



## PREVIOUS MINUTES ATTACHMENT BOOKLET FOR ORDINARY COUNCIL MEETING

6 December 2023 at 5:00pm

### INDEX

7.1 Minutes of the Ordinary Council Meeting held 18 October 2023	1
7.2 Minutes of the special Council Meeting held 15 November 2023	41
10.1.1 Minutes of the Audit & Risk Committee Meeting held 30 November 2023	58
10.1.2 Annual Report 2022/23	155



# **MINUTES OF THE ORDINARY COUNCIL MEETING**

**18 OCTOBER 2023**

**TABLE OF CONTENTS**

1.0	DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS .....	3
2.0	RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE .....	3
3.0	RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE .....	3
4.0	PUBLIC QUESTION TIME/PUBLIC STATEMENT TIME .....	3
5.0	APPLICATIONS FOR LEAVE OF ABSENCE .....	3
6.0	PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS .....	3
7.0	CONFIRMATION OF PREVIOUS MEETING MINUTES .....	3
	<b>7.1 SPECIAL COUNCIL MEETING HELD 20 SEPTEMBER 2023 .....</b>	<b>6</b>
	<b>7.2 SPECIAL COUNCIL MEETING HELD 20 SEPTEMBER 2023 .....</b>	<b>6</b>
8.0	ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION .....	4
9.0	DECLARATIONS OF INTEREST .....	4
10.0	RECOMMENDATIONS OF COMMITTEES .....	4
	<b>10.1 MINGENEW LOCAL EMERGENCY MANAGEMENT COMMITTEE .....</b>	<b>8</b>
	<b>10.1.1 MINUTES OF THE LOCAL EMERGENCY MANAGEMENT COMMITTEE</b>	
	<b>MEETING HELD 9 OCTOBER 2023 .....</b>	<b>8</b>
11.0	CHIEF EXECUTIVE OFFICER.....	6
	<b>11.1 RFQ1-2023-24 Coalseam Rd – Bitumen Sealing.....</b>	<b>8</b>
	<b>11.2 RFQ02 23-24 – Mingenew Town Hall Options Report.....</b>	<b>11</b>
12.0	FINANCE .....	13
	<b>12.1 FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2023.....</b>	<b>15</b>
	<b>12.2 FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2023.....</b>	<b>18</b>
	<b>12.3 LIST OF PAYMENTS FOR THE PERIOD 1 AUGUST 2023 TO 30 SEPTEMBER 2023....</b>	<b>21</b>
13.0	GOVERNANCE AND COMMUNITY .....	21
	<b>13.1 MINIMUM STANDARDS FOR BUSHFIRE VOLUNTEERS (ITEM FROM 16 AUGUST 2023)..</b>	<b>23</b>
	<b>13.2 CHILD SAFE AWARENESS POLICY.....</b>	<b>26</b>
	<b>13.3 ADVOCACY FOR DARK SKY AND WILDLIFE FRIENDLY LED STREETLIGHT LUMINAIRE.</b>	<b>29</b>
	<b>13.4 CHANGE OF COUNCIL MEETING DATE – DECEMBER 2023.....</b>	<b>32</b>
14.0	WORKS MANAGER .....	32
	<b>14.1 Works Report October 2023.....</b>	<b>34</b>
15.0	MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN .....	39
16.0	NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING .....	39
17.0	CONFIDENTIAL ITEMS.....	39
	<b>17.1 PURCHASE OF KARARA-OWNED PROPERTIES – 42 VICTORIA ST AND</b>	
	<b>49 SHENTON ST, MINGENEW.....</b>	<b>42</b>
18.0	TIME AND DATE OF NEXT MEETING .....	40
19.0	CLOSURE.....	40



**MINUTES FOR THE ORDINARY MEETING OF COUNCIL TO BE HELD IN COUNCIL CHAMBERS ON  
18 OCTOBER 2023 COMMENCING AT 5.00PM**

**1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

The Shire President opened the meeting at 5:00pm

**2.0 RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE**

**Councillors**

Cr GJ Cosgrove	Shire President
Cr JD Bagley	Deputy President
Cr JR Holmes	Councillor
Cr HR McTaggart	Councillor
Cr CV Farr	Councillor
Cr AR Smyth	Councillor

**Apologies**

Cr AT Pearse	Councillor
--------------	------------

**Staff**

Mr Matt Fanning	Chief Executive Officer
Mr Helen Sternick	Manager Corporate Services
Mr Shane Noon	Works Manager

**Guests**

Nil

**3.0 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil.

**4.0 PUBLIC QUESTION TIME/PUBLIC STATEMENT TIME**

Nil.

**5.0 APPLICATIONS FOR LEAVE OF ABSENCE**

Nil.

**6.0 PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS**

Nil.

**7.0 CONFIRMATION OF PREVIOUS MEETING MINUTES**

**7.1 ORDINARY COUNCIL MEETING HELD 16 AUGUST 2023**



**COMMITTEE RECOMMENDATIONS AND COUNCIL DECISION – ITEMS 10.1.1 RESOLUTION# 02181023**

**MOVED: Cr AR Smyth                      SECONDED: Cr JD Bagley**

**ITEM 10.1.1**

**That the Minutes of the Mingenew Local Emergency Management Committee Meeting held on 9 October 2023 be received.**

**VOTING REQUIREMENTS:**

**CARRIED BY SIMPLE MAJORITY 6/0**

*(FOR: Cr GJ Cosgrove, Cr JD Bagley, Cr CV Farr, Cr JR Holmes, Cr HR McTaggart, and Cr AR Smyth, AGAINST: Nil)*

## 11.0 CHIEF EXECUTIVE OFFICER

### 11.1 RFQ1-2023-24 Coalseam Rd – Bitumen Sealing

<b>Location/Address:</b>	Shire of Mingenew
<b>Name of Applicant:</b>	Shire of Mingenew
<b>Disclosure of Interest:</b>	Nil
<b>File Reference:</b>	RD.DSC.1
<b>Date:</b>	11/10/2023
<b>Author:</b>	Matt Fanning, CEO
<b>Voting Requirement:</b>	Simple Majority

#### Summary

To award WALGA eQuote Request for Quotation – RFQ01-2023-24 Coalseam Rd – Bitumen Sealing – Package 2 SLK 20.0km - 23.57km.

#### Key Points

- This RFQ is for the sealing of RRG widening works on the Coalseam Road
- Two Offers were received
- The RFQ was separated into 3 portions as funding for the portions was only secured for the portion 1 at the time of requesting Quotes. Portion 3 has not received funding.
- This report is the subject of portion 2.
- Portion 3 has not been funded by Main Roads and as such will not be considered.

#### **OFFICER RECOMMENDATION AND COUNCIL DECISION – ITEM 11.1 – RESOLUTION# 03181023**

**MOVED: Cr JR Holmes                      SECONDED: Cr CV Farr**

**That Council:**

- Accepts the submission for WALGA eQuote RFQ01-2023-24 Coalseam Rd – Bitumen Package 2 SLK 20.0 - 23.57km, received from Bitutek Pty Ltd, as recommended in the confidential Evaluation Report (Attachment 11.1.2) and identified as the most advantageous, for a schedule of rates value of \$260,625.72 exclusive of GST.**
- Authorises the CEO to execute the contract for awarding RFQ01-2023-24 Coalseam Rd – Bitumen Package 2 SLK 20.0 - 23.57km in accordance with s.9.49A of the Local Government Act 1995.**

#### **VOTING REQUIREMENTS:**

**CARRIED BY SIMPLE MAJORITY 6/0**

*(FOR: Cr GJ Cosgrove, Cr JD Bagley, Cr CV Farr, Cr JR Holmes, Cr HR McTaggart, and Cr AR Smyth, AGAINST: Nil)*

#### **Confidentiality**

An attachment to this report is confidential in accordance with section 5.23 (2) of the *Local Government Act 1995* because it deals with –

- “a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.”*
- “Information that has a commercial value to a person”*

#### **Attachment**

11.1.1 WALGA eQuote Documentation

11.1.2 Confidential Attachment - Evaluation Report circulated as separate confidential attachment as per s.5.23(2)(e)(ii)(iii)

**Background**

Request for Quotation were issued under the WALGA eQuote Preferred Supplier Panel - Roads, Infrastructure & Depot Services (PSP009) - **RFQ01-2023-24 Coalseam Rd – Bitumen Sealing**.

**The works were divided into three separable portions – Packages 1 to 3 with Package 2 the subject of this report:**

- a. Package 1: SLK 17.9 – 20.00km
- b. Package 2: SLK 20.00 – 23.57km**
- c. Package 3: SLK 23.57 – 24.37km

The RFQ was issued 26 July 2023 and closed 11 August 2023.

Offers to Quote were issued to:

Supplier Name	Contact Details (name, phone, email, address etc)
Colas Western Australia Pty Ltd	Roads, Infrastructure & Depot Services (PSP009) via Vendor Panel
Bitutek Pty Ltd	Roads, Infrastructure & Depot Services (PSP009) via Vendor Panel
SGA Roads Pty Ltd	Roads, Infrastructure & Depot Services (PSP009) via Vendor Panel
Downer Infrastructure	Roads, Infrastructure & Depot Services (PSP009) via Vendor Panel
Fulton Hogan Industries Pty Ltd	Roads, Infrastructure & Depot Services (PSP009) via Vendor Panel

Of these, two submissions were received.

**Comment**

The Qualitative Criteria was approved prior to the advertisement of the RFQ. Each Criterion was given the following weightings and included within the RFT document.

Criteria	Weighting
(a) Skills and experience of key field personnel	10%
(b) Technical support experience including seal design	10%
(c) Demonstrated capability and capacity including quality	10%
(d) Workplace OSH practices and procedures	10%
(e) Price	60%

The submissions were assessed against the Qualitative Criteria and each Criterion was given a score in accordance with the Evaluation Guide contained within the Evaluation Spreadsheets.

A rating scale of zero-to-ten (0 - 5) was used for evaluating the Tender submissions in accordance with the Qualitative Criteria, with 0 being lowest and 5 being highest.

The evaluation report, including the overall evaluation scores and rankings, is attached.

The evaluation of the submissions received against the quantitative and qualitative criteria resulted in the rankings (in order of priority) as shown below –

Ranking	Offeror
1	Bitutek PL
2	Colas Western Australia

**Consultation**

- Works Manager

**Statutory Environment**

The Local Government Act 1995 at S3.57(1) (tenders for providing goods or services) requires that in certain circumstances, a local government is to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services.

The Local Government (Functions and General) Regulations 1996 at Regulation 11A (2) states that:

- (2) Tenders do not have to be publicly invited according to the requirements of this Division if —
  - (a) the supply of the goods or services is to be obtained from expenditure authorised in an emergency under section 6.8(1)(c) of the Act; or
  - (aa) the supply of the goods or services is associated with a state of emergency or a COVID-19 declaration; or
  - (b) the supply of the goods or services is to be obtained through the WALGA Preferred Supplier Program; or

Under Council Delegations Register item 1.2.17 c. Where the total consideration of a Tender Exempt procurement contract exceeds the \$250,000 delegated above, the decision is to be referred to Council.

**Policy Implications**

In obtaining WALGA eQuotes, the Shire’s Purchasing Policy (1.3.1) requirements have been met. Our Local Price Preference Policy was also applied in the attached tender assessment document.

**Financial Implications**

The estimate project expenditure to deliver Package 2 SLK 20.00 – 23.57km is \$450,000 comprising \$300,000 RRG funding and \$150,000 Council funding.

Of this the sealing component of the works is \$260,625.72 exclusive of GST.

**Strategic Implications**

Strategic Community Plan 2019-2029:

- 1.1.1 Provide and support cost effective transport networks

## 11.2 RFQ02 23-24 – Mingenew Town Hall Options Report

<b>Location/Address:</b>	Shire of Mingenew
<b>Name of Applicant:</b>	Shire of Mingenew
<b>Disclosure of Interest:</b>	Nil
<b>File Reference:</b>	CP.USE.2
<b>Date:</b>	11/10/2023
<b>Author:</b>	Matt Fanning, CEO
<b>Voting Requirement:</b>	Absolute Majority

### Summary

To award Request for Quotation – RFQ02 23-24 Mingenew Town Hall Options Report.

### Key Points

- This RFQ is for the development of an options report for the Mingenew Town Hall
- Two Offers were received
- The Current budget is \$50,000 and preferred offer will exceed this allocation
- Works are to be completed by 30 March 2024

### **OFFICER RECOMMENDATION AND COUNCIL DECISION – ITEM 11.2 – RESOLUTION# 04181023**

**MOVED: Cr JD Bagley**

**SECONDED: Cr JR Holmes**

#### **That Council:**

- By Absolute Majority, under section 6.8.(1)(b) of the *Local Government Act 1995*, allocates an additional \$25,000 from its municipal fund facilitate the completion of the Mingenew Town Hall Options Report**
- Accepts the submission for RFQ02 23-24 Mingenew Town Hall Options Report, received from LA3, as recommended in the confidential Evaluation Report (Attachment 11.2.2) and identified as the most advantageous, for a Lump Sum value of \$58,500 exclusive of GST Plus additional optional costs of \$14,040 exclusive of GST for the engagement of a professional estimator.**
- Authorises the CEO to execute the contract for awarding RFQ02 23-24 Mingenew Town Hall Options Report in accordance with s.9.49A of the Local Government Act 1995.**

#### **VOTING REQUIREMENTS:**

**LOST BY ABSOLUTE MAJORITY 0/6**

*(FOR: Nil, AGAINST: Cr GJ Cosgrove, Cr JD Bagley, Cr CV Farr, Cr JR Holmes, Cr HR McTaggart, and Cr AR Smyth)*

**Note: that the Council wished for the scope of works to be refined and delivered within the current allocated budget.**

#### **Confidentiality**

An attachment to this report is confidential in accordance with section 5.23 (2) of the *Local Government Act 1995* because it deals with –

- “a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.”*
- “Information that has a commercial value to a person”*

#### **Attachment**

11.2.1 RFQ Documentation

11.2.2 Confidential Attachment - Evaluation Report circulated as separate confidential attachment as per s.5.23(2)(e)(ii)(iii)

## **Background**

The Mingenew Town Hall was built in 1959 and has served the Mingenew community for many years. In about 2012 asbestos was identified in the Hall and along with other deficiencies a decision was made to close the Hall. Since this time many reports and discussions have been held regarding the future of the Hall. At no time has there been a comprehensive options report which has enabled the Council to make a fully informed decision as to its future.

Request for Quotation were issued under the WALGA eQuote Preferred Supplier Panel - Engineering Environmental & Technical Consultancy (PSP002) - 1: Project & Operations Management (PSP002-011) and also to other known firms.

The works will be completed in four (4) parts being:

### **Part 1 - Condition/Safety/Compliance Assessment**

The Consultant will review the current reports and determine what additional reports will be necessary to inform the development of an options report for the future of the Hall.

### **Part 2 - Space Needs Assessment**

The consultant will review the survey data from the 2021 and 2023 community surveys and the community scorecard report and in consideration of all other Shire of Mingenew infrastructure provide a needs analysis for the Hall identifying the operational tenancy space requirements, with recommendations on:

- How the Hall can contribute to efficient and effective service delivery, and
- Requirements for space for future growth or expansion.
- An assessment of other tenant and user needs, including functionality, security, accessibility, service provision, etc. for the foreseeable future.
- A final projection of future needs, based on all findings of setup and service delivery, and considering advancement of technology.

### **Part 3 - Feasibility Study / Options Analysis**

Based on the findings and work produced from the Part 1 and Part 2, the Consultant will review and examine feasibility of options for the Hall.

This element of the Services shall include:

- A full examination and assessment of alternative solutions available, including:
  - Potential to construct a new Town Hall at the current location,
  - Potential to add-to/ renovate / rehabilitate the existing Town Hall,
  - Potential of leasing of spaces,
  - Potential service integration, and
  - Potential of Integration of the Town Hall with additional space for commercial ventures or other community uses.
- The feasibility study / options analysis section of the report shall include:
  - A cost-benefit analysis of each of the above options that are found to be available, including both initial capital/repair and ongoing operation and maintenance costs.

Following completion of the Feasibility Study, the Consultant shall produce basic concept designs that present the space layout, space needs and operational requirements (current and future) for the alternative options.

At the completion of the Feasibility Study, the Consultant shall deliver an interim report on findings and work completed to-date. Council will then provide direction to the Consultant on which of the alternative solutions is chosen to be the focus for the plans to be produced under the Pre-Design Report.

### **Part 4 - Pre-Design Report:**

This element of the Services shall include:

- Development of detailed conceptual plans for the chosen option (as directed by Council upon completion of the Feasibility Study stage), whether it be rehabilitation of current facilities, or the construction of new ones.
- Detailed conceptual plans should show design standards, floors plans, quantity and quality of the space, exterior design, building efficiencies and service level outcomes.
- The detailed design concepts should be accompanied by a detailed bill of quantities construction cost estimate.
- Energy Efficiency is important, and the Pre-Design report must articulate a clear and Sustainable Design Strategy that aim to meet modern energy efficiency standards.
- The Pre-Design Report should identify the potential to qualify for sources of grant funding, based on the concept identified.
- The Pre-Design Report should contain suitable standards, specifications, drawings and scope information which will enable the Council to tender out the preferred option works.

The RFQ was issued 12 September 2023 and closed 6 October 2023.

Offers to Quote were issued to 25 Engineering Environmental & Technical Consultancy firms.

Of this, 14 firms downloaded the documents, 5 declined to lodge an offer.

Of these, two submissions were received.

### **Comment**

The Qualitative Criteria was approved prior to the advertisement of the RFQ. Each Criterion was given the following weightings and included within the RFT document.

Criteria		Weighting
(a)	Experience in similar projects	20%
(b)	Personnel	20%
(c)	Methodology	10%
(d)	Timeframe	10%
(e)	Price	40%

The submissions were assessed against the Qualitative Criteria and each Criterion was given a score in accordance with the Evaluation Guide contained within the Evaluation Spreadsheets.

A rating scale of zero-to-ten (0 - 5) was used for evaluating the Tender submissions in accordance with the Qualitative Criteria, with 0 being lowest and 5 being highest.

The evaluation report, including the overall evaluation scores and rankings, is attached.

The evaluation of the submissions received against the quantitative and qualitative criteria resulted in the rankings (in order of priority) as shown below –

Ranking	Offeror
1	LA3 + Studio Mango - Build Environment, Design & Planning

2	Core Business Australia
---	-------------------------

**Consultation**

- Works Manager

**Statutory Environment**

Council has complied with its procurement policy however as the recommended offer is over the existing allocated budget then the matter is required to be presented to the Council for consideration.

**Policy Implications**

In obtaining Quotes, the Shire's Purchasing Policy (1.3.1) requirements have been met. Our Local Price Preference Policy was also applied in the attached evaluation report.

**Financial Implications**

The estimate project expenditure to deliver the Mingenew Town Hall Options Report based on the market response is between \$45,000 and \$75,000.

The current budget for the project is \$50,000 requiring the Council to consider an additional allocation of \$25,000.

**Strategic Implications**

Strategic Community Plan 2019-2029:

1.1.2 Provide buildings, facilities and services to meet community needs



- Other Current Liabilities
- Grants, Subsidies and Contributions
- Capital Grants, Subsidies and Contributions
- Budget Amendments

### Comment

<b>Summary of Funds as per bank statements – Shire of Mingenew as at 31 August 2023</b>	
Municipal Funds – Corporate cheque account	\$2,934,254
Cash on Hand	\$100
Trust Fund	\$1
Municipal Funds – Business Maximiser	\$0
Term Deposit – Reserves	\$1,079,710

Debtor's accounts continue to be monitored with all efforts being made to ensure that monies are recovered.

The Statement of Financial Activities Report contains explanations of Councils adopted variances for the 2023/24 financial year.

The 2022/23 Annual Financial Report has not been audited and is subject to change, this may alter the opening surplus for the 2023/24 financial year.

### Consultation

Nil

### Statutory Environment

Local Government Act 1995 Section 6.4

Local Government (Financial Management) Regulations 1996

#### **34. Financial activity statement required each month (Act s. 6.4)**

(1A) In this regulation —

**committed assets** means revenue unspent but set aside under the annual budget for a specific purpose.

(1) A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for the previous month (the **relevant month**) in the following detail —

- annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c); and
- budget estimates to the end of the relevant month; and
- actual amounts of expenditure, revenue and income to the end of the relevant month; and
- material variances between the comparable amounts referred to in paragraphs (b) and (c); and
- the net current assets at the end of the relevant month and a note containing a summary explaining the composition of the net current assets.

(1B) The detail included under subregulation (1)(e) must be structured in the same way as the detail included in the annual budget under regulation 31(1) and (3)(a).

(1C) Any information relating to exclusions from the calculation of a budget deficiency that is included as part of the budget estimates referred to in subregulation (1)(a) or (b) must be structured in the same way as the corresponding information included in the annual budget.

- (2) *Each statement of financial activity is to be accompanied by documents containing —*
- [(a) deleted]*
  - (b) an explanation of each of the material variances referred to in subregulation (1)(d); and*
  - (c) such other supporting information as is considered relevant by the local government.*
- (3) *The information in a statement of financial activity must be shown according to nature classification.*
- (4) *A statement of financial activity, and the accompanying documents referred to in subregulation (2), are to be —*
- (a) presented at an ordinary meeting of the council within 2 months after the end of the relevant month; and*
  - (b) recorded in the minutes of the meeting at which it is presented.*
- (5) *Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.*

**Policy Implications**

Nil

**Financial Implications**

No financial implications are indicated in this report.

