3)
Cr White	11	4	4
Cr Lynch <i>Re-elected October 2021</i>	10	4	2
Cr de Pledge	11	4	3
Cr Gallanagh <i>Re-elected October 2021</i>	3	1	1
Cr Rumble	11	5	2
Cr Sullivan <i>Elected October 2021</i>	8	2	1
Cr Dias <i>Not re-elected October 2021</i>	2	2	-
Cr Richardson	7	3	2
Cr Smith <i>Elected October 2021</i>	8	2	1
Cr Mladenovic <i>Elected October 2021</i>	6	2	1
Cr Diver <i>Not re-elected October 2021</i>	2	2	-



CEO's report



It brings me great pleasure to continue to lead the Shire of Ashburton and deliver positive and valuable outcomes for the community.

This year we welcomed new members to Council, reviewed our Strategic Community Plan, and undertook several key projects in the hopes of bringing opportunities all whilst navigating the continual barriers as a result of COVID-19.

The development of the *Strategic Community Plan 2022-2032* is part of our continued commitment to maintain our focus and ensure the Shire of Ashburton will strive to work with the community to fulfill their needs and support their aspirations while acting with fairness and trusted leadership.

This Plan shares our vision and objectives, aligned to the community's expressed visions and aspirations for the future, and outlines how we will work towards a brighter future, providing opportunity to community under the pillars of People, Place Prosperity, and Performance.

This year, we also welcomed Audra Smith and Tina Mladenovic in Tom Price, and Alana Sullivan in Paraburdoo to Council.

Cr Kerry White was voted by the new Council to serve as Shire President for a further two-year term with Cr Matthew Lynch voted to serve as Deputy Shire President.

Councillors play an integral role in representing the community, advocating for issues of community importance, and providing leadership and strategic direction for the future of our Shire.

The prosperity of our region is visible to stakeholders, with many choosing to invest in the area through projects, initiatives, and contributions that further develop the growth and continued success of our four towns.

The Shire of Ashburton truly is a great place to live, with our continual development and community-based efforts being recognised as various levels through initiatives such as the inaugural desexing campaign, the construction of the Tom Price Childcare and Emergency Services Precinct, 50 Years Celebrations and accolades including being recipients of a Community Heritage Grant towards Old Onslow restoration and the LG Professionals 2021 Environmental Leadership and Sustainability Award for our Pilbara Regional Waste Management Facility.

I look forward to working with Shire staff to ensure we have the capability and a collaboration of knowledge and experience to fulfil Council's objectives, working with our industry partners to achieve future growth and improvements for our towns, and continuing to provide to State and the national economy as a significant contributor.

As we continue to celebrate the 50th Anniversary of the Shire boundary we know today, it brings me great pleasure to continue to lead the Shire of Ashburton and deliver positive, valuable outcomes and opportunities for the community.

Kenn Donohoe
Shire of Ashburton Chief Executive Officer

executive *Team*



Kenn Donohoe

Chief Executive Officer

- Aviation and Tourism
- Human Resources
- Land and Asset Compliance
- Media & Communications



Chantelle McGurk

Director Projects and Procurement

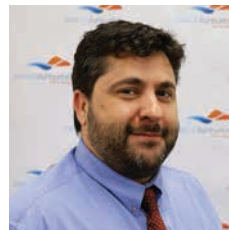
- Strategic Projects
- Facilities and Aquatics
- Procurement



Ty Matson

Director People and Place
February 2022 – June 2022

- Community Services
- Development Services
- Libraries
- Regulatory Services



Adam Majid

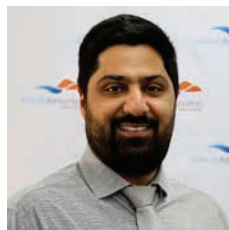
Director People and Place
July 2021 – November 2021



Matt Fanning

Director Infrastructure Services
January 2022 – June 2022

- Assets and Programming
- Fleet
- Maintenance
- Roads and Civil Projects
- Waste Services



Maz Khosravi

Director Infrastructure Services
July 2021 – December 2021



Nathan Cain

Director Corporate Services

- Finance and Administration
- Governance
- ICT Services



2021/2022 achievements & highlights

Onslow Community Boating Precinct Project

Stage 1 of the Onslow Community Boating Precinct is almost complete, thanks to the efforts of WA based company Ertech.

Funded by the Shire of Ashburton (\$6.4 million), the Chevron Operated Wheatstone Project (\$1.5 million), the Commonwealth Recreational Fishing and Camping Facilities Program (\$0.9 million) and the State Government (\$0.4 million), the project sees a new two-lane boat launching ramp constructed with a central floating jetty.

The works included initial dredging to create deeper waters for safe navigation to and

from the ramp, space for a future small marina, space for future boat trailer parking, earthworks to form the ramp and construction of a number of rock walls.

This project was initiated by the major funding commitment from the Shire of Ashburton and delivered by the Department of Transport and will provide modern, safe boating facilities for local and visiting boat owners as Western Australians take up the State Government's invitation to Wander Out Yonder.

This activity meets Strategic Objectives 2 and 3 of the Strategic Community Plan - Place and Prosperity

Shire of Ashburton 50 Year Celebrations

In June 2022, the Shire of Ashburton celebrated 50 years of the local government boundary we know today.

In 1972, the Shire of West Pilbara was formed as a result of the amalgamation of the Shires of Tableland and Ashburton.

To mark the occasion, celebrations were held in Tom Price and Onslow over two huge weekends in June.

On 11 June, we invited Cold Chisel legend Ian Moss to perform at an anniversary concert in Tom Price, supported by Black Sorrows Trio, Coolibah Collective and Tre Amici. The concert, including carnival rides and food trucks for the community to enjoy was a great way to kick off celebrations.

On 18 June, residents in Onslow celebrated 50 years with a family fun day and anniversary concert in the evening headlined by Australian rock favourite, The Choirboys. Supported by Corey Colum and The Midnight Jokers, residents danced the night away!

Both events provided a great opportunity for our community to come together and celebrate our collective achievements over the last 50 years.

This activity meets Strategic Objectives 1 and 3 of the Strategic Community Plan - People and Prosperity

Environmental Leadership and Sustainability Award

In November 2021, Shire of Ashburton was awarded the Environmental Leadership and Sustainability Award at the LG Professionals WA State Conference for our Pilbara Regional Waste Management Facility. The Pilbara Regional Waste Management Facility is a \$13 million dollar Class 4 facility just 40km from Onslow, and will be the new regional waste management facility for Australia's Northwest.

This award recognises dedication to sustainability through corporate process improvements or initiatives that yield significant real or potential environmental benefits.

The 100% off-grid, solar powered waste facility will accept waste from mining, industrial and oil and gas operations across Northwest Australia. The design has been carefully thought out to ensure minimal disruption to the surrounding landscape and to also comply with strict environmental protection requirements.

The Pilbara Regional Waste Management Facility has been designed and constructed to best practice standards to service the Resource Sector globally, taking waste locally and nationally in addition to waste freighted from the northern hemisphere and hydrocarbons like plastic, trawled from the oceans.



The Pilbara Regional Waste Management Facility is jointly funded by the Australian Government (\$9 million), Chevron and the Western Australian Government (\$2 million) and Shire of Ashburton (\$2 million).

The Shire, Chevron and the Western Australian Department of Jobs, Tourism, Science and Innovation are the Key Project Partners in the delivery of the project.

This activity meets Strategic Objectives 2 and 4 of the Strategic Community Plan - Place and Prosperity

Tom Price Childcare Centre and Emergency Services Precinct Construction

Construction continues at the Tom Price Childcare Centre and Emergency Services precinct, with the official opening of the facility scheduled for April 2023.

Contractors Emirge have been advancing with the project since they commenced on site in November 2021.

The Tom Price Childcare Centre and Emergency Service Precinct are being delivered to the community by the Shire of Ashburton working in partnership with Rio Tinto and Department of Fire and Emergency Services. Building is expected to be completed by November 2022.

This activity meets Strategic Objectives 1, 2 and 3 of the Strategic Community Plan - People, Place and Prosperity

Desexing Campaign Success

In July 2021, the Shire of Ashburton successfully completed their inaugural desexing campaign (*pictured at right*).

Beginning in July and concluding in September, a team of 2 vets, 2 vet nurses, 2 administration staff and 3 rangers successfully desexed 48 animals, microchipped 22 animals, conducted 52 welfare checks, re-homed 19 animals via SAFE, and removed over 100 unwanted animals in the region.

The campaign was instrumental in aiding residents to comply with proposed changes to the *Dog Act 1976* that will require all dogs to be desexed and allowed the Shire to update our records system with current data whilst increasing the compliance rate of animals across the region.

The campaign was run in conjunction with Pets and Vets WA, SAFE Karratha, volunteers, and Shire of Ashburton Ranger Services with financial sponsorship from Chevron Australia, Pilbara Ports Authority, AusGroup Limited and the Shire of Ashburton.

This activity meets Strategic Objective 1, 3 and 4 of the Strategic Community Plan - Place, Prosperity and Performance





Community Heritage Grant towards Old Onslow restoration

In April 2022, the Shire of Ashburton was proud to receive a Community Heritage Grant to continue upgrades at the historic Old Onslow Townsite.

The \$20,000 grant will aid in the fabrication and installation of interpretive signage at the Old Onslow Townsite.

The Community Heritage Grants stream of the Heritage Grants Program promotes the telling of stories and intends to encourage the community's engagement with heritage places and is part of a State Government initiative to preserve and promote Western Australia's past.

The Shire of Ashburton is working to develop a number of upgrades to the site which includes clearer navigation, interpretive signage, and the development of an augmented reality app where users can travel back in time and explore the Old Onslow.

Old Onslow provides another tourist drawcard to the Shire of Ashburton, which most notably includes a full reef to range experience from Mackerel Islands and coastal town of Onslow, through to Karijini National Park and the ancient Country surrounding Tom Price as

well as featuring many astrotourism hotspots and geological wonders along the way.

This activity meets Strategic Objective 2 and 3 of the Strategic Community Plan - Place and Prosperity

Council endorsement of Priority Projects

As a result of the new Strategic Community Plan and strategic objectives outlined, the Shire has produced a Priority Projects document detailing key advocacy projects Council is committed to focusing on for the next five years.

The 2022 Priority Projects is a visionary statement but one that also enables the Shire to lobby for additional funding from Federal and State Government and from community and industry stakeholders.

As the Shire of Ashburton continues to be a driving force of the Pilbara region and the Western Australian economy, the document also raises awareness of critical issues for the Shire and development opportunities in Onslow, Tom Price and Paraburdoo.

This activity meets Strategic Objective 3 of the Strategic Community Plan - Prosperity



strategic community plan 2022-2032

The *Strategic Community Plan 2022-2023* (SCP) shares Council's vision and objectives, aligned to the community's expressed visions and aspirations for the future. It outlines how the Shire will work over the next decade, towards a brighter future, providing opportunity to community.

Community consultation for new SCP

Community consultation was undertaken prior to the development of this Plan and included whole-of-area surveys (in-person and electronic) and workshops in each of the four Towns.

Results of these engagement processes were taken into consideration in the development of the Strategic Community Plan.

The feedback, suggestions and concepts identified and discussed through the community engagement were the foundation and guiding influence in the development of this Plan.

The Shire of Ashburton regularly consults with community and stakeholders. The results of these instances of previous consultations were also considered during the major review and subsequent development of this Plan.

