



Shire of Wickepin

Annual Report

2021-2022

08 9888 1005

77 Wogolin Road, Wickepin WA 6370

www.wickepin.wa.gov.au

Acknowledgement of country and diversity

The Shire of Wickepin acknowledges the traditional custodians of the district and pays respect to elders past and present.

The Shire of Wickepin also acknowledges the diversity of our residents and strives to present all communications to be inclusive and available to everyone.

If you need this document in another format, please call (08) 9888 1005.



About the Shire of Wickepin

The Shire of Wickepin is a statutory organisation responsible to the Minister for Local Government.

It operates under the provisions of the *Local Government Act 1995* (as amended) and Regulations.

The Shire of Wickepin covers an area of 1,989 square kilometres and comprises the town sites and localities of Wickepin, Yealering, Harrismith, Tincurrin and Toolibin.

The area contains rich agricultural lands which were opened for settlement in 1893.

The locality began as a watering point known as Yarlina and was used by early sandalwood cutters.

The district is a prosperous farming area with excellent wool and lamb production.

Cropping is performed on a large scale with wheat, oats, barley, lupins, and canola grown.

The district is also home to the Facey Group, a prominent grower group in Western Australia which is committed to improving the economic, social and environmental sustainability of broad acre farming through research, development and information in the region.

Wickepin is known for being the home of Albert Facey, an Australian Biographer, with his house moved to the centre of the town as a tourist attraction.

The area is supported by two (2) primary schools (Yealering and Wickepin), a medical centre, police station, church, community resource centre, bushfire brigades, ambulance services, sporting and community groups.

At 30 June 2022

Distance from Perth (km)	210
Area (sq. km)	1,989
Length sealed roads (km)	157
Length unsealed roads (km)	717
Population	728
Councillors	7
Electors	551
Dwellings	421
Employees	28
Rates levied (2021–2022)	\$1.5 million
Revenue	\$4.3 million

Council Members



J Russell
Shire President
Retiring 2023



W Astbury
Deputy Shire President
Retiring 2025



F Allan
Councillor
Retiring 2023



J Mearns
Councillor
Retiring 2023



L Corke
Councillor
Retiring 2025



P Thompson
Councillor
Retiring 2025



T Miller
Councillor
Retiring 2025



S Hyde
Councillor
Retired 2021



A Lansdell
Councillor
Retired 2021



N Astbury
Councillor
Retired 2021



Report from the Shire President

It gives me great pleasure to present my President's report on the Shire of Wickepin activities for the 2021-2022 financial year.

The Shire has made a significant investment in maintaining and improving Community Assets throughout the district.

State and Federal grant funds, and the Shire's own rate income, has allowed the Shire of Wickepin to invest in the infrastructure required for a sustainable community.

The Shire of Wickepin had a rural rate increase of 5% and a town rate increase of 5% for 2021-2022, however this percentage was variable across some properties due to an increase in valuation of the individual properties by the Valuer General, based on the sales history for the area for the previous 12 months.

Rates levied within the Shire allows Council to keep pace with the general Consumer Price Index expenses, whilst also allowing for necessary improvements and additions, along with sustaining a high level of services and infrastructure for our communities.

2021-2022 Major Achievements

- Four (4) new aged housing units in progress
- Started the Harrismith Ablution block
- Replaced stove at the Yealering Hall
- Upgraded the closed circuit television
- Upgraded the War Memorial
- New staff amenities at the Shire Depot
- Water harvesting dam

Roads, Plant and Infrastructure

The Shire has continued its significant contribution to the ongoing maintenance and upgrade of the road network during the 2021-2022 financial year and undertook a \$2.8 million road program during this year.

Council undertook the following works –

- Wickepin Harrismith Road - Cement stabilise two (2) sections
- Fence Road - Cement stabilise three (3) flood ways
- WSNF Fence Road - Overlay 100mm gravel and seal 14/7 mm
- Harrismith North Road - Gravel Re-sheet 100 mm
- Wickepin Corrigin Road - Reseal 7 mm
- Wickepin North Road - Reseal 7 mm
- Brown Road - Gravel sheeting
- Tincurrin North Road - Concrete wall
- Roberts Street - Asphalt intersections
- Gillimanning Road - Cut and fill - Stage One (1)

The Federal Government's Roads to Recovery Program continued in 2021-2022.

The objective of the Roads to Recovery program is to contribute to the Infrastructure Investment Program by supporting the maintenance of the nation's Local Road Infrastructure Asset, which facilitates greater transportation access for all road users and enables improved safety, economic and social outcomes.

Funding is distributed to:

- Australia's Local Councils,
- State and Territory Governments (who are responsible for local roads in the unincorporated areas where there are no councils), and
- The Indian Ocean Territories,

where each jurisdiction determines the expenditure of the funds to suit their own requirements.

Council is very conscious of the need to maintain the Shire's Road network to a high standard.

Manager of Works and Services for the period 2021-2022, Mr. Gary Rasmussen, along with the outside works staff team, are to be commended for their continued good work and full program achievements once again this year.

Financial Assistance Grants

The Shire of Wickepin acknowledges the importance of Federal funding through the Financial Assistance Grants program to assist in the continued delivery of services and infrastructure.

The Shire of Wickepin received \$2.1 million in 2021-2022 under the Financial Assistance Grants Scheme.

Administration Staff

On behalf of the Shire of Wickepin community I thank ex-Chief Executive Officer Mr Mark Hook, Deputy Chief Executive Officer Mrs Erika Clement, and the current administration staff team for their continued outstanding efforts over the 2021-2022 financial year.

Council strives to achieve the best outcomes for all of our communities and continues to endeavour to secure additional services, as well as ensuring the road network and infrastructure programs benefit all of the communities in the Shire of Wickepin.

I sincerely thank Deputy Shire President Cr Wes Astbury for his support and all fellow councillors for their contributions and personal support over the 2021-2022 financial year.

Cr Julie Russell
Shire President JP





Report from the Chief Executive Officer

The 2021-2022 financial year saw several events and highlights for the Shire.

Some of these included –

Bush Fire Control Officers (August 2021)

At the August 2021 Bush Fire Control Officers' meeting Mr. Stephen Rose advised he would be standing down as a Bush Fire Control Officer after over forty (40) years of service.

Mr. Roger Butler was appointed to the role of Chief Bush Fire Control Officer and Mr. Trevor Leeson as Deputy Chief Bush Fire Control Officer.

Local Government Elections (October 2021)

Returning councillor Mr. Wes Astbury and new councillors Mr. Peter Thompson, Mr. Lindsay Corke and Mr. Tyron Miller were officially sworn in at the October 2021 Ordinary Council Meeting by Mrs. Irene Moore JP.

Cr Julie Russell was re-elected as Shire President and Cr Wes Astbury re-elected as Deputy Shire President.

Narrogin East Bushfire (February 2022)

The Narrogin East Bushfire was first reported late morning on Sunday 6 February 2022.

The fire started near the intersection of the Narrogin – Wickepin Road and Armstrong Road, approximately twenty (20) kilometres east of Narrogin, with local volunteers and firefighting crews quick to respond and worked tirelessly to battle the rapidly moving fire under extreme weather conditions.

The Emergency Response Team evacuated the Wickepin townsite to Pingelly late on Sunday afternoon with response crews saving the townsite from any significant damage.

The fire was declared under control and contained on Thursday 10 February 2022 and burnt approximately 18,000 hectares.

HMAS Sydney II - Lost and Found (March 2022)

Theatre 180 returned to Wickepin to commence the regional tour of HMAS Sydney II – Lost and Found.

When HMAS Sydney II was sunk by the German Raider HSK Kormoran in November 1941 off the coast of Western Australia in November 1941, it took with her the entire crew of 645 men, along with the hopes and dreams of a nation as the war arrived on Australia's doorstep.

Among the Sydney's crew was a young Western Australian, Able Seaman Allan Rowe.

Recently wed, Allan had only just learned he was to be a father and, for 66 years, Allan's wife, Jessie, and their daughter, Ellen, hoped one day the wreck would be located.

In 2008, due to the persistence of the volunteer directors of the Finding Sydney Foundation, the wreck was located, with the story retold by actors combined with an engaging cinematic background production.