**Strategic Implications**

Strategic Community Plan 2019-2029 Strategies

1.2.1 Manage organisation in a financially sustainable manner

1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner

## 12.2 FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2023

<b>Location/Address:</b>	Shire of Mingenew
<b>Name of Applicant:</b>	Shire of Mingenew
<b>File Reference:</b>	FM.FRP
<b>Attachment/s:</b>	Monthly Financial Report – September 2023
<b>Disclosure of Interest:</b>	Nil
<b>Date:</b>	11 October 2023
<b>Author:</b>	Helen Sternick, Manager Corporate Services
<b>Approved by:</b>	Matt Fanning, Chief Executive Officer
<b>Voting Requirement:</b>	Simple Majority

### Summary

Council is required by legislation to consider and adopt the Monthly Financial Report, including Statement of Financial Activity for the period ended 30 September 2023, as required by Regulation 34 (1) of the *Local Government (Financial Management) Regulations 1996*.

### **OFFICER RECOMMENDATION AND COUNCIL DECISION – ITEM 12.2 – RESOLUTION# 06181023**

**MOVED: Cr HR McTaggart**

**SECONDED: Cr JD Bagley**

**That Council receives the Monthly Financial Report, including the Statement of Financial Activity, for the period 1 July 2023 to 30 September 2023, as included at Attachment 12.2.1.**

### **VOTING REQUIREMENTS:**

**CARRIED BY SIMPLE MAJORITY 6/0**

*(FOR: Cr GJ Cosgrove, Cr JD Bagley, Cr CV Farr, Cr JR Holmes, Cr HR McTaggart, and Cr AR Smyth, AGAINST: Nil)*

### Attachment

12.2.1 Monthly Financial Report for period ending 30 September 2023

### Background

Council is provided with the Monthly Financial Report which has been developed in line with statutory reporting standards and provides Council with a holistic overview of the operations of the Shire of Mingenew.

The Monthly Financial Report for the period ended 30 September 2023 includes the following:

- Statement of Financial Activity by Nature or Type
- Statement of Financial Position
- Statement of Financial Activity Information
- Explanation of Material Variances
- Cash and Financial Assets
- Reserve Accounts
- Capital Acquisitions
- Disposal of Assets
- Receivables
- Other Current Assets
- Payables
- Rate Revenue
- Borrowings
- Lease Liabilities
- Other Current Liabilities

- Grants, Subsidies and Contributions
- Capital Grants, Subsidies and Contributions
- Budget Amendments

**Comment**

<b>Summary of Funds as per bank statements – Shire of Mingenew as at 30 September 2023</b>	
Municipal Funds – Corporate cheque account	\$2,856,258
Cash on Hand	\$100
Trust Fund	\$1
Municipal Funds – Business Maximiser	\$0
Term Deposit – Reserves	\$1,079,710

Debtor’s accounts continue to be monitored with all efforts being made to ensure that monies are recovered.

The Statement of Financial Activities Report contains explanations of Councils adopted variances for the 2023/24 financial year.

The 2022/23 Annual Financial Report has not been audited and is subject to change, this may alter the opening surplus for the 2023/24 financial year.

**Consultation**

Nil

**Statutory Environment**

*Local Government Act 1995 Section 6.4*

*Local Government (Financial Management) Regulations 1996*

**34. Financial activity statement required each month (Act s. 6.4)**

(1A) *In this regulation —*

**committed assets** means revenue unspent but set aside under the annual budget for a specific purpose.

(1) *A local government is to prepare each month a statement of financial activity reporting on the revenue and expenditure, as set out in the annual budget under regulation 22(1)(d), for the previous month (the **relevant month**) in the following detail —*

- (a) *annual budget estimates, taking into account any expenditure incurred for an additional purpose under section 6.8(1)(b) or (c); and*
- (b) *budget estimates to the end of the relevant month; and*
- (c) *actual amounts of expenditure, revenue and income to the end of the relevant month; and*
- (d) *material variances between the comparable amounts referred to in paragraphs (b) and (c); and*
- (e) *the net current assets at the end of the relevant month and a note containing a summary explaining the composition of the net current assets.*

(1B) *The detail included under subregulation (1)(e) must be structured in the same way as the detail included in the annual budget under regulation 31(1) and (3)(a).*

(1C) *Any information relating to exclusions from the calculation of a budget deficiency that is included as part of the budget estimates referred to in subregulation (1)(a) or (b) must be structured in the same way as the corresponding information included in the annual budget.*

(2) *Each statement of financial activity is to be accompanied by documents containing —*

- [(a) deleted]*  
*(b) an explanation of each of the material variances referred to in subregulation (1)(d); and*  
*(c) such other supporting information as is considered relevant by the local government.*
- (3) The information in a statement of financial activity must be shown according to nature classification.*
- (4) A statement of financial activity, and the accompanying documents referred to in subregulation (2), are to be*  
—  
*(a) presented at an ordinary meeting of the council within 2 months after the end of the relevant month;*  
*and*  
*(b) recorded in the minutes of the meeting at which it is presented.*
- (5) Each financial year, a local government is to adopt a percentage or value, calculated in accordance with the AAS, to be used in statements of financial activity for reporting material variances.*

**Policy Implications**

Nil

**Financial Implications**

No financial implications are indicated in this report.

**Strategic Implications**

Strategic Community Plan 2019-2029 Strategies

1.2.1 Manage organisation in a financially sustainable manner

1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner

### 12.3 LIST OF PAYMENTS FOR THE PERIOD 1 AUGUST 2023 TO 30 SEPTEMBER 2023

**Location/Address:** Shire of Mingenew  
**Name of Applicant:** Shire of Mingenew  
**File Reference:** FM.CRD  
**Attachment/s:** List of Payments – August and September 2023  
**Disclosure of Interest:** Nil  
**Date:** 9 October 2023  
**Author:** Maria Snowden-Giles, Payroll/Finance Officer  
**Approved by:** Helen Sternick, Manager Corporate Services  
**Voting Requirement:** Simple Majority

#### Summary

This report recommends that Council receives the list of payments (including purchasing cards), made under delegated authority, for period 1 August 2023 to 30 September 2023.

#### **OFFICER RECOMMENDATION AND COUNCIL DECISION – ITEM 12.3 – RESOLUTION# 07181023 MOVED: Cr CV Farr                      SECONDED: Cr AR Smyth**

That Council, in accordance with *Local Government (Financial Management) Regulations 1996* section 13 and 13A, receives the list of payments for the period of 1 August to 30 September 2023, as included at Attachment 12.3.1. represented by:

\$699,558.81	Municipal EFTs
\$20,827.21	Municipal EFT Purchasing Cards (Fuel Cards)
\$40,509.55	Municipal Direct Debit Department of Transport (Licencing) Payments
\$124,261.34	Municipal Direct Debit Other
\$4,416.00	Municipal Direct Debit Purchasing Cards (Credit and Fuel Cards)
\$145,790.71	Net Salaries
\$1,035,363.62	Total Payments

#### **VOTING REQUIREMENTS:**

**CARRIED BY SIMPLE MAJORITY 6/0**

*(FOR: Cr GJ Cosgrove, Cr JD Bagley, Cr CV Farr, Cr JR Holmes, Cr HR McTaggart, and Cr AR Smyth, AGAINST: Nil)*

#### Attachment

12.3.1 List of Payments – August and September 2023

#### Background

Council has delegated, to the Chief Executive Officer, the exercise of its power to make payments from the Shire's Municipal and Trust funds. In accordance with section 13 of the *Local Government (Financial Management) Regulations 1996* a list of accounts paid by the Chief Executive Officer is to be provided to Council, where such delegation is made.

In accordance with section 13A of the *Local Government (Financial Management) Regulations 1996* a list of payments made by authorised employees via purchasing cards is to be provided to Council.

The list is to include details for each account paid, incorporating the payee's name, amount of payment, date of payment and sufficient information to identify the transaction.

#### Comment

Invoices supporting all payments are available for inspection. All invoices and vouchers presented to Council have been certified as to the receipt of goods and the rendition of services and as to prices, computations, and costings, and that the amounts shown were due for payment.

#### Consultation

Nil

### **Statutory Environment**

*Local Government Act 1996, Section 6.4*

*Local Government (Financial Management) Regulations 1996*

#### **12. Payments from municipal fund or trust fund, restrictions on making**

- (1) *A payment may only be made from the municipal fund or the trust fund —*
- (a) *if the local government has delegated to the CEO the exercise of its power to make payments from those funds — by the CEO; or*
  - (b) *otherwise, if the payment is authorised in advance by a resolution of the council.*

#### **13. Payments from municipal fund or trust fund by CEO, CEO's duties as to etc.**

- (1) *If the local government has delegated to the CEO the exercise of its power to make payments from the municipal fund or the trust fund, a list of accounts paid by the CEO is to be prepared each month showing for each account paid since the last such list was prepared —*
- (a) *the payee's name; and*
  - (b) *the amount of the payment; and*
  - (c) *the date of the payment; and*
  - (d) *sufficient information to identify the transaction.*
- (2) *A list of accounts for approval to be paid is to be prepared each month showing —*
- (a) *for each account which requires council authorisation in that month —*
    - (i) *the payee's name; and*
    - (ii) *the amount of the payment; and*
    - (iii) *sufficient information to identify the transaction;*
  - and*
  - (b) *the date of the meeting of the council to which the list is to be presented.*
- (3) *A list prepared under subregulation (1) or (2) is to be —*
- (a) *presented to the council at the next ordinary meeting of the council after the list is prepared; and*
  - (b) *recorded in the minutes of that meeting.*

#### **13A. Payments by employees via purchasing cards**

- (1) *If a local government has authorised an employee to use a credit, debit or other purchasing card, a list of payments made using the card must be prepared each month showing the following for each payment made since the last such list was prepared —*
- (a) *the payee's name;*
  - (b) *the amount of the payment;*
  - (c) *the date of the payment;*
  - (d) *sufficient information to identify the payment.*
- (2) *A list prepared under subregulation (1) must be —*
- (a) *presented to the council at the next ordinary meeting of the council after the list is prepared; and*
  - (b) *recorded in the minutes of that meeting.*

### **Policy Implications**

Payments have been made under delegation.

### **Financial Implications**

The list of payments made in accordance with budget and delegated authority.

### **Strategic Implications**

Strategic Community Plan 2019-2029 Strategies

1.2.1 Manage organisation in a financially sustainable manner

1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner



**Person Conducting a Business or Undertaking (PCBU)** is the term given to a person conducting a business or undertaking alone or with others, whether or not for profit or gain. Local Governments are considered to be PCBU's. PCBU's have a primary duty of care to ensure, as far as is reasonably practicable, that the health and safety of persons is not put at risk from work conducted as part of the business or undertaking.

A **volunteer** is a person who is acting on a voluntary basis (irrespective of whether the person receives out-of-pocket expenses). Within safety legislation a person is a **worker** if the person carries out work in any capacity for a person conducting a business or undertaking, in this case the Local Government. This includes working as a Volunteer. Therefore, the Shire must give them the same considerations as paid employees.

The Duty of Care as a Volunteer includes:

- Taking reasonable care for their own health and safety; and
- Not adversely affecting the health and safety of other persons; and comply, so far as reasonably able, with any reasonable instruction that is given by the person conducting the business or undertaking to allow the person to comply with this Act; and
- Cooperating with the local government and brigade in ensuring their own safety.

This includes:

- Participating in consultation and communication
- Reporting hazards and incidents
- Using personal protective clothing (PPC), personal protective equipment (PPE) and Respiratory protective equipment (RPE)
- appropriately
- Following safety documentation and reasonable instruction
- Attend any identified and required training

Training (both formal and informal, on the ground) is an effective way to ensure volunteers are equipped with the relevant skills, knowledge and experience to prepare and respond to emergencies safely. The Department of Fire Emergency Services (DFES) have a recommended training pathway which has guided those outlined within the Standards (see Attachment 13.12). The Shire recognises that volunteer time is valuable and limited but investment in training is vital to ensuring that volunteers can act within their capabilities and remain safe. Whilst there are a great number of volunteers that have significant experience operating on a fire ground and attending fires, it is important that volunteers continue to be upskilled and records are maintained.

### **Comment**

Council recognises the value of local volunteers in providing this service and it is the Shire's role to ensure hazards and risks are identified and mitigated. The development of these Standards is just one strategy to ensure that the volunteers are prepared and protected when they attend fire grounds and are participating in other volunteering activities.

Whilst many of these standards have already existed in practice, it is vital that Council demonstrate its commitment to supporting volunteers in undertaking their duties safely, and these Standards provide a guidance tool to ensure they are consistently applied, they support new volunteers, and expectations can be communicated and managed effectively.

Given volunteers are often attending fires without direct local government oversight, it is important that all personnel have the necessary tools and resources to act safely and responsibly so that any risks are identified and eliminated or minimised and everyone returns home safely.

### **Consultation**

WALGA  
LGIS

Shire of Mingenew Bush Fire Advisory Committee

**Statutory Environment**

*Work Health and Safety Act 2020*

*Bush Fires Act 1986*

**Policy Implications**

Nil.

**Financial Implications**

Nil.

**Strategic Implications**

Strategic Community Plan 2019-2029

Strategy 1.3.2 Provide services and processes to enhance public safety



In 2018, the State Government accepted, or accepted in principle, all 310 Royal Commission recommendations applicable to WA, including Recommendation 6.12.

The Royal Commission identified the opportunity to utilise the established responsibilities of local government within their broader role of supporting their community to protect the safety and wellbeing of children and young people.

The Policy is focused on the role of local governments in WA in building and maintaining child safety awareness and knowledge by providing information for the organisations and individuals that operate in their communities.

The Tranche 1 Child Safe Messages focus on providing information to organisations to promote changes to organisational culture, practice, and processes to prevent abuse from occurring and improving responses to abuse if it does occur.

### **Alignment of the Tranche 1 messages to the National Principles for Child Safe Organisations**

<b>Message</b>	<b>Aligned to</b>
Child Safe Culture	National Principle 1 - Child safety and wellbeing is embedded in organisational leadership, governance and culture
Children have rights	National Principle 2 - Children and young people are informed about their rights, participate in decisions affecting them and are taken seriously
Everyone's involved	National Principle 3 - Families and communities are informed and involved in promoting child safety and wellbeing.
All Types of Safety	National Principle 4 - Equity is upheld and diverse needs respected in policy and practice.
Right Person for the Job	National Principle 5 - People working with children and young people are suitable and supported to reflect child safety and wellbeing values in practice.
Child Friendly Complaints	National Principle 6 - Processes to respond to complaints and concerns are child focused.
Child Safe Training	National Principle 7 - Staff and volunteers are equipped with the knowledge, skills and awareness to keep children and young people safe through ongoing education and training.
Safe Online and Offline	National Principle 8 - Physical and online environments promote safety and wellbeing while minimising the opportunity for children and young people to be harmed.

### **Comment**

Having a Policy solidifies the Shire's existing position of support for preventing child abuse, neglect, bullying and other threats to the well-being of our young community members. It further commits Council to empowering its community to be aware of risks and have a collective approach to child safety messaging and accessing of appropriate resources.

Some of the proactive and practical steps the Shire can take to create child safety awareness are:

- Share resources online
- Child safety messages in local publications
- Displaying child safety information and making resources available at Shire venues
- Discussing child safety with key stakeholder groups and event organisers

**Statutory Environment**

*Local Government Act 1995*

*Child Care Services Act 2007*

*Children and Community Services Act 2004*

**Policy Implications**

New Policy proposed.

**Financial Implications**

Nil.

The responsibility to print and share flyers, information and connect key stakeholders to support will require minimal resourcing.

**Strategic Implications**

Strategic Community Plan 2019-2029

Strategy 1.3.2 Provide services and processes to enhance public safety

### 13.3 ADVOCACY FOR DARK SKY AND WILDLIFE FRIENDLY LED STREETLIGHT LUMINAIRE

<b>Location/Address:</b>	Shire of Mingenew
<b>Name of Applicant:</b>	Shire of Mingenew
<b>File Reference:</b>	EN.SPR.1
<b>Disclosure of Interest:</b>	Nil
<b>Date:</b>	19 September 2023
<b>Author:</b>	Erin Greaves, Governance and Community Manager
<b>Authorising Author:</b>	Matt Fanning, Chief Executive Officer
<b>Voting Requirements:</b>	Simple Majority

#### **Summary**

To consider providing its written support for the development of a dark sky and wildlife friendlier LED streetlight luminaire for Local Governments to be able to choose as an installation option from Western Australian power companies where appropriate.

#### **Key Points**

- Carol Redford, Astrotourism WA, presented to Councillors on Dark Sky initiatives in late 2022.
- The letter proposes improving lighting designs available to local governments (as an option) for streetlights that minimise the impact of light on wildlife and our Astrotourism strategies.
- As Western Power is responsible for procurement and purchasing of streetlights, the letter is directed at them for state-wide change.

#### **OFFICER RECOMMENDATION AND COUNCIL DECISION – ITEM 13.3 – RESOLUTION# 10181023 MOVED: Cr CV Farr SECONDED: Cr JR Holmes**

**Council endorses the letter of support as presented in GCM Attachments Booklet – October 2023 for signing, to be sent to Western Power to prove the demand for a dark sky and wildlife friendlier LED streetlight luminaire for Local Government.**

**VOTING REQUIREMENTS: CARRIED BY SIMPLE MAJORITY 6/0**  
*(FOR: Cr GJ Cosgrove, Cr JD Bagley, Cr CV Farr, Cr JR Holmes, Cr HR McTaggart, and Cr AR Smyth, AGAINST: Nil)*

#### **Attachments**

- 13.3.1 Letter of Support
- 13.3.2 Project Flyer

#### **Background**

The Shire of Mingenew has been working with Astrotourism WA since 2019 on the development of Dark Sky Tourism for the region. Places of interest for Dark Sky Tourism visitors have been mapped out and dark sky measurements have been recorded. The Shire has also hosted numerous stargazing events that have engaged the local community on astronomy, light pollution and the development of Dark Sky Tourism for the local economy.

Carol Redford, CEO Astrotourism WA, has been progressing an initiative to secure a dark sky and wildlife friendlier LED streetlight luminaire for Local Governments. Meetings have been held with the WA Local Government Association (WALGA), Western Power, Horizon Power and recently the Department of Biodiversity, Conservation and Attractions (DBCA).

Tristan Simpson, Senior Environmental Officer DBCA, has also engaged WALGA, Local Government, WA’s power companies and lighting manufacturers in pursuit of the same initiative.

Western Power is responsible for the procurement and purchasing of streetlights for the State, including those for Horizon Power.

In some Western Australian communities, Western Power and Horizon Power are installing 3000K or 4000K LED streetlights. These LED streetlights have environmental benefits, including a reduced carbon footprint from lower energy usage and lower maintenance needs.

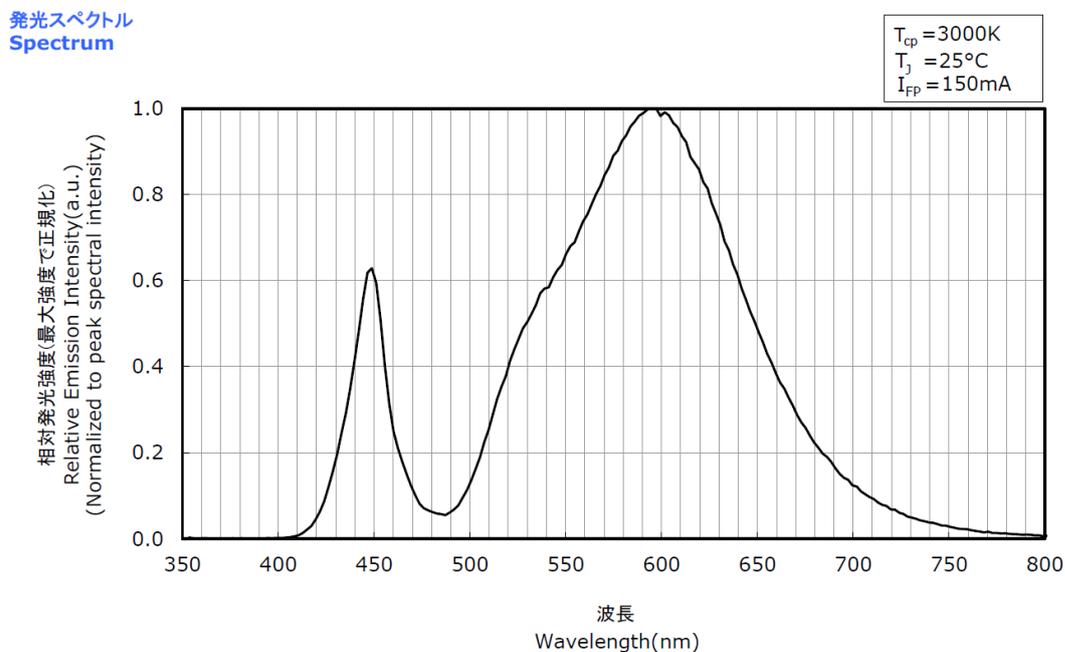
However, improvements can be made to the lighting design to reduce the impacts to the nighttime environment and nocturnal wildlife species. As outlined in the Australian National Light Pollution Guidelines for Wildlife, “*Animals perceive light differently from humans, and artificial light can disrupt critical behaviour and cause physiological changes in wildlife. For example, hatchling marine turtles may not be able to find the ocean when beaches are lit, and fledgling seabirds may not take their first flight if their nesting habitat never becomes dark.*”

[Department of Climate Change, Energy, the Environment and Water, 2023, National Light Pollution Guidelines for Wildlife, Commonwealth of Australia, accessed 10 August 2023 (<https://www.dcceew.gov.au/sites/default/files/documents/national-light-pollution-guidelines-wildlife.pdf>)]

Improvements in streetlighting to reduce glare and correlated colour temperature will also lessen the impacts on human health. Current American Medical Association Policy supports efforts to reduce light pollution and states that “*...pervasive use of nighttime lighting disrupts various biological processes, creating potentially harmful health effects related to disability glare and sleep disturbance.*”

Below is the spectral power distribution curve based on a current 3000K streetlight model showing a blue light spike that is detrimental to many native and threatened species of wildlife and the dark night sky.