The engagement process used particularly for the development of this Plan was promoted and advertised extensively to the district of the Shire of Ashburton requesting community and stakeholder input.

Communications and engagement with the community included:

Promotion

- Shire official website
- Shire social media platforms (LinkedIn, Facebook)
- Official community noticeboards
- Display stalls at community events and activities

Responses

- Open community workshops (December 2020)
- Community event and online survey (July 2021 to October 2021)
- Community focus groups (November 2021 to December 2021)

State guidelines target 5% of the community population or 500 members of the community to be involved in the community engagement process, using a minimum of two (2) engagement methods.

Participation numbers fell short of the target at 415 participants.

Respondents rated their perspective of the importance and the perceived quality of the services in the district – both those delivered by the Shire and those delivered by other agencies.

Overview of the new SCP

Based on community feedback, four key aspirational themes were derived – People, Place, Prosperity and Performance. These themes provide the foundation and strategic objectives that aid in the delivery of services and projects to the community. Each of the four objectives has several desired outcomes the Shire aims to progress over the life of this Plan.

- 1. People** – We will support opportunities for the community to be safe, socially active and connected.
- 2. Place** – We will provide sustainable, purposeful, and valued built and natural environment opportunities for the community.
- 3. Prosperity** – We will advocate and drive opportunities for the community to be economically desirable, resilient, and prosperous.
- 4. Performance** – We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.

Over recent years, not only have we provided support to the community, but we have also increased our commitment to infrastructure and asset development to aid in stimulating economic benefits to local businesses and strengthening ties with industry, a position we continue through the life of this Plan.

Through the development of this Plan, we have recognised our progress and identified the need to ensure the Shire has the resource capacity maintain and improve infrastructure and current levels of services to community.





Strategic Community Plan

The Shire of Ashburton 10 Year Strategic Community Plan 2017 provides focus, direction and represents the hopes and aspirations of the Shire. A minor desktop review of the existing Strategic Community Plan in early 2019, which focused on resetting the Corporate Business Plan along with the integration of other informing strategies. The new plan 'Living Life' 2019 Desktop Review was adopted at the Ordinary Meeting of Council held on 18 June 2019.

Corporate Business Plan

Achieving the community's vision and the Shire's strategic objectives requires the development of actions to address each strategy contained within the Strategic Community Plan. Careful operational planning and prioritisation is required to achieve the objectives and desired outcomes due to the limited resources available. The Corporate Business Plan converts the Strategic Community Plan into action through the adoption of an Annual Budget.

In accordance with statutory requirements, the Corporate Business Plan was reviewed and endorsed by Council at the 18 June 2019 Ordinary Meeting to assess the progress of projects and realign the Plan's actions and priorities based on current information and available funding. A review of the Corporate Business Plan is due in 2022-23 to align with the newly adopted *Strategic Community Plan 2022 – 2032*.

The tables over page detail the actions under each of the five key strategic goals that were progressed in the 2021/22 financial year.

Key

- Completed 2020/21 or earlier
- Ongoing/Completed during 2021/22
- Programmed for future year




GOAL 1

PEOPLE – We will support opportunities for the community to be safe, socially active, and connected.

The Shire will, in partnership with key agencies, help foster and strengthen community spirit which has been a driving force since the earliest days.

The outcomes and strategies relating to 'People' are outlined below.


Objective 1.1 Coordinated delivery of social services and projects for the community

Actions	2021/22 Progress
Continue to work collaboratively with the community to deliver town events	
Collaborate with partners, key stakeholders and other organisations where appropriate	
Implementation of the Youth Engagement Strategy	

Objective 1.2 Communities connected with opportunities

Actions	2021/22 Progress
Engage community and stakeholders in accordance with Communication and Engagement Strategy	
Continue to deliver programs welcoming new residents and transient workers into the community	
Engage and celebrate local culture, both Aboriginal and non-Aboriginal	
Implement a cohesive strategy to encourage and support club and community group development	
Encourage and support community involvement with and appreciation of, arts and culture	
Recognise and celebrate the Shire's Aboriginal and Non- Aboriginal history and heritage	
Develop a Reconciliation Action Plan and seek greater Aboriginal engagement and representation in decision making	

Objective 1.3 Individual and community learning opportunities





Actions	2021/22 Progress
Support and encourage cultural awareness opportunities	

GOAL 2

PLACE – We will provide sustainable, purposeful, and valued built and natural environment opportunities for the community.

The Shire recognises the significance of the natural environment and embraces the principles of sustainability and acknowledges the need to upgrade community infrastructure and public amenities, such as roads, streetscapes, and buildings, for the benefit of the community.


Objective 2.1 Coordinated delivery of natural and built environment services and projects for the community

Actions	2021/22 Progress
Advocate for the protection of natural assets and sustainable use of resources and utilities	
Improve recreational access to natural environments with a focus on signage, access and safety	
Collaborate with stakeholders to promote water-wise practices across the Shire	
Advocate for a Tom Price RFDS Airstrip	

Objective 2.2 Appropriate, inviting, and diverse employee accommodation and land management opportunities

Actions	2021/22 Progress
Staff Housing Acquisition and Refurbishments	

Objective 2.3 Attractive and sustainable townscapes offering opportunities for all communities

Actions	2021/22 Progress
Continue to provide and maintain a range of public open spaces in accordance with asset management plans	



Objective 2.4 Effective, compliant, and sustainable management of community assets and infrastructure

Actions	2021/22 Progress
Provide and maintain infrastructure in accordance with asset management plans	●
Plan and develop Onslow Marina	●
Upgrade Onslow Jetty/Boat Ramp	●
Upgrade and renewal of drainage infrastructure	●




Objective 2.5 Enhanced community opportunities for sustainable waste management

Actions	2021/22 Progress
Encourage and implement improved waste minimisation practices	●
Development and operation of the Pilbara Regional Waste Management Facility	●





Objective 2.6 Land use opportunities to benefit current and future communities

Actions	2021/22 Progress
Provision of independent living housing in Onslow; advocate for independent living in Tom Price and Paraburdoo.	
Facilitate timely release of land to support the local economy	
Continue to monitor industry and economic trends and ensure town planning schemes respond appropriately to future housing, accommodation and commercial needs	
Continue to ensure any new buildings and developments are sensitive to, and integrate appropriately with the natural and built environments	
Consider social planning and ecological sustainable development principles in planning strategies and policies	

Objective 2.7 Quality, well-maintained, and purposeful community facilities

Actions	2021/22 Progress
Promote utilisation of community facilities within resource capacity	
Provide community facilities as per asset management planning	
Paraburdoo CHUB and related facilities	

Objective 2.8 Safe and interconnected transport networks for the community

Actions	2021/22 Progress
Advocate to, and partner with stakeholders to facilitate the development of the Tom Price – Karratha Road to link Tom Price and Paraburdoo to the Pilbara Cities	
Advocate to improve public transport and roads between the Shire's towns	
Maintain and improve road infrastructure in accordance with asset management plans	
Maintain and improve footpaths, cycleway, kerbs and signage in line with asset management planning	





GOAL 3

PROSPERITY

The Shire has tremendous opportunity to diversify employment opportunities for the community with access to developable land and potential partnerships with influential and international mining and resource sector giants.

Objective 3.1 Coordinated delivery of economic services and projects for the community

Actions	2021/22 Progress
Develop child care facilities in Tom Price	●
Advocate for the redevelopment or refurbishment of Tom Price and Paraburdoo Hospitals	●
Advocate for more diversified business and economic development in accordance with Economic & Tourism Development Strategy	●
Engage with industry as per Economic & Tourism Development Strategy	●

Objective 3.2 Aviation transport opportunities for the community

Actions	2021/22 Progress
Advocate for the development of Beadon Creek Port Hub linking to the Shire's Airport infrastructure.	●
Advocate and partner with key stakeholders to develop an air strip at Tom Price	●
Maintain and improve air transport infrastructure in accordance with asset management plans	●



Objective 3.3 Clean, safe, and accessible communities

Actions	2021/22 Progress
Advocate for the provision of appropriate services to all of the community	●
Advocate for improved public lighting where appropriate	●
Continue to work with police, stakeholders and the community to promote positive crime prevention and safety initiatives	●
Continue to effectively communicate emergency management plans and educate stakeholders and community on how to prevent and address emergencies	●
Development of Emergency Services Precinct in Tom Price	●
Continue to provide quality regulatory services	●

Objective 3.4 Sustainable commerce and tourism opportunities

Actions	2021/22 Progress
Develop and implement Shire Economic & Tourism Development Strategy	●
Continue to plan for, invest in, and advocate for the development of key tourist infrastructure in accordance with Economic & Tourism Development Strategy	●
Encourage Aboriginal tourism opportunities in accordance with Economic & Tourism Development Strategy	●
Plan for improved tourism accommodation, camping grounds and associated facilities in accordance with Economic & Tourism Development Strategy	●

GOAL 4

PERFORMANCE

The Shire has the responsibility to provide the community with continued strategic leadership and high-level performance management, to maintain accountability and transparency, whilst managing competing demands and needs.

Objective 4.1 Coordinated delivery of organisational leadership and performance excellence for the benefit of the community

Actions	2021/22 Progress
Continue to advocate on behalf of the community	●
Develop and deliver a whole of Shire Cultural Plan	●
Council to continue to advocate for State Government action on the closure of Wittenoom and rehabilitation of surrounding areas including roads.	●

Objective 4.2 Appropriate, sustainable, and transparent management of community funds



Actions	2021/22 Progress
Undertake strategic planning to ensure integration of informing plans for adequate resourcing and service delivery	●
Review, update and implement asset management plans	●

Objective 4.3 A range of effective opportunities for the community to receive information in a timely manner






Actions	2021/22 Progress
Develop communication and engagement strategy	●
Seek to educate the community on the roles responsibilities and achievements of Council	●




Objective 4.4 Information systems to aid delivery of services to the community are robust, reliable, and secure

Actions	2021/22 Progress
Advocate for the provision of appropriate services to all of the community	
Continue to work with police, stakeholders and the community to promote positive crime prevention and safety initiatives	

Objective 4.5 Safe, engaged, inclusive, and productive workforce culture

Actions	2021/22 Progress
Undertake staff engagement survey to identify strategies to attract and retain staff	
Review and maintain Workforce Plan and associated plans	
Implement strategies with Workforce Plan	
Promote an innovative and engaging corporate culture underpinned by the organisation's vision	
Promote a safe work culture	

Objective 4.6 Visionary community leadership with sound, diligent and accountable governance

Actions	2021/22 Progress
Support and strengthen the effectiveness of Councillors	

Statutory reports

Freedom of Information

The Shire received three valid freedom of information applications in 2021-2022.

Three were finalised internally. None were transferred to another agency.

The Shire of Ashburton's Freedom of Information statement is available on the Shire's website at <https://www.ashburton.wa.gov.au/documents/172/freedom-of-information-statement-2016-2017>.

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

Financial Year 2021/22

FOI Requests Received	3
Finalised Internally	3
3 rd Party Consultations	0

Complaints and minor breaches

- 0 Number of complaints recorded in the Register of Complaints.
- 0 Complaints and minor breaches
 - How the complaints were dealt with.

Payments and allowances

- 0 Payments and allowances made to Council members participating on a Standards Panel.
- 0 Payments and allowances paid to the local government for Standards Panel breaches.

