

2022-2023
annual report



#visitasheburton



acknowledgement of country and Aboriginal History

The Shire of Ashburton acknowledges all native title holders throughout the Shire.

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

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 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.

introduction

The Shire of Ashburton is pleased to present our Annual Report for the 2022/2023 financial year.

The Annual Report details our progress, activities and achievements throughout the 2022/2023 financial year which align to our Strategic Community Plan 2022-2032. Copies of the Strategic Community Plan 2022-2032 can be downloaded from our website.

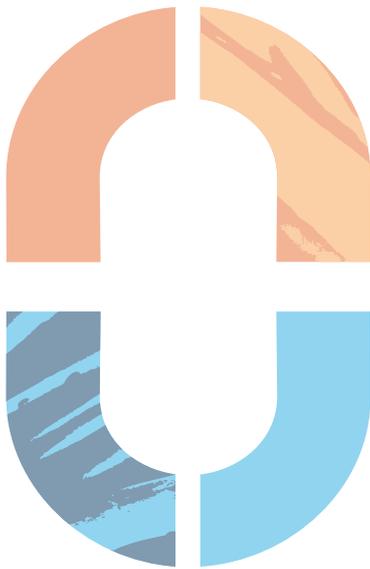
Our financial statements have been certified by an independent auditor.

The Annual Report has been prepared in accordance with the *Local Government Act 1995*.



Contents

Acknowledgement of Country and Aboriginal History	2
Introduction	2
About the Shire of Ashburton	6
Our Vision	7
Vision	7
Values	7
Shire President's Report	8
Chief Executive Officer's Report	9
Achievements and Highlights	10
Onslow Water Tank Project	10
Introduction of Guardian Disaster Dashboard	11
Red Dog Statue unveiling	11
Onslow Eclipse Festival	12
Onslow Community Boating Precinct	13
Tom Price Pump Track	13
Tom Price Childcare and Emergency Services Precinct	13
Tom Price and Paraburdoo Multipurpose Courts	13
Our Council	14
Meeting Attendance	15
Payments	15
Conduct	15
Our Organisation	16
Executive Team	16
Annual Salaries	17
Information Management Systems	17
Recordkeeping	17
Freedom of Information	17
Major Trading Undertakings	18
Major Land Transactions	20
Capital Grants	21
Our Community	24
Events	24
Citizenship Ceremonies	25
Disability Access and Inclusion Plan	25
Integrated Planning and Reporting Framework	26
Strategic Community Plan	26
Corporate Business Plan	27
Annual Budget	28
Long-Term Financial Plan	28
Strategic Asset Management Plan	29
Workforce Plan	29
Reporting	29
Our Performance	30
Goal 1 – People	31
Goal 2 – Place	32
Goal 3 – Prosperity	36
Goal 4 – Performance	38
Our Financial Reports	40



Shire of Ashburton Snapshot

A significant contributor to Australia's economy



7,832
resident population

10,000+
est. transit workforce

34
median age

10.5%
Aboriginal & Torres Strait
Islander population

58.1% / 41.9%
male / female



16,352
jobs in Ashburton

\$2,311
median weekly income

63,850
jobs supported in
the Pilbara region

73%
full-time workers

0.8%
unemployment rate



109,000 km²
square kms - almost half the
size of the state of Victoria

0.08
population density

top 3
industries by employment

- 1) mining
- 2) constructions
- 3) accommodation and food & beverage

Gross Regional Product

\$35.9 billion
gross regional product

9.5%
of WA's GSP of \$377.6 billion

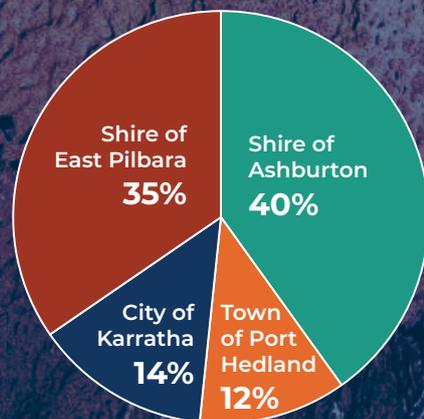
1.7%
of Australia's GDP of \$2.03 trillion

\$43.9 billion
industry output

\$29.4 billion
resource sector output

\$13.3 billion
construction

Pilbara Region Gross
Regional Product



Data Sources:

<https://economy.id.com.au> (2022)

Shire of Ashburton Overnight Visitor Factsheet 2022, Tourism WA Insights and Planning, April 2023

Visit Ashburton Snapshot

The ultimate reef to range experience



303,000

annual visitors avg 2021+22

1,995,000

visitor nights avg 2021+22

\$184 million

annual avg spend 2019+20+21+22

7.1 days

average visitor stay

DOM.

79%
business

19%
holiday

2%
visiting friends &
relatives

INT'L.

11%
business

84%
holiday



Recreation

boating, camping, fishing, hiking,
4WDing, snorkeling, water-sports



Self-Drivers

a large portion of holiday makers to the
region are self-drive



Top Destinations

- Karijini and Millstream-Chichester National Parks
- Mackerel Islands
- Towns of Tom Price, Onslow, Pannawonica and Paraburadoo
- Station Stays



About the Shire of Ashburton

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

Our Shire delivers 40% to the Gross Regional Product of the Pilbara region and 9.5% to the WA economy. Our economy is not only growing, but also providing a diverse range of opportunities.

Encompassing the towns of Tom Price, Onslow, Paraburdoo and Pannawonica, our residents boast a unique lifestyle, living next door to Karijini and Millstream Chichester National Parks and also avail themselves of idyllic coastal living as the Shire extends from reef to range.

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.





our vision

opportunity *to community*

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

Values The Corporate values that guide our organisation are:

Respect

We will acknowledge and listen to the diverse opinions and cultures of our community.

Openness

We will be honest, accountable, and transparent in how we do things.

Teamwork

We will focus on coordinating the effective and efficient delivery of services and projects.

Leadership

We will remain positive, and find opportunities to thrive, in all situations.

Excellence

We will be empowered to deliver achievable excellence in everything we do.

Health and Wellbeing

We will champion the health and wellbeing of our fellow employees and community members.



Shire President's *report*

I am proud to continue to lead Council and deliver favourable opportunities for the Shire of Ashburton as Shire President.

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

On the back of several years prioritising high monetary investment into capital and infrastructure projects, the Annual Budget 2022/2023 focused on improving our operational requirements and internal systems, with \$50 million allocated to capital works programs.

In line with Council's vision and the adopted Strategic Community Plan 2022-2032, future proofing our towns remains at the forefront.

In August and October, we continued 50 Year Celebrations in Pannawonica and Paraburdoo. Despite spanning a distance half the size of Victoria, it was great to see the Ashburton community spirit shine through each town's own unique celebration.

In November, the Shire hosted two events celebrating the completion and opening of the Tom Price Pump Track and the Tom Price Childcare and Emergency Services Precinct.

As part of an overall \$1.6M Bike Park project, the pump track was designed by Common Ground Trails in consultation with community and Council's vision for the facility.

The \$6.75M modern childcare facility offers 96 spaces through the provision of day-care, after school care and vacation programs in a purpose-built environment that will foster learning and creativity. This project was funded by the Shire of Ashburton and Rio Tinto.

The combined, fit-for-purpose Emergency Services Precinct now houses the Bush Fire Brigade and State Emergency Services in one accessible location. This project was funded by the Shire of Ashburton, Department of Fire and Emergency Services and Rio Tinto.

In December, the Shire of Ashburton was the first local government in Western Australia to launch an Disaster Dashboard platform. With towns located both on the coast and inland, our unique Pilbara environment opens us up to a range of natural disaster opportunities including cyclones, bushfires, floods and road closures due to a high number of unsealed roads. The resource allows both residents and visitors to our region to have a single point of reference and feel safe navigating the area.

In April 2023, we unveiled our Red Dog sculpture in Paraburdoo. The project was initiated by a request presented to Council in 2018 by Paraburdoo Primary School student Holly Dutch and highlights the power of the community to steer the projects and outcomes in their town.

Also in April 2023, the Shire welcomed visitors from the wider Pilbara, the State, Nation, and World to Onslow for the Onslow Eclipse Festival. With over a year of preparation behind the scenes, the Onslow Eclipse Festival showcased the Shire of Ashburton to a brand-new audience of astro-enthusiasts and further highlighted our capability to host large-scale events.

In the lead up to the Eclipse, the Ocean View Caravan Park overflow development was undertaken by our Roads Crew, aimed at providing a safe accommodation option for self-contained travellers during peak tourist season.

All of these projects highlight Council's vision to be a welcoming, sustainable, and socially active district, offering a variety of opportunities 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 our unique Pilbara environment, opportunities can be found everywhere and, as a Council we are continuing to drive, attract and source investment to the region to ensure ongoing expansion of services, accessibility, commercialisation, and industry growth.

Many of the projects we are able to deliver to our community would not be possible without partnership and funding agreements with major resource companies and the State.

Council looks forward to continued partnership, development, and progression across all towns for the benefit of our communities, our Shire, and the State.

Kerry White
Shire of Ashburton President



Chief Executive Officer's *report*

The Shire of Ashburton truly is a great place to live, with our continual development and community-based efforts being recognised at various levels.

This year we continued to celebrate 50 Years of the Shire boundary that we know today with celebrations in Paraburdoo and Pannawonica, welcomed visitors from across the State to Onslow for the 2023 Eclipse Festival, and constructed the Tom Price Childcare and Emergency Services Precinct, Onslow Community Boating Precinct, Paraburdoo and Tom Price Multipurpose Courts and the Tom Price Pump Track.

The prosperity of our region continues to be 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 was also recognised for our tourism efforts, awarded Bronze at the 2022 Perth Airport Tourism Council Awards in the category of Excellence in Local Government for Tourism. This recognition demonstrates our continued commitment to highlighting both the Shire and the wider Pilbara region as a key destination for tourists and a great place for families to live and grow.

The Shire's ability to deliver key capital projects, services and events that enhance the liveability of our community would not be possible without our Councillors. 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.

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 the State and the national economy as a significant contributor.

It brings me great pleasure to continue to lead the Shire of Ashburton and deliver positive, valuable outcomes and opportunities for the community both now and into the future.

Kenn Donohoe

Shire of Ashburton Chief Executive Officer



Achievements *and highlights*

The Shire of Ashburton recognises the need to continually improve, upgrade and develop our community with facilities, projects and services that encourage vibrancy and connection within Tom Price, Onslow, Paraburdoo and Pannawonica.

Onslow Water Tank Project

In October, the Shire hosted stakeholders and invited guests at an official opening event of the Water Tank Mural Project at Onslow Airport, to celebrate its completion.

Western Australian artist Jerome Davenport completed the mural project on behalf of the Shire.

“The project was initiated by Council’s vision to showcase what makes Onslow such a unique place to live,” acknowledged Councillor White.

The intention for the mural was to involve themes of Onslow’s community, history and a reflection of its past to modern day, that considers our indigenous heritage, pearling and agriculture industries, and the stories that make Onslow the authentic coastal town it is today.

Jerome was selected to complete the Onslow Water Tank Mural Project based on his interpretation of our vision, drawing inspiration from the natural balance between beauty and decay, and way of interpreting Onslow’s history and those moments in time that we wanted to forever capture.

With Onslow’s extensive history, the water tank murals highlight to existing and new members of our community, visitors, and travellers, the different facets of the region.

The tanks serve as a public art display and are a joint collaboration between the Shire of Ashburton, Regional Arts WA and the Water Corporation.



Introduction of Guardian Disaster Dashboard

The Shire of Ashburton were the first local government in Western Australia to launch the Disaster Dashboard to its residents.