Louis J. Kraus et al., 2016, Human and Environmental Effects of Light Emitting Diode (LED) Community Lighting, American Medical Association,



accessed 10 August 2023 ([https://www.australasiandarkskyalliance.org/files/ugd/2787e6\\_0ee945891153470e8afef4916d0b9615.pdf](https://www.australasiandarkskyalliance.org/files/ugd/2787e6_0ee945891153470e8afef4916d0b9615.pdf))

## Comment

DBCA and Astrotourism WA will propose to Western Power that an additional dark sky and wildlife friendlier LED streetlight luminaire option be added to the existing catalogue for selection to install by Local Governments.

DBCA has completed preliminary discussions with lighting designers and has identified that this initiative is feasible with negligible additional cost and tariffs, and will be compatible with existing fittings and infrastructure. Additionally, it will be compliant with relevant Australian Standards, AS1158.1.2:2010 - Lighting for roads and public spaces. This initiative will have no impost on Local Governments.

Western Power has confirmed its provisional support for this initiative pending demonstrated and formal confirmation from a representative proportion of Western Australia's Local Governments.

Upon enough support being obtained, DBCA and Astrotourism WA will collaborate with Western Power to procure a qualified lighting designer to progress. Once developed, the final luminaire product design(s), specifications and costs will be provided to Local Governments who have registered their formal support for feedback prior to progressing any further with Western Power.

Western Power will then include the additional choice of LED streetlight luminaire in their product catalogue as an option for Local Governments.

At this preliminary stage, DBCA and Astrotourism WA seek Shire of Mingenew support to demonstrate demand from Local Governments for a dark sky and wildlife friendlier LED streetlight luminaire.

**Consultation**

Department of Biodiversity, Conservation and Attractions (DBCA)  
Astrotourism WA  
WALGA

**Statutory Environment**

*Local Government Act 1995*

**Policy Implications**

Nil.

**Financial Implications**

Nil. The cost of the design of a new dark sky and wildlife friendlier streetlight will be covered by DBCA. DBCA's preliminary discussions with lighting designers has identified that this initiative is feasible with negligible additional cost and tariffs to Local Government.

**Strategic Implications**

Strategic Community Plan 2019-2029

1.1.2 Provide buildings, facilities and services to meet community needs

1.3.2 Provide services and processes to enhance public safety

4.3.2 Support development of Tourism infrastructure to support deepening of local product



Local Government Act 1995

Local Government (Administration) Regulations 1996

**12. Publication of meeting details (Act s. 5.25(1)(g))**

*(1) In this regulation — meeting details, for a meeting, means the date and time when, and the place where, the meeting is to be held.*

*(2) The CEO must publish on the local government’s official website the meeting details for the following meetings before the beginning of the year in which the meetings are to be held —*

*(a) ordinary council meetings;*

*(b) committee meetings that are required under the Act to be open to members of the public or that are proposed to be open to members of the public.*

*(3) Any change to the meeting details for a meeting referred to in subregulation (2) must be published on the local government’s official website as soon as practicable after the change is made.*

**Policy Implications**

Nil.

**Financial Implications**

Nil.

**Strategic Implications**

Strategic Community Plan 2019-2029

Strategy 1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner.





**Maintenance Activities**

**Maintenance grading works has been undertaken on the following roads:**

- Depot Hill road received a very quick brush over. We will return once we finish Coalseam road.
- Drilling rig contract grading works on Moorriary, Strawberry NE and Burma roads has commenced.

**Other Road Maintenance activities**

- Traffic counters are being prepared for placement. Roads being targeted are Eleanor Street, Yandanooka NE, Boolinda and Yandanooka West roads
- Yandanooka intersection line marking completed. Signage removed. Old road to be ripped up when grader is next in the area.

**Roadside signage**

- Narrow road signs removed from Coalseam road.

**Works ahead**

- Water grade roll Depot hill road - Main Roads
- Strawberry NE road gravel re-sheeting preparation works.
- Gravel patching Yandanooka Morawa road in 6 identified priority areas
- Gravel patching Colgate Road approximately SLK 10.22
- Pot hole patching Yandanooka North east road.
- Coalseam RRG project.

**Urban Services**

**Streetscape completed works**

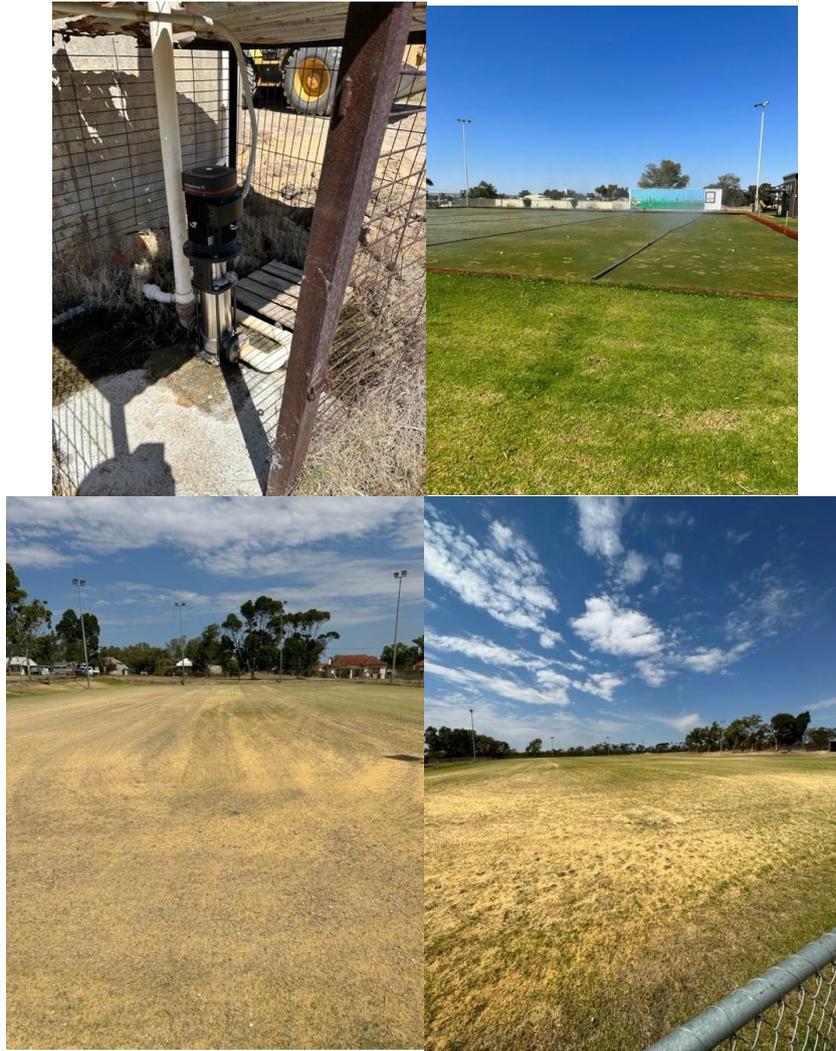
- Mowing and maintenance of entrances and shared areas.

**Works ahead.**

- Routine maintenance
- Spraying, Street maintenance and garden maintenance.

**Open spaces completed works**

- Main oval, hocky field, Turf club straight and tennis courts have been renovated by Midwest turf suppliers.
- Mowing and maintenance of fields.
- Liquid fertilizer system has been installed and operating in Cecil Newton Park.
- Play grounds have been sand replenished up and weeded.
- Basic maintenance of the Spring area and working with community members to improve the Spring Area.
- The watering pump for the Bowling, tennis clubs has been renewed. All watering systems are back up and running. It took 3 and a half weeks to get a replacement pump for the watering systems.



**Works ahead.**

- Netball court maintenance on protruding lumps.
- Routine maintenance

**Tennis Club**

- The lights at the tennis courts need significant works. At present there is only 1 tower that functions correctly.
  - 1 tower does not operate at all
  - 6 towers only have 1 bulb working.
  - 3 control gear panels that are not functioning.
- Electrician has completed basic tests and is pricing replacing some of the bulbs and switch gear changing lights to a LED. These LED lights may not meet the Australian standard for lux lighting for tennis to be played. By replacing the lights with a below standard lights puts the Shire at a higher risk.
- A lighting specialist has been approached to provide a quote to do a lighting design and recommend lights with a proposal to change all lights. Cost estimate for this design is expected to be around the \$500 mark. This will be confirmed once the fee proposal has been received.

**Infrastructure Projects**

**Mingenew Airfield**

- Shed and shelter has been delivered.
- Pipe work will be completed by Nutrian Water date is yet to be set.
- Once the pipe work has been installed the shed will be constructed over the pump.

**Tennis Club building**

- The transportable building was installed on the 29<sup>th</sup> September.
- Septic system and plumbing works have been completed.
- Electrical works have been completed.
- Blocks have been delivered. Thanks to Murray Tomas for his voluntary contribution to the project of transporting the blocks.





**Works ahead.**

- Installation of the shed and shade.
- Installation of the pipe work at the airfield.
- Routine maintenance
- Investigate options for light repairs or replacement for the tennis courts.
- Tennis clubhouse block walls and land scaping works.



**Statutory Environment**

Local Government Act 1995

**Policy Implications**

Nil

**Financial Implications**

All works have been completed to Budget

**Strategic Implications**

Strategic Community Plan 2019-29

MINGENEW SHIRE COUNCIL ORDINARY MEETING AGENDA – 18 October 2023

- 1.1.1 Provide and support cost effective transport networks
- 1.1.2 Provide buildings, facilities and services to meet community needs
- 1.3.2 Provide services and processes to enhance public safety
- 2.4.2 Continue programs to improve the look and feel of the community public spaces, places and services to support an active and inclusive lifestyle

**15.0 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**

Nil.

**16.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING**

Nil.

**17.0 CONFIDENTIAL ITEMS**

**17.1 PURCHASE OF KARARA-OWNED PROPERTIES – 42 VICTORIA ST AND 49 SHENTON ST, MINGENEW**

*To be held in closed session under s5.23 (2)(b) of the Local Government Act 1995 as the matter to be considered relates to a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.*

*Copy of Confidential Report provided to Councillors under separate, confidential cover*

**PROCEDURAL MOTION AND COUNCIL DECISION – ITEM 17.0 – RESOLUTION# 13181023**

**MOVED: Cr JD Bagley                      SECONDED: Cr CV Farr**

That Council closes the meeting to the public at 5:50pm in order to discuss Confidential Item 17.1, in accordance with s.5.23.2(c) of the Local Government Act 1995, as the matter pertains to a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.

**VOTING REQUIREMENTS:**

**CARRIED BY SIMPLE MAJORITY 6/0**

*(FOR: Cr GJ Cosgrove, Cr JD Bagley, Cr CV Farr, Cr JR Holmes, Cr HR McTaggart, and Cr AR Smyth, AGAINST: Nil)*

**OFFICER RECOMMENDATION AND COUNCIL DECISION – ITEM 17.1 – RESOLUTION# 14102023**

**MOVED: Cr AR Smyth                      SECONDED: Cr CV Farr**

That with respect to the offer from Karara Mining Limited to purchase 42 Victoria Street and 49 Shenton Street, Mingenew, Council:

- a. resolve not to proceed with the purchase as this will only consume existing housing stock and its strategic direction is to increase housing stock within Mingenew.
- b. reserve the existing budget allocation of \$400,000 for a potential future key worker housing accord project.
- c. Instruct the CEO to write to Karara Mining Limited declining the offer to purchase the two Karara Houses and thank them for their continued support of the Mingenew Community.

**VOTING REQUIREMENTS:**

**CARRIED BY SIMPLE MAJORITY 6/0**

*(FOR: Cr GJ Cosgrove, Cr JD Bagley, Cr CV Farr, Cr JR Holmes, Cr HR McTaggart, and Cr AR Smyth, AGAINST: Nil)*

**PROCEDURAL MOTION AND COUNCIL DECISION – ITEM 17.0 – RESOLUTION# 15181023**

**MOVED: Cr JR Holmes                      SECONDED: Cr HR McTaggart**

**Council reopens the meeting to the public at 5:55pm.**

**VOTING REQUIREMENTS:**

**CARRIED BY SIMPLE MAJORITY 7/0**

*(FOR: Cr GJ Cosgrove, Cr JD Bagley, Cr CV Farr, Cr JR Holmes, Cr HR McTaggart, Cr AR Smyth, AGAINST: Nil)*

**18.0 TIME AND DATE OF NEXT MEETING**

Next Ordinary Council Meeting to be held on Wednesday 6 December 2023 commencing at 5.00pm.

**19.0 CLOSURE**

The meeting was closed at 5:56pm.

**These minutes were confirmed at an Ordinary Council meeting on 18 October 2023.**

Signed \_\_\_\_\_  
Presiding Officer

Date: \_\_\_\_\_



# MINUTES OF THE SPECIAL COUNCIL MEETING

15 NOVEMBER 2023

## TABLE OF CONTENTS

1.0	DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS .....	3
2.0	RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE .....	3
3.0	ELECTION OF SHIRE PRESIDENT .....	3
4.0	ELECTION OF THE DEPUTY SHIRE PRESIDENT .....	3
5.0	COUNCILLOR SEATING ALLOCATION .....	4
6.0	PUBLIC QUESTION TIME/PUBLIC STATEMENT TIME.....	4
7.0	APPLICATIONS FOR LEAVE OF ABSENCE .....	4
8.0	DECLARATIONS OF INTEREST.....	4
9.0	GOVERNANCE & COMMUNITY MANAGER.....	5
9.1	<b>APPOINTMENT OF COMMITTEE DELEGATES .....</b>	<b>5</b>
10.0	MANAGER CORPORATE SERVICES .....	12
10.1	<b>FEES AND CHARGES AMENDMENT – DISPOSAL OF LIQUID WASTE.....</b>	<b>12</b>
11.0	LATE ITEM.....	14
11.1	<b>RFT 01 2023-24 – Mingenew Early Childhood Education Facility – Design and Construct .....</b>	<b>14</b>
12.0	TIME AND DATE OF NEXT MEETING .....	17
13.0	CLOSURE.....	17



**MINUTES OF THE SPECIAL MEETING OF COUNCIL HELD IN COUNCIL CHAMBERS ON  
15 NOVEMBER 2023 COMMENCING AT 5.00PM**

*Prior to the meeting commencing, Councillors-elect Cr GJ Cosgrove, Cr HM McTaggart, Cr JD Bagley and Cr RA Starick made the declaration in accordance with s.2.29 of the Local Government Act 1995.*

**1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

The Chief Executive Officer opened the meeting at 5.02pm and presided over the meeting until the Shire President Election results were declared.

**2.0 RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE**

**Councillors**

Cr GJ Cosgrove	Shire President
Cr HR McTaggart	Deputy President
Cr JD Bagley	Councillor
Cr JR Holmes	Councillor
Cr AT Pearse	Councillor
Cr RA Starick	Councillor

**Staff**

Mr Matt Fanning	Chief Executive Officer
Mrs Helen Sternick	Manager Corporate Services
Mr Shane Noon	Works Manager
Ms Erin Greaves	Governance and Community Manager

**Apologies**

Cr AR Smyth	Councillor
-------------	------------

**3.0 ELECTION OF SHIRE PRESIDENT**

The CEO called for nominations for Shire President.

One nomination was received from Cr GJ Cosgrove for Shire President at the close of nominations. As there were no other nominations, Cr GJ Cosgrove was elected Shire President unopposed.

*Cr GJ Cosgrove made the declaration of office.*

*Cr GJ Cosgrove assumed the role of Presiding Member for the meeting.*

**4.0 ELECTION OF THE DEPUTY SHIRE PRESIDENT**

The Presiding Member called for nominations for Deputy President.

One nomination was received from Cr HR McTaggart for Deputy President at the close of nominations. As there were no other nominations, Cr HR McTaggart was elected Deputy President unopposed.

*Cr HR McTaggart made the declaration of office.*

**5.0 COUNCILLOR SEATING ALLOCATION**

The Councillor seating allocation will be in accordance with Clause 7.2 of the Shire of Mingenew Standing Orders Local Law 2017 which states *"When present in the meeting room, a member will occupy the seating position allocated to him or her for each specific Council or Committee meeting."*

In order to determine the seating arrangements for Council meetings, seating positions were allotted by random draw, conducted by the CEO. The following seating positions are fixed:

1. Visitors
2. Cr AT Pearse
3. Cr JR Holmes
4. Manager Corporate Services
5. Cr HR McTaggart (Deputy President)
6. Cr GJ Cosgrove (President)
7. Chief Executive Officer
8. Governance & Community Manager
9. Cr JD Bagley
10. Cr RA Starick
11. Cr AR Smyth
12. Manager Works

1		12
2		11
3		10
4		9
5	6    7	8

**6.0 PUBLIC QUESTION TIME/PUBLIC STATEMENT TIME**

Nil.

**7.0 APPLICATIONS FOR LEAVE OF ABSENCE**

Nil.

**8.0 DECLARATIONS OF INTEREST**

Nil.

## 9.0 GOVERNANCE & COMMUNITY MANAGER

### 9.1 APPOINTMENT OF COMMITTEE DELEGATES

Location/Address:	Shire of Mingenew
Name of Applicant:	Shire of Mingenew
File Reference:	GV.CMT.5
Disclosure of Interest:	Nil
Date:	19 September 2023
Author:	Erin Greaves, Governance & Community Manager
Authorising Officer:	Matt Fanning, Chief Executive Officer
Voting Requirements:	Absolute Majority / Simple Majority

#### Summary

Council is asked to nominate and appoint members to Council's Committees and the various organisations that have Council representation.

#### Key Points

- The Shire President and Chief Executive Officer reserve the right to attend any meeting
- The Shire of Mingenew Executive Management Committee is the only Committee of Council with delegated authority.
- The Audit & Risk Committee has statutory functions under the Local Government Act 1995
- The list of Committees and groups within the recommendation are based on previous appointments made by Council. It is up to Council to consider if the same level of Council representation is relevant and whether a reduction or increase to appointments are necessary

**OFFICER RECOMMENDATION AND COUNCIL DECISION – ITEM 9.1 – RESOLUTION# 01151123S**  
**MOVED: Cr HR McTaggart                      SECONDED: Cr JD Bagley**

**Council:**

1. **By Absolute Majority, appoints the following members to the Shire of Mingenew's Committees of Council:**

**SHIRE OF MINGENEW AUDIT & RISK COMMITTEE**

Cr HR McTaggart, Cr AT Pearse and Cr GJ Cosgrove, Cr AR Smyth and Ms Jane Bagshaw, as the Independent Member.

**SHIRE OF MINGENEW BEHAVIOUR COMPLAINTS COMMITTEE**

Whole of Council, excluding the Elected Member/s who is/are subject to the complaint.

**SHIRE OF MINGENEW BUSH FIRE ADVISORY COMMITTEE**

Cr AT Pearse, and Cr AR Smyth as proxy delegate.

**SHIRE OF MINGENEW EXECUTIVE MANAGEMENT COMMITTEE**

Cr GJ Cosgrove, Cr HR McTaggart and Cr JD Bagley, and Cr JR Holmes as proxy delegate.

**SHIRE OF MINGENEW LOCAL EMERGENCY MANAGEMENT COMMITTEE**

Cr AR Smyth, the Chief Executive Officer (or his/her nominee), and Cr RA Starick as proxy delegate.

**SHIRE OF MINGENEW COMMUNITY ASSISTANCE SCHEME PANEL**

Cr JR Holmes, Cr RA Starick, the Community Development Officer, and Governance and Community Manager.

**SHIRE OF MINGENEW CBH EXPANSION PROJECT WORKING GROUP**

Cr GJ Cosgrove, Cr JR Holmes, the Chief Executive Officer and Cr JD Bagley as proxy delegate.

2. Delegates the following members to represent Council on community-run committees:

**MINGENEW COMMUNITY RESOURCE CENTRE MANAGEMENT COMMITTEE**

Cr HR McTaggart and the Community Development Officer, and Cr JD Bagley as proxy delegate.

3. Delegates the following members to represent the Shire of Mingenew on external committees and groups:

**JOINT DEVELOPMENT ASSESSMENT PANEL**

Cr AT Pearse and Cr JD Bagley, and  
Cr GJ Cosgrove and Cr JR Holmes as proxy delegates.

**MID-WEST REGIONAL ROAD GROUP**

Cr GJ Cosgrove, and  
Cr JD Bagley, and Cr AT Pearse as proxy delegates.

**NORTHERN COUNTRY ZONE OF WALGA**

Cr GJ Cosgrove and Cr HR McTaggart, and  
Cr JR Holmes as proxy delegate.