Record-keeping Plan

The Shire's record-keeping plan is currently under review.

Training and Awareness

Recordkeeping inductions were held with new employees on commencement. This includes records responsibilities and use of the electronic recordkeeping system.

Information Management Systems

The Shire is continuing a review of its business processes and the various systems used to capture business intelligence across the organisation. An ICT Reference Group consisting of ICT and information management specialists and reporting to the Director of Corporate Services has been formed to inform the review.

Integrated Planning

- There was a new Strategic Community Plan during the financial year.
- There were no modifications to the Corporate Business Plan during the financial year.

Annual Salaries

The *Local Government Act 1995* requires Council to provide the number of employees who are entitled to an annual salary of \$130,000 or more and to break those employees into salary bands of \$10,000.

For the period under review, the Shire had 60 employees whose salary exceeded \$100,000.

Of these employees:

Annual Salary	# of Employees
100-110,000	15
110-120,000	20
120-130,000	4
130-140,000	12
140-150,000	2
150-160,000	0
160-170,000	0
170-180,000	0
180-190,000	2
190-200,000	4
310-320,000	1

Register of Complaints

No complaints were received by the Shire during the reporting period.

Citizenship Ceremonies

In 2021 / 2022 the Shire welcomed 48 new Australians.

The Shire of Ashburton held citizenship ceremonies across all four towns. There was a total of **16** ceremonies with **6** ceremonies being held in Tom Price, **4** in Onslow, **4** in Paraburdoo and **2** in Pannawonica.

Credit Cards

Credit cards were issued to 4 Senior Officers during the 2021-22 reporting period. No personal transactions took place.

Disability Access and Inclusion Plan outcomes

There were no modifications to the Disability Access and Inclusion Plan during the financial year. A review of the plan is scheduled for 2022-2023.

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

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

We will be a welcoming, sustainable, and socially active district, offering a variety of opportunities to community.

Principal place of business:
Lot 246, Poinciana Street
Tom Price W A 6751

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 18th day of April 2023

Chief Executive Officer

Kenn Donohoe

Name of Chief Executive Officer



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
Revenue				
Rates	25(a),2(a)	48,510,515	48,500,000	42,419,577
Operating grants, subsidies and contributions	2(a)	8,940,834	7,694,700	4,135,515
Fees and charges	24(c),2(a)	8,415,635	8,889,300	7,654,497
Service charges	25(d),2(a)	0	0	172,717
Interest earnings	2(a)	172,852	479,300	467,647
Other revenue	2(a)	1,429,045	667,400	806,460
		67,468,881	66,230,700	55,656,413
Expenses				
Employee costs		(18,683,802)	(20,238,700)	(17,613,500)
Materials and contracts		(16,596,361)	(24,626,756)	(14,544,897)
Utility charges		(1,342,156)	(1,680,300)	(1,641,837)
Depreciation	9(a)	(14,763,084)	(14,105,200)	(14,312,655)
Finance costs	2(b)	(195,084)	(74,352)	(221,423)
Insurance		(1,200,484)	(1,182,100)	(1,120,005)
Other expenditure	2(b)	(937,601)	(1,347,200)	(765,451)
		(53,718,572)	(63,254,608)	(50,219,768)
		13,750,309	2,976,092	5,436,645
Non-Operating grants, subsidies and contributions	2(a)	12,709,072	19,487,800	15,532,662
Profit on asset disposals	9(c)	78,235	51,700	69,936
Loss on asset disposals	9(c)	(53,069)	(195,500)	(287,203)
		12,734,238	19,344,000	15,315,395
Net result for the period	24(b)	26,484,547	22,320,092	20,752,040
Total other comprehensive income for the period	16	0	0	0
Total comprehensive income for the period		26,484,547	22,320,092	20,752,040

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



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

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	71,720,364	66,833,788
Trade and other receivables	4	1,753,148	2,558,199
Inventories	5	141,924	158,098
Other assets	6	371,287	320,192
TOTAL CURRENT ASSETS		73,986,723	69,870,277
NON-CURRENT ASSETS			
Inventories	5	1,312,849	1,204,116
Property, plant and equipment	7	135,092,981	126,612,835
Infrastructure	8	429,899,157	411,531,184
Right-of-use assets	10(a)	184,413	0
TOTAL NON-CURRENT ASSETS		566,489,400	539,348,135
TOTAL ASSETS		640,476,123	609,218,412
CURRENT LIABILITIES			
Trade and other payables	11	5,979,478	4,789,938
Other liabilities	12	13,169,357	9,720,512
Lease liabilities	10(b)	65,398	0
Borrowings	13	492,862	475,420
Employee related provisions	14	1,816,689	1,508,105
TOTAL CURRENT LIABILITIES		21,523,784	16,493,975
NON-CURRENT LIABILITIES			
Lease liabilities	10(b)	119,764	0
Borrowings	13	1,299,015	1,791,877
Employee related provisions	14	259,128	261,790
Other provisions	15	4,434,868	4,315,753
TOTAL NON-CURRENT LIABILITIES		6,112,775	6,369,420
TOTAL LIABILITIES		27,636,559	22,863,395
NET ASSETS		612,839,564	586,355,017
EQUITY			
Retained surplus		275,180,434	237,717,950
Reserve accounts	28	46,979,836	57,957,773
Revaluation surplus	16	290,679,294	290,679,294
TOTAL EQUITY		612,839,564	586,355,017

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		218,953,075	55,970,608	290,679,294	565,602,977
Comprehensive income for the period					
Net result for the period		20,752,040	0	0	20,752,040
Total comprehensive income for the period		20,752,040	0	0	20,752,040
Transfers from reserves	28	20,001,425	(20,001,425)	0	0
Transfers to reserves	28	(21,988,590)	21,988,590	0	0
Balance as at 30 June 2021		237,717,950	57,957,773	290,679,294	586,355,017
Comprehensive income for the period					
Net result for the period		26,484,547	0	0	26,484,547
Total comprehensive income for the period		26,484,547	0	0	26,484,547
Transfers from reserves	28	16,885,045	(16,885,045)	0	0
Transfers to reserves	28	(5,907,108)	5,907,108	0	0
Balance as at 30 June 2022		275,180,434	46,979,836	290,679,294	612,839,564

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



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		48,299,720	48,264,359	40,264,358
Operating grants, subsidies and contributions		13,091,642	(1,528,270)	5,733,975
Fees and charges		8,413,782	8,889,300	7,587,929
Service charges		0	0	172,717
Interest received		173,149	479,300	467,647
Goods and services tax received		2,270,854	1,500,000	3,147,974
Other revenue		1,428,748	667,400	806,460
		73,677,895	58,272,089	58,181,060
Payments				
Employee costs		(18,291,713)	(20,238,700)	(18,681,688)
Materials and contracts		(17,721,134)	(24,626,756)	(16,044,568)
Utility charges		(1,342,156)	(1,680,300)	(1,641,837)
Finance costs		(195,084)	(74,352)	(221,423)
Insurance paid		(1,200,484)	(1,182,100)	(1,120,005)
Goods and services tax paid		(2,593,420)	(1,500,000)	(2,732,074)
Other expenditure		(613,925)	(1,347,200)	(765,451)
		(41,957,916)	(50,649,408)	(41,207,046)
Net cash provided by operating activities	17(b)	31,719,979	7,622,681	16,974,014
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(11,365,445)	(21,434,000)	(13,276,832)
Payments for construction of infrastructure		(28,086,954)	(51,775,000)	(22,196,120)
Non-operating grants, subsidies and contributions		12,828,187	19,487,800	15,648,577
Proceeds from sale of property, plant & equipment	9(c)	282,245	266,000	581,576
Net cash (used in) investing activities		(26,341,967)	(53,455,200)	(19,242,799)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	27(a)	(475,420)	(475,419)	(779,807)
Payments for principal portion of lease liabilities	27(c)	(16,016)	0	0
Proceeds from new borrowings	27(a)	0	5,000,000	0
Net cash provided by (used in) financing activities		(491,436)	4,524,581	(779,807)
Net increase/(decrease) in cash and cash equivalent held.		4,886,576	(41,307,938)	(3,048,592)
Cash at beginning of year		66,833,788	66,924,080	69,882,380
Cash and cash equivalent at the beginning of the year	17(a)	71,720,364	25,616,142	66,833,788

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



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	26(b)	1,786,504	(2,192,164)	4,146,845
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	25(b)	11,525	0	11,367
Operating grants, subsidies and contributions		8,940,834	7,694,700	4,135,515
Fees and charges		8,415,635	8,889,300	7,654,497
Service charges		0	0	172,717
Interest earnings		173,149	479,300	467,647
Other revenue		1,428,748	667,400	806,460
Profit on asset disposals	9(c)	78,235	51,700	69,936
		19,048,126	17,782,400	13,318,139
Expenditure from operating activities				
Employee costs		(18,683,802)	(20,238,700)	(17,613,500)
Materials and contracts		(16,596,361)	(24,626,756)	(14,544,897)
Utility charges		(1,342,156)	(1,680,300)	(1,641,837)
Depreciation		(14,763,084)	(14,105,200)	(14,312,655)
Finance costs		(195,084)	(74,352)	(221,423)
Insurance		(1,200,484)	(1,182,100)	(1,120,005)
Other expenditure		(937,600)	(1,347,200)	(765,451)
Loss on asset disposals	9(c)	(53,069)	(195,500)	(287,203)
		(53,771,640)	(63,450,108)	(50,506,971)
Non-cash amounts excluded from operating activities	26(a)	14,745,638	13,142,982	14,545,965
Amount attributable to operating activities		(19,977,876)	(32,524,726)	(22,642,867)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		12,709,072	19,487,800	15,532,662
Proceeds from disposal of assets	9(c)	282,245	266,000	581,576
Purchase of property, plant and equipment	7(a)	(13,403,762)	(21,597,000)	(13,276,832)
Purchase and construction of infrastructure	8(a)	(28,447,755)	(51,612,000)	(22,196,120)
		(28,860,200)	(53,455,200)	(19,358,714)
Amount attributable to investing activities		(28,860,200)	(53,455,200)	(19,358,714)
FINANCING ACTIVITIES				
Repayment of borrowings	27(a)	(475,420)	(475,419)	(779,807)
Proceeds from borrowings	27(a)	0	5,000,000	0
Payments for principal portion of lease liabilities	27(c)	(16,016)	0	0
Transfers to reserves (restricted assets)	28	(5,907,108)	(1,087,828)	(21,988,590)
Transfers from reserves (restricted assets)	28	16,885,045	36,235,337	20,001,425
Amount attributable to financing activities		10,486,501	39,672,090	(2,766,972)
Surplus/(deficit) before imposition of general rates		(36,565,071)	(48,500,000)	(40,621,708)
Total amount raised from general rates	25(a)	48,498,990	48,500,000	42,408,210
Surplus/(deficit) after imposition of general rates	26(b)	11,933,919	0	1,786,502

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



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

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with 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 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 government and not-for-profit entities) and interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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

