

# Shire of Nungarin

## Annual Report

2021/22



## **Contents**

Preamble.....	3
Shire President’s Message .....	4
Chief Executive Officer’s Message.....	5
Elected Member’s.....	6
Senior Staff .....	8
General Information.....	8
Administration Office .....	8
Snapshot of Nungarin .....	9
Local Attractions .....	10
Shire Facilities.....	11
Library Services.....	11
Nungarin Swimming Pool .....	11
Infrastructure Services .....	11
Planning for the Future.....	12
Integrated Planning & Reporting Framework.....	12
Strategic Community Plan .....	13
Objective 1 - Social .....	13
Objective 2 – Economic.....	13
Objective 3 – Environment.....	15
Objective 4 – Civic Leadership .....	16
Statutory Reporting .....	17
Freedom of Information Statement.....	17
Complaints Register.....	17
Record Keeping Statement.....	17
Delegations Review .....	17
Compliance .....	18
Compliance Audit Return.....	18
National Competition Policy.....	18
Competitive Neutrality .....	18
Primary and Annual Returns.....	19
Disability Access and Inclusion Plan.....	19
Procurement of Services.....	19
Annual Salaries.....	19
Financial Report .....	20

## **Preamble**

The Shire of Nungarin is located approximately 300km east of the state capital of Perth in the Wheatbelt Region and is one of the smallest in the nation with a population of 246. The Shire covers an area of 1,164 square kilometres.

The Shires newly adopted Integrated Strategic Plan established the Shire's Vision and Values for ten years to 2033. The plan not only establishes a vision for the Shire's future, but drives the development of other plans in the Integrated Planning Framework.

**Our Vision:** A great place to live with a well-connected, strong, healthy and friendly community.

**Our Values:** We will conduct our business with:

### **Respect**

- Value people and places and the contribution they make to the Shire.
- Develop an environment of respect for different cultures.
- Be appreciative of the aspirations of the community and what it does for itself.

### **Inclusiveness**

- Be receptive, proactive and responsive as an organisation.
- Exist to help a community that has the capacity for self- help.
- Demonstrate leadership by promoting Council and community teamwork.

### **Fairness and equity**

- Maintain a 'whole of Shire' outlook, but recognise each community is unique and likely to have variations on their needs.
- Provide services for a variety of ages and needs.
- Respond to the community in a fair and equal way depending on need.

### **Communication**

- Create opportunities for consultation with the broad community.
- Demonstrate leadership by promoting Council and community teamwork.

## **Shire President's Message**

It's the time of the year again when I get to present the Shire of Nungarin's 2021/22 Annual Report, highlighting some of the achievements attained throughout the year.

Although we were still hindered by the presence of the COVID-19 pandemic we again stood together as a community in supporting each other and not letting this pandemic get the better of us.

This was an exciting year, one that saw a number of projects being completed. The Community Resource Centre refurbishment, the main street landscaping upgrade and the completion of the Nungarin Volunteer Bushfire Brigade facility, once again providing a home for the much-appreciated bushfire volunteers.

As in previous years the annual Mangowine Concert arranged by the Mangowine Concert Committee and the Nungarin Vintage Rally arranged by the Nungarin Heritage and Army Museum were a huge success, attracting hundreds of tourists to Nungarin.

I would also like to welcome a new event to Nungarin, the HomeGrown Music Festival. Congratulations to the organisers on their inaugural event which has along with the likes of the Mangowine Concert contributed to the social and economic aspect of the Town.

There has also been some exciting steps taken towards the long-term planning of our town. Working together with the CEO and Councillors we have endorsed the Nungarin Caravan Base Master Plan which will guide the development of the caravan base into a sought-after destination, and will not doubt have a positive impact on the economy of the Town.

The Shire has again received a grant through the Department of Infrastructure, Transport, Regional Development and

Communications, and will be using these funds to improve community facilities in and around town.

Through the National Australia Day Council's Australia Day 2022 Community Events grants program, the Council was again able to host a community Australia Day, culminating in a community dinner followed by a movie played on the Shires own inflatable movie screen, also purchased through the grant. I would like to thank the Shire staff for the hard work in putting this event together.

As always, I would like to thank all our volunteers and community groups who serve our community selflessly, without whom the town will not be what it is today.

Not to forget you the community without your support it would be very difficult to achieve the community's goals, and as I said last year, it is you the community that makes Nungarin "a great place to live with a well-connected, strong, healthy and friendly community."

In closing, I would like to congratulate Councillors and staff for all the achievements reach throughout the year. To our CEO I would like to express my gratitude for the work throughout the year and look forward to continue working together to achieve the community's aspirations.



**Cr Pippa de Lacy  
Shire President**

## **Chief Executive Officer's Message**

This year has proven to be a very successful year with a number of projects being supported and endorsed by the Council.

Whilst we still had numerous challenges brought upon by the continuing COVID – 19 pandemic, the staff and community has worked together and overcome these challenges.

Having completed my first full year as the Shire of Nungarin Chief Executive Officer I can reflect back on what we have as a Shire team managed to achieve. One comment received and has stuck with me was a comment received from a tourist who said “Nungarin is a lovely town one which punches well above its weight.” It is comments like these that make me proud to be part of a team that can make things happen, and without the support of the Councillors, staff and community this would not be possible.

The Council once again received a grant through the Local Roads and Community Infrastructure stream. These grant funds were used to fund much needed repairs to the Community Resource Centre which is the hub of the town. I would like to take this opportunity to thank the CRC staff and community for their patients while refurbishment works were underway.

In addition to the CRC refurbishments the Shire also engaged a consultant to prepare a Main Street Revitalisation Plan which was successfully workshopped with the community. Phase one of its implementation being the “Civic Precinct” was completed June 2022. I look forward to the implementation of phase 2 in the coming year.

Economic Development was once again a main focus point and the Council adopted

the Nungarin Caravan Base Master Plan. This plan will guide the development of the Nungarin Caravan Base into what will ultimately be one of the best caravan bases in the Wheatbelt, and will have a positive impact on the economy of the Town.

The Shire had the privilege thanks to the successful grant application to host a fun filled day for the community, it was great to see such a large turnout on the day.

Finally, a special word of thanks to the Councillors, Shire President and Deputy President who have continued to supported me throughout the year. I am looking forward to continue working for the town and its community and am excited about the future.



**Leonard Long**  
**Chief Executive Officer**

## Elected Member's

The Council of the Shire of Nungarin is made up of seven community elected representatives, elected for a four-year term. The Shire President and Deputy Shire president is elected by the Council following each ordinary Local Government election held in October every second year.



Cr. Jason Davis

Cr. Pippa de Lacy

Cr. Kerry Dayman

Cr. Eileen O'Connell



Shire President  
Cr. Pippa de Lacy



Deputy Shire President  
Cr. Gary Coumbe

The *Local Government Act 1995*, states the roles of the President is to:

- Preside at meetings in accordance with the Act.
- Provide leadership and guidance to the community in the district.
- Speak on behalf of the local government.
- Perform such other functions as are given to the President by the Act or any other written law; and
- Liaise with the CEO on the local government's affairs and the performance of its functions.

In addition to attending monthly Ordinary Council Meetings, Councillors represent the Town and its community on a number of committees and groups.

- Cr Pippa de Lacy (President)
  - : NEWROC
  - : Great Eastern Country Zone
  - : Community Resource Centre
  - : Community Development Group (Proxy)
  - : Tidy Towns (Proxy)

- : Nungarin Sporting Club Inc. (Proxy)
  - : NEWTravel (Proxy)
  - : Pioneers Pathway (Proxy)
  - : Local Emergency Management Committee
  - : Finance & Audit Committee
  
- Cr Gary Coumbe (Deputy President)
  - : Rural Water Council
  - : Wheatbelt AgCare
  - : Great Eastern Country Zone
  - : Nungarin Heritage Machinery & Army Museum (Proxy)
  - : NEWROC (Proxy)
  - : Sub-Regional Road Group (Proxy)
  - : Finance & Audit Committee
  
- Cr Eileen O'Connell
  - : Rural Water Council
  - : Nungarin Community Development Group
  - : Local Health Advisory Group
  - : Sub Regional Road Group
  - : Wheatbelt AgCare (Proxy)
  - : Community Resource Centre (Proxy)
  - : Great Eastern Country Zone (Proxy)
  - : Finance & Audit Committee
  
- Cr Kerry Dayman
  - : Nungarin Sporting Club
  - : Tidy Towns
  - : NEWTravel
  - : Pioneers Pathway
  - : Finance & Audit Committee
  
- Cr Jason Davis
  - : Wheatbelt NRM
  - : Eastern Wheatbelt Biosecurity Group
  - : Rural Water Council (Proxy)
  - : Finance & Audit Committee
  
- Cr William (Bill) Lee
  - : Nungarin Heritage Machinery & Army Museum
  - : Finance & Audit Committee
  
- Cr Mick Caughey
  - : Wheatbelt NRM (Proxy)
  - : Eastern Wheatbelt Biosecurity Group (Proxy)
  - : Finance & Audit Committee

## Senior Staff



**Leonard Long**  
Chief Executive Officer

Governance  
Economic Development  
Special Projects  
Elected Member Support  
Marketing & Communications  
Recreation Services



**Lorraine Seward**  
Senior Finance Officer

Accounts  
Rates  
Information &  
Communication  
Libraries  
Facility Cleaning



**David Nayda**  
Manager Works & Services

Infrastructure Services  
Parks & Gardens  
Engineering  
Building Maintenance

## General Information

### **Administration Office**

Office Hours: Monday to Friday 9:00am to 4:00pm

Office Address:  
66 Railway Avenue  
NUNGARIN WA 6490

Postal Address:  
PO Box 8  
NUNGARIN WA 6490

Telephone: (08) 9046 5006  
Fax: (08) 9046 5007  
Email: [admin@nungarin.wa.gov.au](mailto:admin@nungarin.wa.gov.au)  
Facebook: [www.facebook.com/nungarinshire](https://www.facebook.com/nungarinshire)



## Snapshot of Nungarin

The Shire of Nungarin is a unique country Town and as its motto says “a small town with a big heart”. The town has a diverse community and a vast range of tourist attractions.