**WILDFLOWER COUNTRY INC.**

Cr Starick and Cr Smyth as proxy voting delegate, and the Community Development Officer and Chief Executive Officer as non-voting delegates.

**VOTING REQUIREMENTS:**

**CARRIED BY SIMPLE MAJORITY 6/0**

*(FOR: Cr GJ Cosgrove, Cr JD Bagley, Cr JR Holmes, Cr HR McTaggart, and Cr RA Starick, AGAINST: Nil)*

**Attachments**

- 9.1.1 Audit & Risk Committee Terms of Reference
- 9.1.2 Bushfire Advisory Committee Terms of Reference
- 9.1.3 Local Emergency Management Committee Terms of Reference
- 9.1.4 Behaviour Complaints Committee Terms of Reference
- 9.1.5 Terms of Reference for Elected Member Representation on External Committees / Groups

**Background**

Following the 2023 ordinary local government election process, it is appropriate to reconsider Council representative positions for Council Committees and other representation appointments.

Section 5.8 of the Local Government Act 1995 enables Councils to form committees to assist it with its functions. Committee members can include elected members, employees and members of the public in a variety of combinations. Committees can operate with council delegated decision making powers or solely on an advisory basis. Advisory committees where members are drawn from both council and the community

give the community a significant opportunity to provide input into the council's decision making meeting process and is the current format for all of Council's Committees currently.

Where a Committee has a delegated authority, it is important to note that the same responsibilities apply to Committee meetings as council meetings, including making them available to the public, publishing agendas and minutes and giving public notice of meeting dates, times etc.

### **Comment**

A summary of the purpose of each Committee and any additional information that may be pertinent is provided below:

#### **Audit & Risk Committee (ARC)**

The primary objective of the Audit and Risk Committee "the Committee" is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its statutory and fiscal affairs.

Reports from the Committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finances and resources. The Committee will ensure transparency in the Local Government's reporting and will liaise with the CEO to ensure the effective and efficient management of the local government's systems and processes.

The Terms of Reference require that the Committee will consist of at least four members, including an independent member although it has been Council's past practice to have four Elected Members on the Committee plus an independent member.

The Audit & Risk Committee typically meet four times per year. The most recently appointed Elected Member representatives include Cr McTaggart, Cr Cosgrove, Cr Smyth and Cr Pearse, and Jane Bagshaw as the independent member.

#### **Behaviour Complaints Committee (BCC)**

The Behaviour Complaints Committee is a Committee of Council established in accordance with s.5.8 of the Local Government Act 1995 (the Act) for the purpose of dealing with Behaviour Complaints made under Division 3 of the Shire of Mingenew's Code of Conduct for Council Members, Committee Members and Candidates (Code of Conduct).

The Terms of Reference for this Committee require at least three Council Members to be appointed and at least 3 proxy members. This ensures flexibility in Council Member attendance should the Committee be required to meet, as it will depend on who the complaint refers.

Meetings are only held as required (following the receipt of a complaint and upon completion of an investigation after which a report is prepared by the Behaviour Complaints Officer, in accordance with Council Policy 1.1.8).

Members include Cr Bagley, Cr Smyth and Cr Farr (former), with Cr Holmes, Cr McTaggart and Cr Cosgrove as proxies.

#### **Executive Management Committee (EMC)**

The Executive Management Committee is purposed with coordinating and undertaking the CEO Performance Review each year (and recruitment and termination of a CEO, as required). This Committee has delegated powers in accordance with s5.16 and s5.38 of the *Local Government Act* and R18D of the *Local Government*

*(Administration) Regulations 1996 to "Review the performance of the Chief Executive Officer at least once in relation to every year of employment."* This authority is conditional on the following:

1. Authority is subject to the Local Government Act 1995 and its associated Regulations.
2. The review and report are to be presented to Council for acceptance [of the review], with or without modification, or to reject the review.

Council have authorised the Committee, in consultation with the CEO, to:

- Set the date of the Performance Review; and
- Determine if an external facilitator is to be engaged to assist with future performance reviews and be involved in the selection of that third party.

The EMC meets at least twice a year to undertake the CEO Performance Review and then as required to deal with the recruitment and termination of the CEO.

Cr Cosgrove, Cr McTaggart and Cr Bagley are the most recently appointed delegates, with Cr Smyth as proxy.

### **Local Emergency Management Committee (LEMC)**

The LEMC has been established in accordance with s38(1) of the *Emergency Management Act 2005* for the purpose of making the Shire of Mingenew a safe community by managing the risk of emergencies through the delivery and implementation of emergency prevention, preparedness, response and recovery strategies.

The Terms of Reference set out the specific objectives of the Committee and other management details. At least four meetings are held per year.

Voting membership is outlined in the Terms of Reference (agency representatives) and consists of Cr Smyth as the Councillor representative and the CEO, with Cr Farr (former) as proxy.

### **Community Assistance Panel (CAP)**

The Community Assistance Panel is responsible for reviewing applications received under the Community Assistance Scheme. The most recent appointees are Cr McTaggart, Cr Holmes and the Shire's Community Development Officer.

### **CBH Expansion Project Working Group**

This is a new group, included to enable Council to review and keep informed of any plans and information relevant to the future expansion of the Mingenew CBH facility to ensure that community impacts and priorities are considered and communicated.

This is not a formal Council Committee, but a working group which will report back to Council as required. Cr Bagley, Cr Cosgrove and the CEO are nominated representatives, with Cr Smyth as proxy.

### **Mingenew Community Resource Centre Management Committee (CRCMC)**

The Mingenew Community Resource Centre (CRC) Management Committee oversees the management of the Mingenew CRC and is not a Committee of Council.

Council have previously provided formal representation on this Committee to coordinate any projects and initiatives that require Council support or involvement.

Council representatives do not have voting power but can report back to the local government on any matters of interest or matters that are likely to require Council consideration. Council representatives may also update the Committee members on any matters that may impact them or require feedback on. Cr McTaggart and the Shire's Community Development Officer are the nominated representatives, with Cr Farr (former) the proxy.

### **Joint Development Assessment Panel (JDAP)**

A Joint Development Assessment Panel (JDAP) is made up of specialist and local government members and are established to determine development applications that meet set type and value thresholds as if it were the responsible authority under the relevant planning instrument, such as the local planning scheme or region planning scheme. The DAP regulations state that DAP applications cannot be determined by local government or the Western Australian Planning Commission (WAPC).

There are currently 8 JDAPs in Western Australia, with the Shire of Mingenew being members of the Mid-west/Wheatbelt region. Local members are members of a local government council who are nominated by that local government to sit on a DAP. Local governments are required to nominate two councillors as local members, and two deputy local members to be called on if an issue of quorum arises. The Minister will appoint the local government representatives in accordance with the local government's nomination.

Should the local government fail to nominate four representatives, the Minister has the power to appoint two alternative community representatives to ensure local representation is always present on a panel. The regulations require that these alternate representatives are residents of the local area and have relevant knowledge or experience that, in the opinion of the Minister, will enable them to represent the interests of their local community.

An information booklet has been provided as an attachment should Councillors and members of the community wish to learn more about Development Assessment panels and their role.

The structure of Development Assessment Panels are currently under review by the State Government and changes are foreshadowed but for the time being it is appropriate to follow the current established process.

Cr Cosgrove and Cr Bagley are the nominated local members, with Cr Holmes and Cr Farr (former) the Deputy members.

### **Mid-West Regional Road Group**

There are 10 Regional Road Groups (RRG) in WA, established under the State Road Funds to Local Government Agreement which is overseen by a State Advisory Committee (SAC). The RRGs make recommendations to SAC in relation to the Annual Local Government Roads Program for their Region and any other relevant issues.

The RRGs are comprised of elected representatives from each Local Government within the road group. Most groups are supported by a technical committee comprised of Local Government staff. Administrative support is provided by Main Roads WA. RRGs are important in providing Local Government with a voice in how the State Government's contribution to local roads is spent. Regional Road Group members serve a vital and valuable role in ensuring that road funding decisions maximise community benefits and preserve and improve the road system across Western Australia. The RRG is also responsible for reviewing the Restricted Access Vehicle (RAV) network.

Most decisions of this Committee are made by consensus and only one Council representative has voting rights. Council representatives are expected to keep Council informed of the business and decisions made by the Regional Road Group.

Cr Cosgrove and Cr Bagley are nominated members, and Cr Smyth is the proxy.

### **Northern Country Zone of WALGA**

State Councillors are elected to State Council from one of 17 Zones, which are groupings of Local Governments convened together on the basis of population, commonalities of interest and geographical

alignment. Zones have an integral role in shaping the political and strategic direction of WALGA. Not only are Zones responsible for bringing relevant local and regional issues to the State decision making table, they are a key player in developing policy and legislative initiatives for Local Government.

Zone delegates are elected or appointed to represent their Council on the Zone and make decisions on their Council's behalf at the regional level. In fulfilling their role as Council's delegate, the Zone delegate should give regard to their Council's positions on policy issues. There is also an expectation that Zone delegates will report back to their Council about decisions made by the Zone.

WALGA have requested that they be notified of Elected Member delegates and deputy delegates to the Zone no later than Friday 5 November 2021. This will enable the Zone to elect WALGA State Council representatives. The Northern Country Zone (NCZ) will appoint its office bearers (President, Deputy President and State Council representative and Deputy) at the next NCZ meeting on 22 November 2021.

Please [click here](#) to view WALGA's Elected Member Prospectus. This document will assist in providing further information on becoming a Zone Delegate or State Councillor.

Cr Cosgrove and Cr McTaggart are the most recently nominated representatives, and Cr Holmes is proxy.

### **Wildflower Country Inc.**

Western Australia's Wildflower Country has been the collective group of nine local government areas located just north of Perth in Western Australia; Carnamah, Coorow, Dalwallinu, Greater Geraldton – including Mullewa, Moora, Morawa, Mingenew, Perenjori and Three Springs. The future of this group is unknown, regardless a current nominee is necessary to finalise any outcomes under the current structure.

The "current" purpose of Wildflower Country Incorporated is to promote this beautiful region as a unique and captivating tourism destination, for the collective mutual benefit of the entire Wildflower Country region. Wildflower Country assists with collaborative destination marketing, and in producing memorable and positive visitor experiences, as well as assisting to develop the tourism industry within the area.

Each local government is entitled to one voting representative, which is Cr Farr, with the CEO and Community development Officer also appoint to attend as non-voting representatives. It is recommended that a proxy Council delegate be nominated.

### **Statutory Environment**

Local Government Act 1995

Local Government (Administration) Regulations 1996

Emergency Management Act 2005

### **Policy Implications**

As indicated within the report above, where applicable.

**Financial Implications**

Nil

**Strategic Implications**

Strategic Community Plan:

Strategy 1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner

Strategy 1.3.2 Provide services and processes to enhance public safety

10.0 MANAGER CORPORATE SERVICES

10.1 FEES AND CHARGES AMENDMENT – DISPOSAL OF LIQUID WASTE

Location/Address: Shire of Mingenew  
 Name of Applicant: Shire of Mingenew  
 File Reference: FM.RVN.1  
 Disclosure of Interest: Nil  
 Date: 26 October 2023  
 Author: Helen Sternick, Manager Corporate Services  
 Approved by: Matt Fanning, Chief Executive Officer  
 Voting Requirement: Absolute Majority

**Summary**

Seeking Councils' approval to amend the 2023/24 Fees and Charges to change the disposal of liquid waste charge.

**OFFICER RECOMMENDATION AND COUNCIL DECISION – ITEM 10.1 – RESOLUTION# 02151123S**

**MOVED: Cr Holmes                      SECONDED: Cr Bagley**

That Council, by simple majority:

1. not accept septage liquid waste generated outside the Shire of Mingenew local government area; and;
2. not accept septage liquid waste generated by or associated with the mining and resource sector.

That Council, by absolute majority:

1. approves the revised Fees and Charges for the 2023/24 financial year for the disposal of liquid waste being:

Residential septic tank only	Per 2,000 litres or less	\$110 (including GST)
Townsite commercial	Per 1,000 litres	\$110 (including GST)

2. Gives local public notice of the imposition of the updated and new fees and charges applicable from 21 December 2023.

**VOTING REQUIREMENTS:**

**CARRIED BY SIMPLE MAJORITY 6/0**

*(FOR: Cr GJ Cosgrove, Cr JD Bagley, Cr JR Holmes, Cr HR McTaggart, and Cr RA Starick, AGAINST: Nil)*

**Background**

In accordance with the *Local Government Act 1995*, Local Governments may impose and recover a fee or charge for any goods or services it provides. These fees and charges are to be set when adopting the annual budget but may be amended from time to time during the financial year.

The current licence applicable to the Shire of Mingenew allows the waste facility to receive up to 57,000 litres of septage liquid waste per year.

The current fees and charges for septage liquid waste of \$100 per load was initially established to recover the costs of septage waste disposal for Shire of Mingenew households. Council's staff have received enquiries from commercial businesses to use the facilities, when the fees and charges were not set with this in mind.

**Comment**

Due to the City of Greater Geraldton ceasing to accept septage liquid waste that is generated by the mining and resource sector and increasing fees and charges for septage liquid waste generated outside the city's local government area as of 26 September 2023, enquiries have been received to access the Shire of Mingenew facility.

Our current facility does not have the capacity to handle septage liquid waste generated outside the Shire of Mingenew local government.

### **Statutory Environment**

*Local Government Act 1995 Section 6.16*

#### **6.16 Imposition of fees and charges**

- (1) *A local government may impose\* and recover a fee or charge for any goods or service it provides or proposes to provide, other than a service for which a service charge is imposed.*

*\* Absolute majority required.*

- (2) *A fee or charge may be imposed for the following —*
- (a) providing the use of, or allowing admission to, any property or facility wholly or partly owned, controlled, managed or maintained by the local government;*
  - (b) supplying a service or carrying out work at the request of a person;*
  - (c) subject to section 5.94, providing information from local government records;*
  - (d) receiving an application for approval, granting an approval, making an inspection and issuing a licence, permit, authorisation or certificate;*
  - (e) supplying goods;*
  - (f) such other service as may be prescribed.*
- (3) *Fees and charges are to be imposed when adopting the annual budget but may be —*
- (a) imposed\* during a financial year; and*
  - (b) amended\* from time to time during a financial year.*

*\* Absolute majority required.*

#### **6.19. Local government to give notice of fees and charges**

*If a local government wishes to impose any fees or charges under this Subdivision after the annual budget has been adopted it must, before introducing the fees or charges, give local public notice of —*

- (a) its intention to do so; and*
- (b) the date from which it is proposed the fees or charges will be imposed.*

### **Policy Implications**

Nil

### **Financial Implications**

If approved, the amended fees and charges will generate additional income and define the users of the facility.

### **Strategic Implications**

Strategic Community Plan 2019-2029

1.2.1 Manage organisation in a financially sustainable manner

1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner

11.0 LATE ITEM

11.1 RFT 01 2023-24 – Mingenew Early Childhood Education Facility – Design and Construct

Location/Address: Shire of Mingenew  
Name of Applicant: Shire of Mingenew  
Disclosure of Interest: Nil  
File Reference: FM.TEN.23.24  
Date: 13 November 2023  
Author: Matt Fanning, CEO  
Voting Requirement: Simple Majority

**Summary**

Shire of Mingenew invited tenders from suitably qualified tenderers for the Design and Construction of a 24 place Early Childhood Education Facility. Offers of a modular or built on-site form we accepted. Only one response was received which excluded landscaping and exceeded the project budget. Council is requested to not accept any tenders and progress a tender exempt process.

**Key Points**

- RFT issued with only one responses
- Contractors offer is significantly higher than the current approved budget.

**OFFICER RECOMMENDATION AND COUNCIL DECISION – ITEM 11.1 – RESOLUTION# 03151123S**

**MOVED: Cr Pearce**

**SECONDED: Cr Starick**

**Council:**

1. Notes the evaluation matrix, as included in Confidential Attachment 11.1.1,
2. In accordance with the *Local Government (Functions and General) Regulation 1996*, Regulation 18, resolves to not accept any tenders for RFT01 2023-24 Mingenew Early Childhood Education Facility – Design and Construct, as the only tender received in excess of the project budget.
3. Instructs the CEO to obtain alternate offers under a tender exempt process for the delivery of the Mingenew Early Childhood Education Facility, as per Regulation 11 of the *Local Government (Functions and General) Regulation 1996*.

**VOTING REQUIREMENTS:**

**CARRIED BY SIMPLE MAJORITY 6/0**

**(FOR: Cr GJ Cosgrove, Cr JD Bagley, Cr JR Holmes, Cr HR McTaggart, and Cr RA Starick, AGAINST: Nil)**

**Confidentiality**

An attachment to this report is confidential in accordance with section 5.23 (2) of the *Local Government Act 1995* because it deals with –

- (c) “a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.”
- (e) “Information that has a commercial value to a person”

**Attachment**

11.1.1 Confidential – Evaluation Report circulated as a separate confidential attachment as per s.5.23(2)(e)(ii)(iii)

**Background**

The Shire has been developing the delivery of a new increased capacity Early Childhood Education Facility.

Tenders were advertised 7 October 2023 through the tenderlink portal and closed 14:30 AWST on 10 November 2023.

The tender was separated into two portions.

### Comment

The Qualitative Criteria was approved prior to the advertisement of the RFT. Each Criterion was given the following weightings and included within the RFT document.

Criteria		Weighting
(a)	Experience and Capacity	15%
(b)	Experience and Capacity of Respondent's Key Personnel, Subcontractors, Suppliers and Consultants	15%
(c)	Methodology	15%
(d)	Proposed concept design, inclusions and technical data (noting the Principal's budget is \$900,000)	55%

The submissions were assessed against the Qualitative Criteria and each Criterion was given a score in accordance with the Evaluation Guide contained within the Evaluation Spreadsheets.

A rating scale of zero-to-ten (0 - 10) was used for evaluating the Tender submissions in accordance with the Qualitative Criteria, with 0 being lowest and 10 being highest.

The evaluation and recommendation report, including the overall evaluation scores and rankings, is attached as confidential Attachment 11.1.1.

The evaluation of the submissions received against the quantitative and qualitative criteria resulted in the rankings (in order of priority) as shown below –

Ranking	Tenderer
1	Kilmore Group

### Consultation

- Internal Staff

### Statutory Environment

The *Local Government Act 1995* at S3.57(1) (tenders for providing goods or services) requires that in certain circumstances, a local government is to invite tenders before it enters into a contract of a prescribed kind under which another person is to supply goods or services.

The *Local Government (Functions and General) Regulations 1996* at Regulation 11A (when tenders have to be publicly invited) clarifies that tenders are to be publicly invited if the consideration under the contract is, or is expected to be, more, or worth more, than \$250,000.

However, after having followed the appropriate tender process and it is determined that no acceptable tenders have been received, Council may consider other procurement options, other than public tender, in accordance with Regulation 11(2)(c)(i):

#### **11. When tenders have to be publicly invited**

- (2) Tenders do not have to be publicly invited according to the requirements of this Division if —

- (c) *within the last 6 months —*
  - (i) *the local government has, according to the requirements of this Division, publicly invited tenders for the supply of the goods or services but no tender was submitted that met the tender specifications or satisfied the value for money assessment;*

**18. Rejecting and accepting tenders**

- (4) *Tenders that have not been rejected under subregulation (1), (2), or (3) are to be assessed by the local government by means of a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept and it is to decide which of them (if any) it thinks it would be most advantageous to the local government to accept.*

**Policy Implications**

In obtaining a public tender, the Shire's Purchasing Policy (1.3.1) requirements have been met. Our Local Price Preference Policy was also applied in the attached tender assessment document.

**Financial Implications**

A total of \$1,000,000 was included in the FY23/24 budget for these works allowing a contingency of \$100,000, resulting in a project budget of \$900,000 to perform the design and construction of the facility.

The tender response of \$1,530,245.39, excluding the landscaping portion, equates to \$3,600 per square meter which is significant given the concept design.

**Strategic Implications**

Strategic Community Plan 2019-2029:

2.2.1 Develop childcare service to full time full day care model

**12.0 TIME AND DATE OF NEXT MEETING**

Next Ordinary Council Meeting to be held on Wednesday 6 December 2023 commencing at 5:00pm.

**13.0 CLOSURE**

The meeting was closed at 5:38pm.

These minutes were confirmed at an Ordinary Council meeting on 6 December 2023.

Signed \_\_\_\_\_  
Presiding Officer

Date: \_\_\_\_\_



# MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING

30 NOVEMBER 2023

## TABLE OF CONTENTS

1.0	DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS.....	3
2.0	RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE .....	3
3.0	ELECTION OF CHAIRPERSON .....	3
4.0	DECLARATIONS OF INTEREST .....	3
5.0	CONFIRMATION OF PREVIOUS MEETING MINUTES.....	4
5.1	<b>AUDIT &amp; RISK COMMITTEE MEETING HELD 8 DECEMBER 2022</b> .....	4
6.0	AUDIT EXIT MEETING.....	4
7.0	OFFICER REPORTS.....	5
7.1	<b>ANNUAL REPORT, FINANCIAL REPORT &amp; INDEPENDENT AUDIT REPORT 2022/23</b> .....	5
8.0	CLOSURE.....	13



**MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING OF THE SHIRE OF MINGENEW HELD IN COUNCIL CHAMBERS ON 30 NOVEMBER 2023 COMMENCING AT 4:00PM**

**1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

The meeting was opened by the Chief Executive Officer at 4:00pm and chaired the meeting until the election of the Chairperson was conducted and an appointment made.