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

The local government reporting entity

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

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

Judgements and estimates

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

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

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

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

- estimation uncertainties made in relation to lease accounting

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

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	General rates	over time	Payment dates adopted by council during the year	None	When rates notice is issued
Service Charges	Underground Power	over time	Payment dates adopted by council during the year	None	When rates notice is issued
Grants subsidies or contributions for other purposes & construction of non-financial assets	construction or acquisition of recognisable non-financial assets & provision of services to the community	over time	Fixed terms transfer of funds based on agreed milestones and reporting	None	Output method based on project milestones and/or completion date matched to performance obligations
Grants subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Fees and Charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - pool inspections	Building, Planning	Single point in time	Full payment prior to inspection	None	After inspection complete based on a 4 year cycle
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Fully payment prior to inspection	None	Revenue recognised after inspection event occurs
Fees and charges - Waste management entry fees	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - waste management entry fees	Waste treatment recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided monthly in arrears	None	On entry to facility
Fees and charges airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within specified number of days	On entry or at conclusion of hire
Fees and charges - memberships	Gym and pool membership	Overtime	Payment in full in advance	Refund for unused portion on application	Output method over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Fees and charges - sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance on 15 day credit	Refund for faulty goods	When fine notice is issued
Fees and charges - finds	Fine issued for breaches of local laws	Single point in time	Payment in full within defined time	None	
Other revenue commissions	Commissions ticket sales & visitors centre sales	Overtime	Payment in full on sale	None	When assets are controlled

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

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

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	48,510,515	0	48,510,515
Operating grants, subsidies and contributions	2,645,339	0	0	6,295,495	8,940,834
Fees and charges	0	0	1,627,831	6,787,804	8,415,635
Interest earnings	0	0	67,043	105,809	172,852
Other revenue	0	0	0	1,113,135	1,113,135
Non-operating grants, subsidies and contributions	0	12,709,072	0	0	12,709,072
Total	2,645,339	12,709,072	50,205,389	14,302,242	79,862,043

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	42,419,577	0	42,419,577
Operating grants, subsidies and contributions	0	0	0	4,135,515	4,135,515
Fees and charges	0	0	1,421,835	6,232,662	7,654,497
Service charges	0	0	0	172,717	172,717
Interest earnings	0	0	71,265	390,612	461,877
Other revenue	0	0	0	806,460	806,460
Non-operating grants, subsidies and contributions	0	15,532,662	0	0	15,532,662
Total	0	15,532,662	43,912,677	11,737,966	71,183,305

Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings			
Interest on reserve funds	94,639	307,800	282,353
Rates instalment and penalty interest (refer Note 25(f))	67,043	66,500	72,757
Other interest earnings	11,170	105,000	106,767
	172,852	479,300	461,877
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report	55,000	55,000	55,000
- Other services	870	400	4,370
	55,870	55,400	59,370
Finance costs			
Borrowings	27(a) 74,353	74,353	105,507
Other provisions: unwinding of discount	15 119,115	0	115,916
Lease liabilities	27(c) 1,616	0	0
	195,084	74,353	221,423
Other expenditure			
Impairment losses on receivables from contracts with customers	323,678	0	325,531
Sundry expenses	613,923	1,347,200	439,920
	937,601	1,347,200	765,451

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

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Term deposits
Total cash and cash equivalents

Held as

- Unrestricted cash and cash equivalents
- Restricted cash and cash equivalents

Note	2022	2021
	\$	\$
	24,740,528	8,876,014
	46,979,836	57,957,774
17(a)	<u>71,720,364</u>	<u>66,833,788</u>
	24,740,530	9,720,512
17(a)	<u>46,979,834</u>	<u>57,957,771</u>
	<u>71,720,364</u>	<u>67,678,283</u>

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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk and which are subject to an insignificant risk of changes in value.

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

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

Restricted financial assets

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

Details of restrictions on financial assets can be found at Note 17.

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

4. TRADE AND OTHER RECEIVABLES

	Note	2022 \$	2021 \$
Current			
Rates receivable		631,721	735,549
Trade and other receivables		953,925	1,979,567
GST receivable		491,180	168,614
Allowance for credit losses of trade and other receivables	22(b)	(323,678)	(325,531)
		1,753,148	2,558,199

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 22.

Classification and subsequent measurement

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

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

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

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

5. INVENTORIES

Note	2022	2021
	\$	\$
Current		
Fuel and materials	56,718	62,280
Visitor centre stock	82,293	95,818
Corporate Uniforms	2,913	0
	141,924	158,098
Non-current		
Land held for resale		
Cost of acquisition	400,892	400,892
Development costs	911,957	803,224
	1,312,849	1,204,116

The following movements in inventories occurred during the year:

Balance at beginning of year	1,362,214	1,295,000
Additions to inventory	92,559	67,214
Balance at end of year	1,454,773	1,362,214

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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

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

6. OTHER ASSETS

Other assets - current

Prepayments
Accrued income

	2022	2021
	\$	\$
	5,503	88,575
	365,784	231,617
	<u>371,287</u>	<u>320,192</u>

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Accrued Income

Accrued income represents income that has been earned however yet to be received within the reporting period.

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

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Note	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	PPE - Works in Progress	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		12,045,000	13,684,665	83,269,225	108,998,890	867,004	7,938,244	1,166,921	118,971,059
Additions		4,156,518	583,613	4,439,523	9,179,654	258,174	1,992,571	1,846,433	13,276,832
Disposals		0	0	(245,453)	(245,453)	0	(553,390)	0	(798,843)
Depreciation	9(a)	0	(606,690)	(3,055,426)	(3,662,116)	(174,345)	(631,674)	0	(4,468,135)
Transfers / Reclassifications		0	500,616	163,805	664,421	0	0	(1,032,499)	(368,078)
Balance at 30 June 2021		16,201,518	14,162,204	84,571,674	114,935,396	950,833	8,745,751	1,980,855	126,612,835
Comprises:									
Gross balance amount at 30 June 2021		16,201,518	14,768,894	88,094,939	119,065,351	1,389,746	9,824,020	1,980,855	132,259,972
Accumulated depreciation at 30 June 2021		0	(606,690)	(3,523,265)	(4,129,955)	(438,913)	(1,078,269)	0	(5,647,137)
Balance at 30 June 2021		16,201,518	14,162,204	84,571,674	114,935,396	950,833	8,745,751	1,980,855	126,612,835
Additions		2,165,603	0	3,037,456	5,203,059	459,504	1,065,404	6,675,795	13,403,762
Disposals		0	0	0	0	(1,920)	(255,159)	0	(257,079)
Depreciation	9(a)	0	(615,786)	(3,156,607)	(3,772,393)	(227,103)	(667,041)	0	(4,666,537)
Transfers		0	0	58,861	58,861	0	0	(58,861)	0
Balance at 30 June 2022		18,367,121	13,546,418	84,511,384	116,424,923	1,181,314	8,888,955	8,597,789	135,092,981
Comprises:									
Gross balance amount at 30 June 2022		18,367,121	14,768,894	91,191,256	124,327,271	1,846,850	10,588,046	8,597,789	145,359,956
Accumulated depreciation at 30 June 2022		0	(1,222,476)	(6,679,872)	(7,902,348)	(665,536)	(1,699,091)	0	(10,266,975)
Balance at 30 June 2022		18,367,121	13,546,418	84,511,384	116,424,923	1,181,314	8,888,955	8,597,789	135,092,981

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings						
Land		2	Market approach using recent observable market data for similar properties.	Independent registered valuers	June 2020	While the unit rates based on square metres could be supported from market evidence (level 2) other inputs such as zoning, restrictions, accessibility (level 3) required extensive professional judgement and impacted significantly on the final determination.
Buildings - non-specialised		2	Market approach using recent observable market data for similar properties.	Independent registered valuers	June 2020	Market or estimated price per square meter
Buildings - specialised		3	Cost approach using depreciation replacement cost.	Independent registered valuers	June 2020	This required estimating the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. Other inputs such as residual value, useful life, pattern of consumption and asset condition required extensive professional judgement and impact significantly on the final determination

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

Costs

Costs

Purchase Cost

Plant and equipment

Costs

Costs

Purchase Cost

SHIRE OF ASHBURTON
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8. INFRASTRUCTURE

(a) Movements in Balances

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

	Note	Infrastructure - roads	Infrastructure - Pathways	Other Infrastructure - Drainage	Infrastructure - Airport	Other Infrastructure - Bridges	Infrastructure - Recreation	Other Infrastructure - Towns	Other Infrastructure - Waste	Other Infrastructure - Works in Progress	Total Infrastructure
Balance at 1 July 2020		\$ 270,381,477	\$ 8,330,659	\$ 30,721,428	\$ 45,182,813	\$ 1,443,119	\$ 22,475,481	\$ 6,311,091	\$ 6,713,393	\$ 7,252,045	\$ 398,811,506
Additions		1,819,747	2,047,174	473,361	392,652	0	4,280,525	34,245	133,988	13,014,428	22,196,120
Depreciation	9(a)	(6,765,774)	(192,353)	(565,611)	(830,281)	(32,848)	(871,835)	(280,068)	(305,750)	0	(9,844,520)
Reclassification		113,633	0	12,588	0	0	303,383	384,302	0	(813,906)	0
Transfers		0	0	0	150	0	78,345	8,636	0	280,947	368,078
Balance at 30 June 2021		\$ 265,549,083	\$ 10,185,480	\$ 30,641,766	\$ 44,745,334	\$ 1,410,271	\$ 26,265,899	\$ 6,458,206	\$ 6,541,631	\$ 19,733,514	\$ 411,531,184
Comprises:											
Gross balance at 30 June 2021		340,542,933	12,942,119	51,843,811	51,963,038	2,627,875	35,435,654	8,477,200	8,523,774	19,733,514	532,089,918
Accumulated depreciation at 30 June 2021		(74,993,850)	(2,756,639)	(21,202,045)	(7,217,704)	(1,217,604)	(9,189,755)	(2,018,994)	(1,982,143)	0	(120,558,734)
Balance at 30 June 2021		\$ 265,549,083	\$ 10,185,480	\$ 30,641,766	\$ 44,745,334	\$ 1,410,271	\$ 26,265,899	\$ 6,458,206	\$ 6,541,631	\$ 19,733,514	\$ 411,531,184
Additions		9,825,305	371,146	224,790	3,346,695	0	9,249,234	811,360	0	4,619,225	28,447,755
Depreciation	9(a)	(6,846,686)	(226,542)	(566,826)	(836,605)	(32,848)	(950,691)	(305,765)	(313,819)	0	(10,079,782)
Transfers		755,310	1,800	23,753	1,145,475	0	637,273	11,998	0	(2,575,609)	0
Balance at 30 June 2022		\$ 269,283,012	\$ 10,331,884	\$ 30,323,483	\$ 48,400,899	\$ 1,377,423	\$ 35,201,715	\$ 6,975,799	\$ 6,227,812	\$ 21,777,130	\$ 429,899,157
Comprises:											
Gross balance at 30 June 2022		351,123,549	13,315,065	52,092,353	56,455,208	2,627,875	45,322,161	9,300,558	8,523,774	21,777,130	560,537,673
Accumulated depreciation at 30 June 2022		(81,840,537)	(2,983,181)	(21,768,870)	(8,054,309)	(1,250,452)	(10,120,446)	(2,324,759)	(2,295,962)	0	(130,638,516)
Balance at 30 June 2022		\$ 269,283,012	\$ 10,331,884	\$ 30,323,483	\$ 48,400,899	\$ 1,377,423	\$ 35,201,715	\$ 6,975,799	\$ 6,227,812	\$ 21,777,130	\$ 429,899,157

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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8. 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 depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Other infrastructure - Pathways	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Other infrastructure - Drainage	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Other infrastructure - Airport	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Other infrastructure - Bridges	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Other infrastructure - Parks and Recrea	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Other infrastructure - Towns	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Other infrastructure - Waste	3	Cost approach using depreciated replacement cost.	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.