Trusted by over 90 communities, Guardian dashboards are proven to reduce call times to local governments by up to 80% and provide a single point of truth for information sharing which empowers locals to make better informed decisions from a single webpage.

With towns located both on the coast and inland, our unique Pilbara environment opens us up to a range of natural disaster opportunities including cyclones, bushfires, floods, and road closures due to a high number of unsealed roads.

This resource allows both residents and visitors to our region to have a single point of reference and feel safe navigating the area.

Having resources such as road conditions, power outages, weather warnings, river heights, airport schedules, boating forecasts, quick links and more on one accessible platform will help to inform the community and highlight how to prepare for incidents and events that impact the area. It will also help to navigate real time situations with official advice from authority sources.

The Shire of Ashburton is committed to ensuring the Disaster Dashboard resource is both accessible and relevant for all residents and visitors to our community.

Red Dog Statue unveiling

In April 2023, the Shire of Ashburton unveiled our Red Dog sculpture in Paraburdoo.

The project was initiated by a request presented to Council back in 2018 by Paraburdoo Primary School student at the time, Holly Dutch.

Red Dog was born in Paraburdoo in 1971 and owned by Col Cummings. In an effort to tire out the puppy, Col would take Red Dog out to Paraburdoo Airport, drop him off and then head back at top speed at least once a week, Red Dog racing after the car.

When Col Cummings was transferred to Dampier, Red Dog (known as Tally at the time) followed. In his journeys that followed, Red Dog was believed to have returned to Paraburdoo from time to time.

Preparations for the statue began in 2019, and weathered delays caused by roadblocks such as COVID-19 lockdowns and bushfires down south prior to its completion.

Commissioned by Smith Sculptures, working with Red Dog's own vet, Doctor Rick Fenny, and of course Holly, this statue reminds us of the mateship, collaboration and community spirit that makes our region such a great place to live.



Onslow Eclipse Festival

With over a year of preparation behind the scenes, the Shire of Ashburton was thrilled to see the Onslow Eclipse Street Party come to life on April 20 with a huge day of events.

Kicking off with the incredible Eclipse at over 99% totality, the celebrations continued with market stalls, live music, kids entertainment, food trucks, fireworks and musical guest The Waifs!

The week-long festival of events commenced on April 15 with a cinema under the stars and community pool party on April 19.

The celebrations continued after the Eclipse with a family fun day and dark sky tourism with Astrotourism WA.

The finale event of the week was the Eclipse Concert, with special finale act WA band Eskimo Joe.



Onslow Community Boating Precinct

The Shire of Ashburton has been a key contributor in the delivery of the Onslow Community Boating Precinct.

The Boating Precinct is intended for use by recreational boaters and tourism/charter operators and includes a new boat ramp and small marina with suitable space for the development of fully serviced boat pens. Demolition of the old boat ramp and associated structures was completed in September 2022, with the Department of Transport completing the ramp and central holding jetty in July 2023, along with associated dredging, construction of revetments, and landside hardstand as part of the first stage of the precinct.

The proposed Stage 2 includes fully serviced boat pens, public jetties and berthing, completed landscaping and car parks, serviced development lots, community open space and ablutions.

The project is funded by the Shire of Ashburton and supported by the Chevron Operated Wheatstone Project, the Commonwealth Recreational Fishing and Camping Facilities Program, and the State Government.



Tom Price Pump Track

In November 2022, the Shire officially opened the Tom Price Pump Track.

As part of an overall \$1.6M Bike Park project, the pump track was designed by Common Ground Trails in consultation with community and Council's vision for the facility.

Tom Price Childcare and Emergency Services Precinct

The official opening of the Tom Price Childcare and Emergency Services Precinct was held in November 2022.

The \$6.75M modern childcare facility offers 96-spaces through the provision of day-care, after school care and vacation programs in a purpose-built environment that will foster learning and creativity. This project was funded by the Shire of Ashburton and Rio Tinto.

The combined, fit-for-purpose Emergency Services Precinct now houses the Bush Fire Brigade and State Emergency Services in one accessible location. This project was funded by the Shire of Ashburton, Department of Fire and Emergency Services, and Rio Tinto.



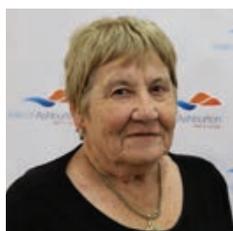
Tom Price and Paraburdoo Multipurpose Courts

In June 2023, the Shire formally opened the renovated Paraburdoo and Tom Price Multipurpose Courts.

Funded in partnership by the Shire of Ashburton and Rio Tinto, the shaded courts and amenities improve the playing conditions for our local basketball and netball teams.

our Council

The Council has nine elected members across six wards.



Cr Kerry White
Shire President
Onslow Ward



Cr Matthew Lynch
Deputy Shire President
Tom Price Ward



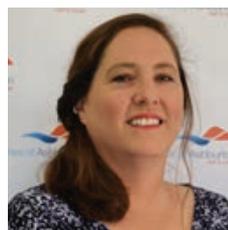
Cr Rory de Pledge
Ashburton Ward



Cr Melanie Gallanagh
Pannawonica Ward



Cr Linton Rumble JP
Paraburdoo Ward



Cr Alana Sullivan
Paraburdoo Ward



Cr Jamie Richardson
Tableland Ward



Cr Audra Smith
Tom Price Ward



Cr Tina Mladenovic
Tom Price Ward

Meeting Attendance The table below details the total number of meetings held for each meeting type and the elected members' attendance at these meetings during 2022/2023. Not applicable (N/A) depicts that an elected member was not a member of the relevant committee.

Elected Member	Ordinary Council Meeting (11)	Special Council Meetings (3)	Ashburton Economic Tourism Committee Meeting (1)	Audit and Risk Management Committee (6)	Chief Executive Officer's Performance Review Occasional Committee (1)
Cr White	11	3	N/A	6	1
Cr Lynch	11	3	1	5	1
Cr de Pledge	8	3	N/A	3	1
Cr Gallanagh	8	1	N/A	5	1
Cr Rumble	10	2	N/A	5	1
Cr Sullivan	9	1	1	4	1
Cr Richardson	6	1	N/A	1	1
Cr Smith	9	2	1	4	1
Cr Mladenovic	11	3	1	6	1

Payments The table below details the payments made to elected members in 2022/2023 in accordance with section 5.98 of the *Local Government Act 1995* and the Salaries and Allowances Determination for Local Government Chief Executive Officers and Elected Members.

Elected Member	President Allowance (\$)	Deputy President Allowance (\$)	Annual Meeting Attendance Fees (\$)	Annual ICT Allowance (\$)	Travel Reimbursement (\$)	TOTAL (\$)
Cr White	64,938		31,928	3,000	6,294	106,160
Cr Lynch		16,234	23,811	3,000	4,077	47,122
Cr de Pledge			23,811	3,000	4,074	30,885
Cr Gallanagh			23,811	3,000	2,818	29,629
Cr Rumble			23,811	3,000	3,636	30,447
Cr Sullivan			23,811	3,000	2,359	29,170
Cr Richardson			23,811	3,000	2,594	29,405
Cr Smith			23,811	3,000	3,614	30,425
Cr Mladenovic			23,811	3,000	2,147	28,958

Conduct Section 5.121 of the *Local Government Act 1995* requires a local government to maintain a register of complaints relating to the conduct of elected members that have resulted in an action to be undertaken.

No complaints were included on the register and no remuneration or allowances were paid to the Local Government Standards Panel, during the reporting period.

our Organisation

Following the adoption of the Strategic Community Plan in 2022, the organisation structure was reviewed and realigned to ensure the organisation was adequately resourced to deliver its objectives.

Executive Team

The new structure, endorsed by Council in December 2022, was implemented on 3 January 2023 and is as follows.



Annual Salaries

Regulation 19B of the *Local Government (Administration) Regulations 1996* requires the Shire to disclose the number of:

- employees of the Shire entitled to an annual salary of \$130,000 or more
- those employees with an annual salary entitlement that falls within each band of \$10,000 over \$130,000.

This information is illustrated in the table below. Mandatory superannuation does not form part of the annual salary.

Annual Salary	# of Employees
\$130,000-\$139,999	9
\$140,000-\$149,999	3
\$150,000-\$159,999	1
\$160,000-\$169,999	0
\$170,000-\$179,999	0
\$180,000-\$189,999	1
\$190,000-\$199,999	1
\$200,000-\$209,000	1
\$320,000-\$329,999	1
TOTAL	17

The remuneration paid to the Chief Executive Officer during the 2022/2023 financial year was \$329,854.

Freedom of Information

The *Freedom of Information Act 1992* gives the public a right to apply for access to documents held by the Shire of Ashburton. The Shire aims to make information available whenever possible, outside the freedom of information process.

The Shire received five valid freedom of information applications in 2022/2023. All five applications were finalised internally.

The Shire's Information Statement is available on the Shire's website.

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 Working Group consisting of ICT and information management specialists, reporting to the Director Corporate Services, has been formed ensure a coordinated and consultative approach to the implementation of business information systems at the Shire.

Recordkeeping

A major review of the Shire's Recordkeeping Plan was conducted in 2022/2023 and was approved by the State Records Commission in May 2023.

The Recordkeeping Plan outlines:

- how the Shire creates and manages its records in compliance with the *State Records Act 2002*, *Local Government Act 1995* and Recordkeeping Principles and Standards,
- Shire employee recordkeeping obligations,
- the Shire's approved records management system, and
- approved business information systems.

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

FOI Requests Received	5
Finalised Internally	5
Third Party Consultations	2

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

Major Trading Undertakings

Through strategic planning and efficient execution, the Shire has effectively managed and facilitated diverse trading activities, contributing significantly to the local economy and liveability for residents and community members. Key achievements include robust financial growth, successful implementation of infrastructure projects, fostering community engagement and sustaining a thriving business environment throughout all four towns.

Onslow Airport

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 and charges. Annual surpluses as determined by Council, are transferred to a cash reserve to finance future upgrades and modifications to the facility.

	2022-2023 Actual \$	2022-2023 Budget \$
Operating Revenue		
Airport Fees	1,868,590	1,737,000
	1,868,590	1,737,000
Operating Expenditure		
Airport Operations	(3,046,223)	(3,734,800)
	(3,046,223)	(3,734,800)
Capital Revenue		
From Cash Reserves	893,206	2,851,900
	893,206	2,851,900
Capital Expense		
Capital Expense	(227,857)	(1,904,000)
To Cash Reserve	(252,399)	(294,000)
Loan Repayments	(27,430)	(27,129)
	(507,686)	(2,225,129)
Airport Gain / (Loss)	(792,112)	(1,371,029)

Pilbara Regional Waste Management Facility

The Shire's objective is to maintain a Class IV Waste Management Facility on the outskirts of Onslow. The facility is to be promoted for use by the Pilbara region and is designed to handle large quantities of industrial waste. Annual surpluses, as determined by Council, are transferred to a cash reserve to finance future upgrades and modifications to the facility.

	2022-2023 Actual \$	2022-2023 Budget \$
Operating Revenue		
Waste Income	161,825	3,164,400
	161,825	3,164,400
Operating Expenditure		
Waste Operations	(2,831,711)	(4,424,400)
	(2,831,711)	(4,424,400)
Capital Revenue		
From Reserve	351,614	2,437,672
	351,614	2,437,672
Capital Expense		
Capital Expense	(1,007,737)	(3,462,500)
To Reserve	-	(270,100)
	(1,007,737)	(3,732,600)
Regional Waste Facility Gain / (Loss)	(3,326,010)	(2,554,928)

Major Land Transactions

The Shire has been actively involved in major land transactions that have played a pivotal role in shaping the local landscape and contributing to the region's growth. The Shire's efforts in land transactions underscore its dedication to fostering a dynamic and well-planned community, ensuring a prosperous and sustainable future for residents, community members and stakeholders alike.