Wickepin Astro Weekender (April 2022)

The Wickepin Astro Weekender commenced with an Astro Photography session started in the Yealering Hall on Friday 1 April 2022 with a presentation of the basic camera settings to capture the night sky.

This was then followed by a stargazing night at Wickepin Oval on the Saturday night with several telescopes set-up on the town oval.

Presenters on both nights provided details of the night sky with attendees able to interact with questions and comments.

2021-2022 Community Grants

Each year the Shire of Wickepin provides funds to community and sporting organisations with the objective of the funding being to –

- establish or improve playing areas or buildings necessary for the conduct of sport or for community use,
- support for major sporting and community events,
- support for sporting or coaching clinics,
- assist community groups in establishing a service, or
- activity seen as a need for the betterment of, and improvement to, the enjoyment of life within the community.

Groups supported in 2021-2022 included –

- Wickepin District Sports Club
- Wickepin Bowls Club
- Wickepin Playgroup
- Wickepin Arts and Crafts
- Wickepin History Group

Chief Executive Officer Resignation

The Chief Executive Officer, Mr. Mark Hook, resigned after ten (10) years of service to the Shire and community.

Mark finished with the Shire of Wickepin in July 2022.

Nathan Cain

Chief Executive Officer

2021-2022 Strategic Community Plan activities

The Shire's Strategic Community Plan 2018-2028 outlines the community's priorities and visions for the future of the Shire of Wickepin, and sets out the key short-term and medium-term strategies required to implement and achieve these aspirations.

The Strategic Community Plan helps shape the services the Shire will deliver over the next ten (10) years to support the community.

The Strategic Community Plan was developed using feedback received by the community, staff and councillors of the Shire of Wickepin.

It has a key place in the Shire's delivery and management of services and infrastructure, and it is important to our community because it -

- Provides short-term and medium-term strategies with a long-term vision in mind
- Includes core drivers to use as a decision making criteria in the future – developed by council
- Identifies our strengths, the risks and opportunities for council
- Identifies who the plan is for (community – electors, ratepayers, permanent residents and temporary visitors) and who the Shire needs to work with to achieve its goals
- Provides points of measurement which can be linked to council and staff key performance indicators

The Shire of Wickepin has completed the following in line with the Shire's Strategic Community Plan 2018-2028 for the 2021-2022 financial year –

Infrastructure

Goal 1 – Roads are a key economic driver across the Shire

- Wickepin Harrismith Road - Cement stabilise two (2) sections
- Fence Road - Cement stabilise three (3) flood ways
- WSNF Fence Road - Overlay 100mm gravel and seal 14/7 mm
- Harrismith North Road - Gravel Re-sheet 100 mm
- Wickepin Corrigin Road - Reseal 7 mm
- Wickepin North Road - Reseal 7 mm
- Brown Road - Gravel sheeting
- Tincurrin North Road - Concrete wall
- Roberts Street - Asphalt intersections
- Gillimanning Road - Cut and fill - Stage One (1)

Goal 2 – Improve the amenities and aesthetics along our towns' main streets

- Construction of Wogolin Road Playground
- Upgrade of the Wickepin War Memorial
- Wickepin Skate Park concept plan development
- Install retaining wall at the Yealering croquet club

Goal 3 – Caravan Parks are of a high standard

- Wickepin Caravan Park Concept plan development

Goal 4 – Maintain Shire facilities in a strategic manner to meet community needs

- Carry out annual building and maintenance inspections, including pest control
- New staff amenities room at the Shire of Wickepin depot

Economy

Goal 5 – An agricultural hub that innovates and leverages opportunities

- Improvements to the Water harvesting dam
- Continued operation of the Drum Muster program

Goal 6 – New businesses are attracted and existing businesses grow

- Nil

Goal 7 – Reliable access to telecommunication services for residents and visitors

- Internet provider installations on the Shire of Wickepin Administration Building and Community Resource Centre
- Successfully lobbied for upgrades to mobile phone facilities

Goal 8 – Tourism opportunities create value to our communities

- Nil

Community

Goal 9 - Communities are engaged, have a healthy lifestyle and are safe

- Upgrade to townsite CCTV
- Fruit Fly baiting and annual mosquito fogging program
- Sponsorship towards Community Sporting Groups

Governance

Goal 10 – Our organisation is well positioned and has capacity for the future

- Identify and encourage Councillor training needs
- Educate and encourage Councillors to attend governance training
- Adoption of the Disability Access and Inclusion Plan 2022-2027

Goal 11 – Proactive about collaboration and forward planning future success

- Council has reviewed the following Integrated Planning documents –
 - Long Term Financial Plan
 - Asset Management Plan
 - Workforce Plan
 - Corporate Business Plan
 - Strategic Community Plan

Goal 12 – Communities are informed via multiple channels at regular intervals

- Shire social media platforms (Facebook, Instagram)
- Continue developing the Shire of Wickepin webpage
- Newsletter in the fortnightly Watershed

2022-2023 Strategic Community Plan activities

The following activities are proposed for 2022-2023 -

Infrastructure

Goal 1 – Roads are a key economic driver across the Shire

- Wickepin Pingelly Road - Culvert replacement, re-seal road 1.2 km
- Rabbit Proof Fence Road - Full construction 5.0 km
- Stock Route Road - Road widening 3.0 km
- Yarling Brook Road - Gravel re-sheeting 5.0 km
- Yarling Brook Bridge - Remove old bridge and replace with culverts
- Yealering Pingelly Road - Culvert upgrade
- Malyalling Road - Gravel re-sheeting 3.0 km

Goal 2 – Improve the amenities and aesthetics along our towns' main streets

- Wickepin Skate park upgrade

Goal 3 – Caravan Parks are of a high standard

- Nil

Goal 4 – Maintain Shire facilities in a strategic manner to meet community needs

- Re-roof the Wickepin Playgroup building

Economy

Goal 5 – An agricultural hub that innovates and leverages opportunities

- Continued operation of the Drum Muster program

Goal 6 – New businesses are attracted and existing businesses grow

- Nil

Goal 7 – Reliable access to telecommunication services for residents and visitors

- Nil

Goal 8 – Tourism opportunities create value to our communities

- Upgrade to the Wickepin sale yards (Loading Ramps and Walkways)
- Develop and improve the foreshore amenities at Lake Yealering
- Upgrade the Harrismith ablution block
- Upgrade the Wickepin Heritage trail footpaths

Community

Goal 9 – Communities are engaged, have a healthy lifestyle and are safe

- Upgrade to townsite CCTV
- Fruit Fly baiting and annual mosquito fogging program
- Sponsorship towards Community Sporting Groups

Governance

Goal 10 – Our organisation is well positioned and has capacity for the future

- Identify and encourage Councillor training needs
- Educate and encourage Councillors to attend governance training

Goal 11 – Proactive about collaboration and forward planning future success

- Community surveying
- Major review of Integrated Planning documentation

Goal 12 – Communities are informed via multiple channels at regular intervals

- Shire social media platforms (Facebook, Instagram)
- Continue developing the Shire of Wickepin webpage
- Newsletter in the fortnightly Watershed

Statutory Reporting Requirements

Payments Made to Employees

Local governments are required to include in their annual report the number of employees of the local government entitled to an annual salary of \$130,000 or more, and the number of employees with an annual salary entitlement which falls within each band of \$10,000 over \$130,000.

For the year 2021-2022 the Shire of Wickepin had zero (0) employees with a salary exceeding \$130,000.

There were zero (0) payments made to any employees by the Shire of Wickepin under Section 5.1 clause 9 during the 2021-2022 financial year.

Chief Executive Officer Remuneration

The total remuneration for the Chief Executive Officer in 2021-2022 was \$200,437 (remuneration is defined as salary, allowances, fees, enrolments and benefits - whether in money or not).

Register of Complaints

Section 5.121 of the *Local Government Act 1995* requires the complaints officer of the local government to maintain a register of complaints which records all complaints which result in an action under Section 5.110 (6) (b) or (c) of the *Local Government Act 1995*.

For the purposes of Section 5.53(2) (hb) of the *Local Government Act 1995* it is advised the Shire of Wickepin received zero (0) complaints during the 2021-2022 financial year.

Freedom of Information

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 for applying for information under the Act, as well as information the Shire provides outside the Act.

This document is available from the Shire's administration office or the website.