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

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

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

9. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	7(a)	615,786	588,600	606,690
Buildings - specialised	7(a)	3,156,607	3,054,600	3,055,426
Furniture and equipment	7(a)	227,103	155,700	174,345
Plant and equipment	7(a)	667,041	630,200	631,674
Infrastructure - roads	8(a)	6,846,686	6,765,700	6,765,774
Other infrastructure - Pathways	8(a)	226,542	192,300	192,353
Other infrastructure - Drainage	8(a)	566,826	565,600	565,611
Other infrastructure - Airport	8(a)	836,605	830,200	830,281
Other infrastructure - Bridges	8(a)	32,848	32,800	32,848
Other infrastructure - Parks and Recreation	8(a)	950,691	871,800	871,835
Other infrastructure - Towns	8(a)	305,765	280,000	280,068
Other infrastructure - Waste	8(a)	313,819	137,700	305,750
Right-of-use assets - plant and equipment	10(a)	16,765	0	0
		14,763,084	14,105,200	14,312,655

Depreciation rates

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

Asset Class	Useful life
Buildings	15 to 100 years
Furniture and Equipment	4 to 10 years
Computer Equipment	3 years
Office Equipment	5 years
Plant and Equipment	3 to 20 years
Motor Vehicles	3 to 5 years
Infrastructure Other	10 to 100 years
Water Supply Piping & Drainage Systems	100 years
Sewerage Piping	100 years
Footpaths	35 to 50 years
<u>Urban Roads (Sealed)</u>	
Formation	not depreciated
Pavement Base	80 years
Seal (Asphalt / Bitumen)	15 to 40 years
<u>Other Roads (Gravel)</u>	
Formation	not depreciated
Pavement Base	80 years
Gravel Sheet	12 years

(b) Fully Depreciated Assets in Use

	2022 \$	2021 \$
The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.		
Buildings - specialised	1,395	1,395
Furniture and equipment	94,730	94,730
Other infrastructure - Pathways	64,210	0
	160,335	96,125

**SHIRE OF ASHBURTON
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9. FIXED ASSETS (Continued)

(c) Disposals of assets

	2022		2022		2022		2022		2021		2021	
	Actual Net Book Value	Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss
Buildings - specialised	0	0	0	0	0	0	0	0	245,453	0	0	(245,453)
Furniture and equipment	1,920	0	0	(1,920)	0	0	0	0	0	0	0	0
Plant and equipment	255,159	282,245	78,234	(51,148)	409,800	266,000	51,700	(195,500)	553,390	581,576	69,936	(41,750)
	257,079	282,245	78,234	(53,068)	409,800	266,000	51,700	(195,500)	798,843	581,576	69,936	(287,203)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Plant and Equipment				
Transport				
PE247 - Hino 300 series tipper	15,525	31,482	15,957	0
PE293 - Hino 300 Series Crew C	20,995	35,489	14,494	0
PE294 - Hino 300 Series Crew C	20,400	34,167	13,767	0
PE329 - Hino 300 series tipper	47,436	34,567	0	(12,869)
PE339 - Hiace Van	10,034	23,591	13,557	0
PE384 - Toyota Hilux	9,600	13,858	4,258	0
PE497 - Toyota Fortuner	27,900	39,091	11,191	0
PE563 - Toyota Fortuner	38,279	0	0	(38,279)
PE570 - Toyota Prado Kakadu	64,990	70,000	5,010	0
Economic services				
FE467 - OVCP Washing Machine	1,920	0	0	(1,920)
	257,079	282,245	78,234	(53,068)

SHIRE OF ASHBURTON
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FOR THE YEAR ENDED 30 JUNE 2022

9. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 9(a).

SHIRE OF ASHBURTON
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10. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - plant and equipment \$	Right-of-use assets Total \$
Balance at 30 June 2021		0	0
Additions		201,178	201,178
Depreciation	9(a)	(16,765)	(16,765)
Balance at 30 June 2022		184,413	184,413

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

		2022 Actual \$	2021 Actual \$
Depreciation on right-of-use assets	9(a)	(16,765)	0
Interest expense on lease liabilities	27(c)	(1,616)	0
Total amount recognised in the statement of comprehensive income		(18,381)	0
Total cash outflow from leases		(17,632)	0
(b) Lease Liabilities			
Current		65,398	0
Non-current	27(c)	119,764	0
		185,162	0

The Shire has one lease relating to plant and equipment. The lease / supply and ongoing maintenance contract is at a fixed price for a period of three (3) years, with the option of two (2) additional twelve (12) month extensions or part thereof.

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(c).

Right-of-use assets - valuation measurement

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

Refer to Note 9 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 amortised over the useful life of the underlying asset.

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

10. LEASES (Continued)

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

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

2022 Actual	2021 Actual
\$	\$
263,627	296,169
263,627	296,169

The Shire leases houses to staff 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 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.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire 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 ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued payroll liabilities
 Bonds and deposits held
 Other Payables
 Accrued Interest

	2022	2021
	\$	\$
	4,853,197	3,494,942
	174,031	488,654
	528,521	442,354
	632	0
	415,960	354,632
	7,137	9,356
	5,979,478	4,789,938

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

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

Prepaid rates

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

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

12. OTHER LIABILITIES

Current

Contract liabilities

Reconciliation of changes in contract liabilities

Opening balance

Additions

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

	2022	2021
	\$	\$
	13,169,357	9,720,512
	13,169,357	9,720,512
	9,720,512	9,404,510
	13,169,357	9,720,512
	(9,720,512)	(9,404,510)
	13,169,357	9,720,512

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

13. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Unsecured		\$	\$	\$	\$	\$	\$
WA Treasury Corporation		492,862	1,299,015	1,791,877	475,420	1,791,877	2,267,297
Total unsecured borrowings	27(a)	492,862	1,299,015	1,791,877	475,420	1,791,877	2,267,297

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

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

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

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

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2022	2021
	\$	\$
Current provisions		
Employee benefit provisions		
Annual Leave	1,038,598	956,423
Long Service Leave	778,091	551,682
	1,816,689	1,508,105
Non-current provisions		
Long Service Leave	259,128	261,790
	259,128	261,790
	2,075,817	1,769,895

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

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

	Note	2022	2021
		\$	\$
Amounts are expected to be settled on the following basis:			
Less than 12 months after the reporting date		1,326,176	1,351,682
More than 12 months from reporting date		749,641	418,213
		2,075,817	1,769,895

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

15. OTHER PROVISIONS

	Landfill rehabilitation Provision	Total
	\$	\$
Opening balance at 1 July 2021		
Non-current provisions	4,315,753	4,315,753
	4,315,753	4,315,753
Additional provision	119,115	119,115
Balance at 30 June 2022	4,434,868	4,434,868
Comprises		
Non-current	4,434,868	4,434,868
	4,434,868	4,434,868

Landfill rehabilitation Provision

Under the licence for the operation of the Shire of Ashburton waste landfill site, the Shire has a legal obligation to restore the site.

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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

16. REVALUATION SURPLUS

	2022		2022		2021		2021	
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	30,564,476	0	0	30,564,476	30,564,476	0	0	30,564,476
Revaluation surplus - Furniture and equipment	612,552	0	0	612,552	612,552	0	0	612,552
Revaluation surplus - Plant and equipment	827,843	0	0	827,843	827,843	0	0	827,843
Revaluation surplus - Infrastructure - roads	231,236,251	0	0	231,236,251	231,236,251	0	0	231,236,251
Revaluation surplus - Other infrastructure - Pathways	4,562,594	0	0	4,562,594	4,562,594	0	0	4,562,594
Revaluation surplus - Other infrastructure - Drainage	18,554,989	0	0	18,554,989	18,554,989	0	0	18,554,989
Revaluation surplus - Other infrastructure - Airport	3,316,303	0	0	3,316,303	3,316,303	0	0	3,316,303
Revaluation surplus - Other infrastructure - Bridges	1,003,670	0	0	1,003,670	1,003,670	0	0	1,003,670
Revaluation surplus - Other infrastructure - Waste	616	0	0	616	616	0	0	616
	290,679,294	0	0	290,679,294	290,679,294	0	0	290,679,294

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

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

17. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	71,720,364	25,616,142	66,833,788
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	46,979,834	22,895,137	57,957,771
		46,979,834	22,895,137	57,957,771
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	28	46,979,834	22,895,137	57,957,771
Total restricted financial assets		46,979,834	22,895,137	57,957,771

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

Net result		26,484,547	22,320,092	20,752,040
Non-cash items:				
Depreciation/amortisation		14,763,084	14,105,200	14,312,655
(Profit)/loss on sale of asset		(25,166)	143,800	217,267
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		805,050	0	1,213,947
(Increase)/decrease in other assets		(51,095)	0	1,046,285
(Increase)/decrease in inventories		(92,559)	0	(67,214)
Increase/(decrease) in trade and other payables		(1,209,578)	0	(6,099,357)
Increase/(decrease) in employee related provisions		305,922	0	(239,894)
Increase/(decrease) in other provisions		119,115	0	115,915
Increase/(decrease) in other liabilities		3,448,845	(9,458,611)	1,370,947
Non-operating grants, subsidies and contributions		(12,828,187)	(19,487,800)	(15,648,577)
Net cash provided by/(used in) operating activities		31,719,978	7,622,681	16,974,014

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit		0		0
Bank overdraft at balance date		0		0
Credit card limit		45,000		40,000
Credit card balance at balance date		(13,694)		(12,462)
Total amount of credit unused		31,306		27,538

Loan facilities

Loan facilities - current		492,862		475,420
Loan facilities - non-current		1,299,015		1,791,877
Total facilities in use at balance date		1,791,877		2,267,297

Unused loan facilities at balance date

		0		0
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**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

18. CONTINGENT LIABILITIES

Wittenoom Asbestos

Wittenoom asbestos claims are being made against a number of defendants including the Shire by former residents and visitors to Wittenoom for potential damages incurred as a result of suffering from asbestos related diseases.

The present outlook for the Shire in relation to Wittenoom litigation is being carefully monitored by the Council and the Executive on a monthly basis. The amount of potential claims and the Shire's potential contribution to the settlement of these has remained relatively steady over the current period.

Total future potential claims in respect of Wittenoom are not reliably quantifiable; however, the changing nature of damages claims and their defence means that individual cases could potentially place the Shire at a greater financial risk.

The Shire has a commitment from the State Government that it will support a financial contribution if the Wittenoom impost becomes too onerous for the Shire. All cases to date have been settled out of court with a number of parties contributing to the settlement process. Out of court settlements result in no judgement being reached by the court.

The amount of on-going claims and the manner in which they were concluded have not been disclosed as this may prejudice the Shire's position in an individual case.

In the event that a number of cases brought against the Shire and additional defendants are ruled in favour of the plaintiff, the financial impact on the Shire may result in significant losses being incurred which in turn may convert to higher rating levels, or a reduction in services provided to ratepayers.

19. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	18,180,329	6,766,494
- plant & equipment purchases	853,804	197,869
	<u>19,034,133</u>	<u>6,964,363</u>
Payable:		
- not later than one year	19,034,133	6,964,363

The capital expenditure projects outstanding at the end of the current report period represent the a variety of projects currently undergoing construction. Major projects include Onslow Ocean View Caravan Park, Tom Price Child Care Facility, Tom Price Emergency facility, Tom Price Pump Track, Tom Price Skate Park and Onslow Basin beautification.