246<sup>2</sup>  
People living  
in the Shire



48<sup>2</sup>  
Median Age



67%<sup>2</sup>  
Working Age  
Population



87.9%<sup>2</sup>  
Australian  
Citizens



97<sup>2</sup>  
Occupied Houses



\$638<sup>2</sup>  
Weekly Median  
Household  
Income



3.5%<sup>2</sup>  
Unemployment  
Rate



116 602.5ha<sup>2</sup>  
Land Area



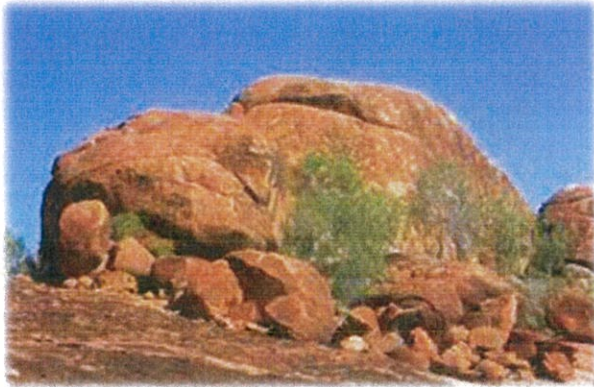
9.9%<sup>2</sup>  
Protected Land  
Area

## Local Attractions



**Nungarin Heritage Machinery and Army Museum** served from 1944 to 1960, as a depot for Australian Army personnel. Today, it invites you to discover the region's military history by stepping inside the State's only remaining World War Two Five Base Ordnance Depot.

**Mangowine Homestead** is located on 10 hectares of natural bushland and was the first stone and mud brick homestead in the area when it served as an inn for travellers heading to the Goldfields.



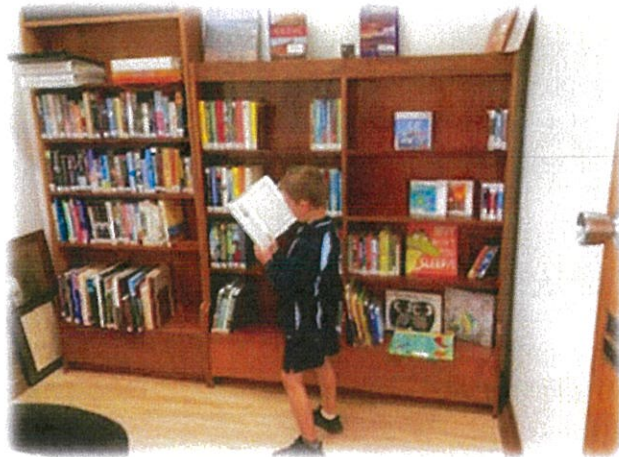
**Eaglestone Rock** is a spectacular natural granite rock and cave formation situated 20km north east of Nungarin the rock abuts Lake Brown. Enjoy great views over the salt lake to the south. Wedgetail Eagles are often seen perched on the Rock.

**Talgomine Reserve**, just east of Nungarin, has colourful displays of everlastings and is a spectacular sight. Enjoy a stroll through the endless fields of pink and yellow everlastings which bloom in abundance during spring. Nature lovers will appreciate the York Gum and Jam Tree woodlands within the reserve, home to a variety of orchids and other wildflower species that thrive in the area. Relax in this tranquil setting to enjoy a picnic and soak up the rural ambiance.



## Shire Facilities

### Library Services



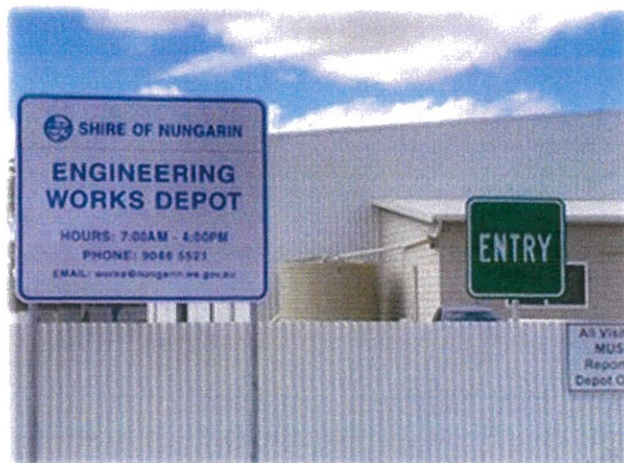
The library facilities is located in Shire Administration building. The Shire's library is an integral part of the local community, offering not only book loaning facilities, but a place for people to connect, learn and play.

### Nungarin Swimming Pool

The Nungarin Swimming Pool is located in the Nungarin Townsite and plays an important role in keeping the local community healthy and connected during the summer months. There is an outdoor swimming pool, a toddler pool, plenty of grassed area with shade provided by trees and erected shelters, BBQ facilities, change rooms and toilets, a first aid room and a kiosk.



### Infrastructure Services



The Shire Depot crew ensures town roads as well as rural roads are maintained to a safe standard often required to re-sheet rural roads and install drainage culverts. In town the crew ensures the sporting venues and gardens are maintained.

## Planning for the Future

This will be the last year the Annual Report will be reporting on the Strategic Community Plan 2013 – 2023, and will be based on the four main themes “Social”, “Economic”, “Environment” and “Civic Leadership” and reports on the outcomes of these themes. It’s an essential tool to inform the community and key stakeholders about the Shire’s achievements throughout the year. In the following pages, major highlights and key achievements under each of the four objectives will be showcased to demonstrate the Shire’s progress towards meeting the vision and aspirations set by the community.

## Integrated Planning & Reporting Framework

The framework, introduced by the State Government in 2012, requires each local government to have a Strategic Community Plan, a Corporate Business Plan and other informing strategies in place to ensure the future provision of services is sustainable.

The Strategic Community Plan expresses the long-term community aspirations that have been developed with extensive consultation. It is an overarching document that covers a period of 10 years. Informing strategies are used to ensure adequate resourcing of the plans and include the Long-Term Financial Plan, Workforce Plan, Asset Management Plans and other informing strategies.

The Corporate Business Plan is an integral part of this framework, activating the objectives of the Strategic Community Plan and informing the annual budget process to ensure the priorities of the community are achievable.



# **Strategic Community Plan**

## **Objective 1 - Social**

### **Aspiration**

Our Shire is healthy and happy, contributing to our progress, with accessible places and spaces and our transport is well connected and safe.

### **Highlight: Tennis Courts**

The Shire undertook major renovations of the grassed tennis courts to ensure the playing surface remains one of the best in the wheatbelt. The refurbishment is a long process and will continue on into 2022/23.



### **Highlight: Australia Day**

The Shire was again successful in securing a grant through Auspire. The Shire staff were able to purchase, tables, chairs, spit roasts, kids pool toys etc. The Australia Day 2022 was a huge success with Nungarin residents enjoying a fun filled day at the Nungarin pool with a spit roast dinner served by Shire staff, followed by a movie shown on the newly purchased inflatable screen.

### **Highlight: Road Reconstruction**

Phase 1 of the reconstruction of Danberrin Road commenced and will continue over the coming years.



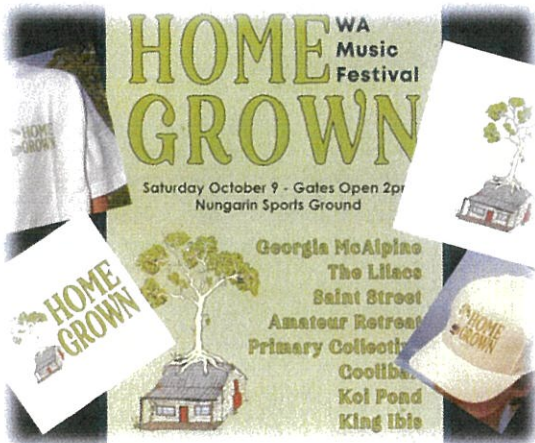
## Aspiration

A diverse business environment with equitable telecommunications and infrastructure. We are uniquely Nungarin in providing a memorable visitor experience.

### Highlight: Mangowine Concert

The Mangowine Concert was once again a highlight on the annual music festival calendar attracting visitor from near and far.

The continued success of this event can be attributed to the volunteer run Mangowine Concert Committee.



### Highlight: HomeGrown Music Festival

The inaugural HomeGrown Music Festival was hosted on the Shire Oval. This new event is an exciting addition to the events calendar in Nungarin and was well attended.

We hope to see this event continue to grow in years to come.

### Highlight: Nungarin Wheatbelt Markets

The Shire continues to be a proud sponsor of the Nungarin Wheatbelt Markets which are held along the main street on the first Sunday of the month.



## Objective 3 – Environment

### Aspiration

Our environment is understood, maintained and protected.

### Highlight: Civic Precinct Landscape Upgrade

Phase 1 of the landscape upgrade of the main street was completed with the planting of approximately 20 trees and 3000 plants.

The landscaping has rejuvenated a “tired” part of the main street. Phase two of the landscaping upgrade is planned for the first half of 2023.



### Highlight: Knungajin Dam

During the 2021/22-year Council agreed to take over the vesting of the Knungajin Dam, a natural resource currently not being used.