The Act requires all applications are responded to within 45 days.

During 2021-2022 the Shire received zero (0) Freedom of Information applications, and zero (0) referrals for third party consultation.

Public Interest Disclosures

The Shire of Wickepin is committed to the aims and objectives of the *Public Interest Disclosure Act 2003*.

It recognises the value and importance of contributions of staff to enhance administrative and management practices and strongly supports disclosures being made by staff regarding corrupt or other improper conduct.

The Shire of Wickepin takes all reasonable steps to provide protection to staff who make such disclosures from any detrimental action in reprisal for the making of a disclosure.

The Shire of Wickepin does not tolerate any of its officers, employees or contractors engaging in acts of victimisation or reprisal against those who make public interest disclosures.

The Shire of Wickepin is required, under the *Public Interest Disclosure Act 2003* to report on the extent to which the Chief Executive Officer has complied with the obligations of the Act.

No Public Interest Disclosures were received by the Shire of Wickepin during 2021-2022.

Competitive Neutrality

Shire officers have reviewed all areas of operations to determine the existence, or otherwise, of significant business activities.

A significant business activity is defined as an activity with an income in excess of \$200,000 per annum, which is not a regulatory service (community service obligation) and which is not already contracted out.

Accordingly, it has been determined the Shire has no significant business activity for the purposes of competitive neutrality as it relates to the National Competition Policy Clause 7 Statement.

Strategic Community Plan

There were no significant modifications made to the Strategic Community Plan during the 2021-2022 financial year.

Corporate Business Plan

There were no significant modifications made to the Corporate Business Plan during the 2021-2022 financial year.

Disability Access Inclusion Plan

The *Disability Services Act 1993* requires local governments to report annually on their Disability Service Plan achievements.

The achievements for the year ended 30 June 2022 are listed below –

Outcome 1: People with disabilities have the same opportunities as other people to access the services of, and any events organised by the Shire of Wickepin.

Council is responsive to the needs of the community to ensure equality is maintained with respect to access to council services and events.

Outcome 2: People with disabilities have the same opportunities as other people to access the buildings and other facilities by the Shire of Wickepin.

Any new public council buildings meet required minimum standards with respect to access. Council will be working with local businesses with a view to encouraging improved access as necessary.

Outcome 3: People with disabilities receive information from a public authority in a format which will enable them to access the information, as readily as other

people are able to access it.

Information about the functions, facilities and services provided by the Shire is prepared using clear and concise language. If necessary, this information can be made in alternative formats i.e. large print, verbal etc. on request. During the year no such requests were received.

Outcome 4: People with disabilities receive the same level and quality of services from the staff of the Shire of Wickepin as other people receive from the staff of the Shire.

Outcome 5: People with disabilities have the same opportunities as other people to make complaints to the Shire of Wickepin.

Council and staff treat any complaints received equally and without bias. No official complaints were received during the year.

Outcome 6: People with disabilities have the same opportunities as other people to participate in any public consultation by the Shire of Wickepin.

Venues which are utilised for community participation in Council processes are selected with the objective of ensuring access for all members of the community.

Records Management

The Shire of Wickepin uses a hybrid hard copy and electronic records management system.

All records created and received in the course of business are captured and stored according to the Shire's Record Keeping Plan.

As required under the *State Records Act 2000* the Shire of Wickepin Record Keeping Plan has been revised, submitted to, and approved by the State Records Office in December 2016.

All records are disposed of in accordance with the General Disposal Authority for Local Government Records.

The Disposal Authority defines the minimum periods of time different classes of records must be kept

(retention periods) and provides guidelines for destruction of records after they have met the retention requirements of the schedule.

The Administration Officer annually recommends disposal of records in accordance with the State Records Act 2000 guidelines.

Standard 2, Principle 6 requires council to ensure employees comply with the Record Keeping Plan.

The following activities have been undertaken to ensure staff awareness and compliance –

- New employees who commence with the Shire of Wickepin complete basic records registration in-house training as part of their induction.
- Staff information sessions were held as required.

Council Member Attendance

Council Member	Ordinary Council Meetings	Special Council Meetings	Council Committee Meetings
J Russell	11 / 11	2 / 2	3 / 4
W Astbury	10 / 11	2 / 2	3 / 4
F Allan	11 / 11	2 / 2	10 / 12
J Mearns	10 / 11	2 / 2	4 / 5
L Corke	6 / 8	2 / 2	-
P Thompson	7 / 8	2 / 2	-
T Miller	8 / 8	2 / 2	-
S Hyde	2 / 3	-	-
N Astbury	2 / 3	-	-
A Lansdell	3 / 6	-	-



Financial Report and Auditor's Statement

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

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

A collaborative Council, dedicated to maintaining and developing our community assets for the benefit of our residents whilst supporting a strong community, vibrant economy, successful businesses and sound environment.

Principal place of business:
77 Wogolin Road, Wickepin, WA, 6370

**SHIRE OF WICKEPIN
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 Wickepin 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 Wickepin at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 18th day of April 2023



Chief Executive Officer

Mr Nathan Cain

Name of Chief Executive Officer

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

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Revenue				
Rates	23(a),2(a)	1,407,108	1,398,297	1,363,292
Operating grants, subsidies and contributions	2(a)	2,315,516	1,019,799	3,126,939
Fees and charges	22(c),2(a)	493,085	412,931	751,249
Interest earnings	2(a)	13,692	17,300	17,312
Other revenue	2(a)	20,843	0	2,048
		4,250,244	2,848,327	5,260,840
Expenses				
Employee costs		(1,283,308)	(1,236,634)	(1,217,401)
Materials and contracts		(970,726)	(1,198,778)	(2,274,309)
Utility charges		(217,203)	(187,750)	(196,785)
Depreciation	8(a)	(4,776,663)	(4,727,594)	(4,729,345)
Finance costs	2(b)	(5,537)	(4,032)	(2,621)
Insurance		(213,531)	(214,969)	(148,523)
Other expenditure	2(b)	(45,724)	(19,000)	(24,267)
		(7,512,692)	(7,588,757)	(8,593,251)
		(3,262,448)	(4,740,430)	(3,332,411)
Non-operating grants, subsidies and contributions	2(a)	2,095,440	2,961,337	1,530,020
Profit on asset disposals	8(b)	72,178	100,545	22,523
Loss on asset disposals	8(b)	(7,490)	(20,988)	(4,848)
Fair value adjustments to financial assets at fair value through profit or loss		0	0	1,939
		2,160,128	3,040,894	1,549,634
Net result for the period	22(b)	(1,102,320)	(1,699,536)	(1,782,777)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	1,760,043	0	0
Total other comprehensive income for the period	13	1,760,043	0	0
Total comprehensive income for the period		657,723	(1,699,536)	(1,782,777)

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



SHIRE OF WICKEPIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	5,928,684	5,530,692
Trade and other receivables	5	211,246	160,069
Other financial assets	4(a)	7,124	6,847
TOTAL CURRENT ASSETS		6,147,054	5,697,608
NON-CURRENT ASSETS			
Other financial assets	4(b)	58,353	62,480
Property, plant and equipment	6	19,394,181	17,274,115
Infrastructure	7	94,001,764	95,545,773
TOTAL NON-CURRENT ASSETS		113,454,298	112,882,368
TOTAL ASSETS		119,601,352	118,579,976
CURRENT LIABILITIES			
Trade and other payables	9	314,990	281,137
Other liabilities	10	1,195,963	853,441
Borrowings	11	46,784	46,139
Employee related provisions	12	263,757	227,654
TOTAL CURRENT LIABILITIES		1,821,494	1,408,371
NON-CURRENT LIABILITIES			
Borrowings	11	309,540	356,324
Employee related provisions	12	11,468	14,154
TOTAL NON-CURRENT LIABILITIES		321,008	370,478
TOTAL LIABILITIES		2,142,502	1,778,849
NET ASSETS		117,458,849	116,801,127
EQUITY			
Retained surplus		2,952,769	4,266,145
Reserve accounts	26	3,035,461	2,824,406
Revaluation surplus	13	111,470,619	109,710,576
TOTAL EQUITY		117,458,849	116,801,127