Major plant include Rear Loader Garbage compactor, Regional Waste Facility weighbridge, service trailer and restoring the Bedford Fire Truck.

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

20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cr Kerry White			
President's annual allowance	63,354	63,500	63,354
Meeting attendance fees	31,149	31,149	31,149
Annual allowance for ICT expenses	2,500	2,500	500
Travel and accommodation expenses	5,528	5,000	4,288
	102,531	102,149	99,291
Cr Matthew Lynch			
Deputy President's annual allowance	11,152	16,500	0
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	2,500	2,500	500
Travel and accommodation expenses	2,509	5,000	3,156
	39,391	47,230	26,886
Ex. Cr Douglas Diver (1 July 2021 to 16 October 2021)			
Deputy President's annual allowance	4,686	0	15,838
Meeting attendance fees	6,874	23,230	23,230
Annual allowance for ICT expenses	740	2,500	500
Travel and accommodation expenses	1,694	5,000	2,792
	13,994	30,730	42,360
Cr Melanie Gallanagh			
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	2,500	2,500	500
Travel and accommodation expenses	414	5,000	3,121
	26,144	30,730	26,851
Cr Linton Rumble			
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	2,500	2,500	500
Travel and accommodation expenses	6,095	5,000	3,640
	31,825	30,730	27,370
Cr Jamie Richardson			
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	2,500	2,500	500
Travel and accommodation expenses	3,325	5,000	4,890
	29,055	30,730	28,620
Cr Rory De Pledge			
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	2,500	2,500	500
Travel and accommodation expenses	5,322	5,000	4,156
	31,052	30,730	27,886
Ex Douglas Dias (1 July 2021 to 16 October 2021)			
Meeting attendance fees	6,874	23,230	23,230
Other expenses	0	0	48
Annual allowance for ICT expenses	740	2,500	500
Travel and accommodation expenses	1,200	5,000	2,148
	8,814	30,730	25,926
Ex Peter Foster (Resigned 1 April 2021)			
Meeting attendance fees	0	23,230	17,422
Child care expenses	0	500	122
Annual allowance for ICT expenses	0	2,500	375
Travel and accommodation expenses	0	5,000	3,000
	0	31,230	20,919
Cr Audra Smith (from 17 October 2021)			
Meeting attendance fees	16,356	0	0
Annual allowance for ICT expenses	1,760	0	0
Travel and accommodation expenses	807	0	0
	18,923	0	0

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

20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration (Continued)

Note	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Cr Tina Mladenovic (From 17 October 2021)			
Meeting attendance fees	16,356	0	0
Annual allowance for ICT expenses	1,760	0	0
Travel and accommodation expenses	1,098	0	0
	19,214	0	0
Cr Alana Sullivan (From 17 October 2021)			
Meeting attendance fees	16,356	0	0
Annual allowance for ICT expenses	1,760	0	0
Travel and accommodation expenses	1,327	0	0
	19,443	0	0
	340,386	364,989	326,109

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

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
President's annual allowance	63,354	63,500	63,354
Deputy President's annual allowance	15,838	16,500	15,838
Meeting attendance fees	210,115	217,500	211,181
Child care expenses	0	500	122
Other expenses	0	0	48
Annual allowance for ICT expenses	21,760	22,500	4,375
Travel and accommodation expenses	29,319	73,000	31,191
20(b)	340,386	393,500	326,109

(b) Key Management Personnel (KMP) Compensation

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	1,175,085	1,156,081
Post-employment benefits	125,628	132,921
Employee - other long-term benefits	23,925	23,481
Employee - termination benefits	13,700	118,605
Council member costs	340,386	326,109
20(a)	1,678,724	1,757,197

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

20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration (Continued)

Cr Tina Mladenovic (From 17 October 2021)

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Meeting attendance fees	16,356	0	0
Annual allowance for ICT expenses	1,760	0	0
Travel and accommodation expenses	1,098	0	0
	19,214	0	0

Cr Alana Sullivan (From 17 October 2021)

Meeting attendance fees	16,356	0	0
Annual allowance for ICT expenses	1,760	0	0
Travel and accommodation expenses	1,327	0	0
	19,443	0	0
	340,386	364,989	326,109

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

	2022 Actual \$	2022 Budget \$	2021 Actual \$
President's annual allowance	63,354	63,500	63,354
Deputy President's annual allowance	15,838	16,500	15,838
Meeting attendance fees	210,115	217,500	211,181
Child care expenses	0	500	122
Other expenses	0	0	48
Annual allowance for ICT expenses	21,760	22,500	4,375
Travel and accommodation expenses	29,319	73,000	31,191
20(b)	340,386	393,500	326,109

(b) Key Management Personnel (KMP) Compensation

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

	2022 Actual \$	2021 Actual \$
Short-term employee benefits	1,175,085	1,156,081
Post-employment benefits	125,628	132,921
Employee - other long-term benefits	23,925	23,481
Employee - termination benefits	13,700	118,605
Council member costs	340,386	326,109
20(a)	1,678,724	1,757,197

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

20. RELATED PARTY TRANSACTIONS

(c) Transactions with related parties

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

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

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

	2022 Actual	2021 Actual
	\$	\$
Sale of goods and services	5,747	251,481
Amounts outstanding from related parties:		
Trade and other receivables	1,842	2,853

(d) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

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

21. JOINT ARRANGEMENTS

Share of joint operations

Communities Housing (Homeswest):

Purpose

The Shire of Ashburton, in conjunction with Homeswest, is providing rental accommodation for senior citizens who are eligible.

Address: 46 Second Avenue, Onslow 6710 (Carinya Units 1 - 5)

Number and Type of Dwellings:

5 Dwellings - Freehold

Certificate of Title Volume 3042 Folio 6

Drawing No. 190235

Legal Agreements:

Joint Venture Agreement dated 2 August 1994, for fifty years from this date.

Statement of Financial Position

Land and Buildings

Less: accumulated depreciation

Total assets

Department of Housing

Shire of Ashburton

Total equity

Statement of Comprehensive Income

Other Revenue

Other Expenditure

Profit/(loss) for the period

Other comprehensive income

Total comprehensive income for the period

Statement of Cash Flows

Net cash provided by (used in) operating activities

	2022 Actual	2021 Actual
	\$	\$
	460,930	460,930
	(71,558)	(35,779)
	389,372	425,151
	364,964	364,964
	95,966	95,966
	460,930	460,930
	14,480	12,775
	(22,349)	(24,741)
	(7,869)	(11,966)
	(7,869)	(11,966)
	0	0

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

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

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

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

22. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.00%	71,720,364	46,979,836	24,482,669	257,859
2021					
Cash and cash equivalents	0.01%	66,833,788	57,957,774	8,624,071	251,943

Sensitivity

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

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	717,204	668,338

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 27(a).

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

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

	Less than 1 month past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	113,799	115,031	47,431	184,992	461,253	4
Loss allowance	0	0	0	0	0	
30 June 2021						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	10,853	232,833	153,773	338,090	735,549	4
Loss allowance	0	0	0	0	0	

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

	Less than 1 Month past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.05%	1.45%	3.11%	78.83%		
Gross carrying amount	514,380	20,314	9,706	409,526	953,926	4
Loss allowance	260	295	302	322,821	323,678	
30 June 2021						
Trade and other receivables						
Expected credit loss	23.00%	0.13%	0.04%	47.42%		
Gross carrying amount	808,172	103,358	774,470	293,567	1,979,567	4
Loss allowance	185,915	135	283	139,198	325,531	

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

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
	\$	\$	\$	\$	\$	\$
Opening loss allowance as at 1 July	0		325,531		0	
Increase in loss allowance recognised in profit or loss during the year	0	0	323,678	325,531	0	0
Unused amount reversed	0	0	(325,531)	0	0	0
Closing loss allowance at 30 June	0	0	323,678	325,531	0	0

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

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

**SHIRE OF ASHBURTON
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FOR THE YEAR ENDED 30 JUNE 2022**

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 17(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2022</u>					
Trade and other payables	5,979,478	0	0	5,979,478	5,979,478
Borrowings	492,862	1,055,341	243,674	1,791,877	1,791,877
Contract Liabilities	13,169,357	0	0	13,169,357	13,169,357
Lease liabilities	65,398	119,764	0	185,162	185,162
	19,707,095	1,175,105	243,674	21,125,874	21,125,874
<u>2021</u>					
Trade and other payables	4,789,938	0	0	4,789,938	4,789,938
Borrowings	475,420	1,492,123	299,754	2,267,297	2,267,297
Contract Liabilities	9,720,512	0	0	9,720,512	9,720,512
	14,985,870	1,492,123	299,754	16,777,747	16,777,747

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

23. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

k) Initial application of accounting standards

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

New accounting standards for application in future years

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

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

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

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

24. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
<p>Governance</p> <p>The provision of decision -making process for the efficient allocation of scarce resources.</p>	<p>Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific local government services.</p>
<p>General purpose funding</p> <p>To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p>Law, order, public safety</p> <p>To provide services to help ensure a safer community.</p>	<p>Supervision of various by-laws, fire prevention, emergency services and animal control.</p>
<p>Health</p> <p>To assess and manage risks to public health and create and maintain environments that promote good public health.</p>	<p>Food safety, traders permits, septic approvals, analysis of drinking water, public pool safety, monitoring and control of mosquitoes, noise - dust or odour complaints, public building inspections, Environmental Health support to Aboriginal communities, provision of public information on issues such as asbestos, mosquitoes, food hygiene.</p>
<p>Education and welfare</p> <p>To meet the needs of the community in these areas.</p>	<p>Maintenance of pre-school facilities & donations to schools. Assistance to welfare groups and Youth Services.</p>
<p>Housing</p> <p>To manage housing.</p>	<p>Maintenance of staff and rental housing.</p>
<p>Community amenities</p> <p>To provide services required but the community.</p>	<p>Rubbish collections, refuse site operations, litter control, administration of the town planning scheme, cemetery operations, public toilet facilities and protection of the environment.</p>
<p>Recreation and culture</p> <p>To establish and manage efficiently infrastructure and resources which help the social well being of the community.</p>	<p>Maintenance of Halls, Swimming pools, sporting facilities, parks and associated facilities, provision of library services in Tom Price, Onslow, Pannawonica & Paraburdoo.</p>
<p>Transport</p> <p>To provide effective and efficient transport services to the community.</p>	<p>Construction and maintenance of streets, roads, bridges, footpaths; street lighting, traffic management and airport. Purchase and disposal of Council's Road Plant.</p>
<p>Economic services</p> <p>To help promote the Shire and improve it's economic well-being.</p>	<p>Building control, management of tourist bureau, tourism and area promotion and standpipes.</p>
<p>Other property and services</p> <p>To provide support services for works and plant operations.</p>	<p>Private works operations, plant repairs and operation costs, stock and materials, salaries and wages of Council employees.</p>