**2.0 RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE**

**Committee Members**

Cr HR McTaggart

Cr GJ Cosgrove

Cr AT Pearse

Cr AR Smyth

Ms J Bagshaw (Independent Member)

**Staff**

Matt Fanning, Chief Executive Officer

Helen Sternick, Manager Corporate Services

Erin Greaves, Governance and Community Manager

**Guests – *joined via Microsoft Teams at 4:02pm***

Liang Wong, Office of the Auditor General

Justin Mulhair, Nexia Australia

Steven Lee, Nexia Australia

**3.0 ELECTION OF CHAIRPERSON**

The Chief Executive Officer called for nominations for the position of Chairperson.

Cr GA Cosgrove nominated Cr HR McTaggart for Chairperson. Cr HR McTaggart accepted the nomination.

No further nominations were received; therefore Cr HR McTaggart was re-elected as Chairperson.

**4.0 DECLARATIONS OF INTEREST**

Nil.

## 5.0 CONFIRMATION OF PREVIOUS MEETING MINUTES

### 5.1 AUDIT & RISK COMMITTEE MEETING HELD 8 DECEMBER 2022

#### OFFICER RECOMMENDATION AND COMMITTEE DECISION - ITEM 5.1

MOVED: Cr GA Cosgrove

SECONDED: Ms J Bashaw

That the Minutes of the Audit & Risk Committee Meeting of the Shire of Mingenew held in the Council Chambers on 8 December 2022 be confirmed as a true and accurate record of proceedings.

VOTING REQUIREMENTS:

CARRIED BY SIMPLE MAJORITY 3/0

(FOR: Cr GJ Cosgrove, Cr HR McTaggart, and Ms J Bagshaw, AGAINST: Nil)

## 6.0 AUDIT EXIT MEETING

*Guests from the Office of the Auditor General and Nexia Australia joined the meeting via Microsoft Teams at 4:02pm and provided an overview of the 2023/24 Audit.*

The Shire was commended for their work in preparing the Annual Financial Statements and providing additional information in a timely manner, and ultimately receiving an unqualified audit result. It was noted there were no findings in the identified risk focus areas or internal controls.

One "Moderate" finding (other than an internal control finding) was noted in the Exit Report in relation to the Long Term Financial Plan (LTFP) being expired. The Committee requested the "Moderate" finding be reviewed, as the Shire considers the finding to be "Minor".

The CEO advised that there is no specific requirement for a local government to have a LTFP in a specified form and noted that some progress has already been made in long term financial planning to inform the review of the Strategic Community Plan (major review) and Annual budget 2023/24.

Mr Mulhair from Nexia Australia advised he would take the matter on notice and provide advice to the CEO following the meeting on a review of the finding (due to the urgent nature of needing to have the audit documents ready for the 6 December 2023 Ordinary Council Meeting).

Mr Liang advised that Nexia have tendered and been granted an extension for the contract to undertake the audit on behalf of the Auditor General for the Shire of Mingenew for a further two +1 terms (2 years).

Mr Liang also indicated there would be no mandatory requirement to undertake a fair value measurement of non-financial assets each year, as proposed for the sector from 1 January 2024.

*Guests were thanked for their attendance and left the meeting at 4:18m.*

## 7.0 OFFICER REPORTS

### 7.1 ANNUAL REPORT, FINANCIAL REPORT & INDEPENDENT AUDIT REPORT 2022/23

Location/Address:	Shire of Mingenew
Name of Applicant:	Shire of Mingenew
Disclosure of Interest:	Nil
File Reference:	FM.AUD.22.23
Date:	23 November 2023
Author:	Helen Sternick, Manager Corporate Services Erin Greaves, Governance and Community Manager
Authorised by:	Matt Fanning, CEO
Voting Requirement:	Absolute Majority

#### Summary

The Draft 2022/23 Annual Report, Annual Financial Report and Auditor's Reports are presented to, initially the Audit & Risk Committee, then Council for adoption. Additionally a proposed date has been set for the Annual Meeting of Electors.

#### Key Points

- Audits completed by Nexia Australia on behalf of the Office of the Auditor General with an anticipated unqualified audit outcome.
- One Moderate item in the Management Letter on the final audit of the Annual Financial Report, to do with the Long Term Financial Plan (LTFP).
- The Annual Report information has been compiled, in accordance with s.5.53 of the Local Government Act 1995, and will be appropriately formatted and finalised for the 6 December meeting

#### OFFICER RECOMMENDATION – ITEM 7.1

The Shire of Mingenew Audit & Risk Committee:

1. Receives the 2022/23 Annual Report, as attached;
2. Receives the Annual Financial Report and Auditor's Exit Report for the 2022/23 financial year, noting no significant adverse findings;
3. Notes the auditor's "moderate" finding, other than an internal control finding, that the Shire's adopted Long Term Financial Plan (2012-2022) is currently outdated and notes that management are already underway in preparing a new Long Term Financial Plan (2023-2033);
4. Receives the Audit Report for 2022/23 on the Statement of Receipts and Expenditure and Own Source Expenditure on Roads for the Roads to Recovery Funding;
5. Receives the Audit Report for 2022/23 on the Local Roads and Community Infrastructure Program Annual Reports of Phases 2 and 3.
6. Recommends that Council:
  - a) By Absolute Majority, receives the Annual Report 2022/23 including the signed Annual Financial Report and Independent Auditor's Report for the 2022/23 financial year in accordance with s.5.54 of the *Local Government Act 1995*; and

- b) Holds its Annual Meeting of Electors on Wednesday, 31 January 2024 at 5:00pm to discuss the contents of the annual report and any other matters, in accordance with s5.27 of the *Local Government Act 1995* and Regulation 15 of the *Local Government (Administration) Regulations 1996*.

**OFFICER RECOMMENDATION AND COMMITTEE DECISION - ITEM 7.1**

**MOVED:** Cr GA Cosgrove

**SECONDED:** Ms J Bagshaw

The Shire of Mingenew Audit & Risk Committee:

1. Receives the 2022/23 Annual Report, as attached;
2. Receives the Annual Financial Report and Auditor's Exit Report for the 2022/23 financial year, noting no significant adverse findings;
3. Notes and questions the auditor's "moderate" finding, other than an internal control finding, that the Shire's adopted Long Term Financial Plan (2012-2022) is currently outdated and notes that management are already underway in preparing a new Long Term Financial Plan (2023-2033);
4. Receives the Audit Report for 2022/23 on the Statement of Receipts and Expenditure and Own Source Expenditure on Roads for the Roads to Recovery Funding;
5. Receives the Audit Report for 2022/23 on the Local Roads and Community Infrastructure Program Annual Reports of Phases 2 and 3.
6. Recommends that Council:
  - a) By Absolute Majority, receives the Annual Report 2022/23 including the signed Annual Financial Report and Independent Auditor's Report for the 2022/23 financial year in accordance with s.5.54 of the *Local Government Act 1995*; and
  - b) Holds its Annual Meeting of Electors on Wednesday, 31 January 2024 at 5:00pm to discuss the contents of the annual report and any other matters, in accordance with s5.27 of the *Local Government Act 1995* and Regulation 15 of the *Local Government (Administration) Regulations 1996*.

**VOTING REQUIREMENTS:**

**CARRIED BY SIMPLE MAJORITY 3/0**

*(FOR: Cr GJ Cosgrove, Cr HR McTaggart, and Ms J Bagshaw, AGAINST: Nil)*

**NOTE:** The final Independent Auditor's Report and Annual Financial Statements for inclusion in the Annual Report 2022/23 are subject to final approval and signing from the Auditor General and will be issued with the Agenda for the Ordinary Council Meeting 6 December 2023.

**Attachments**

- 7.1.1 2022/23 Annual Report
- 7.1.2 2022/23 Annual Financial Report (incorporating Statement by CEO)
- 7.1.3 2022/23 Audit Exit Meeting Agenda
- 7.1.4 2022/23 Audit Exit Report
- 7.1.5 2022/23 Independent Audit Report on the Roads to Recovery Receipts and Expenditure
- 7.1.6 2022/23 Independent Audit Report on the LRCI Annual Reports of Phases 2 and 3

**Background**

Pursuant to Section 7.9 of the *Local Government Act 1995* ("LGA"), an Auditor is required to examine the accounts and annual financial report submitted by a local government for audit. The Auditor is also required, by 31 December following the financial year to which the accounts and report relate, prepare a report thereon and forward a copy of that report to:

- (a) Mayor or President; and
- (b) The Chief Executive Officer; and
- (c) The Minister.

Furthermore, in accordance with Regulation 10(4) of the *Local Government (Audit) Regulations 1996* ("Audit Regulations"), where it is considered appropriate to do so, the Auditor may prepare a Management Report to accompany the Auditor's Report, which is also to be forwarded to the persons specified in Section 7.9 of the LGA.

On finalisation of the Shire's 2022/23 final audit, the Auditors have forwarded the Shire of Mingenew Audit Exit Report.

The Audit and Risk Committee is required to examine the reports of the auditor after receiving a report from the Chief Executive Officer on the matters reported and:

- Determine if any matters raised require action to be taken by the local government; and
- Ensure that appropriate action is taken in respect of those matters.

The Audit and Risk Committee is also required to review a report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and present the report to Council for adoption. A copy of the report is to be forwarded to the Minister prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time.

The Audit and Risk Committee is requested to consider and forward the Draft Annual Financial Report and Exit Report to Council.

The Audit and Risk Committee is required to review the Audit Exit Report and the Annual Financial Report, incorporating the statement by the Chief Executive Officer.

There is also a requirement from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts – National Land Transport Act 2014, Part 8 for the Statement of Receipts and Expenditure and Own Source Expenditure for the Roads to Recovery (R2R) Funding and the Local Roads and Community Infrastructure Program (LRCI) Phases 2 and 3 to be audited by the Office of the Auditor General (OAG). There is not a statutory requirement for this to be reported through this Committee but is considered better practice.

## **Comment**

### **Annual Report**

The 2022/23 Annual Report has been prepared and, as required under s.5.53 of the Act, the Annual Report includes:

- The Shire President's Report
- The CEO's Report
- An overview of Strategic Community Plan and Corporate Business Plan achievements
- An overview of SCP and CBP major initiatives proposed extending into 2023/24
- The Annual Financial Statements and Audit Report
- Employee remuneration details
- A report on training completed by Elected Members
- Other information as prescribed

### Annual Financial Report

The Annual Financial Statements are deemed to be 'unqualified', meaning it is considered to be a fair and transparent financial representation, correct, free from fraud and error and prepared within statutory requirements.

The Office of the Auditor General (OAG) recognised the Shire of Mingenew as an entity following best practice as a finding on its financial and auditing in 2021/22 and has demonstrated a good history of unqualified audits (no adverse findings).

### Audit Report

The Auditors are required to report any identified material weakness in the accounting and internal control systems. This year there was only one finding identified during the final audit - it was noted that the Shire does not have a current Long Term Financial Plan (LTFP) which is dated 2012-2022.

It should be noted that, while the LTFP is intended to inform the Shire's SCP and other strategic documents, it is not specified in the Act that an up-to-date LTFP must be maintained as a compliance requirement and therefore, it is noted as a "finding other than internal controls finding" in the Auditor's Exit Report. The Shire had already commenced working on a new LTFP 2023-2033 when the audit was being conducted and intends to develop the Plan to assist in informing the 2024/25 Annual Budget.

### Electors' Meeting

Should Council accept the Annual Report at the 6 December Ordinary Council meeting, an Electors' Meeting must be held within 56 days. This would require a meeting to be held prior to 1 February 2024 (the day of the meeting is excluded from the count). The Shire has proposed the last Wednesday in January 2024 (31<sup>st</sup>) to ensure it can comply with these requirements.

### Consultation

- Nexia Australia
- Office of the Auditor General

### Statutory Environment

#### ***Local Government Act 1995***

#### ***6.4. Financial report***

- (1) A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.*
- (2) The financial report is to —*
  - (a) be prepared and presented in the manner and form prescribed; and*
  - (b) contain the prescribed information.*
- (3) By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —*
  - (a) the accounts of the local government, balanced up to the last day of the preceding financial year; and*
  - (b) the annual financial report of the local government for the preceding financial year.*

#### ***7.9. Audit to be conducted***

- (1) An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —*
  - (a) the mayor or president; and*
  - (b) the CEO of the local government; and*
  - (c) the Minister.*

- (2) *Without limiting the generality of subsection (1), where the auditor considers that —*
  - (a) *there is any error or deficiency in an account or financial report submitted for audit; or*
  - (b) *any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or*
  - (c) *there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government,*  
*details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.*
- (3) *The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to —*
  - (a) *prepare a report thereon; and*
  - (b) *forward a copy of that report to the Minister,*  
*and that direction has effect according to its terms.*
- (4) *If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government.*

**7.12A. Duties of local government with respect to audits**

- (1) *A local government is to do everything in its power to —*
  - (a) *assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and*
  - (b) *ensure that audits are conducted successfully and expeditiously.*
- (2) *Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.*
- (3) *A local government must —*
  - (aa) *examine an audit report received by the local government; and*
  - (a) *determine if any matters raised by the audit report, require action to be taken by the local government; and*
  - (b) *ensure that appropriate action is taken in respect of those matters.*
- (4) *A local government must —*
  - (a) *prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and*
  - (b) *give a copy of that report to the Minister within 3 months after the audit report is received by the local government.*
- (5) *Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.*

**5.53 Annual Reports**

- (1) *The local government is to prepare an annual report for each financial year.*
- (2) *The annual report is to contain –*
  - (a) *a report from the mayor or president; and*
  - (b) *a report from the CEO; and*
  - (c), (d) *deleted*
  - (e) *an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and*
  - (f) *the financial report for the financial year; and*
  - (g) *such information as may be prescribed in relation to the payments made to employees; and*
  - (h) *the auditor's report prepared under section 7.9(1) or 7.12AD(1) for the financial year; and*
  - (ha) *a matter on which a report must be made under section 29(2) of the Disability Services Act 1993; and*
  - (hb) *details of entries made under section 5.121 during the financial year in the register of complaints, including –*
    - (i) *the number of complaints recorded in the register of complaints; and*
    - (ii) *how the recorded complaints were dealt with; and*
    - (iii) *any other details that the regulations may require; and**such other information as may be prescribed.*

**5.54. Acceptance of annual reports**

- (1) *Subject to subsection (2), the annual report for a financial year is to be accepted\* by the local government no later than 31 December after that financial year.*  
*\* Absolute majority required.*
- (2) *If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.*

**5.55. Notice of annual reports**

*The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.*

**5.27. Electors' general meetings**

- (1) *A general meeting of the electors of a district is to be held once every financial year.*
- (2) *A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.*
- (3) *The matters to be discussed at general electors' meetings are to be those prescribed.*

**Local Government (Audit) Regulations 1996**

**10. Report by auditor**

- (1) *An auditor's report is to be forwarded to the persons specified in section 7.9(1) within 30 days of completing the audit.*
- (2) *The report is to give the auditor's opinion on –*
  - (a) *the financial position of the local government; and*
  - (b) *the results of the operations of the local government.*
- (3) *The report must include a report on the conduct of the audit.*
- (4) *Where it is considered by the auditor to be appropriate to do so, the auditor is to prepare a management report to accompany the auditor's report and to forward a copy of the management report to the persons specified in section 7.9(1) with the auditor's report.*

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

**17A. Valuation of certain assets for financial reports**

(1) *In this regulation —*

**carrying amount**, in relation to a non-financial asset, means the carrying amount of the non-financial asset determined in accordance with the AAS;

**fair value**, in relation to a non-financial asset, means the fair value of the non-financial asset measured in accordance with the AAS;

**right-of-use asset**, of a local government, includes the local government's right to use —

(a) Crown land; or

(b) other land that is not owned by the local government,

that is vested in the local government at nil or nominal cost for an indefinite period for the purpose of roads or for any other purpose;

**vested improvement**, in relation to a local government, means a pre-existing improvement on land of which the care, control or management is vested in the local government at nil or nominal cost for an indefinite period.

(2) A local government must show in each financial report for a financial year ending on or after 30 June 2020 —

(a) the fair value of all of the non-financial assets of the local government that are —

(i) land and buildings that are classified as property, plant and equipment; or

(ii) investment properties; or

(iii) infrastructure; or

(iv) vested improvements that the local government controls;

and

(b) the carrying amount of all of the non-financial assets of the local government that are plant and equipment type assets measured using the cost model in accordance with the AAS; and

(c) the carrying amount of all of the right-of-use assets of the local government (other than vested improvements referred to in paragraph (a)(iv)) measured using the cost model in accordance with the AAS.

[(3) deleted]

(4) A local government must revalue a non-financial asset of the local government referred to in subregulation (2)(a) —

(a) whenever the local government is of the opinion that the fair value of the asset is likely to be materially different from its carrying amount; and

(b) in any event, within a period of no more than 5 years after the day on which the asset was last valued or revalued.

(5) A non-financial asset is to be excluded from the assets of a local government if the fair value of the asset as at the date of acquisition by the local government is under \$5,000.

**Policy Implications**

Council has adopted a set of Terms of Reference which outline:

"The primary objective of the Audit and Risk Committee "the Committee" is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its statutory and fiscal affairs.

The Audit and Risk Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO."

The Committee's specific duties, in relation to this Item, include:

- Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits;
- Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions;
- Liaise with the CEO to ensure that the local government does everything in its power to –
  - assist the auditor to conduct the audit and carry out his or her other duties under the Local Government Act 1995; and
  - ensure that audits are conducted successfully and expeditiously;
- Examine the reports of the auditor after receiving a report from the CEO on the matters to –
  - determine if any matters raised require action to be taken by the local government; and
  - ensure that appropriate action is taken in respect of those matters;
- Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time;
- Review the local government's draft annual financial report, focusing on –
  - accounting policies and practices;
  - changes to accounting policies and practices;
  - the process used in making significant accounting estimates;
  - significant adjustments to the financial report (if any) arising from the audit process;
  - compliance with accounting standards and other reporting requirements; and
  - significant variances from prior years;
- Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the annual financial report is signed;

### **Financial Implications**

Nil

### **Strategic Implications**

Strategic Community Plan 2019-2029 Strategies

1.2.1 Manage organisation in a financially sustainable manner

1.3.1 Provide a high level of compliance with external regulation, in a resource-efficient manner

Strategic Community Plan 2019-2029 KPI

- Unqualified audit results

**8.0 CLOSURE**

The meeting was closed at 4:25pm.