Once the vesting has been finalised it will enable the Shire to utilise the water catchment off Knungajin Rock for the construction and maintenance of its unsealed roads.

### Highlight: Refuse Site Maintenance

The Shire refuse site is under constant review to ensure it remains compliant with the relevant legislation.

Maintenance to the tip continues to be done weekly ensuring the safety of the Nungarin community when used.

Investigations have commenced to modify the tip and increase its capacity well into the future.



## Objective 4 – Civic Leadership

### Aspiration

A strong local democracy with an actively engaged community and effective partnerships.

### Highlight: Integrated Strategic Plan

The Integrated Strategic Plan which incorporates the Corporate Business Plan will supersede the Strategic Community Plan in 2023. This is an important document which will guide the future development of the Shire over the next ten years.

### Highlight: Nungarin Caravan Base Master Plan

Council endorsed the Nungarin Caravan Base Master Plan; the plan will be implemented in phases with phase one already completed.

Phase 2 the installation of a new ablution block including a laundry has already commenced with the completion expected in the first half of 2023.

It is anticipated that the complete implementation of the master plan will take several years and will be dependent on grants and available funds in the annual budget.

Once fully completed the Caravan Base will be one of the top caravan parks in the Wheatbelt region.

### Highlight: Grants

The Shire was again successful with a grant to host an Australia Day function at the Nungarin Pool. The event enjoyed by all in the community that attended.

The Shire received a grant through the Local Roads Community Infrastructure stream, putting the funds towards the upgrade of the first phase of the main street landscaping. The second phase of the landscaping upgrade is to be commenced early 2023.

### Highlight: Nungarin Volunteer Bushfire Brigade Facility

After months of planning the building work commenced on the Nungarin Volunteer Bushfire Brigade. The building was completed in June 2022 and officially opened in October 2022 by the Hon. Darren West MLC.

The Completion of the facility has provided the volunteer bushfire brigade a home of its own where they can train, maintain and store all the much-needed equipment.



## Statutory Reporting

### Freedom of Information Statement



In accordance with Section 96 and 97 of the *Freedom of Information Act 1992*, the Shire is required to publish an Information Statement which details the process of applying for information under the Act as well as information that the Shire provides outside the Act. No requests for information under the act have been received this year. The *Freedom of Information Act 1992* and associated regulations can be found on the State Law Publisher website at [www.slp.wa.gov.au](http://www.slp.wa.gov.au)

### Complaints Register

The Shire maintains a register of complaints which records all complaints that result in an action under the *Local Government Act 1995* s5.121 (6)(b) or (c). The register of complaints is to include for each recorded complaint:

- Name of Council Member about whom the complaint is made;
- Name of the person who makes the complaint;
- A description of the minor breach that the Standards Panel finds has occurred; and
- Details of the action taken.

In the financial year ending 30 June 2021 no complaints were entered into the Register of Complaints under Section 5.121 of the *Local Government Act 1995*.



### Record Keeping Statement



Under the *State Records Act 2000*, the Shire of Nungarin is required to have a Recordkeeping Plan (RKP) that is approved by the State Records Commission. Having completed phase 1 by creating a dedicated records room and installing records management software, the Shire commenced with preparation of an RKP, submitting the plan to the State Records Commission for review.

### Delegations Review

In accordance with Section 5.46 of the *Local Government Act 1995* a review was undertaken of the Shire's Delegations Register during this period.



## Compliance

### Compliance Audit Return



The Department of Local Government, Sport and Cultural Industries requires the Shire to complete a Compliance Audit Return annually. For the period 1 January 2021 to 31 December 2021.

There were no significant exceptions noted

### National Competition Policy

The Federal and State governments have a Competition Principles Agreement in place, which is binding on local government. The Agreement requires the Shire to carry out a number of procedures and include a report on the matter in each year's Annual Report. The three areas that affect local government are:



1. Competitive neutrality - to remove benefits (and costs) which accrue to government business as a result of their public ownership.
2. Structural reform - local government is required to reform the structure of publicly owned monopoly businesses where it is proposed to introduce competition.
3. Legislation review - to review legislation that restricts competition.

The full requirements of the package are contained in a statement issued by the Department of Local Government, Sport and Cultural Industries.

### Competitive Neutrality

Local Governments are required to apply the principle of competitive neutrality to all business activities generating user-pays income. The principle of competitive neutrality is that Government businesses should not enjoy a competitive advantage, or disadvantage, simply as a result of their public sector ownership. Annual Reports must show that a public benefit test has been conducted for all significant business activities (over \$200,000) to determine if competitive neutrality is in the public interest. Within these criteria the Shire had no disclosures for the reporting period with respect to competitive neutrality:

- The Shire does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise;
- During the reporting period the Shire did not receive any complaints or did not become aware of any allegations of non-compliance with the competitive neutrality principles made by a private entity against the Shire; and
- The Shire continues to monitor Council policies and local laws for anti-competitive practices.

## Primary and Annual Returns



In accordance with Section 5.75 and 5.76 of the Local Government Act 1995 all relevant persons lodged an Annual Return by the due date of 31 August 2021 and a primary return within 3 months of their start date. In 2021-2022, there was 100% compliance in this area

## Disability Access and Inclusion Plan

The Disability Services Act 1993 was amended in December 2004, creating a requirement for local governments to:

1. Maintain a Disability Access and Inclusion Plan (DAIP).
2. Address seven specific outcome areas within the plan.
3. Report annually on progress against actions within the plan.

## Disability Access and Inclusion Plan.



A completely reviewed Disability Access and Inclusion Plan was adopted by Council during the year. This plan is a key strategic document, outlining the Shire's approach to working towards a more accessible and inclusive community.

## Procurement of Services



Procurement is conducted in compliance with the requirements of the Local Government Act 1995, the Local Government (Functions and General) Regulations 1996 and in accordance with the Shire's Code of Conduct and Purchasing Policy.

## Annual Salaries

The *Local Government Act 1995* requires the Shire to provide the number of employees who are entitled to an annual salary of \$100,000 or more and to break those employees into salary bands of \$10,000. For the period under review, the Shire had 1 employee whose salary exceeded \$100,000.





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

Certification of Financial Report	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Rate Setting Statement	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	49

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

A great place to live with a well-connected, strong, healthy and friendly community

Principal place of business:  
21 Railway Avenue  
Nungarin WA 6490

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

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

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

Signed on the 3rd day of March 2023

  
\_\_\_\_\_  
Chief Executive Officer

LEONARD LONG  
\_\_\_\_\_  
Name of Chief Executive Officer



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

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	25(a),2(a)	606,091	599,320	575,632
Operating grants, subsidies and contributions	2(a)	1,830,486	729,553	1,457,278
Fees and charges	24(c),2(a)	128,048	135,952	111,792
Interest earnings	2(a)	11,302	10,447	9,068
Other revenue	2(a)	302,832	70,446	109,811
		<b>2,878,759</b>	<b>1,545,718</b>	<b>2,263,581</b>
<b>Expenses</b>				
Employee costs		(798,456)	(926,216)	(717,167)
Materials and contracts		(725,846)	(824,429)	(499,319)
Utility charges		(143,808)	(145,040)	(126,042)
Depreciation	10(a)	(1,156,405)	(1,015,787)	(1,073,477)
Finance costs	2(b)	(22,101)	(22,696)	(24,596)
Insurance		(121,936)	(108,932)	(105,240)
Other expenditure	2(b)	(188,611)	(139,312)	(169,647)
		<b>(3,157,163)</b>	<b>(3,182,412)</b>	<b>(2,715,488)</b>
		<b>(278,404)</b>	<b>(1,636,694)</b>	<b>(451,907)</b>
Capital grants, subsidies and contributions	2(a)	743,002	1,303,606	748,540
Profit on asset disposals	10(c)	62,401	-	462,547
Loss on asset disposals	10(c)	(6,861)	-	-
Fair value adjustments to financial assets at fair value through profit or loss		1,998	-	1,294
Loss on revaluation of Other infrastructure drainage	9(a)	(48,295)	-	-
Loss on revaluation of Other infrastructure refuse	9(a)	(35,211)	-	-
		<b>717,034</b>	<b>1,303,606</b>	<b>1,212,381</b>
<b>Net result for the period</b>	24(b)	<b>438,630</b>	<b>(333,088)</b>	<b>760,474</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	2,796,241	-	-
<b>Total other comprehensive income for the period</b>	15	<b>2,796,241</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>3,234,871</b>	<b>(333,088)</b>	<b>760,474</b>

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



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

	NOTE	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	2,636,084	2,015,174
Trade and other receivables	5	110,067	184,076
Other financial assets	4(a)	2,382	2,275
Inventories	6	8,077	4,587
Other assets	7	2,104	2,129
<b>TOTAL CURRENT ASSETS</b>		<b>2,758,714</b>	<b>2,208,241</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	3,512	3,512
Other financial assets	4(b)	40,135	40,519
Property, plant and equipment	8	10,212,733	7,641,205
Infrastructure	9	44,617,193	44,301,483
<b>TOTAL NON-CURRENT ASSETS</b>		<b>54,873,573</b>	<b>51,986,719</b>
<b>TOTAL ASSETS</b>		<b>57,632,287</b>	<b>54,194,960</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	210,013	121,177
Other liabilities	12	380,169	247,665
Borrowings	13	45,247	42,661
Employee related provisions	14	82,661	71,623
<b>TOTAL CURRENT LIABILITIES</b>		<b>718,090</b>	<b>483,126</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	13	353,743	398,990
Employee related provisions	14	32,677	19,938
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>386,420</b>	<b>418,928</b>
<b>TOTAL LIABILITIES</b>		<b>1,104,510</b>	<b>902,054</b>
<b>NET ASSETS</b>		<b>56,527,777</b>	<b>53,292,906</b>
<b>EQUITY</b>			
Retained surplus		14,138,231	13,758,349
Reserve accounts	28	705,700	646,952
Revaluation surplus	15	41,683,846	38,887,605
<b>TOTAL EQUITY</b>		<b>56,527,777</b>	<b>53,292,906</b>