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

24. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022	2022	2021
	Actual	Budget	Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	316,994	137,500	360,516
General purpose funding	48,733,559	48,999,600	42,883,130
Law, order, public safety	61,994	74,300	70,824
Health	139,305	152,500	164,754
Education and welfare	45,388	47,800	55,784
Housing	481,802	410,900	436,868
Community amenities	3,056,224	4,061,700	2,842,416
Recreation and culture	468,605	484,000	470,794
Transport	3,091,114	2,750,300	2,480,960
Economic services	1,705,103	1,327,100	1,670,264
Other property and services	506,193	142,000	154,525
	58,606,281	58,587,700	51,590,835
Grants, subsidies and contributions			
Governance	(72,742)	937,000	184,128
General purpose funding	4,787,401	1,766,500	3,477,541
Law, order, public safety	2,251,880	3,875,400	214,261
Health	145,319	167,000	104,162
Education and welfare	2,778,924	4,614,400	3,642,186
Housing	85	0	0
Community amenities	1,308,307	270,000	9,931,794
Recreation and culture	5,449,057	7,800,000	318,121
Transport	4,962,851	6,890,800	1,302,852
Economic services	38,824	861,400	493,133
	21,649,906	27,182,500	19,668,178
Total Income	80,256,187	85,770,200	71,259,013
Expenses			
Governance	(4,556,606)	(6,444,243)	(7,402,114)
General purpose funding	(136,358)	(25,500)	(14,762)
Law, order, public safety	(1,095,869)	(2,185,100)	(1,119,315)
Health	(510,233)	(720,300)	(661,603)
Education and welfare	(326,287)	(373,200)	(311,268)
Housing	(1,593,799)	(1,568,575)	(2,037,245)
Community amenities	(8,262,654)	(9,158,019)	(7,746,323)
Recreation and culture	(15,003,813)	(16,315,100)	(11,161,305)
Transport	(17,196,137)	(18,781,371)	(14,859,102)
Economic services	(4,664,130)	(5,047,400)	(3,340,206)
Other property and services	(425,754)	(2,831,300)	(1,853,730)
Total expenses	(53,771,640)	(63,450,108)	(50,506,973)
Net result for the period	26,484,547	22,320,092	20,752,040

**SHIRE OF ASHBURTON
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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24. FUNCTION AND ACTIVITY (Continued)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
(c) Fees and Charges			
Governance	3,146	10,000	10,136
General purpose funding	25,470	21,300	9,386
Law, order, public safety	42,866	56,800	57,405
Health	139,305	152,500	164,753
Education and welfare	42,270	43,800	52,100
Housing	332,548	199,100	280,163
Community amenities	3,056,224	4,061,700	2,842,416
Recreation and culture	453,296	476,500	441,392
Transport	2,653,426	2,551,600	2,300,710
Economic services	1,664,356	1,304,000	1,474,211
Other property and services	2,727	12,000	21,825
	8,415,634	8,889,300	7,654,497
(d) Total Assets			
Governance	20,063,213	18,654,463	
General purpose funding	8,036,121	8,743,729	
Law, order, public safety	3,091,246	1,075,269	
Health	31,936	22,669	
Education and welfare	11,776,747	8,314,879	
Housing	21,877,117	21,339,985	
Community amenities	29,473,615	29,471,296	
Recreation and culture	77,192,907	65,073,744	
Transport	400,623,544	399,918,733	
Economic services	29,045,505	32,181,118	
Other property and services	14,813,626	15,077,022	
Unallocated	24,450,546	9,345,505	
	640,476,123	609,218,412	

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

25. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in \$	Number of Properties	2021/22		2021/22		2021/22		2021/22		2021/22		2020/21	
				Actual Rateable Value *	Actual Rate	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue		
Residential / Community	Gross rental valuation	0.10236	2,606	43,854,836	4,492,636	(2,757)	(20,100)	4,469,779	4,488,981	33,970	0	0	4,522,951	4,201,263	
Commercial / Industrial	Gross rental valuation	0.06593	181	13,001,108	857,163	(5,673)		851,490	829,736	0	0	0	829,736	819,763	
Transient Workforce Accom.	Gross rental valuation	0.13185	24	18,992,860	2,504,209	1,263	(1,351)	2,504,121	2,504,209	0	0	0	2,504,209	2,449,487	
Pastoral	Unimproved valuation	0.18500	41	7,036,089	911,459	0	0	911,459	1,301,676	0	0	0	1,301,676	712,092	
Non-Pastoral	Unimproved valuation	0.36957	1,115	104,720,095	39,091,618	4	21,582	39,113,204	38,678,508	344,800	0	0	39,023,308	34,041,837	
Non-Rateable			275	1,697,886	0	336,604	(107)	336,497	0	0	0	0	0	(108,968)	
Sub-Total			4,242	189,302,874	47,857,085	329,441	24	48,186,550	47,803,110	378,770	0	0	48,181,880	42,115,474	
Minimum payment		\$													
Residential / Community	Gross rental valuation	1.010	190	921,172	191,900	0	0	191,900	191,900	0	0	0	191,900	188,870	
Commercial / Industrial	Gross rental valuation	1.263	60	520,196	75,780	0	0	75,780	74,517	0	0	0	74,517	84,588	
Transient Workforce Accom.	Gross rental valuation	1.263	2	40	2,526	0	0	2,526	2,526	0	0	0	2,526	2,525	
Pastoral	Unimproved valuation	1.263	4	15,329	5,052	0	0	5,052	5,052	0	0	0	5,052	10,100	
Non-Pastoral	Unimproved valuation	1.263	476	648,728	601,188	0	0	601,188	599,925	0	0	0	599,925	530,250	
Sub-Total			732	2,105,465	876,446	0	0	876,446	873,920	0	0	0	873,920	816,333	
Rates Written off			0	0	0	0	0	0	0	0	0	0	0	(380)	
Sub-Total			4,974	191,408,339	48,733,531	329,441	24	49,062,996	48,677,030	378,770	0	0	49,055,800	42,931,427	
Concessions on general rates (Refer note 25(e))															
Total amount raised from general rates														(523,217)	42,408,210
* Rateable value is based on the value of properties at the time the rate is raised.															
(b) Rates (excluding general rates)															
Ex-gratia Rates															
Sub-Total			0	0	11,525	0	0	11,525	0	0	0	0	0	11,367	
Total amount raised from rates (excluding general rates)														11,367	
(c) Total Rates															
Sub-Total			0	0	11,525	0	0	11,525	0	0	0	0	0	11,367	
Total amount raised from rates (excluding general rates)														11,367	
Total Rates														42,419,577	

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

SHIRE OF ASHBURTON
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25. RATING INFORMATION (Continued)

(d) Service Charges

Service Charges	Amount of Charge	2021/22 Actual		2021/22 Budget		2021/22 Actual		2021/22 Budget		2020/21 Total	
		Revenue Raised	Charges Applied to Costs	Charges Applied to Reserve	Charges Set Aside	Charges Applied to Reserve	Charges Set Aside	Revenue	Costs	Revenue	Revenue
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Residential - Full Overhead	0	0	0	0	0	0	0	0	0	0	45,689
Residential - Full Overhead Pensioner	0	0	0	0	0	0	0	0	0	0	1,302
Residential - Consumer Mains Underground	0	0	0	0	0	0	0	0	0	0	7,393
Residential - Transformer / Vacant Connection	0	0	0	0	0	0	0	0	0	0	1,901
Residential - Base Rate	0	0	0	0	0	0	0	0	0	0	2,105
Commercial Mixed Use - Full Overhead	0	0	0	0	0	0	0	0	0	0	11,132
Commercial - Consumer Mains Underground Pensioner	0	0	0	0	0	0	0	0	0	0	0
Commercial Mixed Use - Consumer Mains Underground	0	0	0	0	0	0	0	0	0	0	5,986
Commercial Mixed Use - Transformer Vacant	0	0	0	0	0	0	0	0	0	0	1,418
Commercial Mixed Use - Base Rate	0	0	0	0	0	0	0	0	0	0	0
Industrial - Full Overhead	0	0	0	0	0	0	0	0	0	0	69,495
Industrial - Consumer Mains Underground	0	0	0	0	0	0	0	0	0	0	10,823
Industrial - Transformer / Vacant Connection	0	0	0	0	0	0	0	0	0	0	10,455
Industrial - Base Rate	0	0	0	0	0	0	0	0	0	0	5,018
		0	0	0	0	0	0	0	0	0	172,717

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

25. RATING INFORMATION (Continued)
 Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/Concession	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$
GRV - Residential / Community Rate	Rate	Concession	30.00%	0	173,789	163,100	277,542
UV - Pastoral	Rate	Concession	30.00%	0	390,217	392,700	245,675
Total discounts/concessions (Note 25)					564,006	555,800	523,217
Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available		Objects of the Waiver or Concession	Reasons for the Waiver or Concession			
GRV - Residential / Community	Residential ratepayers owning three (3) or less properties in Onslow are eligible for a 30% concession, to a maximum reduction no lower than the Minimum Payment.		The object of this concession is to ameliorate significant increases in property valuations and financial hardship still experienced through the COVID-19 pandemic.	The object of this concession is to ameliorate significant increases in property valuations and financial hardship still being experienced through the COVID-19 pandemic.			
UV - Pastoral	Pastoral leaseholders will be eligible for a 30.0% concession, to a maximum reduction no lower than the Minimum Payment.		The object of this concession is to ameliorate the effect significant increases in valuations and the added hardship caused by the COVID-19 pandemic.	The object of this concession is to ameliorate the effect significant increases in valuations and the added hardship caused by the COVID-19 pandemic.			

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

25. RATING INFORMATION (Continued)

(f) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	7/10/2021	-	-	7.00%
Option Two				
First instalment	7/10/2021	-	-	7.00%
Second instalment	4/02/2022	15	5.50%	7.00%
Option Three				
First instalment	7/10/2021	-	-	7.00%
Second instalment	6/12/2021	15	5.50%	7.00%
Third instalment	4/02/2022	15	5.50%	7.00%
Fourth instalment	7/04/2022	15	5.50%	7.00%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	51,230	51,500	54,724
Interest on instalment plan	15,813	15,000	16,541
Charges on instalment plan	0	-	6,285
Interest on ESL	950	-	1,492
	67,993	66,500	79,042

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

26. RATE SETTING STATEMENT INFORMATION

Note	2021/22	2021/22	2020/21
	(30 June 2022)	Budget (30 June 2022)	(30 June 2021)
	Carried Forward)	Carried Forward)	Carried Forward)
	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	9(c) (78,235)	(51,700)	(69,936)
Add: Loss on disposal of assets	9(c) 53,069	195,500	287,203
Add: Depreciation	9(a) 14,763,084	14,105,200	14,312,655
Non-cash movements in non-current assets and liabilities:			
Employee benefit provisions	(2,662)	(1,105,498)	(44,925)
Other provisions	119,115	0	115,915
Contract liabilities	0	(520)	0
Inventory	(108,733)	0	(54,947)
Non-cash amounts excluded from operating activities	14,745,638	13,142,982	14,545,965
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	28 (46,979,836)	(22,895,137)	(57,957,775)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	13 492,862	5,000,000	475,420
- Movement in contract liability held in reserve	4,075,867	0	437,5967
- Current portion of lease liabilities	10(b) 65,398	0	0
- Prior Year Adjustments - Interest	0	0	8,483
- Employee benefit provisions	1,816,689	0	1,508,105
Total adjustments to net current assets	(40,529,020)	(17,895,137)	(51,589,800)
Net current assets used in the Rate Setting Statement			
Total current assets	73,986,723	28,783,787	69,870,277
Less: Total current liabilities	(21,523,784)	(10,888,650)	(16,493,975)
Less: Total adjustments to net current assets	(40,529,020)	(17,895,137)	(51,589,800)
Net current assets used in the Rate Setting Statement	11,933,919	0	1,786,502