Ocean View Caravan Park (Phase 3)

The Shire's objective is to design and construct the Phase 3 Ocean View Caravan Park development, to satisfy the ever-increasing demand for holiday accommodation in Onslow, providing various economic benefits through increased capacity and seasonal tourism.

Current Year Transactions

	2022-2023 Actual \$	2022-2023 Budget \$
Expenditure		
Development Costs	1,653,760	3,260,000
	1,653,760	3,260,000

Expected future cash flows

	2022-2023 \$	2022-2023 \$
Cash Outflows		
Development Costs	1,653,760	9,637,900
Net cash flows	1,653,760	9,637,900

Assets and Liabilities

	2022-2023 \$	2022-2023 \$
Development costs	1,653,760	-
	1,653,760	-

Capital Grants

The table below details the amount of all capital grants, subsidies and contributions, for replacing and renewing assets, that were received by the local government during the:

- 2022/2023 financial year; and
- two financial years prior to the 2022/2023 financial year.

INFORMATION ON CAPITAL GRANTS, CONTRIBUTIONS AND SUBSIDIES

Capital Item	Funding Program / Provider	Opening Balance	Received	Expended	Closing Balance	Received	Expended	Closing Balance	Received	Expended	Closing Balance
		(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)
		2020/21	2020/21	2020/21	2020/21	2021/22	2021/22	2021/22	2022/23	2022/23	2022/23
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Onslow Detention Basins	Local Roads & Community Infrastructure Program – Phase 2	0	432,594	0	432,594	0	(92,500)	340,094	0	(100,001)	240,093
Onslow Seawall	Department of Industry, Science, Energy and Resources	0	0	0	0	1,500,000	0	1,500,000	0	0	1,500,000
ANZAC Park	Primary Industry, Science, Energy and Resources	0	0	0	0	100,000	0	100,000	0	0	100,000
ANZAC Park Foreshore	Local Roads & Community Infrastructure Program – Phase 3	0	0	0	0	0	0	0	429,713	(180,368)	249,345
Onslow Drainage	Local Roads & Community Infrastructure Program – Phase 3	0	0	0	0	0	0	0	273,161	0	273,161
Old Onslow Conservation Project	Dept of Jobs, Tourism, Science & Innovation	159,017	0	0	159,017	0	(82,445)	76,572	0	(8,724)	67,848
Tom Price Court Covers	Rio Tinto	0	0	0	0	3,000,000	(142,804)	2,857,196	0	(2,857,196)	0
Paraburdoo Court Covers	Rio Tinto	0	0	0	0	5,062,508		5,062,508	151,282	(5,213,790)	0

Capital Grants CONTINUED

Capital Item	Funding Program / Provider	Opening Balance	Received	Expended	Closing Balance	Received	Expended	Closing Balance	Received	Expended	Closing Balance
		(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)
		2020/21	2020/21	2020/21	2020/21	2021/22	2021/22	2021/22	2022/23	2022/23	2022/23
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Tom Price Emergency Precinct	Department of Fire and Emergency Services	0	0	0	0	1,290,300	(1,290,300)	0	403,100	(403,100)	0
Tom Price Emergency Precinct	Rio Tinto	0	1,500,000	(213,707)	1,286,293	0	(686,191)	600,102	0	(600,102)	0
Tom Price Child Care Facility	Rio Tinto	2,500,000	1,462,180	(1,356,104)	2,606,076	0	(3,606,076)	(1,000,000)	1,000,000	0	0
Onslow Ocean View Caravan Park	Dept of Jobs, Tourism, Science & Innovation	0	0	0	0	0	0	0	250,000	(250,000)	0
Tom Price Skate Park	Rio Tinto	0	0	0	0	400,000	(149,327)	250,673	0	(250,673)	0
Tom Price Skate Park	Building Better Regions	0	0	0	0	0	0	0	300,000	(300,000)	0
Tom Price Pump Track	Rio Tinto	0	105,341	0	105,341	0	0	105,341	0	(105,341)	0
Tom Price Pump Track	Open Space Trust Fund	0	0	0	0	0	0	0	236,600	(236,600)	0
Bindi Bindi Road and Kerbing	Main Roads	0	0	0	0	0	0	0	432,511	(432,511)	0
Tom Price Information Bay	Rio Tinto	0	398,600	0	398,600	0	(398,600)	0	0	0	0
Onslow Airport X-Ray Equipment	Dept of Industries Science & Technology	405,000	0	(392,652)	12,348	0	(12,348)	0	0	0	0
Paraburdoo CHUB	Rio Tinto	152,470	109,834	0	262,304	0	(262,304)	0	0	0	0
Onslow Cym/Childcare	Chevron	0	2,438,464	(2,286,082)	152,382	0	(152,382)	0	0	0	0
Paraburdoo Child Care	Rio Tinto	0	36,622	0	36,622	0	(36,622)	0	0	0	0

Capital Grants CONTINUED

Capital Item	Funding Program / Provider	Opening Balance	Received	Expended	Closing Balance	Received	Expended	Closing Balance	Received	Expended	Closing Balance
		(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	
		2020/21	2020/21	2020/21	2020/21	2021/22	2021/22	2021/22	2022/23	2022/23	2022/23
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Road Network	Roads to Recovery	49,885	736,345	(736,345)	49,885	736,300	(786,185)	0	736,300	(736,300)	0
Road Network Capital Works	Main Roads - Regional Road Group	337,302	0	(18,667)	318,635	2,450,115	(2,400,230)	368,520	1,032,475	(1,400,995)	(0)
Mine Road	Blackspot Funding	23,566	0	(23,566)	0	0	0	0	0	0	0
Residential Housing	Rio Tinto	0	0	0	0	0	0	0	10,859,977	(10,859,977)	0
Regional Waste Facility	Building Better Regions	0	7,940,482	(7,940,482)	0	0	0	0	0	0	0
Regional Waste Facility	Dept of Jobs, Tourism, Science & Innovation	0	1,831,571	(1,831,571)	0	0	0	0	0	0	0
Pathways Capital Works	Local Roads & Community Infrastructure Program - Phase 1	0	695,845	(695,845)	0	0	0	0	0	0	0
TOTAL		3,627,240	17,687,878	(15,495,021)	5,820,097	14,539,223	(10,098,314)	10,261,006	16,105,119	(23,935,678)	2,430,447

(1) Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(2) New grants/contributions which were recognised as revenue during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) Grants/contributions which had been recognised as revenue in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.



our Community

Events

Events play a pivotal role in shaping and enhancing the vibrant towns in the Shire of Ashburton, fostering a sense of unity, pride and connection with our residents and community members.

In 2022/2023, activations included Welcome to Town, ANZAC Day, Active Ashburton Sports Awards, Onslow Keepers Catch Up, Halloween initiatives, School Holiday Programs, Christmas celebrations and more.





Citizenship Ceremonies

In 2022/2023 the Shire naturalised 24 new Australians from the following countries: Brazil, India, Ireland, Malaysia, New Zealand, Philippines, Russian Federation, South Africa, Syrian Arab Republic, Thailand, United Kingdom, Zambia and Zimbabwe.

The Shire holds citizenship ceremonies across all four towns. There was a total of nine ceremonies with five ceremonies being held in Tom Price, four in Onslow and four in Paraburdoo.

Disability Access and Inclusion Plan

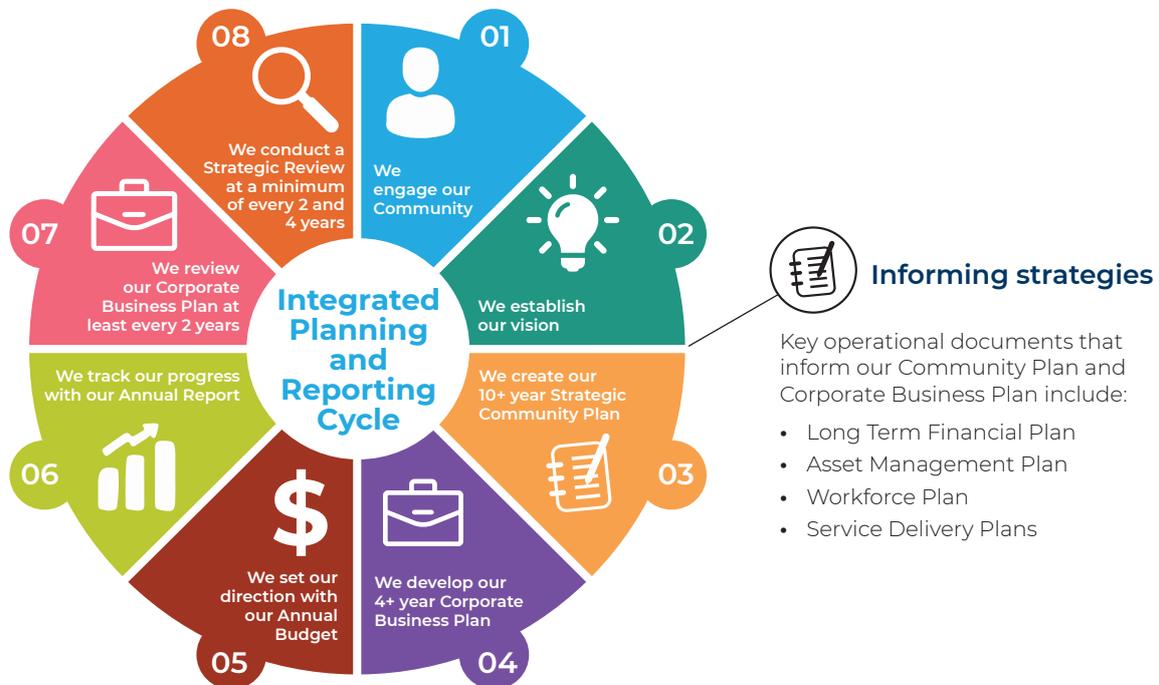
The Shire submitted the Disability Access and Inclusion Plan (DAIP) Progress Report 2022/2023 in July 2023.

The report summarised outcomes implemented that aligned to the focus areas including improved communication accessibility; improved complaints management process and increased employment and retention of people with disability.

In 2022/2023, the Shire embarked on a review of the Disability Access and Inclusion Plan.



Integrated Planning and Reporting Framework



Strategic Community Plan

In February 2022, Council adopted the Strategic Community Plan 2022-2032.

The Strategic Community Plan is a 10-year strategy and planning tool and is the principal guiding document for the Shire's strategic planning. As part of the development of the Strategic Community Plan, the community were invited to share their vision, aspirations and objectives for the future of the Shire of Ashburton.

The new Strategic Community Plan provides valuable insight into the key issues and aspirations held by the local community. Importantly for the Council, these views help to establish clear priorities and shape the vision, values, objectives and strategies contained within the Strategic Community Plan. The following four key strategic objectives are defined within the Plan as follows:

- 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 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.

There were no modifications made to the Strategic Community Plan during the 2022/23 financial year.



Corporate Business Plan

The Corporate Business Plan is a four-year plan and is aligned to the Strategic Community Plan which translates the community's priorities into deliverable actions.

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. This planning process is formalised by the development of our Corporate Business Plan.

In accordance with statutory requirements, the Corporate Business Plan is reviewed and updated annually to assess the progress of projects and realign the Plan's actions and priorities based on current information and available funding.

A major review of the Corporate Business Plan was conducted during 2022/2023. A new Corporate Business Plan which aligns to the Strategic Community Plan 2022-2032, was prepared for adoption in early 2023/2024.