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





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

	<b>NOTE</b>	<b>RETAINED SURPLUS</b>	<b>RESERVE ACCOUNTS</b>	<b>REVALUATION SURPLUS</b>	<b>TOTAL EQUITY</b>
		\$	\$	\$	\$
<b>Balance as at 1 July 2020</b>		<b>13,017,248</b>	<b>627,579</b>	<b>38,887,605</b>	<b>52,532,432</b>
Comprehensive income for the period					
Net result for the period		760,474	-	-	760,474
Total comprehensive income for the period		760,474	-	-	760,474
Transfers to reserves	28	(19,373)	19,373	-	-
<b>Balance as at 30 June 2021</b>		<b>13,758,349</b>	<b>646,952</b>	<b>38,887,605</b>	<b>53,292,906</b>
Comprehensive income for the period					
Net result for the period		438,630	-	-	438,630
Other comprehensive income for the period	15	-	-	2,796,241	2,796,241
Total comprehensive income for the period		438,630	-	2,796,241	3,234,871
Transfers from reserves	28	64,189	(64,189)	-	-
Transfers to reserves	28	(122,937)	122,937	-	-
<b>Balance as at 30 June 2022</b>		<b>14,138,231</b>	<b>705,700</b>	<b>41,683,846</b>	<b>56,527,777</b>

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		587,938	599,320	556,959
Operating grants, subsidies and contributions		2,046,540	588,272	1,492,468
Fees and charges		154,049	135,952	113,213
Interest received		11,302	10,447	9,068
Goods and services tax received		-	-	64,614
Other revenue		302,832	70,446	109,811
		3,102,661	1,404,437	2,346,133
<b>Payments</b>				
Employee costs		(777,784)	(926,216)	(714,181)
Materials and contracts		(638,703)	(824,429)	(462,182)
Utility charges		(143,808)	(145,040)	(126,042)
Finance costs		(21,623)	(22,696)	(24,131)
Insurance paid		(121,936)	(108,932)	(105,240)
Goods and services tax paid		(16,636)	-	(77,017)
Other expenditure		(188,509)	(139,312)	(151,404)
		(1,908,999)	(2,166,625)	(1,660,197)
<b>Net cash provided by (used in) operating activities</b>	16(b)	1,193,662	(762,188)	685,936
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(781,542)	(1,326,549)	(900,101)
Payments for construction of infrastructure	9(a)	(650,017)	(805,663)	(784,504)
Non-operating grants, subsidies and contributions		743,002	1,303,606	831,744
Proceeds from financial assets at amortised cost - self supporting loans		2,275	2,275	8,465
Proceeds from sale of property, plant & equipment	10(c)	156,191	161,800	507,953
<b>Net cash provided by (used in) investing activities</b>		(530,091)	(664,531)	(336,443)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	27(a)	(42,661)	(42,661)	(46,524)
<b>Net cash provided by (used in) financing activities</b>		(42,661)	(42,661)	(46,524)
<b>Net increase (decrease) in cash held</b>		620,910	(1,469,380)	302,969
Cash at beginning of year		2,015,174	2,015,174	1,712,205
<b>Cash and cash equivalents at the end of the year</b>	16(a)	2,636,084	545,794	2,015,174

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>	26(b)	1,222,502	1,211,999	1,052,761
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities (excluding general rate)</b>				
Rates (excluding general rate)	25(b)	6,601	-	(1,567)
Operating grants, subsidies and contributions		1,830,486	729,553	1,457,278
Fees and charges		128,048	135,952	111,792
Interest earnings		11,302	10,447	9,068
Other revenue		302,832	70,446	109,811
Profit on asset disposals	10(c)	62,401	-	462,547
Fair value adjustments to financial assets at fair value through profit or loss		1,998	-	1,294
		<b>2,343,668</b>	<b>946,398</b>	<b>2,150,223</b>
<b>Expenditure from operating activities</b>				
Employee costs		(798,456)	(926,216)	(717,167)
Materials and contracts		(725,846)	(824,429)	(499,319)
Utility charges		(143,808)	(145,040)	(126,042)
Depreciation		(1,156,405)	(1,015,787)	(1,073,477)
Finance costs		(22,101)	(22,696)	(24,596)
Insurance		(121,936)	(108,932)	(105,240)
Other expenditure		(188,611)	(139,312)	(169,647)
Loss on asset disposals	10(c)	(6,861)	-	-
Loss on revaluation of non-current assets		(83,506)	-	-
		<b>(3,247,530)</b>	<b>(3,182,412)</b>	<b>(2,715,488)</b>
Non-cash amounts excluded from operating activities	26(a)	1,195,343	1,015,787	643,351
<b>Amount attributable to operating activities</b>		<b>291,481</b>	<b>(1,220,227)</b>	<b>78,086</b>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		743,002	1,303,606	748,540
Proceeds from disposal of assets	10(c)	156,191	161,800	507,953
Proceeds from financial assets at amortised cost - self supporting loans	27(a)	2,275	2,275	8,465
Purchase of property, plant and equipment	8(a)	(781,542)	(1,326,549)	(900,101)
Purchase and construction of infrastructure	9(a)	(650,017)	(805,663)	(784,504)
		<b>(530,091)</b>	<b>(664,531)</b>	<b>(419,647)</b>
<b>Amount attributable to investing activities</b>		<b>(530,091)</b>	<b>(664,531)</b>	<b>(419,647)</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	27(a)	(42,661)	(42,661)	(46,524)
Transfers to reserves (restricted assets)	28	(122,937)	(101,500)	(19,373)
Transfers from reserves (restricted assets)	28	64,189	217,600	-
<b>Amount attributable to financing activities</b>		<b>(101,409)</b>	<b>73,439</b>	<b>(65,897)</b>
<b>Surplus/(deficit) before imposition of general rates</b>		<b>882,483</b>	<b>(599,320)</b>	<b>645,303</b>
<b>Total amount raised from general rates</b>	25(a)	<b>599,490</b>	<b>599,320</b>	<b>577,199</b>
<b>Surplus/(deficit) after imposition of general rates</b>	26(b)	<b>1,481,973</b>	<b>-</b>	<b>1,222,502</b>

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

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

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Other Assets	15
Note 8	Property, Plant and Equipment	16
Note 9	Infrastructure	18
Note 10	Fixed Assets	20
Note 11	Trade and Other Payables	23
Note 12	Other Liabilities	24
Note 13	Borrowings	25
Note 14	Employee Related Provisions	26
Note 15	Revaluation Surplus	27
Note 16	Notes to the Statement of Cash Flows	28
Note 17	Contingent Liabilities	29
Note 18	Capital Commitments	29
Note 19	Related Party Transactions	30
Note 20	Joint Arrangements	32
Note 21	Financial Risk Management	33
Note 22	Events Occurring After the End of the Reporting Period	37
Note 23	Other Significant Accounting Policies	38
Note 24	Function and Activity	39
<b>Information required by legislation</b>		
Note 25	Rating Information	42
Note 26	Rate Setting Statement Information	45
Note 27	Borrowing and Lease Liabilities	46
Note 28	Reserve accounts	47
Note 29	Trust Funds	48

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

**1. BASIS OF PREPARATION**

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

**Local Government Act 1995 requirements**

Section 6.4(2) of the Local Government Act 1995 read with the Local Government (financial Management) Regulations 1996 prescribe that 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 29 of the financial report.

**Judgements and estimates**

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Fees and charges	Building, cemetery services, library fees, property hire, private works, planning, development, animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Output method based on provision of service or completion of works, or on payment and issue of the licence, registration or approval
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Reimbursements	Insurance claims and reimbursable expenses	Single point in time	Payment in arrears for claimable event	None	When claim is agreed or when expense is incurred

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 or types of goods or services is provided in the table below:

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	599,490	6,601	606,091
Operating grants, subsidies and contributions	67,082	-	-	1,763,404	1,830,486
Fees and charges	55,983	-	4,311	67,754	128,048
Interest earnings	-	-	9,268	2,034	11,302
Other revenue*	21,034	-	-	281,798	302,832
Non-operating grants, subsidies and contributions	743,002	-	-	-	743,002
<b>Total</b>	<b>887,101</b>	<b>-</b>	<b>613,069</b>	<b>2,121,591</b>	<b>3,621,761</b>

\* Other revenue includes a reimbursement from NEWROC totalling \$115,000 relating to a joint project.