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

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget					
		Principal at 1 July 2020		New Loans During 2020-21		Principal at 30 June 2021		Principal at 1 July 2021		New Loans During 2021-22		Principal at 30 June 2022	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Onslow Administration Building*		644,752	0	(44,567)	600,185	0	(46,055)	600,184	0	0	(46,054)	554,130	
Staff Housing*		227,608	0	(71,756)	155,852	0	(75,793)	155,853	0	0	(75,793)	80,060	
Staff Housing*		321,162	0	(321,162)	0	0	0	0	0	0	0	0	
Onslow Transfer Station*		1,722,024	0	(323,679)	1,398,345	0	(333,725)	1,398,345	0	0	(333,725)	1,064,620	
Onslow Aerodrome Upgrade*		131,558	0	(18,643)	112,915	0	(19,847)	112,915	0	0	(19,847)	93,068	
Airport Sub-Division*		0	0	0	0	0	0	0	5,000,000	0	0	5,000,000	
Total Borrowings		3,047,104	0	(779,807)	2,267,297	0	(475,420)	2,267,297	5,000,000	0	(475,419)	6,791,878	
* WA Treasury Corporation													
Borrowing Interest Repayments													
Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022		Actual for year ending 30 June 2021					
						\$	\$	\$	\$				
Onslow Administration Building*		Other property and services	124	WATC*	3.31%	(19,487)	(19,487)	(20,976)	(20,976)				
Staff Housing*		Housing	117	WATC*	5.45%	(7,476)	(7,476)	(11,440)	(11,440)				
Staff Housing*		Housing	121	WATC*	5.97%	0	0	(14,451)	(14,451)				
Onslow Transfer Station*		Community amenities	122	WATC*	3.08%	(40,519)	(40,519)	(50,565)	(50,565)				
Onslow Aerodrome Upgrade*		Transport	119	WATC*	6.36%	(6,871)	(6,871)	(8,075)	(8,075)				
Total						(74,353)	(74,353)	(105,507)	(105,507)				
Total Interest Repayments	2(b)					(74,353)	(74,353)	(105,507)	(105,507)				

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

27. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2021/22

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges \$	Actual Balance Unspent \$
					2022 Actual \$	2022 Budget \$	2022 Actual \$	2022 Budget \$		
Airport Sub-Division	WATC*	-	-	-	0	5,000,000	0	(5,000,000)	0	0
					0	5,000,000	0	(5,000,000)	0	0

* WA Treasury Corporation

(c) Lease Liabilities

Purpose	Note	Principal Repayments		Principal at 30 June 2021	New Leases During 2021-22	Principal Repayments		Principal at 30 June 2022	Budget	
		During 2020-21	During 2020-21			During 2021-22	During 2021-22		Principal at 1 July 2021	New Leases During 2021-22
Photocopier Lease	10(b)	0	0	0	201,178	(16,016)	(16,016)	185,162	0	0
Total Lease Liabilities		0	0	0	201,178	(16,016)	(16,016)	185,162	0	0
Lease Interest Repayments										
Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021	Lease Term	
Photocopier Lease	2(b)	Other property and services	-	-	28%	(1,616)	0	0	36 months	
Total Interest Repayments						(1,616)	0	0		

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

28. RESERVE ACCOUNTS

	2022 Actual		2022 Actual		2022 Budget		2022 Budget		2021 Actual		2021 Actual		2021 Actual	
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Opening Balance	Transfer to	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council														
(a) Leave reserve	0	0	0	0	0	0	0	0	1,105,498	6,555	(1,112,053)	1,105,498	6,555	0
(b) Financial Risk Reserve	6,167,012	5,624	(621,752)	5,550,884	6,179,228	48,933	(621,752)	5,606,409	6,588,599	39,068	(460,615)	6,588,599	39,068	6,167,012
(c) Future Projects Reserve	21,170,305	3,019,306	(7,702,937)	16,486,674	21,175,894	17,023	(19,179,139)	2,013,778	3,014,040	19,044,085	(887,820)	3,014,040	19,044,085	21,170,305
(d) Housing Reserve	1,832,096	1,671	(1,833,694)	73	1,835,609	14,536	(1,850,145)	0	1,895,016	11,237	(74,157)	1,895,016	11,237	1,832,096
(e) Infrastructure Reserve	2,091,533	551,907	(2,107,948)	535,492	2,098,073	16,614	(2,114,687)	0	3,527,615	20,918	(1,457,000)	3,527,615	20,918	2,091,533
(f) Joint Venture Housing Reserve	5,065	5	0	5,070	5,257	41	0	5,298	103,382	613	(98,930)	103,382	613	5,065
(g) Onslow Aerodrome Reserve	12,694,049	11,576	(2,888,983)	9,816,642	12,721,211	100,740	(4,661,224)	8,160,727	14,650,167	86,871	(2,042,989)	14,650,167	86,871	12,694,049
(h) Onslow Community Infrastructure F	198,990	136	0	199,126	198,077	260	(198,337)	0	197,817	1,173	0	197,817	1,173	198,990
(i) Plant Replacement Reserve	1,330,334	781,213	(780,814)	1,330,733	1,333,030	790,754	(1,182,000)	941,784	1,453,887	788,621	(912,174)	1,453,887	788,621	1,330,334
(j) Property Development Reserve	3,006,502	2,742	0	3,009,244	3,015,672	23,881	(3,039,553)	0	4,945,740	1,929,351	(3,868,589)	4,945,740	1,929,351	3,006,502
(k) RTIO Partnership Reserve	0	0	0	0	0	0	0	0	6,876,292	0	(6,876,292)	6,876,292	0	0
(l) Tom Price Administration Building f	6,153,161	1,529,911	0	7,683,072	6,164,502	48,816	(2,900,000)	3,313,318	6,116,890	36,271	0	6,116,890	36,271	6,153,161
(m) Waste Services Reserve	2,481,529	2,263	(488,500)	1,995,292	2,487,187	19,666	(488,500)	2,018,353	3,052,514	18,101	(589,086)	3,052,514	18,101	2,481,529
(n) COVID-19 Relief & Stimulus	827,195	754	(460,417)	367,532	828,906	6,564	0	835,470	921,729	5,466	(100,000)	921,729	5,466	827,195
(o) Unspent Grants & Contributions	57,957,771	5,907,108	(16,885,045)	46,979,834	58,042,646	1,087,828	(36,235,337)	22,895,137	55,970,646	21,988,590	(20,001,425)	55,970,646	21,988,590	57,957,771

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Not in use	To contribute towards funding the liability for employee benefits upon their termination.
(b) Financial Risk Reserve	Ongoing	To contribute towards mitigating, or funding, significant financial impacts through legal or other reasons.
(c) Future Projects Reserve	Ongoing	To contribute towards the funding of high-cost, significant projects as identified in long-term plans.
(d) Housing Reserve	Ongoing	To contribute towards the provision for housing to maintain, improve or increase Council's housing portfolio.
(e) Infrastructure Reserve	30/06/2023	To contribute towards funding new and renewal initiatives associated with Council assets and infrastructure.
(f) Joint Venture Housing Reserve	Ongoing	To contribute towards Council's contribution for repairs and maintenance to Join Venture Housing.
(g) Onslow Aerodrome Reserve	Ongoing	To contribute towards operational deficits and improvements and receive operational surpluses for the Onslow Airport.
(h) Onslow Community Infrastructure Reserve	Ongoing	To contribute towards the development of community facilities in Onslow.
(i) Plant Replacement Reserve	Ongoing	To contribute towards the funding of new and replacement plant and machinery.
(j) Property Development Reserve	Ongoing	To contribute towards purchasing, developing and selling property for economic benefit.
(k) RTIO Partnership Reserve	Not in use	To fund projects and programs associated with State and Local Agreements.
(l) Tom Price Administration Building Reserve	30/06/2025	To contribute towards funding a new Council Administration Facility in Tom Price.
(m) Waste Services Reserve	Ongoing	To contribute towards initiatives, upgrade and modifications to Council Waste Facilities.
(n) COVID-19 Relief & Stimulus	Ongoing	To contribute towards support and relief initiatives for those impacted by COVID-19.
(o) Unspent Grants & Contributions	Not in use	To hold grants and contributions (contract liabilities) which remain unspent at the end of the financial year.

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

29. TRUST FUNDS

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

	1 July 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
Cash in lieu of public open space	236,655	0	0	236,655
	236,655	0	0	236,655

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

30. TRADING UNDERTAKINGS

Onslow Aerodrome

The Shire's objective is to maintain a safe landing airstrip and functional airport amenities conducive to the promotion of the district as a tourist and business destination. Ongoing costs are met by landing fees charged. Annual surpluses, as determined by Council, are transferred to a cash backed reserve account to finance future upgrades and modifications to the facility.

Deficits, as determine by Council, are funded by transferes from a cash back reserve account.

(a) Operating Statement	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Operating Income			
Landing Fees	621,656	550,000	509,282
Grant and Contributions	10,528	12,300	1,818
Passenger Tax	1,330,034	1,264,100	1,016,726
Parking Revenue	0	2,500	131
Property Rental	114,009	121,800	126,676
Security Screening Charges	757,086	607,700	457,012
Sundry Income	129,454	102,500	115,859
	<u>2,962,767</u>	<u>2,660,900</u>	<u>2,227,504</u>
Operating Expenditure			
Employee Expenses	(575,864)	(496,800)	(377,547)
Operational Expenses	(1,138,375)	(1,443,700)	(1,329,770)
Grounds and Strip Maintenance	(154,581)	(239,400)	(304,804)
Marketing	(7,520)	(31,200)	(9,195)
Other Sundry Expenses	(129,969)	(191,200)	(117,573)
Administration Overheads	(258,773)	(331,200)	(190,395)
Depreciation	(1,183,568)	(1,174,300)	(1,174,414)
	<u>(3,448,650)</u>	<u>(3,907,800)</u>	<u>(3,503,698)</u>
Operating Result	<u>(485,883)</u>	<u>(1,246,900)</u>	<u>(1,276,194)</u>
(a) Non-Operating Income and Expenditure			
Capital Revenue			
Transfer From Cash Reserve	2,888,983	4,661,224	2,042,989
Contributions	0	0	0
Government Grants	0	0	392,652
	<u>2,888,983</u>	<u>4,661,224</u>	<u>2,435,641</u>
Capital Expenditure			
Transfer to Cash Reserve	(11,576)	0	0
Loan Repayments	(27,550)	(26,718)	0
Infrastructure	(3,924,627)	(4,901,000)	(1,331,636)
Buildings	0	(23,000)	(14,925)
Furniture, Equipment and Plant	(61,316)	(122,000)	(491,252)
	<u>(4,025,069)</u>	<u>(5,072,718)</u>	<u>(1,837,813)</u>
Total Net Trading Undertaking	<u>(1,621,970)</u>	<u>(1,658,394)</u>	<u>(678,366)</u>



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Ashburton

To the Councillors of the Shire of Ashburton

Opinion

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

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

In my opinion, the financial report:

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

Basis for opinion

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

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

Other information

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

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

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

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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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



Grant Robison
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
18 April 2023







shire of Ashburton
opportunity to community

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