Annual Budget

The Shire develops an annual budget based on the Integrated Planning and Reporting Framework which incorporates services, projects and programs to be undertaken during the financial year.

Long-Term Financial Plan

The Long-Term Financial Plan informs the decision-making during the preparation and finalisation of the Strategic Community Plan and the Corporate Business Plan.

It encompasses:

- projected revenue and expense
- planning assumptions used in developing the Plan
- factors most likely to influence the Plan
- high-level financial modelling for different scenarios
- links to the Workforce Plan, Asset Management Plan/s and Service Delivery Plans, and
- methods for monitoring financial performance.

The Shire of Ashburton is planning for a positive and sustainable future. The Shire seeks to maintain, and where possible, improve service levels into the future while maintaining a healthy financial position.





Strategic Asset Management Plan

Asset management is a comprehensive, structured approach to the long-term management of assets to ensure the efficient and effective delivery of community benefits. The Shire of Ashburton's asset management intent is ensuring assets are operated and maintained on a day-to-day basis and well planned for in the longer term to serve the community's needs now and in the future.

The Strategic Asset Management Plan outlines the strategies and guidelines that enable our organisation to effectively deliver assets that align with our objectives.

Workforce Plan

The Workforce Plan addresses the human resource requirements of the Strategic Community Plan and Corporate Business Plan.

Reporting

Quarterly progress reports are submitted to Council on the implementation of the Corporate Business Plan. These reports summarise the progress of projects and measures of success as key deliverables for the year.

Annual performance is also reported in the Shire's Annual Report.

Regular reporting ensures we continue to work towards delivering actions that are aligned with achieving the community's aspirations identified in the Strategic Community Plan and the priorities of Council.



our Performance

The following tables detail the progress on the Corporate Business Plan 2019-2023 actions under each of the four key strategic goals of the Strategic Community Plan, which were progressed in the 2022/2023 financial year.

Key

- Completed 2021/22 or earlier
- Completed during 2022/23
- 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	2022/23 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	2022/23 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	2022/23 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.

The outcomes and strategies relating to **Place** are outlined below.

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

Actions	2022/23 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	2022/23 Progress
Staff Housing Acquisition and Refurbishments	

Objective 2.3 Attractive and sustainable townscapes offering opportunities for all communities

Actions	2022/23 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	2022/23 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	2022/23 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	2022/23 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	2022/23 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	2022/23 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

We will advocate and drive opportunities for the community to be economically desirable, resilient and prosperous.

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.

The outcomes and strategies relating to **Prosperity** are outlined below.

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

Actions	2022/23 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	2022/23 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	2022/23 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	2022/23 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

We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.

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.

The outcomes and strategies relating to **Performance** are outlined below.

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

Actions	2022/23 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	2022/23 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	2022/23 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	2022/23 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	2022/23 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	2022/23 Progress
Support and strengthen the effectiveness of Councillors	●

our Financial Reports

for the year ended 30 June 2023

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

TABLE OF CONTENTS

Statement by Chief Executive Officer	41
Statement of Comprehensive Income	42
Statement of Financial Position	43
Statement of Changes in Equity	44
Statement of Cash Flows	45
Statement of Financial Activity	46
Index of Notes to the Financial Report	47
Independent Auditor's Report	90

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 WA 6751

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

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

STATEMENT BY CEO

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

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

Signed on the 21st day of December 2023



Chief Executive Officer

Kenn Donohoe

 Name of Chief Executive Officer



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

	NOTE	2023 Actual	2023 Budget	* Restated 2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),27	51,938,722	52,255,600	48,510,515
Grants, subsidies and contributions	2(a)	7,361,333	6,862,900	8,940,834
Fees and charges	2(a)	8,618,174	7,510,700	8,415,635
Interest revenue	2(a)	1,573,658	1,525,500	172,852
Other revenue	2(a)	1,106,327	3,432,600	1,429,045
		70,598,214	71,587,300	67,468,881
Expenses				
Employee costs	2(b)	(20,749,745)	(23,488,300)	(18,683,802)
Materials and contracts		(14,879,586)	(29,256,800)	(16,596,361)
Utility charges		(1,541,981)	(1,585,400)	(1,342,156)
Depreciation		(18,434,113)	(14,105,200)	(14,224,377)
Finance costs	2(b)	(209,240)	(58,100)	(195,084)
Insurance		(1,369,123)	(1,248,600)	(1,200,484)
Other expenditure	2(b)	(679,928)	(1,172,600)	(937,601)
		(57,863,716)	(70,915,000)	(53,179,865)
		12,734,498	672,300	14,289,016
Capital grants, subsidies and contributions	2(a)	23,419,718	15,921,500	12,709,072
Profit on asset disposals		87,389	162,604	78,235
Loss on asset disposals		(12,619)	(163,756)	(53,069)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	142,607	0	0
Loss on revaluation of Other infrastructure - Airport	9(a)	(6,292,892)	0	0
Loss on revaluation of Other infrastructure - Towns	9(a)	(1,912,707)	0	0
Loss on revaluation of Other infrastructure - Waste	9(a)	(1,557,238)	0	0
		13,874,258	15,920,348	12,734,238
Net result for the period	26(b)	26,608,756	16,592,648	27,023,254
Other comprehensive income for the period				
Changes in asset revaluation surplus	17	61,532,577	0	0
Total other comprehensive income for the period	17	61,532,577	0	0
Total comprehensive income for the period		88,141,333	16,592,648	27,023,254

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

* Refer to Note 32 - Correction of Prior Period Error



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

	NOTE	2023	Restated*	Restated*
		\$	2022	1-Jul-21
			\$	\$
CURRENT ASSETS				
Cash and cash equivalents	3	32,512,807	38,699,652	66,833,788
Trade and other receivables	5	3,704,752	1,753,148	2,558,199
Other financial assets	4(a)	39,133,155	33,020,712	158,098
Inventories	6	139,890	141,925	320,192
Other assets	7	1,910,958	371,287	0
TOTAL CURRENT ASSETS		77,401,562	73,986,724	69,870,277
NON-CURRENT ASSETS				
Other financial assets	4(b)	142,607	0	0
Inventories	6	715,042	1,312,849	1,204,116
Property, plant and equipment	8	187,261,616	135,092,981	126,612,835
Infrastructure	9	413,187,895	389,401,388	370,494,710
Right-of-use assets	11(a)	117,354	184,413	0
TOTAL NON-CURRENT ASSETS		601,424,514	525,991,631	498,311,661
TOTAL ASSETS		678,826,076	599,978,355	568,181,938
CURRENT LIABILITIES				
Trade and other payables	12	3,037,508	5,979,479	4,789,938
Other liabilities	13	7,720,016	13,169,357	9,720,512
Lease liabilities	11(b)	67,589	65,398	0
Borrowings	14	426,437	492,862	475,420
Employee related provisions	15	1,684,601	1,816,689	1,508,105
TOTAL CURRENT LIABILITIES		12,936,151	21,523,785	16,493,975
NON-CURRENT LIABILITIES				
Lease liabilities	11(b)	52,174	119,764	0
Borrowings	14	872,578	1,299,015	1,791,877
Employee related provisions	15	292,126	259,128	261,790
Other provisions	16	4,189,919	4,434,868	4,315,753
TOTAL NON-CURRENT LIABILITIES		5,406,797	6,112,775	6,369,420
TOTAL LIABILITIES		18,342,948	27,636,560	22,863,395
NET ASSETS		660,483,128	572,341,795	545,318,543
EQUITY				
Retained surplus		304,997,416	277,335,255	239,334,066
Reserve accounts	30	45,926,431	46,979,836	57,957,773
Revaluation surplus	17	309,559,281	248,026,704	248,026,704
TOTAL EQUITY		660,483,128	572,341,795	545,318,543

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

* Refer to Note 32 - Correction of Prior Period Error



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Reported Balance as at 1 July 2021		237,717,948	57,957,773	290,679,294	586,355,015
Correction of prior period error	32	1,616,116	0	(42,652,590)	(41,036,474)
Restated balance at the beginning of the financial year		239,334,064	57,957,773	248,026,704	545,318,541
Comprehensive income for the period					
Net result for the period (restated)	32	27,023,254	0	0	27,023,254
Total comprehensive income for the period		27,023,254	0	0	27,023,254
Transfers from reserve accounts	30	16,885,045	(16,885,045)	0	0
Transfers to reserve accounts	30	(5,907,108)	5,907,108	0	0
Balance as at 30 June 2022		277,335,255	46,979,836	248,026,704	572,341,795
Comprehensive income for the period					
Net result for the period		26,608,756	0	0	26,608,756
Other comprehensive income for the period	17	0	0	61,532,577	61,532,577
Total comprehensive income for the period		26,608,756	0	61,532,577	88,141,333
Transfers from reserve accounts	30	7,308,897	(7,308,897)	0	0
Transfers to reserve accounts	30	(6,255,492)	6,255,492	0	0
Balance as at 30 June 2023		304,997,416	45,926,431	309,559,281	660,483,128

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 2023**

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		51,861,138	48,299,720
Grants, subsidies and contributions		5,139,949	13,091,642
Fees and charges		8,590,181	8,413,782
Interest revenue		1,573,658	173,149
Goods and services tax received		4,264,885	2,270,854
Other revenue		1,106,327	1,428,748
		72,536,138	73,677,895
Payments			
Employee costs		(20,823,643)	(18,291,713)
Materials and contracts		(19,299,710)	(17,721,134)
Utility charges		(1,541,981)	(1,342,156)
Finance costs		(62,116)	(195,084)
Insurance paid		(1,369,123)	(1,200,484)
Goods and services tax paid		(4,002,195)	(2,593,420)
Other expenditure		(651,933)	(613,925)
		(47,750,701)	(41,957,916)
Net cash provided by (used in) operating activities	18(b)	24,785,437	31,719,979
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment		(6,986,814)	(11,365,445)
Payments for construction of infrastructure	9(a)	(24,746,142)	(28,086,954)
Capital grants, subsidies and contributions		7,110,377	12,828,187
Payment for Financial assets at amortised cost		(6,112,443)	(33,020,712)
Proceeds from sale of property, plant & equipment		321,001	282,245
Net cash provided by (used in) investing activities		(30,414,021)	(59,362,679)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	29(a)	(492,862)	(475,420)
Payments for principal portion of lease liabilities	29(b)	(65,399)	(16,016)
Net cash provided by (used In) financing activities		(558,261)	(491,436)
Net increase (decrease) in cash held		(6,186,845)	(28,134,136)
Cash at beginning of year		38,699,652	66,833,788
Cash and cash equivalents at the end of the year	18(a)	32,512,807	38,699,652