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	575,632	-	575,632
Operating grants, subsidies and contributions	135,991	-	-	1,321,287	1,457,278
Fees and charges	108,956	-	2,836	-	111,792
Interest earnings	-	-	8,798	270	9,068
Other revenue	28,874	-	-	80,937	109,811
Non-operating grants, subsidies and contributions	748,540	-	-	-	748,540
<b>Total</b>	<b>1,022,361</b>	<b>-</b>	<b>587,266</b>	<b>1,402,494</b>	<b>3,012,121</b>

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

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

	Note	2022 Actual	2022 Budget	2021 Actual
<b>Interest earnings</b>				
Financial assets at amortised cost - self supporting loans		114	247	265
Interest on reserve funds		1,437	-	-
Rates instalment and penalty interest (refer Note 25(e))		9,268	10,200	8,798
Other interest earnings		483	-	5
		11,302	10,447	9,068
<b>(b) Expenses</b>				
<b>Auditors remuneration</b>				
- Audit of the Annual Financial Report		35,700	40,000	35,700
- Other services		1,800	-	2,800
		37,500	40,000	38,500
<b>Finance costs</b>				
Borrowings	27(a)	22,101	22,696	24,596
		22,101	22,696	24,596
<b>Other expenditure</b>				
Impairment losses on rates receivables		26,001	-	18,243
Write down of inventories to net realisable value	6	102	-	109
Sundry expenses		162,508	139,312	151,295
		188,611	139,312	169,647

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

**3. CASH AND CASH EQUIVALENTS**

Cash at bank and on hand  
**Total cash and cash equivalents**

Note	2022	2021
	\$	\$
	2,636,084	2,015,174
16(a)	2,636,084	2,015,174
	1,532,392	1,109,693
16(a)	1,103,692	905,481
	2,636,084	2,015,174

Held as  
- Unrestricted cash and cash equivalents  
- Restricted cash and cash equivalents

**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.

**Restricted financial assets**

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

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

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

**Other financial assets at amortised cost**

Self supporting loans receivable

Held as

- Unrestricted other financial assets at amortised cost

**(b) Non-current assets**

Financial assets at amortised cost

Financial assets at fair value through profit and loss

**Financial assets at amortised cost**

Self supporting loans receivable

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

Units in Local Government House Trust

	2022	2021
	\$	\$
	2,382	2,275
	2,382	2,275
26(b)	2,382	2,275
	2,382	2,275
	2,382	2,275
	1,233	3,615
	38,902	36,904
	40,135	40,519
	1,233	3,615
	1,233	3,615
	38,902	36,904
	38,902	36,904

**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 23 (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 and loss**

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

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

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 21.



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

**5. TRADE AND OTHER RECEIVABLES**

	Note	2022 \$	2021 \$
<b>Current</b>			
Rates receivable		140,865	121,959
Trade and other receivables		24,270	107,820
GST receivable		52,083	35,447
Allowance for credit losses of rates receivables	21(b)	(107,151)	(81,150)
		110,067	184,076
<b>Non-current</b>			
Pensioner's rates and ESL deferred		3,512	3,512
		3,512	3,512

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 21.

**Classification and subsequent measurement**

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

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

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

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

**6. INVENTORIES**

Current	Note	2022 \$	2021 \$
Fuel and materials		4,333	740
Other inventories - History books		3,744	3,847
		8,077	4,587

The following movements in inventories occurred during the year:

<b>Balance at beginning of year</b>		4,587	32,984
Inventories expensed during the year		(57,162)	(66,392)
Write down of inventories to net realisable value	2(b)	(102)	(109)
Additions to inventory		60,754	38,104
<b>Balance at end of year</b>		8,077	4,587

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

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

**7. OTHER ASSETS**

**Other assets - current**

Accrued income

	2022	2021
	\$	\$
	2,104	2,129
	2,104	2,129

**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.

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

**8. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

	Note	Land \$	Buildings - non- specialised \$	Buildings - specialised \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Total property, plant and equipment \$
<b>Balance at 1 July 2020</b>		749,360	1,704,795	4,113,845	6,568,000	45,251	495,918	7,109,169
Additions		6,157	226,015	36,367	268,539	-	631,562	900,101
Disposals		-	-	-	-	-	(45,406)	(45,406)
Depreciation	10(a)	-	(80,541)	(133,639)	(214,180)	(9,412)	(99,067)	(322,659)
<b>Balance at 30 June 2021</b>		755,517	1,850,269	4,016,573	6,622,359	35,839	983,007	7,641,205
<b>Comprises:</b>								
Gross balance amount at 30 June 2021		755,517	2,123,015	4,510,367	7,388,899	68,210	1,334,800	8,791,909
Accumulated depreciation at 30 June 2021		-	(272,746)	(493,794)	(766,540)	(32,371)	(351,793)	(1,150,704)
<b>Balance at 30 June 2021</b>		755,517	1,850,269	4,016,573	6,622,359	35,839	983,007	7,641,205
Additions		-	71,354	498,791	570,145	7,041	204,356	781,542
Disposals		-	(3,700)	-	(3,700)	-	(96,951)	(100,651)
Revaluation increments / (decrements) transferred to revaluation surplus		204,483	11,823	2,051,287	2,267,593	-	-	2,267,593
Depreciation	10(a)	-	(90,246)	(134,692)	(224,938)	(6,972)	(145,046)	(376,956)
<b>Balance at 30 June 2022</b>		960,000	1,839,500	6,431,959	9,231,459	35,908	945,366	10,212,733
<b>Comprises:</b>								
Gross balance amount at 30 June 2022		960,000	1,839,500	6,432,215	9,231,715	75,251	1,339,703	10,646,669
Accumulated depreciation at 30 June 2022		-	-	(256)	(256)	(39,343)	(394,337)	(433,936)
<b>Balance at 30 June 2022</b>		960,000	1,839,500	6,431,959	9,231,459	35,908	945,366	10,212,733

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

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

**(b) Carrying Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value</b>					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2022	Price per hectare
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2022	Price per square metre
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

**(ii) Cost**

**Furniture and equipment**

Purchase cost

**Plant and equipment**

Purchase cost

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

**9. INFRASTRUCTURE**

(a) Movements in Balances

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

Note	Infrastructure - roads	Other infrastructure footpaths	Other infrastructure drainage	Other infrastructure parks & ovals	Other infrastructure dams	Other infrastructure refuse	Other infrastructure other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	42,068,569	149,683	120,885	60,367	369,589	51,090	1,447,614	44,267,797
Additions	416,227	-	115,114	193,178	-	328	59,657	784,504
Depreciation	(559,807)	(4,983)	(6,705)	(12,212)	(16,803)	(2,981)	(147,327)	(750,818)
Balance at 30 June 2021	41,924,989	144,700	229,294	241,333	352,786	48,437	1,359,944	44,301,483
<b>Comprises:</b>								
Gross balance at 30 June 2021	52,671,587	375,225	413,114	449,178	737,000	76,779	4,118,157	58,841,040
Accumulated depreciation at 30 June 2021	(10,746,598)	(230,525)	(183,820)	(207,845)	(384,214)	(28,342)	(2,758,213)	(14,539,557)
Balance at 30 June 2021	41,924,989	144,700	229,294	241,333	352,786	48,437	1,359,944	44,301,483
Additions	522,350	-	31,591	-	-	-	96,076	650,017
Revaluation increments / (decrements) transferred to revaluation surplus	-	-	(78,795)	715,328	19,018	(1,532)	(125,371)	528,648
Revaluation (loss) / reversals transferred to profit or loss	-	-	(48,295)	-	-	(35,211)	-	(83,506)
Depreciation	(569,198)	(4,983)	(9,295)	(24,961)	(16,804)	(2,994)	(151,214)	(779,449)
Balance at 30 June 2022	41,878,141	139,717	124,500	931,700	355,000	8,700	1,179,435	44,617,193
<b>Comprises:</b>								
Gross balance at 30 June 2022	53,193,937	375,225	124,500	931,700	355,000	8,700	1,179,435	56,168,497
Accumulated depreciation at 30 June 2022	(11,315,796)	(235,508)	-	-	-	-	-	(11,551,304)
Balance at 30 June 2022	41,878,141	139,717	124,500	931,700	355,000	8,700	1,179,435	44,617,193

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

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 2019	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
	Other infrastructure footpaths	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2019	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
	Other infrastructure drainage	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
	Other infrastructure parks & ovals	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
	Other infrastructure dams	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
	Other infrastructure refuse	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, residual values and remaining useful life assessments (Level 3) inputs
	Other infrastructure other	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Construction costs (Level 2), current condition, 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 NUNGARIN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**10. FIXED ASSETS**

**(a) Depreciation**

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	8(a)	90,246	54,827	80,541
Buildings - specialised	8(a)	134,692	123,188	133,639
Furniture and equipment	8(a)	6,972	9,413	9,412
Plant and equipment	8(a)	145,046	94,980	99,067
Infrastructure - roads	9(a)	569,198	542,410	559,807
Other infrastructure footpaths	9(a)	4,983	4,983	4,983
Other infrastructure drainage	9(a)	9,295	6,705	6,705
Other infrastructure parks & ovals	9(a)	24,961	12,211	12,212
Other infrastructure dams	9(a)	16,804	16,804	16,803
Other infrastructure refuse	9(a)	2,994	2,982	2,981
Other infrastructure other	9(a)	151,214	147,284	147,327
		1,156,405	1,015,787	1,073,477

**Depreciation rates**

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

Asset Class	Useful life
Land	not depreciated
Buildings - non-specialised	30 to 50 years
Buildings - specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
- formation	not depreciated
- pavement	35 to 85 years
Road seals	
- bituminous seals	35 to 85 years
- asphalt surfaces	35 to 85 years
Gravel roads	
- formation	not depreciated
- pavement	35 to 85 years
Infrastructure - footpaths	20 to 75 years
Infrastructure - drainage	5 to 75 years
Infrastructure - parks & ovals	5 to 75 years
Infrastructure - dams	5 to 75 years
Infrastructure - refuse	5 to 75 years
Infrastructure - other	5 to 75 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.