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



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

	NOTE	RETAINED SURPLUS	RESERVE ACCOUNTS	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2020		6,624,435	2,248,893	109,710,576	118,583,904
Comprehensive income for the period					
Net result for the period		(1,782,777)	0	0	(1,782,777)
Total comprehensive income for the period		(1,782,777)	0	0	(1,782,777)
Transfers to reserves	26	(575,513)	575,513	0	0
Balance as at 30 June 2021		4,266,145	2,824,406	109,710,576	116,801,127
Comprehensive income for the period					
Net result for the period		(1,102,320)	0	0	(1,102,320)
Other comprehensive income for the period	13	0	0	1,760,043	1,760,043
Total comprehensive income for the period		(1,102,320)	0	1,760,043	657,723
Transfers from reserves	26	264,236	(264,236)	0	0
Transfers to reserves	26	(475,291)	475,291	0	0
Balance as at 30 June 2022		2,952,770	3,035,461	111,470,619	117,458,850

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



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

NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	1,411,966	1,398,297	1,371,054
Operating grants, subsidies and contributions	2,555,815	1,019,799	3,524,025
Fees and charges	493,085	412,931	751,249
Interest received	13,692	17,300	17,312
Goods and services tax received	41,640		22,417
Other revenue	20,843		2,048
	4,537,041	2,848,327	5,688,105
Payments			
Employee costs	(1,234,680)	(1,236,635)	(1,296,865)
Materials and contracts	(947,534)	(1,198,778)	(2,348,893)
Utility charges	(217,203)	(187,750)	(196,785)
Finance costs	(5,537)	(4,032)	(2,621)
Insurance paid	(213,531)	(214,969)	(148,523)
Other expenditure	(45,724)	(19,000)	(24,267)
	(2,664,209)	(2,861,164)	(4,017,954)
Net cash provided by (used in) operating activities	14(b) 1,872,832	(12,837)	1,670,151
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	6(a) (1,394,285)	(2,056,025)	(1,297,754)
Payments for construction of infrastructure	7(a) (2,512,506)	(2,554,019)	(1,684,817)
Non-operating grants, subsidies and contributions	2,095,440	2,107,896	1,530,020
Proceeds from financial assets at amortised cost - self supporting loans	6,848	6,847	6,582
Proceeds from financial assets at fair values through profit and loss	(2,998)		
Proceeds from sale of property, plant & equipment	8(b) 378,800	378,000	189,514
Net cash provided by (used in) investing activities	(1,428,701)	(2,117,301)	(1,256,455)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	25(a) (46,139)	(46,416)	(26,091)
Proceeds from new borrowings	25(a) 0	0	408,000
Net cash provided by (used in) financing activities	(46,139)	(46,416)	381,909
Net increase (decrease) in cash held	397,992	(2,176,554)	795,607
Cash at beginning of year	5,530,692	5,497,460	4,735,086
Cash and cash equivalents at the end of the year	14(a) 5,928,684	3,320,906	5,530,693

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	24(b)	1,603,232	1,601,290	1,654,409
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	23(b)	13,056	13,055	17,190
Operating grants, subsidies and contributions		2,315,516	1,019,799	3,126,939
Fees and charges		493,085	412,931	751,249
Interest earnings		13,692	17,300	17,312
Other revenue		20,843	0	2,048
Profit on asset disposals	8(b)	72,178	100,545	22,523
Fair value adjustments to financial assets at fair value through profit or loss		0	0	1,939
		2,928,370	1,563,630	3,939,200
Expenditure from operating activities				
Employee costs		(1,283,308)	(1,236,634)	(1,217,401)
Materials and contracts		(970,726)	(1,198,778)	(2,274,309)
Utility charges		(217,203)	(187,750)	(196,785)
Depreciation		(4,776,663)	(4,727,594)	(4,729,345)
Finance costs		(5,537)	(4,032)	(2,621)
Insurance		(213,531)	(214,969)	(148,523)
Other expenditure		(45,724)	(19,000)	(24,267)
Loss on asset disposals	8(b)	(7,490)	(20,988)	(4,848)
		(7,520,182)	(7,609,745)	(8,598,099)
Non-cash amounts excluded from operating activities	24(a)	4,706,566	4,648,319	4,711,676
Amount attributable to operating activities		114,754	(1,397,796)	1,707,186
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		2,095,440	2,961,337	1,530,020
Proceeds from disposal of assets	8(b)	378,800	378,000	189,514
Proceeds from financial assets at amortised cost - self supporting loans	25(a)	6,848	7,124	6,582
Purchase of property, plant and equipment	6(a)	(1,394,285)	(2,056,025)	(1,297,754)
Purchase and construction of infrastructure	7(a)	(2,512,506)	(2,554,019)	(1,684,817)
		(1,425,703)	(1,263,583)	(1,256,455)
Amount attributable to investing activities		(1,425,703)	(1,263,583)	(1,256,455)
FINANCING ACTIVITIES				
Repayment of borrowings	25(a)	(46,139)	(46,416)	(26,091)
Proceeds from borrowings	25(a)	0	0	408,000
Transfers to reserves (restricted assets)	26	(475,291)	(561,000)	(575,513)
Transfers from reserves (restricted assets)	26	264,236	283,000	0
Amount attributable to financing activities		(257,194)	(324,416)	(193,604)
Surplus/(deficit) before imposition of general rates		35,089	(1,384,505)	257,127
Total amount raised from general rates	23(a)	1,394,052	1,385,242	1,346,102
Surplus/(deficit) after imposition of general rates	24(b)	1,429,141	737	1,603,229

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

**SHIRE OF WICKEPIN
FOR THE YEAR ENDED 30 JUNE 2022
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SHIRE OF WICKEPIN
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 25 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 affect 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 uncertainties made in relation to lease accounting
- estimation of useful lives of non-current assets
- estimation of fair values of land and buildings and infrastructure

SHIRE OF WICKEPIN
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
Operating Grants, subsidies, and contributions with customers	Community events, minor facilities	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees & Charges - licenses, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payments of the license , registration or approval.
Other revenue	Contracted private works	Single point in time	Monthly in arrears	None	Output method based on works done.

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	0	0	1,407,108	0	1,407,108
Operating grants, subsidies and contributions	0	0	0	2,315,516	2,315,516
Fees and charges	0	0	0	493,085	493,085
Interest earnings	0	0	3,880	10,082	13,962
Other revenue	0	0	0	20,843	20,843
Non-operating grants, subsidies and contributions	0	0	0	2,095,440	2,095,440
Total	0	0	1,410,988	4,934,966	6,345,954

For the year ended 30 June 2021

Nature or type	Contracts with customers \$	Capital grant/contributions \$	Statutory Requirements \$	Other \$	Total \$
Rates	0	0	1,346,102	0	1,346,102
Operating grants, subsidies and contributions	0	0	0	3,126,939	3,126,939
Fees and charges	0	0	0	751,249	751,249
Interest earnings	0	0	4,300	0	4,300
Other revenue	0	0	0	2,048	2,048
Non-operating grants, subsidies and contributions	0	0	0	1,530,020	1,530,020
Total	0	0	1,350,402	5,410,256	6,760,658

Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings			
Financial assets at amortised cost - self supporting loans	491	491	475
Interest on reserve funds	8,293	6,450	8,015
Rates instalment and penalty interest (refer Note 23(d))	3,880	4,200	4,300
Other interest earnings	1,028	6,159	4,522
	13,692	17,300	17,312
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report	17,000	17,000	17,000
- Other services	3,500	5,000	1,200
	20,500	22,000	18,200
Finance costs			
Borrowings	25(a) 5,537	4,032	2,621
	5,537	4,032	2,621
Other expenditure			
Sundry expenses	45,724	19,000	24,267
	45,724	19,000	24,267

SHIRE OF WICKEPIN
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

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

Note	2022	2021
	\$	\$
	5,928,684	5,530,692
14(a)	5,928,684	5,530,692
	2,893,223	2,706,286
14(a)	3,035,461	2,824,406
	5,928,684	5,530,692

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 14.

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
	\$	\$
	7,124	6,847
	7,124	6,847
24(b)	7,124	6,847
	7,124	6,847
	7,124	6,847
	0	7,125
	58,353	55,355
	58,353	62,480
	0	7,125
	0	7,125
	58,353	55,355
	58,353	55,355

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 21 (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 19.