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



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

NOTE	2023 Actual	2023 Budget	*Restated 2022 Actual
	\$	\$	\$
OPERATING ACTIVITIES			
Revenue from operating activities			
General rates	51,926,782	52,244,300	48,510,515
Rates excluding general rates	11,940	11,300	0
Grants, subsidies and contributions	7,361,333	6,862,900	8,940,834
Fees and charges	8,618,174	7,510,700	8,415,635
Interest revenue	1,573,658	1,525,500	172,852
Other revenue	1,106,327	3,432,600	1,429,045
Profit on asset disposals	87,389	162,604	78,235
Fair value adjustments to financial assets at fair value through profit or loss	142,607	0	0
	70,828,210	71,749,904	67,547,116
Expenditure from operating activities			
Employee costs	(20,749,745)	(23,488,300)	(18,683,802)
Materials and contracts	(14,879,586)	(29,256,800)	(16,596,361)
Utility charges	(1,541,981)	(1,585,400)	(1,342,156)
Depreciation	(18,434,113)	(14,105,200)	(14,224,377)
Finance costs	(209,240)	(58,100)	(195,084)
Insurance	(1,369,123)	(1,248,600)	(1,200,484)
Other expenditure	(679,928)	(1,172,600)	(937,601)
Loss on asset disposals	(12,619)	(163,756)	(53,069)
Loss on revaluation of non-current assets	(9,762,837)	0	0
	(67,639,172)	(71,078,756)	(53,232,934)
Non-cash amounts excluded from operating activities	28(a) 28,159,700	14,106,352	14,206,933
Amount attributable to operating activities	31,348,738	14,777,500	28,521,115
INVESTING ACTIVITIES			
Inflows from investing activities			
Capital grants, subsidies and contributions	12,559,718	15,921,500	12,709,072
Proceeds from disposal of assets	321,001	939,000	282,245
	12,880,719	16,860,500	12,991,317
Outflows from investing activities			
Purchase of property, plant and equipment	8(a) (17,846,814)	(12,321,400)	(13,403,762)
Purchase and construction of infrastructure	9(a) (24,746,142)	(36,714,500)	(28,447,755)
	(42,592,956)	(49,035,900)	(41,851,517)
Non-cash amounts excluded from investing activities	28(b) 10,860,000	0	0
Amount attributable to investing activities	(18,852,237)	(32,175,400)	(28,860,200)
FINANCING ACTIVITIES			
Inflows from financing activities			
Transfers from reserve accounts	30 7,308,897	12,491,500	16,885,045
	7,308,897	12,491,500	16,885,045
Outflows from financing activities			
Repayment of borrowings	29(a) (492,862)	(492,861)	(475,420)
Payments for principal portion of lease liabilities	29(b) (65,399)	0	(16,016)
Transfers to reserve accounts	30 (6,255,492)	(6,065,028)	(5,907,108)
	(6,813,753)	(6,557,889)	(6,398,544)
Amount attributable to financing activities	495,144	5,933,611	10,486,501
MOVEMENT IN SURPLUS OR DEFICIT			
Surplus or deficit at the start of the financial year	28(c) 6,041,363	11,464,289	(4,106,053)
Amount attributable to operating activities	31,348,738	14,777,500	28,521,115
Amount attributable to investing activities	(18,852,237)	(32,175,400)	(28,860,200)
Amount attributable to financing activities	495,144	5,933,611	10,486,501
Surplus or deficit after imposition of general rates	28(c) 19,033,008	0	6,041,363

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

* Refer to Note 32 - Correction of Prior Period Error



**SHIRE OF ASHBURTON
FOR THE YEAR ENDED 30 JUNE 2023
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	48
Note 2	Revenue and Expenses	49
Note 3	Cash and Cash Equivalents	51
Note 4	Other Financial Assets	51
Note 5	Trade and Other Receivables	52
Note 6	Inventories	53
Note 7	Other Assets	54
Note 8	Property, Plant and Equipment	55
Note 9	Infrastructure	57
Note 10	Fixed Assets	59
Note 11	Leases	61
Note 12	Trade and Other Payables	63
Note 13	Other Liabilities	64
Note 14	Borrowings	65
Note 15	Employee Related Provisions	66
Note 16	Other Provisions	67
Note 17	Revaluation Surplus	68
Note 18	Notes to the Statement of Cash Flows	69
Note 19	Contingent Liabilities	70
Note 20	Capital Commitments	70
Note 21	Related Party Transactions	71
Note 22	Joint Arrangements	73
Note 23	Financial Risk Management	74
Note 24	Events Occurring After the End of the Reporting Period	78
Note 25	Other Significant Accounting Policies	79
Note 26	Function and Activity	80
Information required by legislation		
Note 27	Rating Information	82
Note 28	Determination of Surplus or Deficit	83
Note 29	Borrowing and Lease Liabilities	85
Note 30	Reserve accounts	87
Note 31	Trust Funds	88
Note 32	Correction of Prior Period Error	89

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

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

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 31 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

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

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

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	51,926,782	11,940	51,938,722
Grants, subsidies and contributions	5,925,304	0	0	1,436,029	7,361,333
Fees and charges	0	0	2,337,387	6,280,787	8,618,174
Service charges	0	0	0	0	0
Interest revenue	0	0	71,594	1,502,064	1,573,658
Other revenue	0	0	0	1,106,327	1,106,327
Capital grants, subsidies and contributions	0	23,419,718	0	0	23,419,718
Total	5,925,304	23,419,718	54,335,763	10,337,147	94,017,932

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	48,510,515	0	48,510,515
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 revenue	0	0	67,043	105,809	172,852
Other revenue	0	0	0	1,429,045	1,429,045
Capital grants, subsidies and contributions	0	12,709,072	0	0	12,709,072
Total	2,645,339	12,709,072	50,205,389	14,618,152	80,177,953

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual \$	2022 Actual \$
Assets and services acquired below fair value		
Contributed assets	10,860,000	0
Interest revenue		
Interest on reserve account funds	1,471,210	94,639
Trade and other receivables overdue interest	71,594	67,043
Other interest revenue	30,854	11,170
	1,573,658	172,852
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$6,000		
Fees and charges relating to rates receivable		
Charges on instalment plan	71,594	67,043
The 2023 original budget estimate in relation to: Charges on instalment plan was \$73,200.		
(b) Expenses		
Auditors remuneration		
- Audit of the Annual Financial Report	92,180	55,000
- Other services – grant acquittals	420	870
	92,600	55,870
Employee Costs		
Employee benefit costs	19,454,199	17,241,576
Other employee costs	1,295,546	1,442,226
	20,749,745	18,683,802
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	62,116	75,969
Provisions: unwinding of discount	147,124	119,115
	209,240	195,084
Impairment losses on trade receivables	27,993	323,678
Sundry expenses	651,935	613,923
	679,928	937,601

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

3. CASH AND CASH EQUIVALENTS

Note	2023 \$	2022 \$
Cash at bank and on hand	25,719,531	24,740,528
Term deposits	6,793,276	13,959,124
Total cash and cash equivalents	32,512,807	38,699,652
Held as		
- Unrestricted cash and cash equivalents	17,999,515	11,571,171
- Restricted cash and cash equivalents	14,513,292	27,128,481
	32,512,807	38,699,652

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(a) Current assets	2023 \$	2022 \$
Financial assets at amortised cost	39,133,155	33,020,712
	39,133,155	33,020,712
Other financial assets at amortised cost		
Term deposits	39,133,155	33,020,712
	39,133,155	33,020,712
Held as		
- Restricted other financial assets at amortised cost	39,133,155	33,020,712
	39,133,155	33,020,712
(b) Non-current assets		
Financial assets at fair value through profit or loss	142,607	0
	142,607	0
Financial assets at fair values through other comprehensive income [describe]	0	0
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	0	0
Movement attributable to fair value increment	142,607	0
Units in Local Government House Trust - closing balance	142,607	0

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 29(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 25 (i)) due to the observable market rates).

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

Financial assets at fair value through profit or loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

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

5. TRADE AND OTHER RECEIVABLES

Note	2023 \$	2022 \$
Current		
Rates and statutory receivables	624,631	631,721
Trade receivables	3,147,316	953,925
GST receivable	228,490	491,180
Allowance for credit losses of trade receivables	23(b) (295,685)	(323,678)
	3,704,752	1,753,148

Disclosure of opening and closing balances related to contracts with customers

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

Note	30 June 2023 Actual \$	30 June 2022 Actual \$	1 July 2021 Actual \$
Allowance for credit losses of trade receivables	5 (295,685)	(323,678)	(325,531)
Total trade and other receivables from contracts with customers	(295,685)	(323,678)	(325,531)

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

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 23.

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

6. INVENTORIES

	Note	2023 \$	2022 \$
Current			
Fuel and materials		43,758	56,719
Visitor centre stock		96,132	82,293
Corporate Uniforms		0	2,913
		139,890	141,925
Non-current			
Land held for resale			
Cost of acquisition		0	400,892
Development costs		715,042	911,957
		715,042	1,312,849
The following movements in inventories occurred during the year:			
Balance at beginning of year		1,454,774	1,362,215
Transferred to Property, Plant and Equipment	8	(599,842)	0
Additions to inventory		0	92,559
Balance at end of year		854,932	1,454,774

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 2023**

7. OTHER ASSETS

Other assets - current

Prepayments

Accrued income

	2023	2022
	\$	\$
	263,484	5,503
	1,647,474	365,784
	<u>1,910,958</u>	<u>371,287</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 to 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 2023**

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non-specialised	Buildings - specialised	Buildings - specialised	Total land and buildings not subject to operating lease	Total land and buildings	Furniture and equipment	Plant and equipment	Buildings - work in progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	16,201,518	14,162,204	84,571,674	114,935,396	114,935,396	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	5,203,059	5,203,059	459,504	1,065,404	6,675,795	13,403,762
Disposals	0	0	0	0	0	0	(1,920)	(255,159)	0	(257,079)
Depreciation	0	(615,786)	(3,156,607)	(3,772,393)	(3,772,393)	(3,772,393)	(227,103)	(667,041)	0	(4,666,537)
Transfers	0	0	58,861	58,861	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	116,424,923	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	124,327,271	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)	(7,902,348)	(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	116,424,923	116,424,923	1,181,314	8,888,955	8,597,789	135,092,981
Additions*	2,795,000	8,597,032	4,199,974	15,592,006	15,592,006	15,592,006	363,572	1,728,511	162,725	17,846,814
Disposals	0	0	0	0	0	0	0	(246,231)	0	(246,231)
Revaluation increments / (decrements) transferred to revaluation surplus	0	12,531,381	23,182,663	35,714,044	35,714,044	35,714,044	0	0	0	35,714,044
Land held for resale reclassified to land	597,806	0	0	597,806	597,806	597,806	0	0	0	597,806
Depreciation	0	(699,479)	(3,484,565)	(4,184,064)	(4,184,064)	(4,184,064)	(455,552)	(1,859,300)	0	(6,498,916)
Transfers ¹	2,791,038	(2,059,571)	9,165,240	9,896,707	9,896,707	9,896,707	475,490	2,922,132	(8,539,211)	4,755,118
Balance at 30 June 2023	24,550,965	31,915,781	117,574,676	174,041,422	174,041,422	174,041,422	1,564,824	11,434,067	221,303	187,261,616
Comprises:										
Gross balance amount at 30 June 2023	24,550,965	31,915,781	117,574,676	174,041,422	174,041,422	174,041,422	2,685,912	14,847,741	221,303	191,796,378
Accumulated depreciation at 30 June 2023	0	0	0	0	0	0	(1,121,088)	(3,413,674)	0	(4,534,762)
Balance at 30 June 2023	24,550,965	31,915,781	117,574,676	174,041,422	174,041,422	174,041,422	1,564,824	11,434,067	221,303	187,261,616

*The Shire acquired Land, valued at \$2,450,000, and residential housing, valued at \$8,410,000, at a purchase price of \$23 within the 2022-2023 reporting period.