2022/23

# ANNUAL REPORT

SHIRE OF MINGENEW

SHIRE  
OF MINGENEW





# Table of Contents

---

Shire President's Report	4
CEO's Report	6
Finance Statistics	7
Councillors and Staff	11
Organisational Chart	12
Strategic Community Plan	13
Governance	19
Appendix: Annual Financial Statements	22





# Shire President's Report

---

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

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

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

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

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

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

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

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

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

---

**Gary Cosgrove**

**Shire President**



Exploring Mingenew



# CEO's Report

---

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

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

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

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

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

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

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

---

**Matt Fanning**

**Chief Executive Officer**



Mingenew Railway Station

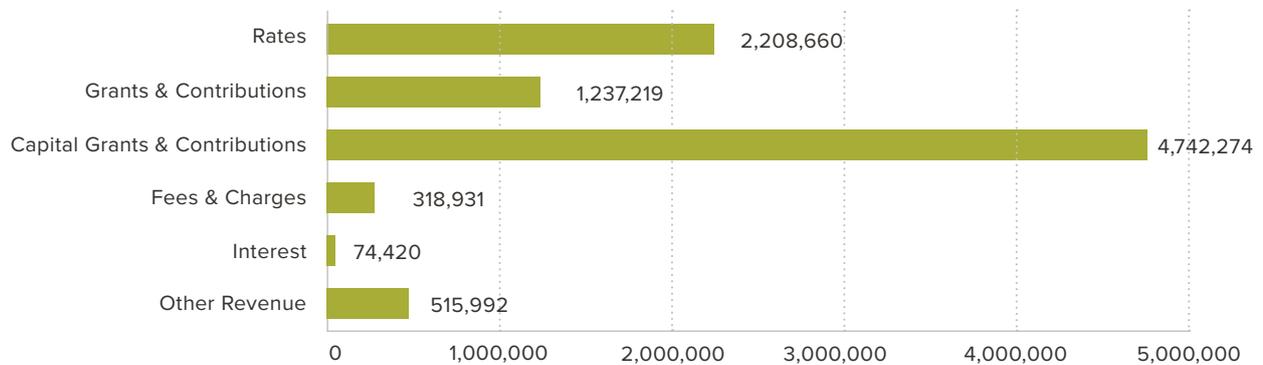
# Finance Statistics

## Revenue

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

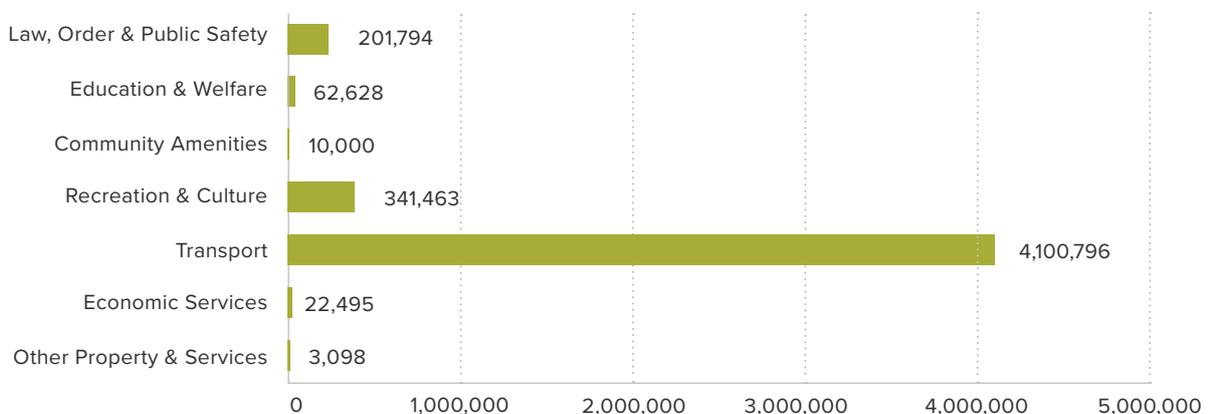
The Shire of Mingenew had a total revenue of \$9.097m (including operating and capital grants) for the 2022/23 financial year. A total of 52% (\$4.742m) of the Shire's revenue for 2022/23 was Capital Grants and contributions which helped to fund a number of key capital projects, in particular the completion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

### Total Revenue by Nature & Type



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

### Total Capital Grants & Contributions



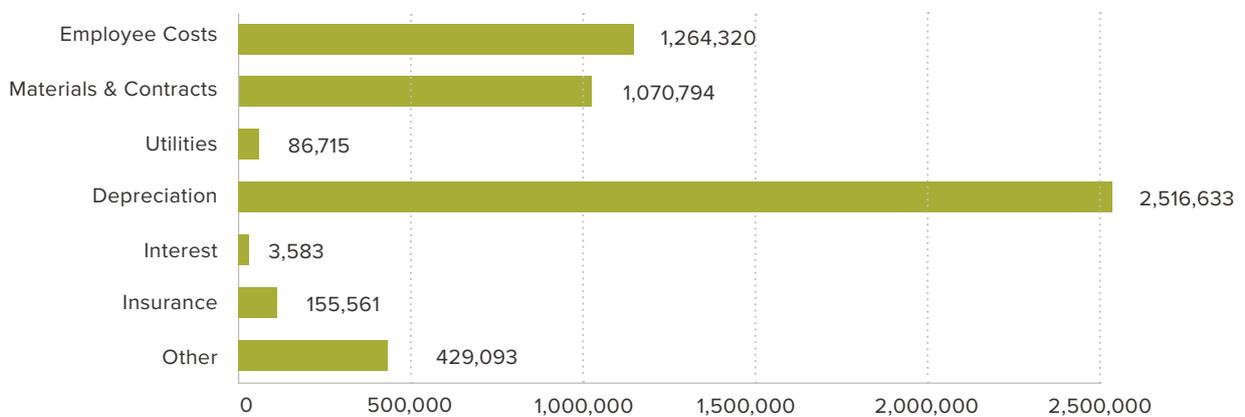


Kangaroo Paws at Depot Hill

### Operating Expenditure

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

### Operating Expenditure by Nature & Type



# Finance Statistics cont.

## Reserve Funds

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

**Table 1**

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

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

## Loan Liability

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

## Activities and Projects:

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

**Table 2**

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



Camping at Coalseam

## Financial Ratio Performance Summary

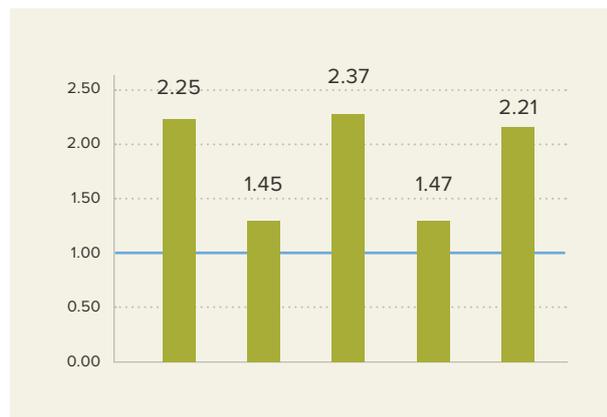
The following is a summary of the performance of the Shire’s financial ratios.

### Current Ratio

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

2022/23 ratio: 2.25

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



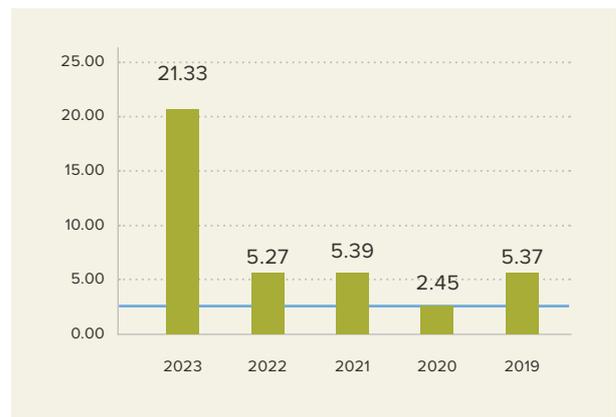
Current ratio Benchmark line

### Debt Service Cover Ratio

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

2022/23 ratio: 21.33

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



Debt service cover ratio Benchmark line

### Own Source Revenue Coverage Ratio

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

2022/23 ratio: 0.56

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



Own source revenue coverage ratio Benchmark line

### Operating Surplus Ratio

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

2022/23 ratio: -0.38

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



Operatin surplus ratio Benchmark line

# Councillors and Staff

---

## Councillors



Gary Cosgrove  
**Shire President**



Justin Bagley  
**Deputy President**



Carol Farr  
**Councillor**



Hellene McTaggart  
**Councillor**



Anthony Smyth  
**Councillor**



Jonathon Holmes  
**Councillor**



Alexander Pearse  
**Councillor**

## Staff

### Leadership Team



Matt Fanning  
**Chief Executive Officer**



Jeremy Clapham  
**Finance and Admin  
Manager**



Erin Greaves  
**Governance and  
Community Manager**

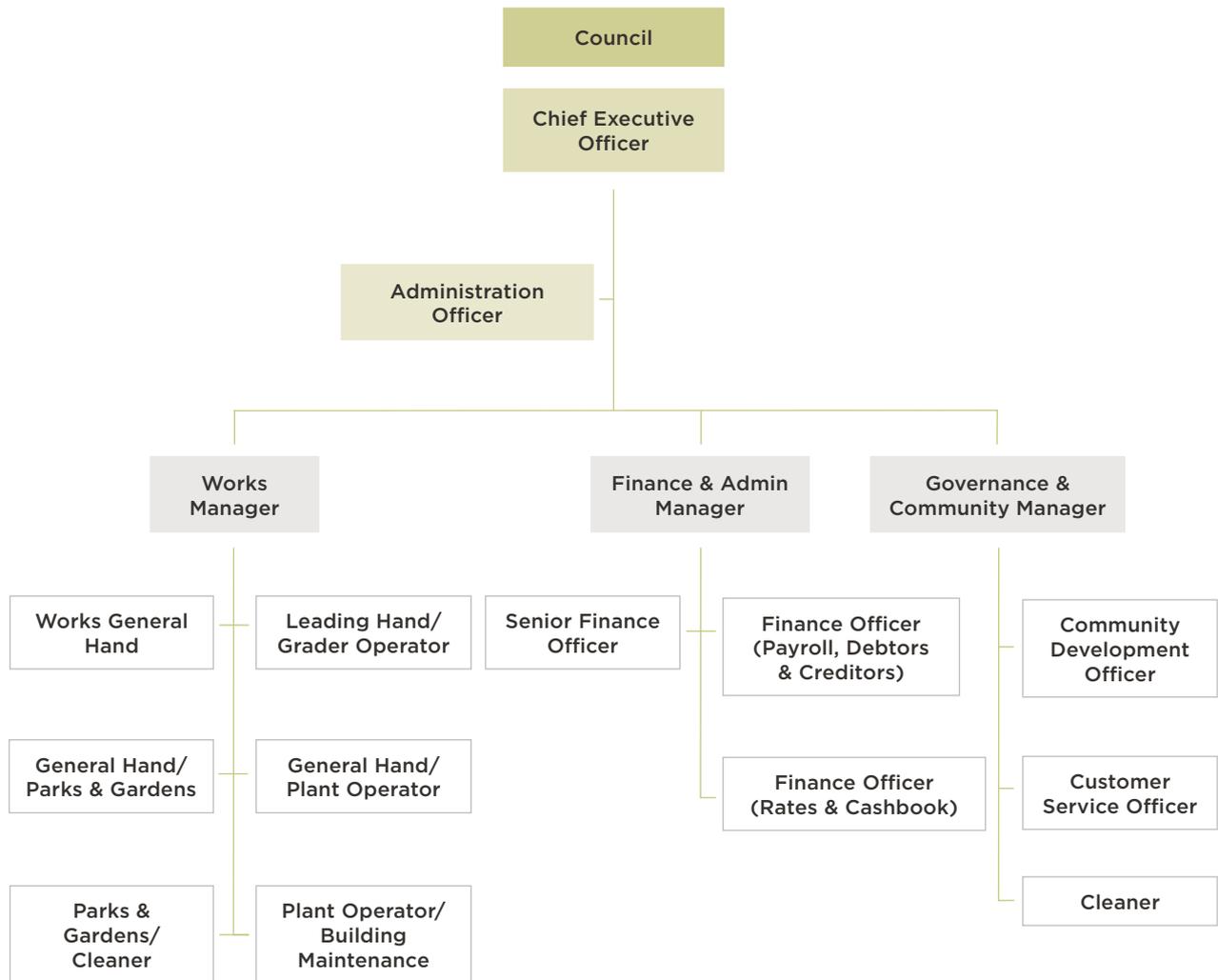


Peter Wood  
**Works Manager**



Shane Noon  
**Works Manager**

# Organisational Chart



# Strategic Community Plan

## FY 22/23 Outcomes And FY 23/24 Deliverables

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

### Strategy 1

#### Leading Mingenew

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

#### 1.1 Infrastructure

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

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

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

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

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

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



Mingenew Hockey Team



Mingenew wildflowers

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

### 1.2 Capability

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

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

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

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

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

### 1.3 Compliance

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

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

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

### 1.4 Resource Management

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

# Strategic Community Plan cont.

## Strategy 2

### Love living in Mingenew

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

#### 2.1 Health

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

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

#### 2.2 Education

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

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

#### 2.3 Culture and Heritage

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

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

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

#### 2.4 Sense of Community

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

- are consistent with the values and strategies contained within the Shire of Mingenew Strategic Community Plan; and
- Where able, will endeavour to provide facilities and services that increase opportunities for inclusion, participation, social wellbeing and physical activity, as the Shire recognises the value of accessibility and community involvement; and



Mingenew Visitor Centre



Mingenew Bakery

c) In exceptional circumstances and when financial circumstances permit, will consider self-supporting loans to provide community organisations with an opportunity to raise loan funds through the Shire at competitive rates.

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

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

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

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

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

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

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

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

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

# Strategic Community Plan cont.

## Strategy 3

### Growing Mingenew

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

#### 3.1 Housing

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

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

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

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

#### 3.2 Development

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

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



Mingenew Expo



Fun and games at Mingenew Turf Club 100 Year Anniversary Races

## Strategy 4

### See you in Mingenew

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

#### 4.1 Diversity of Accommodation

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

#### 4.2 Events

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

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

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

#### 4.3 Tourism Assets

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

## Strategy 5

### Making business easy In Mingenew

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

#### 5.1 Digital Capacity

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

#### 5.2 Economic Development

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

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

# Governance

## Elected Member Attendance

### Elected Member Attendance - 1 July 2022 to 30 June 2023

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

N/A Elected Member not required to Attend

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

\* Councillor appointed in July 2022 by resolution

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

## Elected Member Training

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

### Council Member Essentials module completion status

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

## Elected Remuneration

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

## Employee Remuneration

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

**Table 4**

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

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

## Freedom of Information

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

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

## Disability and Access Inclusion Plan

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

Key strategies include:

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

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

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

# Governance

---

## Complaints Register

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

## Public Disclosures

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

## Recordkeeping Plan

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

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

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

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

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

## National Competition Policy

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

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

### 1. Competitive neutrality

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

### 2. Structural reform

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

### 3. Legislation review

To review legislation that restricts competition.

## Competitive Neutrality

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

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

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

## Structural Reform

In this area, Council has no monopoly activities.

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

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

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

## Legislation Review

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

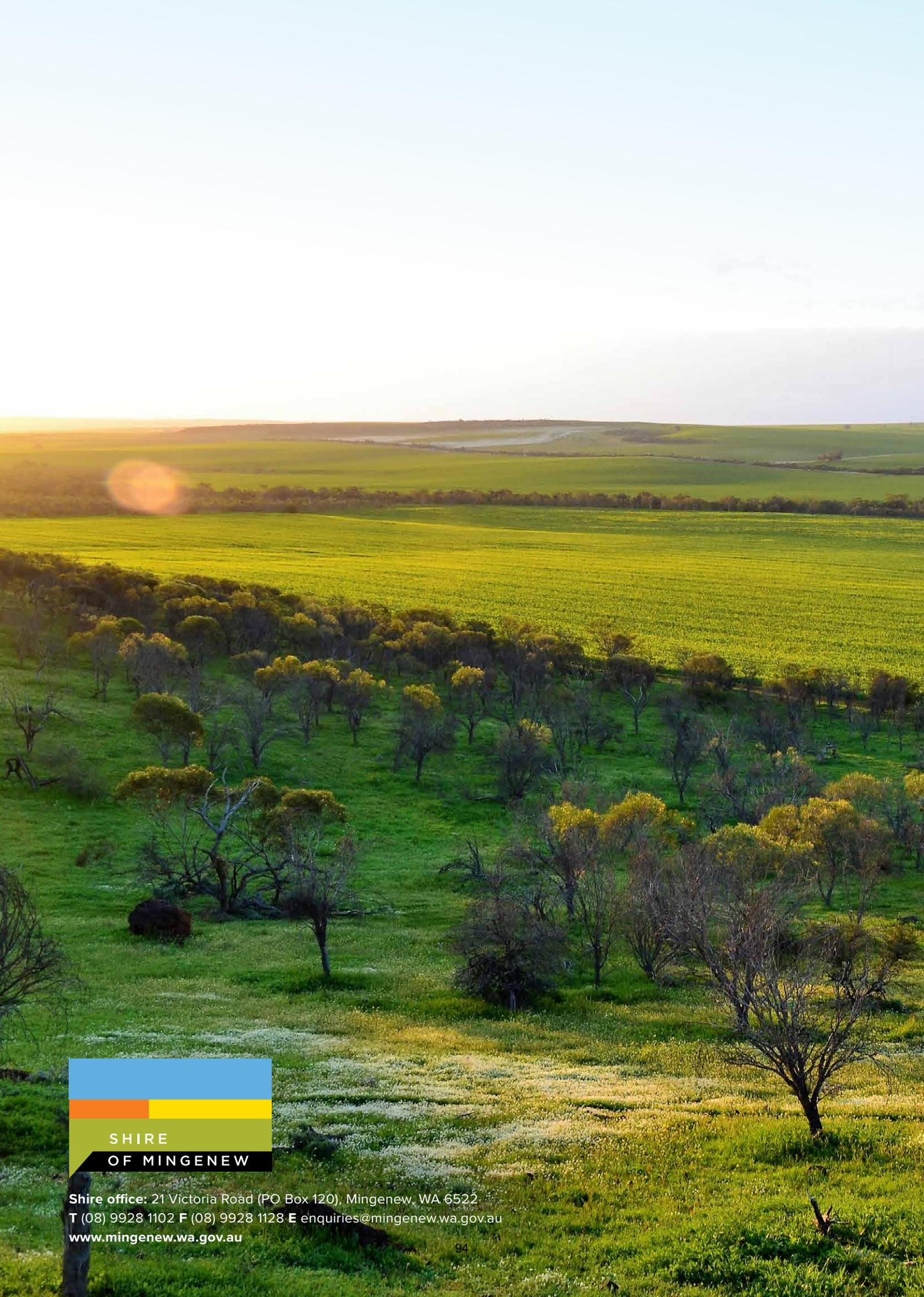
The Shire last conducted a review of its Local Laws in 2017 and is continuing to implement actions from this review.

# Appendix: Annual Financial Statements

Statement by Chief Executive Officer	26
Statement of Comprehensive Income by Nature or Type	27
Statement of Comprehensive Income by Program	28
Statement of Financial Position	29
Statement of Changes in Equity	30
Statement of Cash Flows	31
Rate Setting Statement	32
Notes to and forming part of the Financial Report	33
Independent Auditor’s Report	82



Wildflowers at Mingenew Hill



SHIRE  
OF MINGENEW

Shire office: 21 Victoria Road (PO Box 120), Mingenew, WA 6522  
T (08) 9928 1102 F (08) 9928 1128 E [enquiries@mingenew.wa.gov.au](mailto:enquiries@mingenew.wa.gov.au)  
[www.mingenew.wa.gov.au](http://www.mingenew.wa.gov.au)



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

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Financial Activity	7
Index of Notes to the Financial Report	8
Notes to the Financial Report	9
Independent Auditor's Report	40

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

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

Principal place of business:  
21 Victoria Street  
Mingenew WA 6522

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

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

**STATEMENT BY CEO**

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

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

Signed on the            day of            2023

---

Matt Fanning  
Chief Executive Officer

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Other Assets	15
Note 8	Property, Plant and Equipment	16
Note 9	Infrastructure	18
Note 10	Fixed Assets	20
Note 11	Leases	22
Note 12	Trade and Other Payables	24
Note 13	Other Liabilities	25
Note 14	Borrowings	26
Note 15	Employee Related Provisions	27
Note 16	Revaluation Surplus	28
Note 17	Restrictions Over Financial Assets	29
Note 18	Undrawn Borrowing Facilities and Credit Standby Arrangements	29
Note 19	Contingent Liabilities	30
Note 20	Capital Commitments	30
Note 21	Related Party Transactions	31
Note 22	Joint Arrangements	33
Note 23	Events Occurring After the End of the Reporting Period	33
Note 24	Other Significant Accounting Policies	34
<b>Information required by legislation</b>		
Note 25	Rating Information	35
Note 26	Determination of Surplus or Deficit	36
Note 27	Borrowing and Lease Liabilities	37
Note 28	Reserve accounts	39

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

**1. BASIS OF PREPARATION**

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

**Local Government Act 1995 requirements**

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

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

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

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

**The local government reporting entity**

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

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

**Judgements and estimates**

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets

**Initial application of accounting standards**

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

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

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

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

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

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

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

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

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

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

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

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

**Revenue Recognition**

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

**For the year ended 30 June 2023**

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

**For the year ended 30 June 2022**

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

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

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

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

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

**3. CASH AND CASH EQUIVALENTS**

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

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

**Restricted financial assets**

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

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

**Other financial assets at amortised cost**

Term deposits

Held as

- Restricted other financial assets at amortised cost

**(b) Non-current assets**

Financial assets at fair value through profit or loss

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

Units in Local Government House Trust - opening balance

Movement attributable to fair value increment

Units in Local Government House Trust - closing balance

	2023	2022
	\$	\$
Financial assets at amortised cost	563,254	0
	563,254	0
Other financial assets at amortised cost		
Term deposits	563,254	0
	563,254	0
Held as		
- Restricted other financial assets at amortised cost	17 563,254	0
	563,254	0
Financial assets at fair value through profit or loss	61,117	58,353
	61,117	58,353
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	58,353	55,355
Movement attributable to fair value increment	2,764	2,998
Units in Local Government House Trust - closing balance	61,117	58,353

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

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

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

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

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

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

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

**5. TRADE AND OTHER RECEIVABLES**

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

**Disclosure of opening and closing balances related to contracts with customers**

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates and statutory receivables**

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

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

**Trade receivables**

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

**Other receivables**

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

**Measurement**

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

**Classification and subsequent measurement**

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

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

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

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

**6. INVENTORIES**

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

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

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

**7. OTHER ASSETS**

**Other assets - current**

Prepayments  
Accrued income  
Contract assets

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

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

**Contract assets**

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at the end of the period.