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

5. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
Trade and other receivables
GST receivable

Note	2022	2021
	\$	\$
	33,571	42,979
	131,511	29,288
	46,164	87,802
	211,246	160,069

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 19.

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

6. 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	Capital works in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	1,279,000	2,056,520	10,780,065	14,115,585	81,742	2,686,119	0	16,883,446
Additions	0	139,742	733,645	873,387	0	424,367		1,297,754
Disposals	0	0	0	0	0	(171,839)	0	(171,839)
Depreciation	0	(43,804)	(229,970)	(273,774)	(20,256)	(441,216)		(735,246)
Balance at 30 June 2021	1,279,000	2,152,458	11,283,740	14,715,198	61,486	2,497,431	0	17,274,115
Comprises:								
Gross balance amount at 30 June 2021	1,279,000	2,322,784	12,194,615	15,796,399	134,329	4,111,710	0	20,042,438
Accumulated depreciation at 30 June 2021	0	(170,326)	(910,875)	(1,081,201)	(72,843)	(1,614,279)	0	(2,768,323)
Balance at 30 June 2021	1,279,000	2,152,458	11,283,740	14,715,198	61,486	2,497,431	0	17,274,115
Additions	0	394,430	121,288	515,718	22,700	855,867		1,394,285
Disposals	(33,000)	0	0	(33,000)	0	(281,112)	0	(314,112)
Revaluation increments / (decrements) transferred to revaluation surplus	127,000	(144,424)	1,777,467	1,760,043	0	0		1,760,043
Depreciation	0	(42,016)	(233,468)	(275,484)	(14,043)	(430,623)		(720,150)
Transfers	0	0	(762,821)	(762,821)	0	0	762,821	0
Balance at 30 June 2022	1,373,000	2,360,448	12,186,206	15,919,654	70,143	2,641,563	762,821	19,394,181
Comprises:								
Gross balance amount at 30 June 2022	1,373,000	2,361,734	12,190,106	15,924,840	157,029	4,384,287	762,821	21,228,977
Accumulated depreciation at 30 June 2022	0	(1,286)	(3,900)	(5,186)	(86,886)	(1,742,724)	0	(1,834,796)
Balance at 30 June 2022	1,373,000	2,360,448	12,186,206	15,919,654	70,143	2,641,563	762,821	19,394,181

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	Level 2	Market Approach using recent observable market data similar properties	Independent	June 2022	Price per hectare
Buildings - non-specialised	Level 2	Market Approach using recent observable data similar properties	Independent	June 2022	Improvements to buildings using construction costs and current condition (Level 2), residual values and remaining uselife assessments (Level 3) inputs.
Buildings - specialised	Level 3	Improvements to buildings valued using the cost approach using depreciated replacement costs	Independent	June 2022	Improvements to buildings using construction costs and current condition (Level 2), residual values and remaining uselife 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.

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

7. 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 Sewerage	Other infrastructure Footpaths/Drainage	Other infrastructure Ovals, Parks & Gardens	Other infrastructure Bridges	Total Infrastructure
		\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		89,642,171	765,325	912,856	4,706,862	1,827,840	97,855,054
Additions		1,241,777		14,054	428,986		1,684,817
Depreciation	8(a)	(3,666,370)	(7,809)	(18,005)	(263,834)	(38,080)	(3,994,098)
Balance at 30 June 2021		87,217,578	757,516	908,905	4,872,014	1,789,760	95,545,773
Comprises:							
Gross balance at 30 June 2021		98,216,689	780,912	961,970	5,659,762	1,904,000	107,523,333
Accumulated depreciation at 30 June 2021		(10,999,111)	(23,396)	(53,065)	(787,748)	(114,240)	(11,977,560)
Balance at 30 June 2021		87,217,578	757,516	908,905	4,872,014	1,789,760	95,545,773
Additions		1,926,063	7,388	15,000	564,055	0	2,512,506
Depreciation	8(a)	(3,666,370)	(7,815)	(18,286)	(325,964)	(38,080)	(4,056,515)
Balance at 30 June 2022		85,477,271	757,089	905,619	5,110,105	1,751,680	94,001,764
Comprises:							
Gross balance at 30 June 2022		100,142,752	788,300	976,970	6,228,051	1,904,000	110,040,073
Accumulated depreciation at 30 June 2022		(14,665,482)	(31,211)	(71,351)	(1,117,945)	(152,320)	(16,038,309)
Balance at 30 June 2022		85,477,270	757,089	905,619	5,110,106	1,751,680	94,001,764

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

7. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	Level 3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition and remaining useful life assessments (Level 3). Based on Valuation report from Talis
Other infrastructure Sewerage	Level 3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition and remaining useful life assessments (Level 3). Based on Valuation report from Talis
Other infrastructure Footpaths/Drainage	Level 3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition and remaining useful life assessments (Level 3). Based on Valuation report from Talis
Other infrastructure Ovals, Parks & Gardens	Level 3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition and remaining useful life assessments (Level 3). Based on Valuation report from Griffin
Other infrastructure Bridges	Level 3	Cost approach using depreciated replacement cost	Independent	June 2018	Construction costs and current condition and remaining useful life assessments (Level 3). Based on Valuation report from Griffin

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

8. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	6(a)	42,016	43,000	43,804
Buildings - specialised	6(a)	233,468	230,000	229,970
Furniture and equipment	6(a)	14,043	21,000	20,256
Plant and equipment	6(a)	430,623	441,000	441,216
Infrastructure - roads	7(a)	3,666,370	3,665,594	3,666,370
Other infrastructure Sewerage	7(a)	7,815	8,000	7,809
Other infrastructure Footpaths/Drainage	7(a)	18,286	18,000	18,005
Other infrastructure Ovals, Parks & Gardens	7(a)	325,962	263,000	263,834
Other infrastructure Bridges	7(a)	38,080	38,000	38,080
		4,776,663	4,727,594	4,729,344

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
Seal	
- bituminous seals	20 years
Gravel roads	
formation	not depreciated
pavement	50 years
gravel sheet	20 years
Formed Roads	
-formation	not depreciated
-pavement	50 years
Footpaths	50 years
Bridges	50 years
Water supply piping and drainage systems	100 years
Infrastructure - Parks & Ovals	30 to 50 years

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

8. FIXED ASSETS (Continued)

(b) 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	33,000	28,426		(4,574)								
Plant and equipment	281,112	350,374	72,178	(2,916)	298,442	378,000	100,545	(20,987)	171,839	189,514	22,523	(4,848)
	314,112	378,800	72,178	(7,490)	298,442	378,000	100,545	(20,987)	171,839	189,514	22,523	(4,848)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Governance				
POAL CEO Vehicle 1	38,812	41,956	3,144	0
POAM CEO Vehicle 2	46,267	46,986	719	0
General purpose funding				
Land Sales	33,000	28,426	0	(4,574)
Transport				
2013 Komatsu GD 5555 Grader	38,365	85,000	46,635	0
2015 Duro Hino Tip Truck	26,000	31,818	5,818	0
2013 Dynapac CA2500 Vibe' Rol	45,313	60,000	14,687	0
2021 Isuzu D Max 4X4 Dual Cab	51,514	48,598	0	(2,916)
2020 Mitsubishi Triton 4X4 Dual C	34,841	36,016	1,175	0
	314,112	378,800	72,178	(7,490)

8. 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 and infrastructure 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 and infrastructure 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 the following way:

- (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.

SHIRE OF WICKEPIN
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9. TRADE AND OTHER PAYABLES

Current

Sundry creditors	636	1,522
Prepaid rates	16,322	20,872
Accrued payroll liabilities	32,325	31,294
ATO liabilities	40,061	25,881
Bonds and deposits held	225,258	201,180
Accrued Interest	388	388
	314,990	281,137

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

10. 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	1,195,963	853,441
	<u>1,195,963</u>	<u>853,441</u>
Opening balance	853,441	0
Additions	1,195,963	853,441
Revenue from contracts with customers included as a contract liability at the start of the period	(853,441)	0
	<u>1,195,963</u>	<u>853,441</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 21(i)) due to the unobservable inputs, including own credit risk.

**SHIRE OF WICKEPIN
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11. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		46,784	309,540	356,324	46,139	356,324	402,463
Total secured borrowings	25(a)	46,784	309,540	356,324	46,139	356,324	402,463

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 Wickepin.