	2022 \$	2021 \$
Furniture and equipment	11,652	11,652
Plant and equipment	84,000	77,000
Other infrastructure other	0	11,000
	95,652	99,652



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

**10. FIXED ASSETS (Continued)**

(c) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - non-specialised	3,700	2,000	-	(1,700)	-	-	-	-	-	-	-	-
Plant and equipment	96,951	154,191	62,401	(5,161)	161,800	161,800	-	-	45,406	507,953	462,547	-
	100,651	156,191	62,401	(6,861)	161,800	161,800	-	-	45,406	507,953	462,547	-

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
<b>Plant and Equipment</b>				
<b>Education and welfare</b>				
Holden Captiva	2,843	7,727	4,884	-
<b>Housing</b>				
Flat A Lot 48 First Avenue	1,767	1,000	-	(767)
Flat B Lot 48 First Avenue	1,933	1,000	-	(933)
<b>Transport</b>				
Isuzu Truck	35,768	66,009	30,241	-
Nissan Navara	15,581	24,545	8,964	-
Backhoe Loader	14,870	33,182	18,312	-
John Deere Tractor	27,889	22,728	-	(5,161)
	100,651	156,191	62,401	(6,861)

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

**10. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

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

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

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

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

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

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

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

**Revaluation**

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

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

**Revaluation (continued)**

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

**Depreciation**

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

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

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

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

**Depreciation on revaluation**

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

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

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

**11. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
 Prepaid rates  
 Accrued payroll liabilities  
 ATO liabilities  
 Bonds and deposits held  
 Accrued interest on loans  
 Accrued expenses  
 ESL Liability

	2022	2021
	\$	\$
	116,019	37,215
	2,583	1,830
	17,146	14,690
	10,233	15,794
	17,823	10,864
	4,218	4,696
	41,991	37,093
	0	(1,005)
	210,013	121,177

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

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

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

**Prepaid rates**

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

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

**12. OTHER LIABILITIES**

**Current**

Contract liabilities

**Reconciliation of changes in contract liabilities**

Opening balance

Additions

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

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

	2022	2021
	\$	\$
Contract liabilities	380,169	247,665
	<u>380,169</u>	<u>247,665</u>
Opening balance	247,665	62,005
Additions	380,169	247,665
Revenue from contracts with customers included as a contract liability at the start of the period	(247,665)	(62,005)
	<u>380,169</u>	<u>247,665</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

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

**13. BORROWINGS**

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		45,247	353,743	398,990	42,661	398,990	441,651
<b>Total secured borrowings</b>	27(a)	45,247	353,743	398,990	42,661	398,990	441,651

**Secured liabilities and assets pledged as security**

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Nungarin. Other loans relate to transferred receivables. Refer to Note 4.

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Information regarding exposure to risk can be found at Note 21. Details of individual borrowings required by regulations are provided at Note 27(a).

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

**14. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual Leave

Long Service Leave

**Non-current provisions**

Long Service Leave

	2022	2021
	\$	\$
	66,279	59,601
	16,382	12,022
	82,661	71,623
	32,677	19,938
	32,677	19,938
	115,338	91,561

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

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

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

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
	62,036	42,011
	53,302	49,550
	115,338	91,561

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

**15. REVALUATION SURPLUS**

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	532,706	204,483	-	204,483	737,189	532,706	532,706
Revaluation surplus - Buildings - non-specialised	2,193,153	11,823	-	11,823	2,204,976	2,193,153	2,193,153
Revaluation surplus - Buildings - specialised	-	2,051,287	-	2,051,287	2,051,287	-	-
Revaluation surplus - Infrastructure - roads	34,488,823	-	-	-	34,488,823	34,488,823	34,488,823
Revaluation surplus - Other infrastructure footpaths	42,951	-	-	-	42,951	42,951	42,951
Revaluation surplus - Other infrastructure drainage	78,795	-	(78,795)	(78,795)	-	78,795	78,795
Revaluation surplus - Other infrastructure parks & ovals	-	715,328	-	715,328	715,328	-	-
Revaluation surplus - Other infrastructure dams	420,686	19,018	-	19,018	439,704	420,686	420,686
Revaluation surplus - Other infrastructure refuse	1,532	-	(1,532)	(1,532)	-	1,532	1,532
Revaluation surplus - Other infrastructure other	1,128,959	-	(125,371)	(125,371)	1,003,588	1,128,959	1,128,959
	<b>38,887,605</b>	<b>3,001,939</b>	<b>(205,698)</b>	<b>2,796,241</b>	<b>41,683,846</b>	<b>38,887,605</b>	<b>38,887,605</b>

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

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

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

**(a) Reconciliation of Cash**

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	2,636,084	545,794	2,015,174

**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	1,103,692	530,852	905,481
		<u>1,103,692</u>	<u>530,852</u>	<u>905,481</u>

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

Restricted reserve accounts	28	705,700	530,852	646,952
Contract liabilities from contracts with customers		380,169	-	48,905
Grants for transfers for recognisable non financial assets		-	-	198,760
Bonds and deposits		17,823	-	10,864
<b>Total restricted financial assets</b>		<u>1,103,692</u>	<u>530,852</u>	<u>905,481</u>

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

Net result		438,630	(333,088)	760,474
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(1,998)	-	(1,294)
Depreciation/amortisation		1,156,405	1,015,787	1,073,477
(Profit)/loss on sale of asset		(55,540)	-	(462,547)
Loss on revaluation of fixed assets		83,506	-	-
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		74,009	106,384	(78,397)
(Increase)/decrease in other assets		25	-	879
(Increase)/decrease in inventories		(3,490)	-	28,397
Increase/(decrease) in trade and other payables		88,836	-	7,486
Increase/(decrease) in employee related provisions		23,777	-	3,545
Increase/(decrease) in other liabilities		132,504	(247,665)	185,660
Non-operating grants, subsidies and contributions		(743,002)	(1,303,606)	(831,744)
Net cash provided by/(used in) operating activities		<u>1,193,662</u>	<u>(762,188)</u>	<u>685,936</u>

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank overdraft limit		-	-	-
Bank overdraft at balance date		-	-	-
Credit card limit		7,500	-	-
Credit card balance at balance date		(199)	-	-
<b>Total amount of credit unused</b>		<u>7,301</u>		<u>-</u>

**Loan facilities**

Loan facilities - current		45,247	-	42,661
Loan facilities - non-current		353,743	-	398,990
<b>Total facilities in use at balance date</b>		<u>398,990</u>		<u>441,651</u>

**Unused loan facilities at balance date**

NIL NIL



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

**17. CONTINGENT LIABILITIES**

The Shire had no reportable contingent liabilities as at 30 June 2021, and is not aware of any reportable contingent liabilities as at 30 June 2022.

**18. CAPITAL COMMITMENTS**

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	0	77,342
	0	77,342
Payable:		
- not later than one year	0	77,342
Plant and equipment purchase commitments for 2021 consist of the following:		
Skid steer loader and attachments	0	77,342

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

**19. RELATED PARTY TRANSACTIONS**

(a) Elected Member Remuneration	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Elected member Cr P de Lacy</b>				
President's annual allowance		4,333	4,000	4,000
Meeting attendance fees		1,570	1,720	1,570
Annual allowance for ICT expenses		600	600	
Travel and accommodation expenses		1,076	1,520	629
		7,579	7,840	6,199
<b>Elected member Cr G Coumbe</b>				
Deputy President's annual allowance		500	1,000	1,000
Meeting attendance fees		1,933	1,350	1,256
Annual allowance for ICT expenses		600	600	
Travel and accommodation expenses		146	445	225
		3,179	3,395	2,481
<b>Elected member Cr E O'Connell</b>				
Meeting attendance fees		1,350	1,350	1,350
Annual allowance for ICT expenses		600	600	
Travel and accommodation expenses		865	1,645	1,254
		2,815	3,595	2,604
<b>Elected member Cr K Dayman</b>				
Meeting attendance fees		1,200	1,350	1,350
Annual allowance for ICT expenses		600	600	
Travel and accommodation expenses		268	545	262
		2,068	2,495	1,612
<b>Elected member Cr J Davis</b>				
Meeting attendance fees		1,100	1,150	1,150
Annual allowance for ICT expenses		600	600	
Travel and accommodation expenses		250	600	297
		1,950	2,350	1,447
<b>Elected member Cr W Lee</b>				
Meeting attendance fees		1,250	1,150	1,244
Annual allowance for ICT expenses		600	600	
Travel and accommodation expenses		370	645	187
		2,220	2,395	1,431
<b>Elected member Cr R Mizia</b>				
Meeting attendance fees		300	1,250	1,250
Annual allowance for ICT expenses		-	600	-
		300	1,850	1,250
<b>Elected member Cr M Caughey</b>				
Meeting attendance fees		900	-	-
Annual allowance for ICT expenses		600	-	-
Travel and accommodation expenses		320	-	-
		1,820	-	-
		21,931	23,920	17,024
Fees, expenses and allowances to be paid or reimbursed to elected council members.				
		2022 Actual \$	2022 Budget \$	2021 Actual \$
President's annual allowance		4,333	4,000	4,000
Deputy President's annual allowance		500	1,000	1,000
Meeting attendance fees		9,603	9,320	9,170
Annual allowance for ICT expenses		4,200	4,200	-
Travel and accommodation expenses		3,295	5,400	2,854
	19(b)	21,931	23,920	17,024

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

**19. RELATED PARTY TRANSACTIONS**

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

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

	2022 Actual \$	2021 Actual \$
Short-term employee benefits	173,408	144,197
Post-employment benefits	19,500	17,782
Employee - other long-term benefits	3,250	3,000
Council member costs	21,931	17,024
19(a)	218,089	182,003

*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.

*Council member costs*

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

**(c) Transactions with related parties**

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

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

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

	2022 Actual \$	2021 Actual \$
Sale of goods and services	8,365	9,692
Purchase of goods and services	11,732	7,959
<b>Amounts payable to related parties:</b>		
Trade and other payables	639	1,168

**(d) Related Parties**

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

*i. Key management personnel*

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

*ii. Other Related Parties*

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

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

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

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

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

**20. JOINT ARRANGEMENTS**

**Share of joint operations**

**Medical services**

The Shire of Nungarin is in a joint arrangement with the Shires of Mount Marshall, Mukinbuding and Trayning to provide medical services. The Shire of Nungarin has a 10% interest in this service which provides a doctor in Kununoppin.