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

**8. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

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

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

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

**(b) Carrying Value Measurements**

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

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - drainage	Infrastructure - bridges	Infrastructure - footpaths	Infrastructure - parks & ovals	Infrastructure - airfields	Other infrastructure	Service concession assets - infrastructure	Infrastructure - work in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	33,499,003	133,036	5,662,133	232,701	1,618,840	103,500	193,378	252,473	0	41,695,064
Additions	5,271,694	0	2,041,202	0	84,161	0	59,945	0	150,094	7,607,096
(Disposals)	0	0	0	0	(7,145)	0	0	0	0	(7,145)
Revaluation increments / (decrements) transferred to revaluation surplus	887,282	12,374	(399,265)	(2,398)	175,314	0	66,267	(59,342)	0	680,232
Depreciation	(1,072,751)	(1,728)	(135,671)	(8,416)	(191,216)	(6,640)	(20,948)	(13,131)	0	(1,450,501)
<b>Balance at 30 June 2022</b>	38,585,228	143,682	7,168,399	221,887	1,679,954	96,860	298,642	180,000	150,094	48,524,746
<b>Comprises:</b>										
Gross balance at 30 June 2022	38,585,228	143,682	7,168,399	221,887	1,684,759	103,500	309,161	180,000	150,094	48,546,710
Accumulated depreciation at 30 June 2022	0	0	0	0	(4,805)	(6,640)	(10,519)	0	0	(21,964)
<b>Balance at 30 June 2022</b>	38,585,228	143,682	7,168,399	221,887	1,679,954	96,860	298,642	180,000	150,094	48,524,746
Additions	4,179,913	0	0	0	151,580	273,904	36,009	29,800	0	4,671,206
Depreciation	(1,119,323)	(1,796)	(143,368)	(7,426)	(142,069)	(8,645)	(32,305)	(11,980)	0	(1,466,912)
Transfers	0	0	0	0	106,499	12,634	30,961	0	(150,094)	0
<b>Balance at 30 June 2023</b>	41,645,818	141,886	7,025,031	214,461	1,795,964	374,753	333,307	197,820	0	51,729,040
<b>Comprises:</b>										
Gross balance at 30 June 2023	42,765,141	143,682	7,168,399	221,887	1,942,837	390,038	376,131	209,800	0	53,217,915
Accumulated depreciation at 30 June 2023	(1,119,323)	(1,796)	(143,368)	(7,426)	(146,873)	(15,285)	(42,824)	(11,980)	0	(1,488,875)
<b>Balance at 30 June 2023</b>	41,645,818	141,886	7,025,031	214,461	1,795,964	374,753	333,307	197,820	0	51,729,040

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

**9. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

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

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

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

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

**10. FIXED ASSETS**

**(a) Depreciation**

**Depreciation rates**

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

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

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

**10. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

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

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

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

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

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

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

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

**Revaluation**

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

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

**Revaluation (continued)**

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

**Depreciation**

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

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

**Depreciation on revaluation**

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

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

**Amortisation**

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

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

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

**Impairment**

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

**Gains or losses on disposal**

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

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

**11. LEASES**

**(a) Right-of-Use Assets**

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

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

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

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

**Secured liabilities and assets pledged as security**

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

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

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

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

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

**Right-of-use assets - measurement**

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

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

**Right-of-use assets - depreciation**

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

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

**11. LEASES (Continued)**

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

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

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**The Shire as Lessor**

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

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

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

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

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

**12. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
 Prepaid rates  
 Accrued payroll liabilities  
 ATO liabilities  
 Bonds and deposits held  
 Accrued interest  
 Accrued expense  
 Other payables

	2023	2022
	\$	\$
	237,230	645,163
	6,801	13,937
	46,456	36,530
	47,971	101,341
	40,281	15,507
	402	515
	98,302	398,960
	646	6,345
	478,089	1,218,298

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

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

**Prepaid rates**

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

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

**13. OTHER LIABILITIES**

**Current**

Capital grant/contributions liabilities  
Other liabilities income in advance

	2023	2022
	\$	\$
Capital grant/contributions liabilities	666,237	676,769
Other liabilities income in advance	1,312	3,330
	667,549	680,099

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$666,237 (2022: \$676,769)

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

**Reconciliation of changes in capital grant/contribution liabilities**

Opening balance  
Additions  
Revenue from capital grant/contributions held as a liability at the start of the period

Opening balance	676,769	420,600
Additions	666,237	628,288
Revenue from capital grant/contributions held as a liability at the start of the period	(676,769)	(372,119)
	666,237	676,769

**Expected satisfaction of capital grant/contribution liabilities**

Less than 1 year  
1 to 2 years

Less than 1 year	566,237	564,269
1 to 2 years	100,000	112,500
	666,237	676,769

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Capital grant/contribution liabilities**

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

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

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

**14. BORROWINGS**

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

**Secured liabilities and assets pledged as security**

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

**Risk**

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

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

**15. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	75,614	64,926
Long service leave	31,394	27,677
	<b>107,008</b>	<b>92,603</b>
<b>Total current employee related provisions</b>	<b>107,008</b>	<b>92,603</b>
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	23,732	11,820
	<b>23,732</b>	<b>11,820</b>
<b>Total non-current employee related provisions</b>	<b>23,732</b>	<b>11,820</b>
<b>Total employee related provisions</b>	<b>130,740</b>	<b>104,423</b>

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

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

**16. REVALUATION SURPLUS**

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

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

**17. RESTRICTIONS OVER FINANCIAL ASSETS**

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

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

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

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

**19. CONTINGENT LIABILITIES**

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

- Mingenew Transfer Station

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

**20. CAPITAL COMMITMENTS**

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

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

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

**21. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

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

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

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

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

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

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Termination benefits*

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

*Council member costs*

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

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

**21. RELATED PARTY TRANSACTIONS (Continued)**

**Transactions with related parties**

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

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

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

	<b>2023 Actual</b>	<b>2022 Actual</b>
	<b>\$</b>	<b>\$</b>
Purchase of goods and services	26,912	36,489

**Related Parties**

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

*i. Key management personnel*

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

*ii. Other Related Parties*

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

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

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

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

**22. JOINT ARRANGEMENTS**

**Share of joint operations**

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

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Joint operations**

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

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

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

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

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

**24. OTHER SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

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

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

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

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

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

**h) Interest revenue**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

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

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

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



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

**26. DETERMINATION OF SURPLUS OR DEFICIT**

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

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

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal at	New Loans	Principal	Principal at	New Loans	Principal	Principal at	Principal at 1	New Loans	Principal	Principal at
		1 July 2021	During	Repayments	30 June 2022	During 2022-23	Repayments	30 June 2023	July 2022	During 2022-23	Repayments	30 June 2023
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Senior Citizen Building		17,001	0	(17,001)	0	0	0	0	0	0	0	0
King Street - Triplex		14,222	0	(14,222)	0	0	0	0	0	0	0	0
Philip Street - House		10,499	0	(10,499)	0	0	0	0	0	0	0	0
Moore Street - House		18,175	0	(18,175)	0	0	0	0	0	0	0	0
Field Street - House		15,007	0	(15,007)	0	0	0	0	0	0	0	0
Pavilion Fitout		18,921	0	(18,921)	0	0	0	0	0	0	0	0
Roller		7,017	0	(7,017)	0	0	0	0	0	0	0	0
Grader		22,152	0	(22,152)	0	0	0	0	0	0	0	0
Side Tipper		15,032	0	(15,032)	0	0	0	0	0	0	0	0
Drum Roller		27,893	0	(27,893)	0	0	0	0	0	0	0	0
Grader		0	280,000	(27,500)	252,500	0	(55,331)	197,169	252,499	0	(57,041)	195,458
<b>Total</b>		165,919	280,000	(193,419)	252,500	0	(55,331)	197,169	252,499	0	(57,041)	195,458

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending	Budget for year ending	Actual for year ending
						30 June 2023	30 June 2023	30 June 2022
						\$	\$	\$
Senior Citizen Building		137	* WATC	2.40%	29/06/2022	0	0	(520)
King Street - Triplex		133	* WATC	2.40%	29/06/2022	0	0	(331)
Philip Street - House		134	* WATC	2.40%	29/06/2022	0	0	(252)
Moore Street - House		136	* WATC	2.40%	29/06/2022	0	0	(629)
Field Street - House		142	* WATC	2.40%	29/06/2022	0	0	(290)
Pavilion Fitout		138	* WATC	2.40%	29/06/2022	0	0	(499)
Roller		139	* WATC	2.40%	29/06/2022	0	0	(123)
Grader		141	* WATC	2.40%	29/06/2022	0	0	(424)
Side Tipper		144	* WATC	2.40%	29/06/2022	0	0	(290)
Drum Roller		145	* WATC	2.40%	29/06/2022	0	0	(431)
Grader		146	*WATC	0.80%	29/09/2026	(3,366)	(6,849)	(3,273)
<b>Total</b>						(3,366)	(6,849)	(7,062)
<b>Total Finance Cost Payments</b>						(3,366)	(6,849)	(7,062)

\* WA Treasury Corporation

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

27. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal			Principal at 30 June 2022	Principal			Principal at 1 July 2022	Principal		
		Principal at 1 July 2021	New Leases During 2021-22	Repayments During 2021-22		New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023		New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023
Photocopier		7,705	0	(3,388)	4,317	0	(3,675)	642	4,317	0	(3,187)	1,130
IT equipment		4,005	0	(4,005)	0	0	0	0	0	0	0	0
<b>Total Lease Liabilities</b>	11(b)	11,710	0	(7,393)	4,317	0	(3,675)	642	4,317	0	(3,187)	1,130

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term
Photocopier			De Lage Landon	8.20%	7/09/2023	\$ (217)	\$ (1,534)	\$ (505)	60 months
IT equipment			Finrent	12.80%	28/03/2022	0	0	(1,427)	36 months
<b>Total Finance Cost Payments</b>						(217)	(1,534)	(1,932)	

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

**28. RESERVE ACCOUNTS**

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by legislation/agreement</b>												
(a) Aged person units reserve	12,795	2,422	0	15,217	12,795	2,013	0	14,808	12,782	13	0	12,795
	12,795	2,422	0	15,217	12,795	2,013	0	14,808	12,782	13	0	12,795
<b>Restricted by council</b>												
(b) Employee entitlement reserve	76,723	2,489	0	79,212	30,331	69	0	30,400	68,134	8,589	0	76,723
(c) Building and land reserve	30,331	292,730	0	323,061	76,723	250,031	0	326,754	30,301	30	0	30,331
(d) Plant reserve	274,895	249,732	0	524,627	274,895	241,328	0	516,223	194,640	80,255	0	274,895
(e) Recreation reserve	3,099	10,534	0	13,633	3,099	3	0	3,102	3,096	3	0	3,099
(f) Environmental reserve	19,636	6,013	0	25,649	19,636	20	0	19,656	19,617	19	0	19,636
(g) Land development reserve	6,985	231	0	7,216	6,985	6	0	6,991	6,978	7	0	6,985
(h) TRC/PO/NAB building reserve	22,240	734	0	22,974	22,240	22	0	22,262	22,218	22	0	22,240
(i) Insurance reserve	23,068	21,625	0	44,693	23,068	23	0	23,091	23,045	23	0	23,068
(j) Economic development & marketing reserve	10,333	10,774	0	21,107	10,333	10	0	10,343	10,323	10	0	10,333
(k) Covid-19 emergency reserve	80,789	404	(81,193)	0	80,789	82	0	80,871	80,710	79	0	80,789
(l) Mingenew day care centre redevelopment	0	25,688	0	25,688	0	0	0	0	0	0	0	0
	548,099	620,954	(81,193)	1,087,860	548,099	491,594	0	1,039,693	459,062	89,037	0	548,099
	560,894	623,376	(81,193)	1,103,077	560,894	493,607	0	1,054,501	471,844	89,050	0	560,894

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

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

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



## Exit Meeting

---

### ANNUAL FINANCIAL AUDIT OF THE SHIRE OF MINGENEW FOR THE YEAR ENDED 30 JUNE 2023

#### ATTENDEES:

##### The Shire of Mingenew

Cr Gary Cosgrove	President
Cr Hellene McTaggart	Deputy President
Jane Bagshaw	Independent Member
Matt Fanning	Chief Executive Officer
Helen Sternick	Manager Corporate Services
Erin Greaves	Governance and Community Manager

##### Office of the Auditor General

Liang Wong	Assistant Director – Financial Audit
------------	--------------------------------------

##### Nexia Perth

Justin Mulhair	Director
Steven Lee	Manager

**Interview Date & Time:**

30 November 2023 at 4.00pm

**Location:**

MS Teams meeting

## Agenda

---

### 1. Introduction

### 2. Matters Arising from the Audit

#### 2.1. Financial Statements

- No issues

#### 2.2. Controls and Legal Compliance Issues

- No issues

#### 2.3. Management Letter points

##### Interim Audit Management Letter Points:

- No issues.

##### Final Audit Management Letter Points:

- Long Term Financial Plan outdated.



## Exit Meeting

---

3. **Actions for Next Year's Audit**
  - None noted
4. **General & Closing Comments**



# Shire of Mingenew

## Exit Report For The Year Ended 30 June 2023

30 November 2023

*Strictly Private & Confidential*

30 November 2023

Council Members  
Shire of Mingenew  
21 Victoria Road  
Mingenew WA 6522

Dear Council Members

### **Shire of Mingenew - Exit Report for the year ended 30 June 2023 - Communication with those charged with Governance**

We are pleased to present you with our Exit Report relating to the audit of the Shire of Mingenew (the Shire) for the year ended 30 June 2023.

We are responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to the responsibilities in overseeing the financial reporting process. This report includes an analysis of the audit outcomes, key audit risk areas, our conclusion, and other recommendations for your attention.

We have substantially completed our audit work, with only the following matters outstanding:

- Receipt of the signed management representation letter;
- Confirmation that there are no subsequent events which might affect the financial statements; and
- Receipt of the signed financial statements.

We will be recommending an unmodified audit opinion to the Office of the Auditor General (OAG) after these matters are completed.

We would like to take this opportunity to thank the Shire of Mingenew's finance and administrative team for their assistance over the course of the audit.

If you have any queries or wish to discuss any issues further, please do not hesitate to contact us.

Yours faithfully,

**Justin Mulhair**  
Director  
**Nexia Perth Audit Services Pty Ltd**

**Liang Wong**  
Assistant Director  
**Office of the Auditor General**

## **Advisory. Tax. Audit.**

---

ACN 145 447 105

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd.

Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information, please see [www.nexia.com.au/legal](http://www.nexia.com.au/legal). Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

## Table of Contents

---

1. Audit Scope	<b>4</b>
2. Audit Risk Areas	<b>5</b>
3. Current year recommendations	<b>11</b>
4. Audit differences	<b>13</b>



# 1. Audit scope

## Scope

As the contracted auditor of the OAG, we are required to comply with the Auditor General Act 2006 (AGA 2006). Under the provision of the AGA 2006, we audited the financial statements, and other information submitted by the Shire.

### Audit of the Shire's financial statements

The primary scope and objective is to express an opinion to the Office of the Auditor General (OAG) on whether the Shire's general purpose financial report as a whole is free from material misstatements (whether due to fraud or error) and is prepared (in all material respects) in accordance with:

- The Local Government Act 1995 (as amended)
- Local Government (Financial Management) Regulations 1996 (as amended)
- Australian Accounting Standards (AAS)
- Where appropriate, those AAS paragraphs applicable for not-for-profit entities.

## 2. Audit risk and focus areas

The areas below are audit risk and focus areas that we identified based on our understanding of your business, discussions with management as well as any additional risks that arose during the audit. These audit risk and focus areas were included in our Audit Strategy Memorandum at the commencement of the audit and are summarised as follows;

- Operational and capital expenditure (risk area);
- Revenue recognition (risk area);
- Property, Plant and Equipment and Infrastructure (risk area);
- Fair Value of Infrastructure Assets (risk area);
- Management Override (risk area);
- Reserve Accounts (focus area);
- Related party transactions and disclosures (focus area);
- Employee benefit provisions (focus area);
- Integrated Financial information relies on the security, integrity and reliability of a shire’s information technology environment (focus area);
- Local Government Reform Changes (focus area);
- Prior year management letter points (focus area).

This is not a complete list of all audit risks and focus areas considered or all audit procedures performed. We have presented the risks in three categories: high, medium and low. These are defined as follows:

<b>HIGH</b>	A judgmental assessment of inherent risk as <b>high</b> relates to those risks which require special audit consideration (in terms of the nature, timing or extent of testing) because of: the nature of the risk, the likely magnitude of the potential misstatements (including the possibility that the risk may give rise to multiple misstatements) and the likelihood of the risk occurring.
<b>MEDIUM</b>	A judgmental assessment of inherent risk as <b>medium</b> relates to a risk that requires additional audit consideration beyond what would be required for a low risk, but which does not rise to the level of a high risk.
<b>LOW</b>	A judgmental assessment of inherent risk as <b>low</b> is related to relatively routine, non-complex transactions that tend to be subject to systematic processing and require little management judgement. Although it is considered that there is a risk of material misstatement, there are no elevated or special factors related to the nature, the likely magnitude of the potential misstatements or the likelihood of the risk occurring. We do not, as a matter of course, discuss normal risks with those charged with governance unless we seek their confirmation on the judgment that has been applied.

## 2. Audit risk and focus areas

	AUDIT RISK AREA	AUDIT CONCLUSION	
MEDIUM	<p><b>R1 Operational expenditure and capital expenditure</b></p> <p>As is prevalent in the local government industry, expenditure forms a large part of the Shire’s operations. This takes the form of both operating expenditure and capital expenditure.</p> <p>All procurement made by the Shires are subject to the requirements of the Act and Part 4 of the Local Government (Functions and General) Regulations 1996 (‘Functions and General Regulations’), which is the basis for the Shires’ purchasing policy (‘Policy’). The Act and the Functions and General Regulations are there to guide the Shires in delivering best practice in the purchasing of goods, services and works that align with the principles of transparency, probity and good governance. Errors, uncertainty and unrealistic timelines can undermine market confidence, discredit a purchasing process and devalue the outcome of the procurement. Due to the strict and complex requirements of the Policy, including value for money, regulatory compliance, record management, transparency and professionalism, there is potential for insufficient knowledge of the Policy’s requirements or failure to comply with the Policy.</p>	<p>Based on the work performed, we are satisfied that operational and capital expenditure were correctly treated during the year and there are effective internal controls in place. Furthermore, we are satisfied that the Shire’s accounting policy has been consistently applied and is in accordance with the Australian accounting standards.</p>	OUTCOME
MEDIUM	<p><b>R2 Revenue recognition (presumed risk in accordance with ASA 240 The Auditor’s Responsibility to Consider Fraud in an Audit of a Financial Report)</b></p> <p>The Shire’s main sources of revenue are:</p> <ul style="list-style-type: none"> <li>• government grants;</li> <li>• rates; and</li> <li>• other fees and charges.</li> </ul>	<p>Based on the work performed, we are satisfied that operating and non-operating revenue/income has been correctly recognised during the year in accordance with the Shire’s accounting policy and Australian accounting standards.</p>	OUTCOME

## 2. Audit risk and focus areas

	AUDIT RISK AREA	AUDIT CONCLUSION	
MEDIUM	<p><b>R3 Property, Plant and Equipment and Infrastructure</b></p> <p>Under regulation 17A of the Financial Management Regulations, the Shire's Property, Plant and Equipment and Infrastructure is to be carried at fair value less accumulated depreciation and accumulated impairment losses. Under regulation 17(4) of the Financial Management Regulations, the Shire is required to revalue an asset:</p> <ul style="list-style-type: none"> <li>• whenever the local government believes the fair value of the asset is likely to be materially different from its carrying amount; and,</li> <li>• in any event, within a period of at least 3 years but no more than 5 years after the day on which the asset was last valued or revalued.</li> </ul> <p>There is a risk that the fair value assessment has not been performed in accordance with AASB 13 <i>Fair value measurement</i>.</p> <p>Furthermore, in accordance with paragraph 9 of AASB 136 <i>Impairment of Assets</i>, the Shire is required to assess at each reporting date whether there is any indication that an asset may be impaired.</p> <p>Effective from 1 July 2018, regulation 17A (5) of the Financial Management Regulations provides that an asset is to be excluded from the assets of a local government if the fair value of the asset as at the date of acquisition is under \$5,000.</p>	<p>Based on the work performed, we are satisfied that Property, Plant and Equipment and Infrastructure were carried at fair value less accumulated depreciation and accumulated impairment losses. There are effective internal controls in place, and we are satisfied that the Shire's accounting policy has been consistently applied and is in accordance with Australian accounting standards.</p>	OUTCOME
MEDIUM	<p><b>R4 Fair Value of Infrastructure assets</b></p> <p>Without a robust assessment of fair value of City Infrastructure Assets there is a risk that the fair value of infrastructure assets may not have been assessed adequately and in compliance with AASB 13 Fair Value Measurement, as well as Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996 (the Regulations).</p>	<p>Based on the work performed, we are satisfied that fair value of Shire Infrastructure Assets have been assessed adequately and in compliance with AASB 13 Fair Value Measurement, as well as Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996 (the Regulations).</p>	OUTCOME
MEDIUM	<p><b>R5 Management override (presumed risk in accordance with ASA 240 <i>The Auditor's Responsibility to Consider Fraud in an Audit of a Financial Report</i>)</b></p> <p>Management is involved in the day-to-day operations and monitoring of the business, which gives them the ability to manipulate accounting records and manipulate financial disclosures by overriding controls in place. Due to the unpredictable way in which such override could occur, this leads to potential fraud risk.</p>	<p>Based on the work performed, we are satisfied that there are adequate internal controls in place surrounding journal entries and that these are operating effectively. Furthermore, journals processed during the year which we examined were supported by appropriate documentation. Lastly, there was no evidence of management bias noted in the use of accounting estimates.</p>	OUTCOME

## 2. Audit risk and focus areas (continued)

	AUDIT FOCUS AREA	AUDIT CONCLUSION	
MEDIUM	<p><b>F1 Reserve Accounts</b></p> <p>The Shire has set up various reserve accounts under section 6.11 of the Act for the purpose of setting aside money for a specific purpose to be used in a future period. Cash reserves are required to be held in separate bank accounts. However, reserve accounts are not separate funds and are consolidated with the municipal fund in the financial statements of the Shires.</p>	Based on work performed, we are satisfied that the transfers to and from these accounts during the year were in accordance with the specific purpose of the reserves and were all approved by Shire.	OUTCOME
MEDIUM	<p><b>F2 Related party transactions and disclosures</b></p> <p>The Shire is subject to the requirements of AASB 124 Related Party Disclosures (AASB 124) as they prepare general purpose financial statements. AASB 124 requires the disclosures of key management personnel compensation, elected members remuneration and other transactions and balances with related parties.</p>	Based on the work performed, we are satisfied that related party transactions were all conducted at arm's length and have been appropriately disclosed in the financial report.	OUTCOME
MEDIUM	<p><b>F3 Employee benefit provisions</b></p> <p>Employee benefit provisions are a material balance in the Statement of Financial Position. Provisions for annual leave and long service leave involve a degree of management estimation and a level of uncertainty in their calculations</p>	Based on work performed, we are satisfied that there are adequate controls around leave approvals and that these are operating effectively. We are also satisfied that the assumptions and inputs used in calculating employee benefit provisions are appropriate and in accordance the Shire's accounting policy and Australian accounting standards.	OUTCOME

## 2. Audit risk and focus areas (continued)

	AUDIT FOCUS AREA	AUDIT CONCLUSION	
MEDIUM	<p><b>F4 Integrated Financial information relies on the security, integrity and reliability of a shire's information technology environment</b></p> <p>Integrated financial information and financial reporting relies on the security, integrity and reliability of a Shire's information technology environment.</p>	Based on work performed, we are satisfied that, overall, there are strong Information Technology General Controls in place.	OUTCOME
MEDIUM	<p><b>F5 Local government reform changes</b></p> <p>As communicated in our Audit Strategy Memorandum (ASM), the Local Government Reform project is currently underway. On review of the developments arising from the reform project during the year, we note that model financial statements have been developed by the Department of Local Government, Sport and Cultural Industries (DLGSC).</p>	Based on work performed, we note that the Shire of Mingenew is a Band/Class 4 local government and, thus, have adopted the model financial statements relevant to that Band/Class. There were no issues identified on adoption of the model financial statements.	OUTCOME
MEDIUM	<p><b>F6 Prior Year Management Letter Finding</b></p> <p>There was one Management Letter Finding identified in the audit for the financial year ended 30 June 2022. This was as follows:</p> <ul style="list-style-type: none"> <li>• Non-Compliance with Regulation 5 of the Local Government (Financial Management) Regulations 1996. The Shire had not undertaken review of the appropriateness and effectiveness of the financial management systems and procedures of the Shire not less than once in every 3 years and report to the Shire the results of these reviews. The Shire completed the last review in August 2019.</li> </ul>	Based on work performed, we are satisfied that there is no recurrence of the issue identified in the previous year and that an appropriate review of the appropriateness and effectiveness of the financial management systems and procedures of the Shire has been performed.	OUTCOME

### 3. Current year findings and recommendations

We are required to report to you any material weaknesses in the accounting and internal control systems identified during the audit.