Transfers¹: Transfers from Infrastructure

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

(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.	Management Valuation	June 2023	Market or estimated price per square meter
Buildings - specialised		2 & 3	Cost approach using depreciation replacement cost.	Management Valuation	June 2023	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

Purchase Cost

Plant and equipment

Purchase Cost

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - Pathways	Infrastructure - Drainage	Other Infrastructure - Airport	Infrastructure - Bridges	Infrastructure - Parks and Recreation	Other Infrastructure - Towns	Infrastructure - Waste	Other Infrastructure - Regional Waste	Infrastructure - Works in Progress	Total Infrastructure
Balance at 1 July 2021	\$ 224,512,609	\$ 10,185,480	\$ 30,641,766	\$ 44,745,334	\$ 1,410,271	\$ 26,265,899	\$ 6,458,206	\$ 6,541,631	\$ 0	\$ 19,733,514	\$ 370,494,710
Additions	9,825,305	371,146	224,790	3,346,695	0	9,249,234	811,360	0	0	4,619,225	28,447,755
Depreciation	(6,307,981)	(226,542)	(586,826)	(836,605)	(32,848)	(950,691)	(305,765)	(313,819)	0	0	(9,541,077)
Transfers	755,310	1,800	23,753	1,145,475	0	637,273	11,988	0	0	(2,575,609)	0
Balance at 30 June 2022	\$ 228,785,243	\$ 10,331,884	\$ 30,323,483	\$ 48,400,899	\$ 1,377,423	\$ 35,201,715	\$ 6,975,799	\$ 6,227,812	\$ 0	\$ 21,777,130	\$ 389,401,388
Comprises:											
Gross balance at 30 June 2022	310,087,075	13,315,065	52,092,353	56,455,208	2,627,875	45,322,161	9,300,558	8,523,774	0	21,777,130	519,501,199
Accumulated depreciation at 30 June 2022	(81,301,832)	(2,983,181)	(21,768,870)	(8,054,309)	(1,250,452)	(10,120,446)	(2,324,759)	(2,295,962)	0	0	(130,099,811)
Balance at 30 June 2022	\$ 228,785,243	\$ 10,331,884	\$ 30,323,483	\$ 48,400,899	\$ 1,377,423	\$ 35,201,715	\$ 6,975,799	\$ 6,227,812	\$ 0	\$ 21,777,130	\$ 389,401,388
Additions	\$ 5,066,031	\$ 0	\$ 0	\$ 26,995	\$ 0	\$ 14,251,288	\$ 1,601,386	\$ 0	\$ 101,184	\$ 3,699,258	\$ 24,746,142
Revaluation increments / (decrements) transferred to revaluation surplus	36,989,782	(3,674,773)	(7,614,473)	(3,316,303)	497,546	1,813,293	0	731,386	0	0	25,426,458
Revaluation (loss) / reversals transferred to profit or loss			0	(6,292,892)	0	0	(1,912,707)	(1,557,238)	0	0	(9,762,837)
Depreciation	(7,627,982)	(297,223)	(549,830)	(88,922)	(57,922)	(1,477,028)	(267,945)	(487,010)	(1,014,276)	0	(11,868,138)
Transfers ²	308,649	0	0	(2,718,616)	0	(984,719)	173,747	333,926	16,217,441	(18,085,546)	(4,755,118)
Balance at 30 June 2023	\$ 263,521,723	\$ 6,359,888	\$ 22,159,180	\$ 36,011,161	\$ 1,817,047	\$ 48,804,549	\$ 6,570,280	\$ 5,248,876	\$ 15,304,349	\$ 7,390,842	\$ 413,187,895
Comprises:											
Gross balance at 30 June 2023	263,521,723	6,359,888	22,159,180	36,011,161	1,817,047	48,804,549	6,570,280	5,248,876	15,304,349	7,390,842	413,187,895
Balance at 30 June 2023	\$ 263,521,723	\$ 6,359,888	\$ 22,159,180	\$ 36,011,161	\$ 1,817,047	\$ 48,804,549	\$ 6,570,280	\$ 5,248,876	\$ 15,304,349	\$ 7,390,842	\$ 413,187,895

Transfers² Transfers from Property, Plant and Equipment

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	3	Cost approach using depreciated replacement cost.	Independent registered valuers	June 2023	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.	Independent registered valuers	June 2023	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.	Independent registered valuers	June 2023	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.	Independent registered valuers	June 2023	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.	Independent registered valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
	Other infrastructure - Parks and Recreat	3	Cost approach using depreciated replacement cost.	Independent registered valuers and Management Valuations	June 2023	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.	Independent registered valuers and Management Valuations	June 2023	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.	Independent registered valuers	June 2023	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 2023**

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings - non-specialised	15 to 100 years
Buildings - specialised	15 to 100 years
Furniture and equipment	4 to 10 years
Plant and equipment	3 to 20 years
Infrastructure - roads	10 to 80 years
Other infrastructure - Pathways	35 to 50 years
Other infrastructure - Drainage	60 to 100 years
Other infrastructure - Airport	10 to 100 years
Other infrastructure - Bridges	80 to 100 years
Other infrastructure - Parks and Recreation	7 to 150 years
Other infrastructure - Towns	10 to 100 years
Other infrastructure - Waste	10 to 100 years

(b) Fully Depreciated Assets in Use

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

	2023	2022
	\$	\$
Buildings - specialised	1,395	1,395
Furniture and equipment	97,430	94,730
Plant and equipment	121,800	0
Other infrastructure - Pathways	64,210	64,210
	284,835	160,335

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

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

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

Impairment

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

Gains or losses on disposal

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

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

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - plant and equipment \$	Right-of-use assets Total \$
Balance at 1 July 2021		0	0
Additions		201,178	201,178
Depreciation		(16,765)	(16,765)
Balance at 30 June 2022		184,413	184,413
Gross balance amount at 30 June 2022		201,178	201,178
Accumulated depreciation at 30 June 2022		(16,765)	(16,765)
Balance at 30 June 2022		184,413	184,413
Depreciation		(67,059)	(67,059)
Balance at 30 June 2023		117,354	117,354
Gross balance amount at 30 June 2023		201,178	201,178
Accumulated depreciation at 30 June 2023		(83,824)	(83,824)
Balance at 30 June 2023		117,354	117,354

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

		2023 Actual \$	2022 Actual \$
Depreciation on right-of-use assets		(67,059)	(16,765)
Finance charge on lease liabilities	29(b)	(5,127)	(1,616)
Total amount recognised in the statement of comprehensive income		(72,186)	(18,381)
Total cash outflow from leases		(70,526)	(17,632)
(b) Lease Liabilities			
Current		67,589	65,398
Non-current		52,174	119,764
	29(b)	119,763	185,162

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.

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

11. LEASES (Continued)

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 29(b).

Right-of-use assets - measurement

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

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

Right-of-use assets - depreciation

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

(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.

Less than 1 year
1 to 2 years
2 to 3 years

2023 Actual	2022 Actual
\$	\$
67,589	65,398
52,175	65,398
0	54,366
119,764	185,162

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 2023**

12. TRADE AND OTHER PAYABLES

Current

	2023	2022
	\$	\$
Sundry creditors	500,374	(2,231)
Prepaid rates	89,357	174,031
Accrued payroll liabilities	553,713	528,521
Bonds and deposits held	361,850	632
Other Payables	217,903	415,960
Accrued Expenses	1,307,432	4,855,429
Accrued Interest	6,879	7,137
	3,037,508	5,979,479

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

Prepaid rates

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

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

13. OTHER LIABILITIES

	2023	2022
	\$	\$
Current		
Contract liabilities	3,640,998	212,798
Capital grant/contributions liabilities	4,079,018	12,956,559
	<u>7,720,016</u>	<u>13,169,357</u>
Reconciliation of changes in contract liabilities		
Opening balance	212,798	9,720,512
Additions	7,720,016	212,798
Revenue from contracts with customers included as a contract liability at the start of the period	(212,798)	(9,720,512)
	<u>7,720,016</u>	<u>212,798</u>
<p>The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$2,400,000 (2022: \$3,500,000)</p> <p>The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.</p>		
Reconciliation of changes in capital grant/contribution liabilities		
Additions	(8,877,541)	12,956,559
	<u>4,079,018</u>	<u>12,956,559</u>

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

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

14. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
		\$	\$	\$	\$	\$	\$
Secured							
WA Treasury Corporation		426,437	872,578	1,299,015	492,862	1,299,015	1,791,877
Total unsecured borrowings	29(a)	426,437	872,578	1,299,015	492,862	1,299,015	1,791,877

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 25(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 29(a).

Information regarding exposure to risk can be found at Note 23.

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

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
Current provisions	\$	\$
Employee benefit provisions		
Annual leave	1,074,930	1,038,598
Long service leave	609,671	778,091
	1,684,601	1,816,689
Total current employee related provisions	1,684,601	1,816,689
Non-current provisions		
Employee benefit provisions		
Long service leave	292,126	259,128
	292,126	259,128
Total non-current employee related provisions	292,126	259,128
Total employee related provisions	1,976,727	2,075,817

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	2023	2022
Amounts are expected to be settled on the following basis:		\$	\$
Less than 12 months after the reporting date		1,192,978	1,326,176
More than 12 months from reporting date		783,749	749,641
		1,976,727	2,075,817

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 2023**

16. OTHER PROVISIONS

	Waste Rehabilitation Provision	Total
	\$	\$
Opening balance at 1 July 2022		
Non-current provisions	4,434,868	4,434,868
	<u>4,434,868</u>	<u>4,434,868</u>
- Revaluation	(392,073)	(392,073)
- unwinding of discount	147,124	147,124
Balance at 30 June 2023	<u>4,189,919</u>	<u>4,189,919</u>
Comprises		
Non-current	4,189,919	4,189,919
	<u>4,189,919</u>	<u>4,189,919</u>

Other provisions

Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Landfil 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 2023**

17. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	2022 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	30,564,476	0	30,564,476	30,564,476	30,564,476
Revaluation surplus - Buildings - non-specialised	0	12,531,382	12,531,382	0	0
Revaluation surplus - Buildings - specialised	0	23,182,663	23,182,663	0	0
Revaluation surplus - Furniture and equipment	612,552	0	612,552	612,552	612,552
Revaluation surplus - Plant and equipment	827,843	0	827,843	827,843	827,843
Revaluation surplus - Infrastructure - roads	188,583,661	36,989,782	225,573,443	188,583,661	188,583,661
Revaluation surplus - Other infrastructure - Pathways	4,562,594	(3,674,774)	887,820	4,562,594	4,562,594
Revaluation surplus - Other infrastructure - Drainage	18,554,989	(7,614,473)	10,940,516	18,554,989	18,554,989
Revaluation surplus - Other infrastructure - Airport	3,316,303	(3,316,303)	0	3,316,303	3,316,303
Revaluation surplus - Other infrastructure - Bridges	1,003,670	497,548	1,501,218	1,003,670	1,003,670
Revaluation surplus - Other infrastructure - Parks and Recreation	0	1,813,293	1,813,293	0	0
Revaluation surplus - Other infrastructure - Towns	0	0	0	0	0
Revaluation surplus - Other infrastructure - Waste	616	1,123,459	1,124,075	616	616
	248,026,704	61,532,577	309,559,281	248,026,704	248,026,704

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

18. 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	2023 Actual \$	2022 Actual \$
Cash and cash equivalents	3	32,512,807	38,699,652
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	14,513,292	27,128,481
- Financial assets at amortised cost	4	39,133,155	33,020,712
		53,646,447	60,149,193
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	30	45,926,431	46,979,836
Contract liabilities	13	3,640,998	212,798
Capital grant liabilities	13	4,079,018	12,956,559
Total restricted financial assets		53,646,447	60,149,193

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

Net result		26,608,756	27,023,254
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		(142,607)	
Depreciation/amortisation		18,433,843	14,224,377
(Profit)/loss on sale of asset		(74,770)	(25,166)
Loss on revaluation of fixed assets		9,762,837	0
Assets received for substantially less than fair value		(10,860,000)	0
Reversal of loss on revaluation of fixed assets		0	0
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(1,951,604)	805,051
(Increase)/decrease in other assets		(2,137,477)	(51,095)
(Increase)/decrease in inventories		599,842	(92,559)
Increase/(decrease) in trade and other payables		(2,941,971)	(1,209,578)
Increase/(decrease) in employee related provisions		(99,090)	305,922
Increase/(decrease) in other provisions		147,396	119,115
Increase/(decrease) in other liabilities		(5,449,341)	3,448,845
Capital grants, subsidies and contributions		(7,110,377)	(12,828,187)
Net cash provided by/(used in) operating activities		24,785,437	31,719,979

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	45,000	45,000
Credit card balance at balance date	(5,993)	(13,694)
Total amount of credit unused	39,007	31,306

Loan facilities

Loan facilities - current	426,437	492,862
Loan facilities - non-current	872,578	1,299,015
Total facilities in use at balance date	1,299,015	1,791,877

Unused loan facilities at balance date	0	0
---	---	---

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

19. CONTINGENT LIABILITIES

Wittenoom Asbestos

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.

20. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	1,710,094	18,180,329
- plant & equipment purchases	1,067,373	853,804
	<u>2,777,467</u>	<u>19,034,133</u>
Payable:		
- not later than one year	2,777,467	19,034,133

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 Pilbara Regional Waste Facility, Onslow North Precinct, Paraburdoo Cenotaph and Oceave View Caravan Park Phase 3

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

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
President's annual allowance	64,938	65,000	63,354
President's meeting attendance fees	31,928	31,900	31,149
President's annual allowance for ICT expenses	3,000	3,000	2,500
President's travel and accommodation expenses	6,294	4,500	5,528
	106,160	104,400	102,531
Deputy President's annual allowance	16,234	16,200	15,838
Deputy President's meeting attendance fees	23,811	23,800	23,230
Deputy President's annual allowance for ICT expenses	3,000	3,000	2,500
Deputy President's travel and accommodation expenses	4,077	4,500	4,203
	47,122	47,500	45,771
All other council member's meeting attendance fees	166,677	166,800	155,736
All other council member's child care expenses	0	1,100	0
All other council member's annual allowance for ICT expenses	21,000	21,000	16,760
All other council member's travel and accommodation expenses	21,241	31,500	19,588
	208,918	220,400	192,084
21(b)	362,200	372,300	340,386

(b) Key Management Personnel (KMP) Compensation

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

Note	2023 Actual \$	2022 Actual \$
Short-term employee benefits	1,059,076	1,175,085
Post-employment benefits	135,108	125,628
Employee - other long-term benefits	125,528	23,925
Employee - termination benefits	137,819	13,700
Council member costs	362,200	340,386
	1,819,730	1,678,724

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 2023**

21. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

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

	2023 Actual	2022 Actual
	\$	\$
Sale of goods and services	5,954	5,747
Amounts outstanding from related parties:		
Trade and other receivables	2,948	1,842

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

During the previous year, a company controlled by a related party of a council member, was awarded a contract under the selective tender process on terms and conditions equivalent for those that prevail in arm's length transactions under the Shire's procurement process.

Short-term employee benefits related to an associate person of the CEO who was employed by the Shire under normal employment terms and conditions.

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

iii. Entities subject to significant influence by the Shire

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

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

22. 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	2023 Actual	2022 Actual
	\$	\$
Cash and cash equivalents	5,200	5,070
Land and Buildings	460,930	460,930
Less: accumulated depreciation	(114,248)	(71,558)
Total assets	351,882	394,442
Reserve accounts	5,200	5,070
Total equity	5,200	5,070
 Statement of Comprehensive Income		
Other revenue	13,323	14,480
Other expense	(48,074)	(22,349)
Profit/(loss) for the period	(34,751)	(7,869)
Total comprehensive income for the period	(34,751)	(7,869)
 Statement of Cash Flows		
Other revenue	13,323	14,480
Depreciation	(48,074)	(22,349)
Net cash provided by (used in) operating activities	(34,751)	(7,869)

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

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

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

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

23. 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 department under policies approved by the council. The finance department 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
	%	\$	\$	\$	\$
2023					
Cash and cash equivalents	3.37%	32,512,807	6,793,276	25,717,248	2,283
Financial assets at amortised cost - term deposits	5.78%	39,133,155	39,133,155	0	0
2022					
Cash and cash equivalents	0.00%	38,699,652	13,959,124	24,482,669	257,859
Financial assets at amortised cost - term deposits	2.69%	33,020,712	33,020,712	0	0

Sensitivity

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

	2023	2022
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity*	257,172	244,827

* 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 29(a).

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

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. 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.

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 and other receivables. To measure the expected credit losses, receivables from grants, contributions and reimbursements are separated from other trade receivables due to the difference in payment terms and security.

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2022 or 1 July 2023 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 users to settle the receivables.

The loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2023					
Trade receivables					
Expected credit loss	0.01%	0.14%	0.75%	18.21%	
Gross carrying amount	1,385,783	125,752	14,050	1,621,731	3,147,316
Loss allowance	105	174	105	295,301	295,685
30 June 2022					
Trade 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
Loss allowance	260	295	302	322,821	323,678

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

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Trade receivables		Other receivables		Contract Assets	
	2023 Actual	2022 Actual	2023 Actual	2022 Actual	2023 Actual	2022 Actual
Opening loss allowance as at 1 July	\$ 323,678	\$ 325,531	\$ 0	\$ 0	\$ 0	\$ 0
Increase in loss allowance recognised in profit or loss during the year	27,993	323,678	0	0	0	0
Receivables written off during the year as uncollectible	20,922	0	0	0	0	0
Unused amount reversed	(76,908)	(325,531)	0	0	0	0
Closing loss allowance at 30 June	295,685	323,678	0	0	0	0

Trade, other 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 rates and statutory receivables, trade, other receivables and contract assets are presented as net impairment losses within other expenditure. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contract Assets

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

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

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2023					
Trade and other payables	3,037,508	0	0	3,037,508	3,037,508
Borrowings	426,437	686,857	185,721	1,299,015	1,299,015
Contract Liabilities	7,720,016	0	0	7,720,016	7,720,016
Lease liabilities	67,589	52,174	0	119,763	119,763
	<u>11,251,550</u>	<u>739,031</u>	<u>185,721</u>	<u>12,176,302</u>	<u>12,176,302</u>
2022					
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
	<u>19,707,095</u>	<u>1,175,105</u>	<u>243,674</u>	<u>21,125,874</u>	<u>21,125,874</u>



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

24. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There has been no material events after the reporting period which would effect the financial report of the Shire of Ashburton for the year ended 30 June 2023 or which would require additional disclosures.

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

25. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

26. 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 2023**

26. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses	* Reinstated	
	2023 Actual	2022 Actual
	\$	\$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	0	316,994
General purpose funding	53,517,613	48,733,559
Law, order, public safety	93,382	61,994
Health	138,410	139,305
Education and welfare	1,021,531	45,388
Housing	11,611,298	481,802
Community amenities	4,190,945	3,056,224
Recreation and culture	9,218,182	468,605
Transport	2,509,227	3,091,114
Economic services	1,837,976	1,705,103
Other property and services	2,748,030	506,193
	86,886,594	58,606,281
Grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	0	(72,742)
General purpose funding	4,168,778	4,787,401
Law, order, public safety	2,668	2,251,880
Health	109,396	145,319
Education and welfare	0	2,778,924
Housing	0	85
Community amenities	51,233	1,308,307
Recreation and culture	1,338,686	5,449,057
Transport	0	4,962,851
Economic services	75,455	38,824
Other property and services	1,615,118	0
	7,361,334	21,649,906
Total Income	94,247,928	80,256,187
Expenses		
Governance	(1,455,579)	(4,556,606)
General purpose funding	(156,203)	(136,358)
Law, order, public safety	(1,137,122)	(1,095,869)
Health	(466,534)	(510,233)
Education and welfare	(693,035)	(326,287)
Housing	(2,050,592)	(1,593,799)
Community amenities	(13,073,228)	(8,262,654)
Recreation and culture	(15,745,403)	(15,003,813)
Transport	(20,814,530)	(16,657,432)
Economic services	(5,726,574)	(4,664,130)
Other property and services	(6,320,372)	(425,754)
Total expenses	(67,639,172)	(53,232,935)
Net result for the period	26,608,756	27,023,252
(c) Total Assets		
Governance	24,460,919	20,063,213
General purpose funding	8,182,058	8,036,121
Law, order, public safety	4,190,991	3,091,246
Health	31,936	31,936
Education and welfare	13,667,359	11,776,747
Housing	45,153,573	21,877,117
Community amenities	27,290,579	29,473,615
Recreation and culture	113,395,368	77,192,907
Transport	373,474,987	360,125,776
Economic services	26,344,033	29,045,505
Other property and services	13,957,697	14,813,626
Unallocated	28,676,576	24,450,546
	678,826,076	599,978,355

* Refer to Note 32 - Correction of Prior Period Error

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

27. RATING INFORMATION

(a) General Rates

RATE TYPE	Rate Description	Basis of valuation	Rate in \$	Number of Properties	2022/23 Actual Rateable Value*		2022/23 Actual Rate Revenue	2022/23 Actual Interim Rates		2022/23 Actual Total Revenue	2022/23 Budget Interim Rate	2022/23 Budget Total Revenue	2021/22 Actual Total Revenue
					Value*	\$		Interim	Rates				
	Residential / Community	Gross rental valuation	0.0942	2,254	47,528,376	4,475,311	4,709	4,709	4,467,468	0	4,467,468	4,469,779	
	Commercial / Industrial	Gross rental valuation	0.0860	140	14,425,154	1,237,295	1,824	1,824	1,237,767	0	1,237,767	851,490	
	Transient Workforce Accom.	Gross rental valuation	0.1700	20	18,795,480	3,195,232	0	0	3,195,232	0	3,195,232	2,504,121	
	Pastoral	Unimproved valuation	0.1887	32	6,794,989	897,755	0	0	1,282,931	0	1,282,931	911,459	
	Non-Pastoral	Unimproved valuation	0.3696	644	110,494,291	40,838,690	129,646	129,646	40,805,271	517,039	41,322,310	39,113,204	
	Non-Rateable			273	1,945,786	0	0	0	0	0	0	336,497	
	Total general rates			3,363	199,984,076	50,644,283	136,179	136,179	50,988,669	517,039	51,505,708	48,186,550	
	Minimum payment												
	Residential / Community	Gross rental valuation	1,288	359	3,522,514	462,392	0	0	449,512	0	449,512	191,900	
	Commercial / Industrial	Gross rental valuation	1,288	45	284,189	57,960	0	0	55,384	0	55,384	75,780	
	Transient Workforce Accom.	Gross rental valuation	1,288	4	80	5,152	0	0	5,152	0	5,152	2,526	
	Pastoral	Unimproved valuation	1,288	2	9,529	2,576	0	0	2,576	0	2,576	5,052	
	Non-Pastoral	Unimproved valuation	1,288	480	1,354,241	618,240	0	0	625,968	0	625,968	601,188	
	Total minimum payments			890	5,170,553	1,146,320	0	0	1,138,592	0	1,138,592	876,446	
	Total general rates and minimum payments			4,253	205,154,629	51,790,603	136,179	136,179	52,127,261	517,039	52,644,300	49,062,996	
	Ex-gratia Rates												
	Total amount raised from rates (excluding general rates)			0	0	11,940	0	0	0	11,300	11,300	11,525	
	Concessions												
	Total Rates												
	Rate instalment interest												15,813
	Rate overdue interest												51,230
	Total Rates												48,510,515

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

*Rateable Value at time of raising of rate.