In June 2022 the joint arrangement purchased a motor vehicle valued at \$59,710. The vehicle is registered to the Shire of Trayning.

**Statement of Comprehensive Income**

	<b>2022 Actual</b>	<b>2021 Actual</b>
	\$	\$
Expenses	17,532	9,101
<b>Profit/(loss) for the period</b>	<b>17,532</b>	<b>9,101</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the period</b>	<b>17,532</b>	<b>9,101</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Joint operations**

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

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

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

**21. FINANCIAL RISK MANAGEMENT**

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

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

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

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

**(a) Interest rate risk**

**Cash and cash equivalents**

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

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

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2022</b>					
Cash and cash equivalents	0.0728%	2,636,084	-	2,635,684	400
<b>2021</b>					
Cash and cash equivalents	0.2775%	2,015,174	-	2,014,774	400

**Sensitivity**

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

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit and loss and equity*	26,357	20,148

\* Holding all other variables constant

**Borrowings**

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

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

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

**(b) Credit risk**

**Trade and Other Receivables**

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

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

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

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

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

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

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
<b>30 June 2022</b>						
Rates receivable						
Expected credit loss	0.00%	62.81%	93.14%	79.58%		
Gross carrying amount	4,588	41,397	21,000	77,392	144,377	
Loss allowance	0	26,001	19,559	61,591	107,151	5
<b>30 June 2021</b>						
Rates receivable						
Expected credit loss	0.00%	49.26%	69.52%	88.29%		
Gross carrying amount	33,669	19,927	9,726	62,150	125,472	
Loss allowance	9,701	9,817	6,762	54,870	81,150	5

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

	Less than 1 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
<b>30 June 2022</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	2,110	30	-	22,130	24,270	
Loss allowance	-	-	-	-	-	5
<b>30 June 2021</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	107,051	550	-	219	107,820	
Loss allowance	-	-	-	-	-	5

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

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

**(b) Credit risk**

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

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
<b>Opening loss allowance as at 1 July</b>	\$ 81,150	\$ 62,907	\$ -	\$ -	\$ -	\$ -
Increase in loss allowance recognised in profit or loss during the year	26,001	18,243	-	-	-	-
<b>Closing loss allowance at 30 June</b>	107,151	81,150	-	-	-	-

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

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

**(c) Liquidity risk**

**Payables and borrowings**

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2022</b>					
Trade and other payables	210,013	-	-	210,013	210,013
Borrowings	65,356	223,581	213,142	502,079	398,990
Contract Liabilities	380,169	-	-	380,169	380,169
	<u>655,538</u>	<u>223,581</u>	<u>213,142</u>	<u>1,092,261</u>	<u>989,172</u>
<b>2021</b>					
Trade and other payables	121,177	-	-	121,177	121,177
Borrowings	71,753	237,708	264,371	573,832	441,651
Contract Liabilities	247,665	-	-	247,665	247,665
	<u>440,595</u>	<u>237,708</u>	<u>264,371</u>	<u>942,674</u>	<u>810,493</u>



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

**22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

The Shire did not have any events occurring after the reporting date that have a significant effect on the financial statements.

**23. OTHER SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

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

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

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

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

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

**h) Interest earnings**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

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

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

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

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

**k) Initial application of accounting standards**

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

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

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

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

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

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

**24. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

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

<b>Objective</b>	<b>Description</b>
<p><b>Governance</b> To provide a decision making process for the efficient allocation of scarce resources.</p>	Administration and operation of facilities and services to members of Council, and other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.
<p><b>General purpose funding</b> To collect revenue to allow for the provision of services.</p>	Rates, general purpose government grants and interest revenue.
<p><b>Law, order, public safety</b> To provide services to help ensure a safer and environmentally conscious community.</p>	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<p><b>Health</b> To provide an operational framework for environmental and community health.</p>	Food quality and pest control, assistance with operation of maternal and infant health clinic.
<p><b>Education and welfare</b> To provide services to disadvantaged persons, the elderly, children and youth.</p>	Operation of Home and Community Care program, and financial and family counselling programs.
<p><b>Housing</b> To provide and maintain staff and elderly residents housing.</p>	Control and maintenance of staff and other rental housing, including aged accommodation units.
<p><b>Community amenities</b> To provide services required by the community.</p>	Rubbish collection services, operation of tips, landcare programs, administration of the town planning scheme and other community amenities.
<p><b>Recreation and culture</b> To establish and effectively manage infrastructure and resource which will help the social well being of the community.</p>	Control and maintenance of public halls, swimming pool, recreation facilities and the library, Operation of the television rebroadcasting service.
<p><b>Transport</b> To provide safe, effective and efficient transport services to the community.</p>	Construction and maintenance of streets, roads and bridges; cleaning and lighting of streets; depot maintenance.
<p><b>Economic services</b> To help promote the shire and its economic wellbeing.</p>	Tourism and area promotion, and regulation of buildings.
<p><b>Other property and services</b> To monitor and control council's overheads operating accounts.</p>	Private works operation, plant repair and operation costs and engineering operation costs.

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

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

**(b) Income and expenses**

**Income excluding grants, subsidies and contributions**

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Governance	151,912	9,939	35,536
General purpose funding	618,718	610,170	585,530
Law, order, public safety	5,076	4,950	464,911
Health	-	160	2,490
Education and welfare	4,884	-	3,797
Housing	56,262	52,101	44,174
Community amenities	16,660	14,070	13,002
Recreation and culture	46,400	28,147	29,360
Transport	74,521	3,290	4,405
Economic services	44,251	32,000	23,100
Other property and services	93,988	61,338	63,839
	1,112,672	816,165	1,270,144

**Grants, subsidies and contributions**

Governance	17,394	-	14,873
General purpose funding	1,217,341	478,104	987,830
Law, order, public safety	322,806	319,609	10,544
Education and welfare	-	-	4,285
Housing	-	-	19,800
Community amenities	45,436	143,921	106,503
Recreation and culture	9,123	474,552	191,127
Transport	928,043	565,266	796,874
Economic services	33,345	51,707	62,730
Other property and services	-	-	11,252
	2,573,488	2,033,159	2,205,818

**Total Income**

3,686,160      2,849,324      3,475,962

**Expenses**

Governance	(568,302)	(491,556)	(435,043)
General purpose funding	(21,803)	(20,419)	(17,726)
Law, order, public safety	(92,216)	(39,955)	(32,455)
Health	(38,106)	(43,210)	(32,342)
Education and welfare	(7,034)	(3,712)	(9,349)
Housing	(169,423)	(189,503)	(198,445)
Community amenities	(147,639)	(159,875)	(133,308)
Recreation and culture	(773,568)	(782,896)	(643,917)
Transport	(1,327,772)	(1,231,366)	(1,008,879)
Economic services	(113,235)	(132,280)	(91,285)
Other property and services	11,568	(87,640)	(112,739)
<b>Total expenses</b>	<b>(3,247,530)</b>	<b>(3,182,412)</b>	<b>(2,715,488)</b>

**Net result for the period**

438,630      (333,088)      760,474

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

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

	2022 Actual	2022 Budget	2021 Actual
<b>(c) Fees and Charges</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Governance	7,722	5,911	6,447
General purpose funding	1,450	650	1,100
Law, order, public safety	1,076	950	1,617
Health	-	160	364
Housing	53,661	50,101	43,610
Community amenities	16,634	14,070	12,969
Recreation and culture	22,282	27,900	29,048
Economic services	21,989	32,000	9,745
Other property and services	3,234	4,210	6,892
	<b>128,048</b>	<b>135,952</b>	<b>111,792</b>
<b>(d) Total Assets</b>	<b>\$</b>	<b>\$</b>	
Governance	705,760	453,665	
General purpose funding	2,145,478	1,616,170	
Law, order, public safety	907,780	498,704	
Health	36,500	30,880	
Education and welfare	-	5,914	
Housing	2,066,200	1,845,549	
Community amenities	491,974	541,126	
Recreation and culture	6,647,086	4,872,014	
Transport	44,049,771	43,923,325	
Economic services	167,688	146,391	
Other property and services	414,050	261,222	
	<b>57,632,287</b>	<b>54,194,960</b>	

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

25. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Number of Properties	2021/22		2021/22		2021/22		2021/22		2021/22		2020/21	
			Rate in \$	Actual Rateable Value*	Actual Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue	
GRV Townsites	Gross rental valuation	47	0.126798	313,924	39,805	-	-	-	39,805	-	40,131	40,131		
UV Rural	Unimproved valuation	107	0.019179	27,935,502	535,775	322	-	-	535,775	-	518,551	518,551		
UV Mining	Unimproved valuation	3	0.019179	90,748	1,740	-	-	-	1,740	-	1,883	1,883		
<b>Sub-Total</b>		157		28,340,174	577,320	322	-	-	577,320	-	560,565	560,565		
<b>Minimum</b>														
GRV Townsites	Gross rental valuation	24	440	16,930	10,560	-	-	-	11,000	-	10,248	10,248		
UV Rural	Unimproved valuation	15	440	159,498	6,600	-	-	-	6,600	-	6,405	6,405		
UV Mining	Unimproved valuation	10	440	28,640	4,400	444	-	-	4,400	-	4,270	4,270		
<b>Sub-Total</b>		49		205,068	21,560	444	-	-	22,000	-	20,923	20,923		
		206		28,545,242	598,880	766	-	-	599,320	-	581,488	581,488		
Concessions on general rates (Refer note 25(d))														
Less Rate write-offs														(4,289)
<b>Total amount raised from general rates</b>														<b>575,632</b>
* Rateable value is based on the value of properties at the time the rate is raised.														
<b>(b) Rates (excluding general rates)</b>														
Ex-gratia Rates					6,601	-	-	-	6,601	-	6,601	-	-	-
Ex-gratia Rates CBH					6,601	-	-	-	6,601	-	6,601	-	-	-
<b>Sub-Total</b>														
<b>Total amount raised from rates (excluding general rates)</b>														<b>575,632</b>
<b>(c) Total Rates</b>														
<b>Total amount raised from rates (excluding general rates)</b>														<b>575,632</b>
<b>Total Rates</b>														<b>606,091</b>