The Shire of Wickepin 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 21(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 19.

Details of individual borrowings required by regulations are provided at Note 25(a).

SHIRE OF WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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12. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave

Long Service Leave

Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
Annual Leave	137,009	131,724
Long Service Leave	126,748	95,930
	263,757	227,654
Long Service Leave	11,468	14,154
	11,468	14,154
	275,225	241,808

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
	\$	\$
Less than 12 months after the reporting date	263,757	222,683
More than 12 months from reporting date	11,468	19,125
	275,225	241,808

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

13. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation Increment	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	938,591	127,000	0	127,000	1,065,591	938,591	0	938,591
Revaluation surplus - Buildings - non-specialised	765,898	0	(144,424)	(144,424)	621,474	765,898	0	765,898
Revaluation surplus - Buildings - specialised	12,601,350	1,777,467	0	1,777,467	14,378,817	12,601,350	0	12,601,350
Revaluation surplus - Furniture and equipment	45,766	0	0	0	45,766	45,766	0	45,766
Revaluation surplus - Plant and equipment	591,386	0	0	0	591,386	591,386	0	591,386
Revaluation surplus - Infrastructure - roads	90,802,972	0	0	0	90,802,972	90,802,972	0	90,802,972
Revaluation surplus - Other infrastructure Sewerage	435,213	0	0	0	435,213	435,213	0	435,213
Revaluation surplus - Other infrastructure Footpaths/Drainage	471,686	0	0	0	471,686	471,686	0	471,686
Revaluation surplus - Other infrastructure Ovals, Parks & Gardens	1,153,715	0	0	0	1,153,715	1,153,715	0	1,153,715
Revaluation surplus - Other infrastructure Bridges	1,904,000	0	0	0	1,904,000	1,904,000	0	1,904,000
	109,710,577	1,904,467	(144,424)	1,760,043	111,470,620	109,710,577	0	109,710,577

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 WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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14. 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	5,928,684	3,320,906	5,530,692

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	3,035,461	3,102,406	2,824,406
		<u>3,035,461</u>	<u>3,102,406</u>	<u>2,824,406</u>

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

Restricted reserve accounts	26	3,035,461	3,102,406	2,824,406
Total restricted financial assets		<u>3,035,461</u>	<u>3,102,406</u>	<u>2,824,406</u>

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

Net result		(1,102,320)	(1,699,536)	(1,782,777)
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		0	0	(1,939)
Depreciation/amortisation		4,776,663	4,727,594	4,729,344
(Profit)/loss on sale of asset		(64,688)	(79,558)	(17,675)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(51,175)		2,545
Increase/(decrease) in trade and other payables		33,853		(179,299)
Increase/(decrease) in employee related provisions		33,417		25,307
Increase/(decrease) in other liabilities		342,522		424,664
Non-operating grants, subsidies and contributions		(2,095,440)	(2,961,337)	(1,530,020)
Net cash provided by/(used in) operating activities		<u>1,872,832</u>	<u>(12,837)</u>	<u>1,670,150</u>

**(c) Undrawn Borrowing Facilities
Credit Standby Arrangements**

Bank overdraft limit				
Bank overdraft at balance date				
Credit card limit		5,000		5,000
Credit card balance at balance date				
Total amount of credit unused		<u>5,000</u>		<u>5,000</u>

Loan facilities

Loan facilities - current		46,784		46,139
Loan facilities - non-current		309,540		356,324
Total facilities in use at balance date		<u>356,324</u>		<u>402,463</u>

SHIRE OF WICKEPIN
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15. CONTINGENT LIABILITIES

The Shire has no contingent Liabilities (2021 - Nil)

16. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	1,195,963	853,441
- plant & equipment purchases		44,993
	1,195,963	898,434
Payable:		
- not later than one year	1,195,963	898,434

Capital Expenditure projects outstanding at the end of the current reporting period are the Independent Living Units on Johnston St.

SHIRE OF WICKEPIN
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17. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cr J.Russell (President)			
President's annual allowance	4,500	4,500	4,500
Meeting attendance fees	2,730	2,000	2,000
Annual allowance for ICT expenses	526	526	526
	7,756	7,026	7,026
Cr W.Astbury (Deputy president)			
Deputy President's annual allowance	1,000	1,000	1,000
Meeting attendance fees	1,755	2,000	1,250
Annual allowance for ICT expenses	526	526	526
Travel and accommodation expenses	1,354	0	1,241
	4,635	3,526	4,017
Cr A.Lansdell (Retired)			
Meeting attendance fees	585	2,000	1,600
Annual allowance for ICT expenses	263	0	526
	848	2,000	2,126
Cr F.Allan			
Meeting attendance fees	2,730	2,000	1,800
Annual allowance for ICT expenses	526	526	526
Travel and accommodation expenses	1,535	0	1,278
	4,791	2,526	3,604
Cr J.Mearns			
Meeting attendance fees	1,755	2,000	1,400
Annual allowance for ICT expenses	526	526	526
Travel and accommodation expenses	364	0	0
	2,645	2,526	1,926
Cr L.Corke			
Meeting attendance fees	910	1,170	0
Annual allowance for ICT expenses	526	526	0
	1,436	1,696	0
Cr T.Miller			
Meeting attendance fees	1,365	1,170	0
Annual allowance for ICT expenses	526	0	0
	1,891	1,170	0
Cr P.Thompson			
Meeting attendance fees	1,300	1,170	0
Annual allowance for ICT expenses	263	526	0
Travel and accommodation expenses	735	0	0
	2,298	1,696	0
Cr S.Martin (Retired)			
Meeting attendance fees	0	0	600
Annual allowance for ICT expenses	0	0	263
Travel and accommodation expenses	0	0	263
	0	0	1,126
Cr S.Hyde (Retired)			
Meeting attendance fees	260	520	1,150
Annual allowance for ICT expenses	131	0	526
Travel and accommodation expenses	0	0	255
	391	520	1,931
Cr N.Astbury (Retired)			
Meeting attendance fees	260	520	850
Annual allowance for ICT expenses	131	0	526
	391	520	1,376
	27,083	23,206	23,132

SHIRE OF WICKEPIN
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17. RELATED PARTY TRANSACTIONS

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

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
President's annual allowance	4,500	4,500	4,500
Deputy President's annual allowance	1,000	1,000	1,000
Meeting attendance fees	13,650	14,550	10,650
Annual allowance for ICT expenses	3,945	3,156	3,945
Travel and accommodation expenses	3,988	0	3,037
17(b)	27,083	23,206	23,132

(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	374,684	360,898
Post-employment benefits	57,815	48,655
Employee - other long-term benefits	46,140	49,534
Council member costs	27,083	23,132
17(a)	505,722	482,219

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	360	360
Purchase of goods and services	6,516	17,566
Amounts outstanding from related parties:		
Loans to associated entities	7,124	13,972

(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 WICKEPIN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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18. JOINT ARRANGEMENTS

Share of joint operations

The Shire of Wickepin has joint venture agreements with the Housing Authority for the provision of housing at 10 Wogolin Road - Yarling Court (4 Units) and 17 Collins St- Duplex. The ownership of the assets are determined by the equity agreement which includes the percentage of each parties equitable interest. In terms of the agreement the Shire contributed the land and the Department contributed funds to construct. The Shire manages the property and tenancy. All rental income and expenses are recorded in the respective line items of the financial statements

	2022 Actual	2021 Actual
	\$	\$
Land & Buildings	81,981	83,763
Less:Accumulated Depreciation	(1,782)	(1,782)
Total assets	80,199	81,981
Total equity		
Statement of Comprehensive Income		
Other Revenue	27,295	31,498
Other Expenditure	(18,669)	(24,383)
Profit/(loss) for the period	8,626	7,115
Other comprehensive income		
Total comprehensive income for the period	8,626	7,115
Statement of Cash Flows		
Net cash provided by (used in) operating activities	0	0

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

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

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

SHIRE OF WICKEPIN
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19. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.05%	5,928,685	0	2,180,154	3,748,531
2021					
Cash and cash equivalents	0.05%	5,530,693	0	1,893,790	3,636,903

Sensitivity

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

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	21,802	18,919

* 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 25(a).