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

28. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23	2022/23	2021/22
	(30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	(30 June 2022 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 Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
	Less: Profit on asset disposals	(87,389)	(162,604)
	Less: Reversal of prior year loss on revaluation of fixed assets	0	0
	Less: Fair value adjustments to financial assets at fair value through profit or loss	(142,607)	0
	Add: Loss on disposal of assets	12,619	163,756
	Add: Loss on revaluation of fixed assets	9,762,837	0
	Add: Depreciation	18,433,845	14,105,200
	Non-cash movements in non-current assets and liabilities:		
	Assets held for sale	(597,806)	0
	Employee benefit provisions	32,997	0
	Other provisions	147,397	0
	Inventory	597,807	0
	Non-cash amounts excluded from operating activities	28,159,700	14,106,352
	Property, plant and equipment received for substantially less than fair value	10,860,000	0
	Non-cash amounts excluded from investing activities	10,860,000	0
(c) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
	Less: Reserve accounts	(45,926,431)	(40,551,081)
	Add: Current liabilities not expected to be cleared at end of year		
	- Current portion of borrowings	426,437	(492,861)
	- Current portion of lease liabilities	67,589	0
	Total adjustments to net current assets	(45,432,405)	(41,043,942)
Net current assets used in the Statement of Financial Activity			
	Total current assets	77,401,562	55,966,117
	Less: Total current liabilities	(12,936,151)	(14,922,175)
	Less: Total adjustments to net current assets	(45,432,405)	(41,043,942)
	Surplus or deficit after imposition of general rates	19,033,006	0
			6,041,363

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

28. DETERMINATION OF SURPLUS OR DEFICIT (Continued)

(d)

The 2021/2022 carried forward surplus has been adjusted by \$5,892,558.

This adjustment relates to correction of misstatements in the prior financial year statements, including

2019/2020

Incorrect treatment of contract liabilities added back	4,189,479
Incorrect treatment of leave provision added back	597,576
	<u>4,787,055</u>

2020/2021

Incorrect treatment of leave provision added back	1,105,503
---	-----------

Total Adjustment	5,892,558
------------------	-----------

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

29. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget				
		Principal		Principal		Principal at 30 June 2022	New Loans During 2022-23	Repayments During 2022-23	Principal at 30 June 2023	New Loans During 2022-23	Repayments During 2022-23	Principal at 30 June 2023
		Principal at 1 July 2021	New Loans During 2021-22	Repayments During 2021-22	Principal at 30 June 2022							
Onslow Administration Building*		600,185	0	(46,055)	554,130	0	(47,590)	506,540	555,130	0	(47,591)	507,539
Staff Housing*		155,852	0	(75,793)	80,059	0	(80,059)	0	80,060	0	(80,058)	2
Onslow Transfer Station*		1,398,345	0	(333,725)	1,064,620	0	(344,083)	720,537	1,064,620	0	(344,083)	720,537
Onslow Aerodrome Upgrade*		112,915	0	(19,847)	93,068	0	(21,130)	71,938	93,428	0	(21,129)	72,299
Total		2,267,297	0	(475,420)	1,791,877	0	(492,862)	1,299,015	1,793,238	0	(492,861)	1,300,377
Borrowing Finance Cost Payments												
Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2022	Budget for year ending 30 June 2023					
Onslow Administration Building*		124	WATC*	3.31%	31/05/2032	(19,487)	(19,000)					
Staff Housing*		117	WATC*	5.45%	5/06/2023	(7,476)	(3,300)					
Onslow Transfer Station*		122	WATC*	3.08%	30/04/2025	(40,519)	(30,200)					
Onslow Aerodrome Upgrade*		119	WATC*	6.36%	30/06/2026	(6,871)	(5,600)					
Total						(74,353)	(58,100)					
Total Finance Cost Payments						(74,353)	(58,100)					

* WA Treasury Corporation

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

29. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual				Budget			
		Principal at 1 July 2021	New Leases During 2021-22	Principal at 30 June 2022	Principal Repayments During 2021-22	Principal at 1 July 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
Photocopier Lease	11(b)	0	201,178	185,162	(16,016)	0	0	0	0
Total Lease Liabilities		0	201,178	185,162	(16,016)	0	0	0	0
Lease Finance Cost Payments									
Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term
Photocopier Lease		-	-	28.00%	31/03/2025	\$ (5,127)	\$ 0	\$ (1,616)	36 months
Total Finance Cost Payments						\$ (5,127)	\$ 0	(1,616)	

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

30. RESERVE ACCOUNTS

	2023 Actual		2023 Actual		2023 Budget		2023 Budget		2022 Actual		2022 Actual		2022 Actual	
	Opening Balance	Transfer to	Actual	Transfer (from)	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council														
(a) Financial Risk Reserve	5,550,885	142,721	5,693,606	0	5,550,642	166,000	0	5,716,642	6,167,012	5,624	(621,752)	5,550,885	6,167,012	5,550,885
(b) Future Projects Reserve	16,486,674	423,894	11,003,695	(5,906,873)	16,485,837	3,936,928	(5,987,500)	14,435,265	21,170,305	3,019,306	(7,702,937)	16,486,674	21,170,305	16,486,674
(c) Housing Reserve	72	2	74	0	0	0	0	0	1,832,096	1,671	(1,833,694)	72	1,832,096	72
(d) Infrastructure Reserve	535,492	13,768	549,260	0	535,410	16,000	(532,100)	19,310	2,091,533	551,907	(2,107,948)	535,492	2,091,533	535,492
(e) Joint Venture Housing Reserve	5,070	130	5,200	0	5,070	0	0	5,070	5,065	5	0	5,070	5,065	5,070
(f) Onslow Aerodrome Reserve	9,816,642	252,399	9,483,608	(585,433)	9,816,140	294,000	(2,557,900)	7,552,240	12,694,049	11,576	(2,888,983)	9,816,642	12,694,049	9,816,642
(g) Onslow Community Infrastructure Reserve	199,126	4,533	203,659	0	199,126	5,000	0	204,126	198,990	136	0	199,126	198,990	199,126
(h) Plant Replacement Reserve	1,330,733	882,215	1,931,871	(281,077)	1,330,680	887,000	(1,209,200)	1,008,480	1,330,334	781,213	(780,814)	1,330,733	1,330,334	1,330,733
(i) Property Development Reserve	3,009,244	77,372	3,086,616	0	3,009,125	90,000	0	3,099,125	3,006,502	2,742	0	3,009,244	3,006,502	3,009,244
(j) Tom Price Administration Building Reserve	7,683,072	4,397,706	12,080,778	(351,614)	7,682,829	230,000	0	7,912,829	6,153,161	1,529,911	0	7,683,072	6,153,161	7,683,072
(k) Waste Services Reserve	1,995,292	51,302	1,694,980	(351,614)	1,995,193	159,000	(2,020,900)	133,293	2,481,529	2,263	(488,500)	1,995,292	2,481,529	1,995,292
(l) COVID-19 Relief & Stimulus	367,534	9,450	193,084	(183,900)	367,501	11,000	(183,900)	194,601	827,195	754	(460,417)	367,534	827,195	367,534
(m) Regional Waste Facility	0	0	0	0	0	270,100	0	270,100	0	0	0	0	0	0
	46,979,836	6,255,492	45,926,431	(7,308,897)	46,977,553	6,065,028	(12,491,500)	40,551,081	57,957,771	5,907,108	(16,885,045)	46,979,836	57,957,771	46,979,836

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

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

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Financial Risk Reserve	To contribute towards mitigating, or funding, significant financial impacts through legal or other reasons.
(b) Future Projects Reserve	To contribute towards the funding of high-cost, significant projects as identified in long-term plans.
(c) Housing Reserve	To contribute towards the provision for housing to maintain, improve or increase Council's housing portfolio.
(d) Infrastructure Reserve	To contribute towards funding new and renewal initiatives associated with Council assets and infrastructure.
(e) Joint Venture Housing Reserve	To contribute towards Council's contribution for repairs and maintenance to Joint Venture Housing.
(f) Onslow Aerodrome Reserve	To contribute towards operational deficits and improvements and receive operational surpluses for the Onslow Airport.
(g) Onslow Community Infrastructure Reserve	To contribute towards the development of community facilities in Onslow.
(h) Plant Replacement Reserve	To contribute towards the funding of new and replacement plant and machinery.
(i) Property Development Reserve	To contribute towards purchasing, developing and selling property for economic benefit.
(j) Tom Price Administration Building Reserve	To contribute towards funding a new Council Administration Facility in Tom Price.
(k) Waste Services Reserve	To contribute towards initiatives, upgrade and modifications to Council Waste Facilities.
(l) COVID-19 Relief & Stimulus	To contribute towards support and relief initiatives for those impacted by COVID-19.
(m) Regional Waste Facility	To contribute towards initiatives, upgrades and modifications to the Regional Waste Management Facility.

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

31. 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 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
Cash in lieu of public open space	236,655	6,000	(236,655)	6,000
	<u>236,655</u>	<u>6,000</u>	<u>(236,655)</u>	<u>6,000</u>

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

32. CORRECTION OF PRIOR PERIOD ERROR

During the year ended 30 June 2023, prior to the revaluation exercise done at 30 June 2023, the Shire identified several roads that were included in the Shire's accounting records that did not belong to the Shire. There were also inaccuracies in the recording of road lengths for certain Shire owned roads. The last revaluation of infrastructure assets performed at 30 June 2018 included these roads in the fair value determination. The misstatement has been corrected by restating each of the affected financial statement line items for the prior period.

As a consequence:

- the carrying amount of roads infrastructure and revaluation surplus were overstated at 1 July 2021 while retained surplus was understated reflecting the overstatement of depreciation during the period from FY2019 to FY2021.
- the depreciation expense was overstated by \$539k for the year ended 30 June 2022.

The Shire has retrospectively applied the corrections and adjustments to the carrying amount of infrastructure assets. The error has been rectified by decreasing the roads infrastructure by \$41 million, revaluation surplus by \$42.7 million and increasing retained surplus by \$1.6 million as at 1 July 2021. In addition, depreciation for 2021-22 has been decreased by \$539k, with a corresponding increase to the carrying amount of road infrastructure at 30 June 2022.

The impact of these adjustments is provided below:

Statement of Financial Position (Extract)	30 June 2022	Increase/ (Decrease)	30 June 2022 (Restated)	01 July 2021	Increase/ (Decrease)	01 July 2021 (Restated)
	\$	\$	\$	\$	\$	\$
Infrastructure	429,899,157	(40,497,769)	389,401,388	411,531,184	(41,036,474)	370,434,710
Net assets	612,839,564	(40,497,769)	572,341,795	586,355,017	(41,036,474)	545,318,543
Retained surplus	275,180,434	2,154,821	277,335,255	237,717,950	1,616,116	239,334,066
Revaluation surplus	290,679,294	(42,652,590)	248,026,704	290,679,294	(42,652,590)	248,026,704
Total equity	612,839,564	(40,497,769)	572,341,795	586,355,017	(41,036,474)	545,318,543

Statement of Comprehensive Income (Extract)	2022	Increase/ (Decrease)	2022 (Restated)
	\$	\$	\$
<i>Expenses</i>			
Depreciation	14,763,084	(538,705)	14,224,379
Net result for the period	26,484,547	538,705	27,023,252

Statement of Financial Activity (Extract)

Expenditure from operating activities			
Depreciation	14,763,084	(538,705)	14,224,379
Non-Cash amounts excluded from operating activities	14,745,638	(538,705)	(14,206,933)



Auditor General

INDEPENDENT AUDITOR'S REPORT

2023

Shire of Ashburton

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Emphasis of Matter – Restatement of Comparative balances

I draw attention to Note 32 of the financial report which states that the amounts reported in the previously issued 30 June 2022 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

Other information

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

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

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

Page 1 of 3

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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



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

This page has been intentionally left blank.







shire of Ashburton
opportunity to community

Lot 246, Poinciana Street, Tom Price WA 6751

PO Box 567, Tom Price WA 6751

Ph: (08) 9188 4444

E: soa@ashburton.wa.gov.au

www.ashburton.wa.gov.au