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

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

**25. RATING INFORMATION (Continued)**

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

**Waivers or Concessions**

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Type</b>	<b>Waiver/Concession</b>	<b>Discount %</b>	<b>Discount \$</b>	<b>2022 Actual \$</b>	<b>2022 Budget \$</b>	<b>2021 Actual \$</b>
General Rates for Assessment A1018	Concession		100.0%		-	-	(2,369)
General Rates for Assessment A1057	Concession		100.0%		-	-	(1,440)
General Rates for Assessment A1068	Concession		100.0%		-	-	(480)
<b>Total discounts/concessions (Note 25)</b>					-	-	<b>(4,289)</b>

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Circumstances in which the Waiver or Concession is Granted and to whom it was available</b>	<b>Objects of the Waiver or Concession</b>	<b>Reasons for the Waiver or Concession</b>
General Rates for Assessmer notice	Full payment of rates within 35 days of date of issue of rate	To help reduce the financial impacts of the COVID-19 crisis on local small businesses.	To help reduce the financial impacts of the COVID-19 crisis on local small businesses.
General Rates for Assessmer notice	Full payment of rates within 35 days of date of issue of rate	To help reduce the financial impacts of the COVID-19 crisis on local small businesses.	To help reduce the financial impacts of the COVID-19 crisis on local small businesses.

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

**25. RATING INFORMATION (Continued)**

**(e) Interest Charges & Instalments**

<b>Instalment Options</b>	<b>Date Due</b>	<b>Instalment Plan Admin Charge</b>	<b>Instalment Plan Interest Rate</b>	<b>Unpaid Rates Interest Rate</b>
		<b>\$</b>	<b>%</b>	<b>%</b>
<b>Option One</b>				
Single full payment	30/09/2021	-	0.00%	7.00%
<b>Option Two</b>				
First instalment	30/09/2021	-	0.00%	7.00%
Second instalment	1/12/2021	5	3.00%	7.00%
<b>Option Three</b>				
First instalment	30/09/2021	-	0.00%	7.00%
Second instalment	1/12/2021	5	3.00%	7.00%
Third instalment	1/02/2022	5	3.00%	7.00%
Fourth instalment	1/04/2022	5	3.00%	7.00%

	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest on unpaid rates	8,832	9,500	8,160
Interest on instalment plan	436	700	638
Charges on instalment plan	325	250	350
	<b>9,593</b>	<b>10,450</b>	<b>9,148</b>



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

**26. RATE SETTING STATEMENT INFORMATION**

		2021/22 Budget	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(30 June 2021 Carried Forward)
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	10(c) (62,401)	-	(462,547)
Less: Movement in liabilities associated with restricted cash	231	-	-
Less: Fair value adjustments to financial assets at fair value through profit and loss	(1,998)	-	(1,294)
Add: Loss on disposal of assets	10(c) 6,861	-	-
Add: Loss on revaluation of fixed assets	9(a) 83,506	-	-
Add: Loss on disposal of land held for resale assets	-	-	27,295
Add: Depreciation	10(a) 1,156,405	1,015,787	1,073,477
Non-cash movements in non-current assets and liabilities:			
Employee benefit provisions	12,739		6,420
<b>Non-cash amounts excluded from operating activities</b>	<b>1,195,343</b>	<b>1,015,787</b>	<b>643,351</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	28 (705,700)	(530,852)	(646,952)
Less: Financial assets at amortised cost - self supporting loans	4(a) (2,382)	(2,382)	(2,275)
- Land held for resale	-	(27,295)	-
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	13 45,247	45,247	42,661
- Employee benefit provisions	104,184	103,953	103,953
<b>Total adjustments to net current assets</b>	<b>(558,651)</b>	<b>(411,329)</b>	<b>(502,613)</b>
<b>Net current assets used in the Rate Setting Statement</b>			
Total current assets	2,758,714	672,601	2,208,241
Less: Total current liabilities	(718,090)	(261,272)	(483,126)
Less: Total adjustments to net current assets	(558,651)	(411,329)	(502,613)
<b>Net current assets used in the Rate Setting Statement</b>	<b>1,481,973</b>	<b>-</b>	<b>1,222,502</b>

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

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual			Budget				
		Principal at 1 July 2020	New Loans During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Principal at 30 June 2022
Lot 191 Staff House		44,773	-	35,889	-	26,428	35,889	-	26,428
Community Recreation Centre		178,270	-	161,219	-	142,885	161,219	-	142,885
Shire Depot		250,778	-	238,654	-	226,063	238,654	-	226,063
<b>Total</b>		<b>473,821</b>	<b>-</b>	<b>435,762</b>	<b>-</b>	<b>395,376</b>	<b>435,762</b>	<b>-</b>	<b>395,376</b>
<b>Self Supporting Loans</b>									
Nungarin Museum		8,062	-	5,889	-	3,614	5,889	-	3,614
Nungarin Football Club		6,292	-	-	-	-	-	-	-
<b>Total Self Supporting Loans</b>		<b>14,354</b>	<b>-</b>	<b>5,889</b>	<b>-</b>	<b>3,614</b>	<b>5,889</b>	<b>-</b>	<b>3,614</b>
<b>Total Borrowings</b>	13	<b>488,175</b>	<b>-</b>	<b>441,651</b>	<b>-</b>	<b>398,990</b>	<b>441,651</b>	<b>-</b>	<b>398,990</b>

\* WA Treasury Corporation

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

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
Lot 191 Staff House		Governance	63	WATC*	6.39%	(1,896)	(2,145)	(2,486)
Community Recreation Centre		Recreation and culture	65	WATC*	7.32%	(11,276)	(11,306)	(12,561)
Shire Depot		Transport	68	WATC*	3.82%	(8,815)	(8,998)	(9,284)
<b>Total</b>						<b>(21,987)</b>	<b>(22,449)</b>	<b>(24,331)</b>
<b>Self Supporting Loans Interest Repayments</b>								
Nungarin Museum		Recreation and culture	67	WATC*	4.64%	(114)	(247)	(165)
Nungarin Football Club		Recreation and culture	69	WATC*	2.21%	-	-	(100)
<b>Total Self Supporting Loans Interest Repayments</b>						<b>(114)</b>	<b>(247)</b>	<b>(265)</b>
<b>Total Interest Repayments</b>	2(b)					<b>(22,101)</b>	<b>(22,696)</b>	<b>(24,596)</b>

\* WA Treasury Corporation

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

28. RESERVE ACCOUNTS

	2022 Actual		2022 Actual		2022 Budget		2022 Budget		2021 Actual		2021 Actual	
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) Leave reserve	103,953	231	-	104,184	103,953	-	-	103,953	103,953	-	-	103,953
(b) Plant reserve	273,261	77,107	(64,189)	286,179	273,261	76,500	(217,600)	132,161	253,888	19,373	-	273,261
(c) Office building reserve	37,909	5,084	-	42,993	37,909	5,000	-	42,909	37,909	-	-	37,909
(d) Swimming pool reserve	45,220	5,100	-	50,320	45,220	5,000	-	50,220	45,220	-	-	45,220
(e) Land development reserve	2,085	5	-	2,090	2,085	-	-	2,085	2,085	-	-	2,085
(f) Building reserve	71,354	25,159	-	96,513	71,354	5,000	-	76,354	71,354	-	-	71,354
(g) Community bus reserve	111,307	247	-	111,554	111,307	-	-	111,307	111,307	-	-	111,307
(h) Computer equipment/software reserve	1,863	5,004	-	6,867	1,863	5,000	-	6,863	1,863	-	-	1,863
(i) Refuse site rehabilitation reserve	-	5,000	-	5,000	-	5,000	-	5,000	-	-	-	-
	646,952	122,937	(64,189)	705,700	646,952	101,500	(217,600)	530,852	627,579	19,373	-	646,952

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	to be used to fund annual and long service leave requirements.
(b) Plant reserve	Ongoing	to be used for the purchase of major plant.
(c) Office building reserve	Ongoing	to be used for the construction of a new administration centre.
(d) Swimming pool reserve	Ongoing	to be used for the refurbishment of the swimming pool.
(e) Land development reserve	Ongoing	to be used to fund the development of a light industrial area.
(f) Building reserve	Ongoing	to be used for the future building needs of the Shire.
(g) Community bus reserve	Ongoing	to be used to restrict the excess monies from the Community Bus hire for maintenance.
(h) Computer equipment/software reserve	Ongoing	to be used for major upgrades of Council's computer system.
(i) Refuse site rehabilitation reserve	Ongoing	to be used for rehabilitation costs associated with the refuse site in the Shire.

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

**29. TRUST FUNDS**

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

	<u>1 July 2021</u>	<u>Amounts Received</u>	<u>Amounts Paid</u>	<u>30 June 2022</u>
	\$	\$	\$	\$
Nomination & Other Deposits	221	-	-	221