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

19. 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	Rate
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	24,056	7,001	1,080	1,434	33,571	
Loss allowance					0	
30 June 2021						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	14,691	12,075	5,472	10,741	42,979	
Loss allowance					0	

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	Rate
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	129,868	791	840	12	131,511	
Loss allowance					0	
30 June 2021						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	26,740	2,548	0	0	29,288	
Loss allowance					0	

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

19. 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 14(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2022</u>					
Trade and other payables	322,975	0	0	322,975	314,990
Borrowings	46,784	209,175	100,365	356,324	356,324
	<u>369,759</u>	<u>209,175</u>	<u>100,365</u>	<u>679,299</u>	<u>671,314</u>
<u>2021</u>					
Trade and other payables	286,271	0	0	286,271	281,137
Borrowings	46,139	209,175	147,149	402,463	402,463
	<u>332,410</u>	<u>209,175</u>	<u>147,149</u>	<u>688,734</u>	<u>683,600</u>

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

20. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire of Wickepin has no material events after the reporting period which would affect the financial report of the Shire for the year ended 30th June 2022 or which would require separate disclosure

21. 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.

22. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
<p>Governance To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific Council services.</p>
<p>General purpose funding To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants, and interest revenue.</p>
<p>Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services</p>
<p>Health To provide an operational framework for environmental and community health.</p>	<p>Inspection of food outlets and their control, immunisation services, mosquito control and the operation of the medical centre</p>
<p>Education and welfare To provide services to disadvantaged persons, the elderly, children and youth</p>	<p>Support for childcare, development of services for the aged and rural counselling support.</p>
<p>Housing To provide and maintain staff and other housing</p>	<p>Provision and maintenance of staff and other housing.</p>
<p>Community amenities To provide services required by the community</p>	<p>Rubbish collection, operation of the tip, noise control, support for waste recycling, litter control. Administration of town planning scheme, strategic planning, maintenance of cemetery, public conveniences and town drainage maintenance</p>
<p>Recreation and culture To establish and effectively manage infrastructure and resources which will help the social and wellbeing of the community.</p>	<p>Maintenance of halls, swimming facilities, recreation centres and various reserves, operation of the library, maintenance of cultural heritage assets.</p>
<p>Transport To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of streets, roads, footpaths, drainage works, parking facilities cleaning and lighting of streets, depot maintenance and airstrip maintenance.</p>
<p>Economic services To help promote the Shire and its economic wellbeing.</p>	<p>Tourism and area promotion, including the maintenance and operation of caravan parks. Provision of rural services including weed control, vermin control and standpipes. Building control and community development activities.</p>
<p>Other property and services To monitor and control Council's overhead operating accounts.</p>	<p>Private works operations, plant repair and operation costs and engineering operation costs.</p>

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

22. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

Income excluding grants, subsidies and contributions

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Governance	11,471	25	3,633
General purpose funding	1,427,321	1,418,097	1,390,124
Law, order, public safety	56,453	52,598	52,479
Health	100	700	740
Education and welfare	2,868	300	4,041
Housing	77,279	75,450	48,514
Community amenities	208,083	178,373	219,459
Recreation and culture	19,912	13,200	22,333
Transport	79,541	111,545	33,875
Economic services	84,824	73,785	82,459
Other property and services	39,055	5,000	300,707
	2,006,907	1,929,073	2,158,364

Grants, subsidies and contributions

General purpose funding	2,074,905	764,661	1,604,366
Law, order, public safety	46,601	44,686	63,478
Housing	13,159	682,484	1,770,071
Community amenities	5,189	160,197	31,595
Recreation and culture	182,113	182,567	0
Transport	1,861,164	1,857,191	959,461
Economic services	227,825	260,350	227,988
Other property and services	0	29,000	0
	4,410,956	3,981,136	4,656,959

Total Income

6,417,863 **5,910,209** **6,815,323**

Expenses

Governance	(474,075)	(506,197)	(402,760)
General purpose funding	(94,988)	(96,918)	(79,237)
Law, order, public safety	(240,886)	(238,302)	(207,334)
Health	(27,448)	(25,055)	(18,228)
Education and welfare	(21,192)	(26,840)	(12,214)
Housing	(171,990)	(165,862)	(1,434,910)
Community amenities	(431,926)	(426,833)	(350,721)
Recreation and culture	(1,143,007)	(997,842)	(1,003,702)
Transport	(4,633,400)	(4,899,391)	(4,726,000)
Economic services	(251,196)	(262,672)	(235,072)
Other property and services	(30,074)	36,166	(127,922)
	(7,520,182)	(7,609,746)	(8,598,100)

Total expenses

(7,520,182) **(7,609,746)** **(8,598,100)**

Net result for the period

(1,102,319) **(1,699,537)** **(1,782,777)**

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

22. FUNCTION AND ACTIVITY (Continued)

	2022	2022	2021
	Actual	Budget	Actual
	\$	\$	\$
(c) Fees and Charges			
General purpose funding	5,462	2,500	5,642
Governance	7,607	25	3,632
Law, order, public safety	56,454	52,598	52,478
Health	100	700	740
Education and welfare	2,868	300	4,041
Housing	77,279	75,450	80,109
Community amenities	188,297	178,373	187,755
Recreation and culture	19,912	13,200	22,333
Transport	11,226	11,000	11,352
Economic services	84,824	73,785	82,459
Other property and services	39,056	5,000	300,707
	493,085	412,931	751,248
(d) Total Assets			
Governance	741,050	738,905	
General purpose funding	24,839	95,467	
Law, order, public safety	427,531	426,824	
Education and welfare	85,000	111,400	
Housing	3,253,935	2,122,922	
Community amenities	3,315,289	3,175,671	
Recreation and culture	13,275,656	12,935,424	
Transport	90,562,257	92,550,594	
Economic services	1,384,636	1,165,432	
Other property and services	1,082,084	647,887	
Unallocated	5,449,075	4,609,450	
	119,601,352	118,579,976	

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

23. RATING INFORMATION

(a) General Rates

RATE TYPE		2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2020/21			
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value *	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue
		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
GRV		7.112	140	1,476,107	104,981	292		105,273	105,481	500		105,981	128,259
UV		0.8319	271	161,592,253	1,344,285			1,344,285	1,343,786	500		1,344,286	1,322,791
Sub-Total			411	163,068,360	1,449,266	292	0	1,449,558	1,449,267	1,000	0	1,450,267	1,451,050
Minimum payment		Minimum \$											
GRV	0	500	118	448,870	59,000			59,000	59,000			59,000	25,200
UV	0	500	24	816,573	12,000	442		12,442	12,000			12,000	5,600
Sub-Total			142	1,265,443	71,000	442	0	71,442	71,000	0	0	71,000	30,800
			553	164,333,803	1,520,266	734	0	1,521,000	1,520,267	1,000	0	1,521,267	1,481,850
Discounts on general rates (Refer note 23(c))								(126,948)				(136,025)	(135,748)
Total amount raised from general rates								1,394,052				1,385,242	1,346,102
* Rateable value is based on the value of properties at the time the rate is raised.													
(b) Rates (excluding general rates)													
Rate in													
Ex-gratia Rates													
CBH					13,056			13,056	13,055			13,055	17,190
Sub-Total			0	0	13,056	0	0	13,056	13,055	0	0	13,055	17,190
Total amount raised from rates (excluding general rates)													
								13,056				13,055	17,190
(c) Total Rates													
								1,407,108				1,398,297	1,363,292

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 WICKEPIN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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23. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee				2022	2022	2021	Circumstances in which Discount is Granted
Discount Granted	Type	Discount	Discount	Actual	Budget	Actual	
		%	\$	\$	\$	\$	
General Rate Discount	Rate	10.00%		126,902	136,000	135,719	Payment before due date
				126,902	136,000	135,719	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/Concession	Discount	Discount	2022 Actual	2022 Budget	2021 Actual
			%	\$	\$	\$	\$
General Rates & Charges Waiver	Rate	Waiver			47	25	29
					47	25	29
Total discounts/concessions (Note 23)					126,949	136,025	135,748

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
General Rates & Charges Waiver	Rates Balances less than \$5.00	Write off Small Balances for administration efficiency	Write off Small Balances for administration efficiency

SHIRE OF WICKEPIN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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23. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
Option One				
Single full payment	27/09/2021		0.00%	8.00%
Option Three				
First instalment	27/09/2021		5.50%	8.00%
Second instalment	29/11/2021		5.50%	8.00%
Third instalment	31/01/2022		5.50%	8.00%
Fourth instalment	31/03/2022		5.50%	8.00%
		2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Interest on unpaid rates		3,880	4,200	4,300
		3,880	4,200	4,300

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

24. 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	\$	\$	\$	
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
	Less: Profit on asset disposals	8(b) (72,178)	(100,545)	(22,523)
	Less: Fair value adjustments to financial assets at fair value through profit and loss	(2,723)	0	(1,939)
	Add: Loss on disposal of assets	8(b) 7,490	20,988	4,848
	Add: Depreciation	8(a) 4,776,663	4,727,594	4,729,345
	Non-cash movements in non-current assets and liabilities:			
	Employee benefit provisions	(2,686)	282	1,945
	Non-cash amounts excluded from operating activities	4,706,566	4,648,319	4,711,676
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
	Less: Reserve accounts	26 (3,035,461)	(3,102,406)	(2,824,406)
	Less: Financial assets at amortised cost - self supporting loans	4(a) (7,124)	(7,124)	(6,847)
	Add: Current liabilities not expected to be cleared at end of year			
	- Current portion of borrowings	11 46,784	46,784	46,139
	- Employee benefit provisions	99,383	99,384	99,103
	Total adjustments to net current assets	(2,896,418)	(2,963,362)	(2,686,011)
Net current assets used in the Rate Setting Statement				
	Total current assets	6,147,054	3,488,380	5,697,614
	Less: Total current liabilities	(1,821,494)	(524,281)	(1,408,371)
	Less: Total adjustments to net current assets	(2,896,418)	(2,963,362)	(2,686,011)
	Net current assets used in the Rate Setting Statement	1,429,142	737	1,603,232

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

25. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal at	New Loans	Principal	Principal at	New Loans	Principal	Principal at	New Loans	Principal	Principal at	
		1 July 2020	During 2020-21	Repayments During 2020-21	30 June 2021	During 2021-22	Repayments During 2021-22	30 June 2022	During 2021-22	Repayments During 2021-22	30 June 2022	
Staff Housing		\$ 0	\$ 408,000	\$ (19,509)	\$ 388,491	\$	\$ (39,291)	\$ 349,200	\$ 388,491	\$	\$ (39,292)	\$ 349,199
Total		0	408,000	(19,509)	388,491	0	(39,291)	349,200	388,491	0	(39,292)	349,199
Self Supporting Loans												
WDSC Bowling Greens		20,554		(6,582)	13,972		(6,848)	7,124	13,972		(7,124)	6,848
Total Self Supporting Loans		20,554	0	(6,582)	13,972	0	(6,848)	7,124	13,972	0	(7,124)	6,848
Total Borrowings	11	20,554	408,000	(26,091)	402,463	0	(46,139)	356,324	402,463	0	(46,416)	356,047

* 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
Staff Housing		Housing	103	WATC	0.91%	\$ (5,046)	\$ (3,541)	\$ (2,146)
Total						(5,046)	(3,541)	(2,146)
Self Supporting Loans Interest Repayments								
WDSC Bowling Greens		Recreation and culture	102	WATC	4.00%	(491)	(491)	(475)
Total Self Supporting Loans Interest Repayments						(491)	(491)	(475)
Total Interest Repayments	2(b)					(5,537)	(4,032)	(2,621)

* WA Treasury Corporation

SHIRE OF WICKEPIN
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26. RESERVE ACCOUNTS

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
Restricted by council												
(a) Leave reserve	99,103	291		99,394	99,103	281		99,384	94,839	4,264		99,103
(b) Land Development Reserve	118,657	87,348		206,005	118,658	87,336		205,994	118,305	352		118,657
(c) Refuse Site Reserve	123,958	364		124,322	123,958	351		124,309	(37,043)	161,001		123,958
(d) Plant Reserve	498,507	1,462	(165,694)	334,275	498,505	1,412	(231,000)	268,917	498,427	80		498,507
(e) Building Reserve	499,120	1,467	(46,542)	454,045	499,119	57,414		556,533	491,347	7,773		499,120
(f) Fire Fighter Reserve	22,618	66		22,684	22,618	64		22,682	22,565	53		22,618
(g) Cottage Homes Reserve	61,933	182		62,115	61,933	175		62,108	51,821	10,112		61,933
(h) Special Events Reserve	14,881	44		14,925	14,881	42		14,923	9,559	5,322		14,881
(i) Computer Reserve	41,437	10,122		51,559	41,437	10,117		51,554	36,296	5,141		41,437
(j) Young Singles Reserve	95,716	5,281		100,997	95,716	5,271		100,987	64,767	30,949		95,716
(k) Saleyards Reserve	44,685	85,131		129,816	44,685	85,127		129,812	44,245	440		44,685
(l) Sewerage Reserve	297,103	872		297,975	297,103	30,842		327,945	296,682	421		297,103
(m) Aged Persons Accommodation Reserve	272,557	800	(52,000)	221,357	272,557	772	(52,000)	221,329	271,589	968		272,557
(n) Swimming Pool Reserve	201,812	25,593		227,405	201,812	25,572		227,384	201,095	717		201,812
(o) Albert Facey Homestead reserve	9,946	29		9,975	9,947	28		9,975	9,911	35		9,946
(p) Fuel Depot Reserve	133,993	25,393		159,386	133,994	25,380		159,374	74,488	59,505		133,993
(q) Caravan Park & Accommodation Reserve	88,380	230,259		318,639	88,380	230,250		318,630	0	88,380		88,380
(r) WANDRA Events Emergency Repairs Reserve	200,000	587		200,587	200,000	566		200,566	0	200,000		200,000
	2,824,406	475,291	(264,236)	3,035,461	2,824,406	561,000	(283,000)	3,102,406	2,248,893	575,513	0	2,824,406

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) Land Development Reserve	Ongoing	Income received from the sale of the English house, held for the future development of the English Land
(c) Refuse Site Reserve	Ongoing	Additional income over expenditure for the future creation or maintenance of the refuse site
(d) Plant Reserve	Ongoing	To be used for the purchase of road plant, machinery and equipment
(e) Building Reserve	Ongoing	To be used for the construction of new buildings, predominantly staff housing
(f) Fire Fighter Reserve	Ongoing	To be used to fund the provision of bush fire equipment for brigades
(g) Cottage Homes Reserve	Ongoing	To be used for the future maintenance and construction of new Cottage Homes Units
(h) Special Events Reserve	Ongoing	To be used to fund special events and celebrations
(i) Computer Reserve	Ongoing	To be used for the purchase, upgrade or replacement of hardware as necessary
(j) Young Singles Reserve	Ongoing	Additional income over expenditure held for future repairs or improvements
(k) Saleyards Reserve	Ongoing	Additional income over expenditure held for future repairs or improvements
(l) Sewerage Reserve	Ongoing	Additional income over expenditure held for future repairs or improvements
(m) Aged Persons Accommodation Reserve	Ongoing	To be used for the construction and future maintenance requirements for the Aged Person accommodation units
(n) Swimming Pool Reserve	Ongoing	To be used to fund major repairs or improvements at the Wickepin Swimming Pool
(o) Albert Facey Homestead reserve	Ongoing	To be used for the refurbishment and future maintenance of Albert Facey Homestead
(p) Fuel Depot Reserve	Ongoing	To be used for future maintenance and upgrade of Wickepin Fuel Facility
(q) Caravan Park & Accommodation Reserve	Ongoing	To be used for the upgrade of caravan parks and accommodation units in the Wickepin Shire
(r) WANDRA Events Emergency Repairs Reserve	Ongoing	To be used in the event of emergency road repairs

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27. TRUST FUNDS

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

	1 July 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
WDSC Replacement Greens	134,754	15,396		150,150
Yealering Replacement Greens	63,807	8,082		71,889
Miscellaneous	2,329	2,004	(1,954)	2,379
	<u>200,890</u>	<u>25,482</u>	<u>(1,954)</u>	<u>224,418</u>



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Wickepin

To the Councillors of the Shire of Wickepin

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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



Jordan Langford-Smith
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
19 April 2023