During our audit for the year ended 30 June 2023, we evaluated the effectiveness of controls on three levels – design, implementation and operating effectiveness. As part of this evaluation, we gained a detailed understanding of the policies and procedures over the following business cycles:

- purchases, payments and accounts payable;
- property, plant and equipment
- payroll; and
- bank and cash.

All issues identified during the course of our fieldwork are categorised and reported in accordance with the categories defined below. The categories are:

<b>Significant</b>	Those matters which pose significant business or financial risk, including financial reporting risk, to the client and should be addressed as a matter of urgency. This assessment is derived from considering the likelihood and consequence of the underlying risk.
<b>Moderate</b>	Those matters which pose moderate business or financial risk, including financial reporting risk. This assessment is derived from considering the likelihood and consequence of the underlying risk.
<b>Minor</b>	Those matters which are procedural in nature or minor administrative failings. These could include minor accounting issues or relatively isolated control breakdowns which need to be brought to the attention of management.

#### Summary of Observations / Findings

We are pleased to report that, based on our observations and testing, **no significant internal control deficiencies were identified**. As a result, we were able to place reliance on certain key controls for our audit.

We identified, based on our observations and testing, **one moderate finding** other than an internal control finding. This has been detailed on the follow page.

### 3. Current year finding and recommendations (continued)

	OBSERVATION	RECOMMENDATION	MANAGEMENT RESPONSE
MODERATE	During the audit we identified the current Long Term Financial Plan for 2012 – 2022 was outdated and that a new Long Term Financial Plan has not been implemented as of 30 June 2023 in line with the <i>Local Government Act 1995</i> .	Management should ensure that the Long Term Financial Plan as per the <i>Local Government Act 1995</i> has been updated and implemented before the expiration of the previous plan.	Management is in the process of preparing the Long Term Financial Plan.

## 4. Audit differences

### Unadjusted misstatements

Australian Auditing Standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

We have discussed with the management the below unadjusted misstatements and are satisfied that both individually and in aggregate that they are not material to the financial report for year ended 30 June 2023.

Account	Original balance	Actual balance	Variance
Depreciation Expense	2,516,663	2,545,315	28,682
Accumulated depreciation	(3,978,253)	(4,006,935)	(28,682)

*Being the difference identified in the depreciation recalculation and client's depreciation expense*

### Material adjusted misstatements identified during the audit

**There were no material adjustments identified during the audit.**

**Nexia Perth Pty Ltd**

Level 3, 88 William Street  
Perth  
Western Australia  
6000

**Tel: +61 8 9463 2463**

**[www.nexia.com](http://www.nexia.com)**

- Nexia Australia is a member firm of the "Nexia International" network. Nexia International Limited does not deliver services in its own name or otherwise. Nexia International Limited and the member firms of the Nexia International network (including those members which trade under a name which includes the word NEXIA) are not part of a worldwide partnership. Member firms of the Nexia International network are independently owned and operated. Nexia International Limited does not accept any responsibility for the commission of any act, or omission to act by, or the liabilities of, any of its members.
- Nexia International Limited does not accept liability for any loss arising from any action taken, or omission, on the basis of the content in this report or any documentation and external links provided.
- The trade marks NEXIA INTERNATIONAL, NEXIA and the NEXIA logo are owned by Nexia International Limited and used under licence.
- References to Nexia or Nexia International are to Nexia International Limited or to the "Nexia International" network of firms, as the context may dictate.
- For more information, visit [www.nexia.com](http://www.nexia.com).

## INDEPENDENT AUDITOR'S REPORT 2023

### Shire of Mingenew

#### To the Chief Executive Officer of the Shire of Mingenew

#### Part 1 – Chief Executive Officer's Financial Statement for the Roads to Recovery Program under Part 8 of the National Land Transport Act 2014

#### Opinion

We have audited the accompanying special purpose financial statement presented in Part 1 – Chief Executive Officer's Financial Statement for the Roads to Recovery Program (the Program), which comprises a Statement of Receipts and Expenditure (the Statement) for the year ended 30 June 2023.

The Statement has been prepared by the Shire of Mingenew ("the Shire") in accordance with the requirements of section 90 of the *National Land Transport Act 2014* (the Act) and the *Roads to Recovery Funding Conditions 2019* (the Conditions) to meet the reporting requirements of the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

In our opinion, in all material respects:

- the Statement is based on, and in agreement with proper accounts and records
- the amount reported in the Statement as expended during the year was used solely for expenditure on the construction and/or maintenance of roads
- the amount certified by the Chief Executive Officer of the Shire in the Statement as its own source expenditure on roads during the year is based on, and in agreement with proper accounts and records.

#### Basis for Opinion

We conducted our audit in accordance with the Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Statement section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to the matters below. Our opinion is not modified in respect of this matter.

#### Basis of accounting

The Statement has been prepared for the purpose of fulfilling the Shire's reporting obligations to the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts under the Act and the Conditions. As a result, the Statement may not be suitable for another purpose.

#### Advisory. Tax. Audit.

ACN 145 447 105

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see [www.nexia.com.au/legal](http://www.nexia.com.au/legal). Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

### **Other Matters**

We draw attention to the matters below. Our opinion is not modified in respect of this matter.

### **Restriction on Distribution and Use**

As a result of the basis of accounting, our report is intended solely for the Shire and the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts and should not be distributed to or used by parties other than the Shire or the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

### **Other Information**

The Chief Executive Officer is responsible for the other information. The other information comprises the information accompanying the Statement, such as Parts 2, 3 and 4 for the year ended 30 June 2023, but not the Statement and our auditor's report.

Our opinion on the Statement does not cover the other information and, accordingly, we do not express any form of assurance conclusion thereon.

### **Responsibilities of the Chief Executive Officer for the annual report**

The Chief Executive Officer is responsible for the preparation of the Statement in accordance with the requirements of the Act and Conditions, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Chief Executive Officer is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

### **Auditor's responsibilities for the audit of the annual report**

The objectives of our audit are to obtain reasonable assurance about whether the Statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 Statement. 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 our responsibilities for the audit of the annual reports is located on the Auditing and Assurance Standards Board website. This description forms part of our auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

**Our independence and quality control relating to the report on the annual report**

We 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.

*NPAS*

**Nexia Perth Audit Services Pty Ltd****Justin Mulhair  
Director**

Perth, Western Australia  
1 Novemeber 2023

## 2022-23 Annual Report for the Local Roads and Community Infrastructure Program

### Opinion

We have audited the accompanying special purpose annual reports for Phase 2 and 3 prepared for the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) for the Local Roads and Community Infrastructure Program (the Program) for the year ended 30 June 2023, which comprises:

- the Chief Executive Officer's Financial Statements for Phase 2 and 3
- Annual Report Tables financial information limited to the Total Approved LRCI Funding Contribution and LRCI Funding Actual Expenditure for Phase 2 and 3
- Final Report Table financial information limited to the Total Project Cost, Approved LRCI Funding Contribution, and LRCI Funding Actual Expenditure for Phase 2.

The annual reports have been prepared by the Shire of Mingenew ("the Shire") in accordance with the requirements of the COVID 19 Local Roads and Community Infrastructure Program Guidelines (the Guidelines) for Phase 2 and 3 of the Program to meet the reporting requirements of the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

In our opinion, in all material respects:

- the Chief Executive Officer's Financial Statements and Annual Report Tables financial information limited to the Total Approved LRCI Funding Contribution and LRCI Funding Actual Expenditure for Phase 2 and 3 are based on, and in agreement with, proper accounts and records
- the amount reported as expended during the year was used solely for expenditure on approved Local Roads and Community Infrastructure Projects
- the amount certified by the Chief Executive Officer in the Chief Executive Officer's Financial Statement as the Shire own source expenditure on the Program during the year is based on, and in agreement with, proper accounts and records
- the Final Report Table financial information limited to the Total Project Cost, Approved LRCI Funding Contribution, and LRCI Funding Actual Expenditure for Phase 2 is based on, and in agreement with, proper accounts and records. Final Report Declaration for Phase 2 has been completed appropriately.

### Advisory. Tax. Audit.

ACN 145 447 105

Nexia Perth Audit Services Pty Ltd (ABN 27 145 447 105) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see [www.nexia.com.au/legal](http://www.nexia.com.au/legal). Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

### **Basis for Opinion**

We conducted our audit in accordance with the Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the annual report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of Matter**

We draw attention to the matter below. Our opinion is not modified in respect of this matter.

### **Basis of accounting**

The annual reports have been prepared for the purpose of fulfilling the Shire's reporting obligations to the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts under the Guidelines. As a result, the annual report may not be suitable for another purpose.

### **Other Matter**

We draw attention to the matters below. Our opinion is not modified in respect of this matter/these matters.

### **Restriction on Distribution and Use**

As a result of the basis of accounting, Our report is intended solely for the Shire and the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts and should not be distributed to or used by parties other than the Shire or the Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

### **Other Information**

The Chief Executive Officer is responsible for the other information. The other information is the information in the annual reports for the year ended 30 June 2023, but not the information of the annual reports as described in the Opinion section of our report and our auditor's report.

Our opinion on the annual reports do not cover the other information and, accordingly, we do not express any form of assurance conclusion thereon.

### **Responsibilities of the Chief Executive Officer for the annual report**

The Chief Executive Officer is responsible for the preparation of the annual reports in accordance with the requirements of the Guidelines, and for such internal control as the Chief Executive Officer determines is necessary to enable the preparation of the annual reports that are free from material misstatement, whether due to fraud or error.

In preparing the annual reports, the Chief Executive Officer is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

### **Auditor's responsibilities for the audit of the annual report**

The objectives of our audit are to obtain reasonable assurance about whether the annual reports as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 annual reports. 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 annual reports 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](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

### **Our independence and quality control relating to the report on the annual report**

We 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.

*NPAS*

### **Nexia Perth Audit Services Pty Ltd**



**Justin Mulhair**  
Director

Perth  
1 November 2023

2022/23

# ANNUAL REPORT

SHIRE OF MINGENEW

SHIRE  
OF MINGENEW





**COMMERCIAL HOTEL**  
**ACCOMMODATION**  
**GARDEN BAR** :: **COUNTER MEALS**  
**DINING ROOM**

# Table of Contents

---

Shire President's Report	4
CEO's Report	6
Finance Statistics	7
Councillors and Staff	12
Organisational Chart	13
Strategic Community Plan	14
Governance	20
Appendix: Annual Financial Statements	23





# Shire President's Report

---

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

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

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

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

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

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

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

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

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

---

**Gary Cosgrove**

**Shire President**



Cecil Newton Park



# CEO's Report

---

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

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

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

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

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

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

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

---

**Matt Fanning**

**Chief Executive Officer**



Mingenew Railway Station

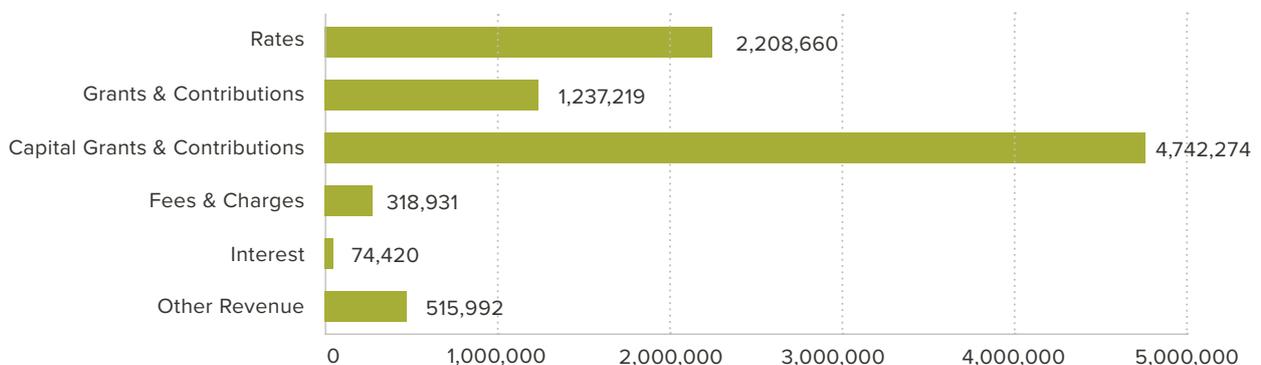
# Finance Statistics

## Revenue

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

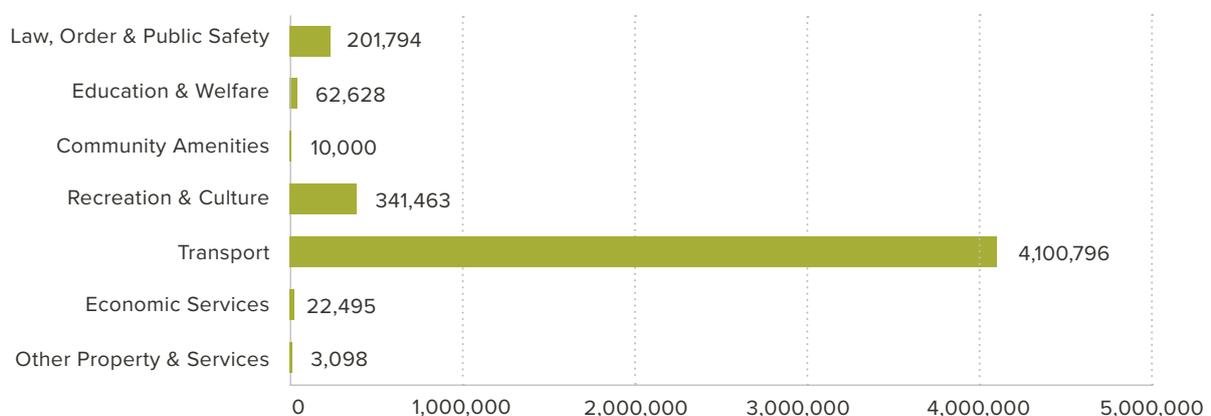
The Shire of Mingenew had a total revenue of \$9.097m (including operating and capital grants) for the 2022/23 financial year. A total of 52% (\$4.742m) of the Shire's revenue for 2022/23 was Capital Grants and contributions which helped to fund a number of key capital projects, in particular the completion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

### Total Revenue by Nature & Type



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

### Total Capital Grants & Contributions



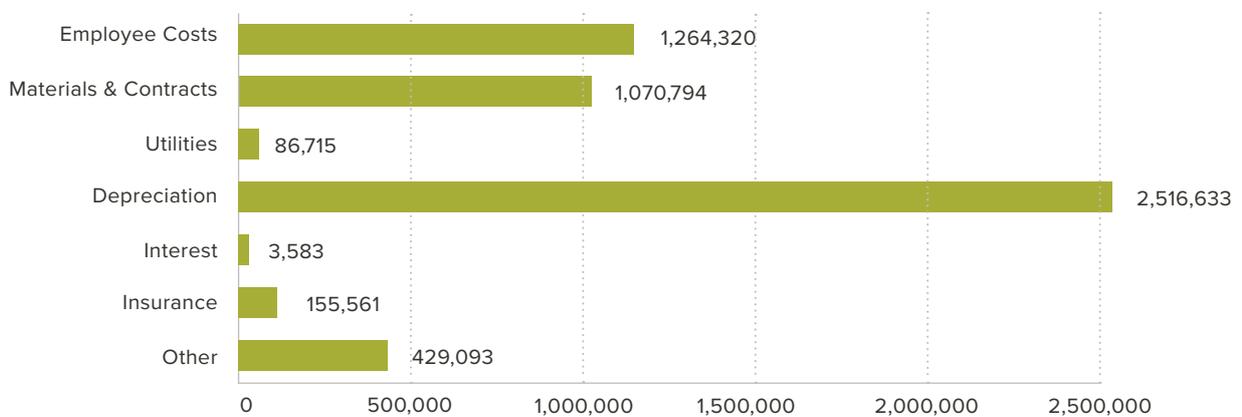


Kangaroo Paws at Depot Hill

### Operating Expenditure

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

### Operating Expenditure by Nature & Type



# Finance Statistics cont.

## Reserve Funds

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

**Table 1**

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

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

## Loan Liability

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

## Activities and Projects:

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

**Table 2**

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



Camping at Coalseam

## Financial Ratio Performance Summary

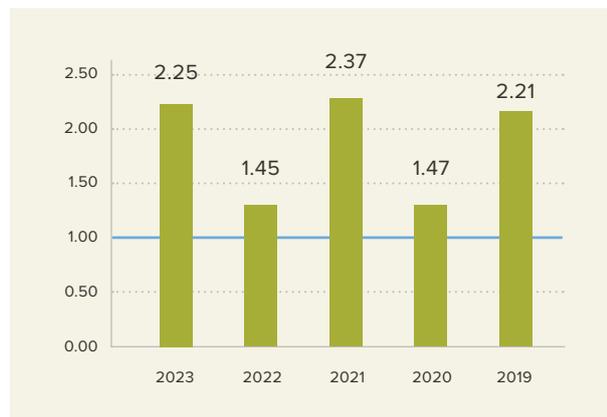
The following is a summary of the performance of the Shire's financial ratios.

### Current Ratio

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

2022/23 ratio: 2.25

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



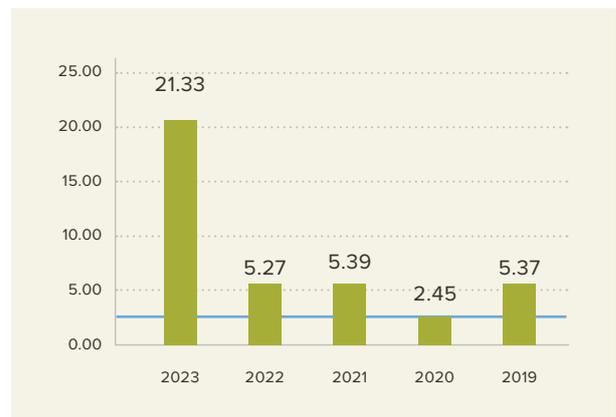
Current ratio      Benchmark line

### Debt Service Cover Ratio

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

2022/23 ratio: 21.33

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



Debt service cover ratio      Benchmark line

### Own Source Revenue Coverage Ratio

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

2022/23 ratio: 0.56

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



Own source revenue coverage ratio      Benchmark line

### Operating Surplus Ratio

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

2022/23 ratio: -0.38

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



Operatin surplus ratio      Benchmark line

# Councillors and Staff

---

## Councillors



Gary Cosgrove  
**Shire President**



Justin Bagley  
**Deputy President**



Carol Farr  
**Councillor**



Hellene McTaggart  
**Councillor**



Anthony Smyth  
**Councillor**



Jonathon Holmes  
**Councillor**



Alexander Pearse  
**Councillor**

## Staff

### Leadership Team



Matt Fanning  
**Chief Executive Officer**



Jeremy Clapham  
**Finance and Admin  
Manager**



Erin Greaves  
**Governance and  
Community Manager**

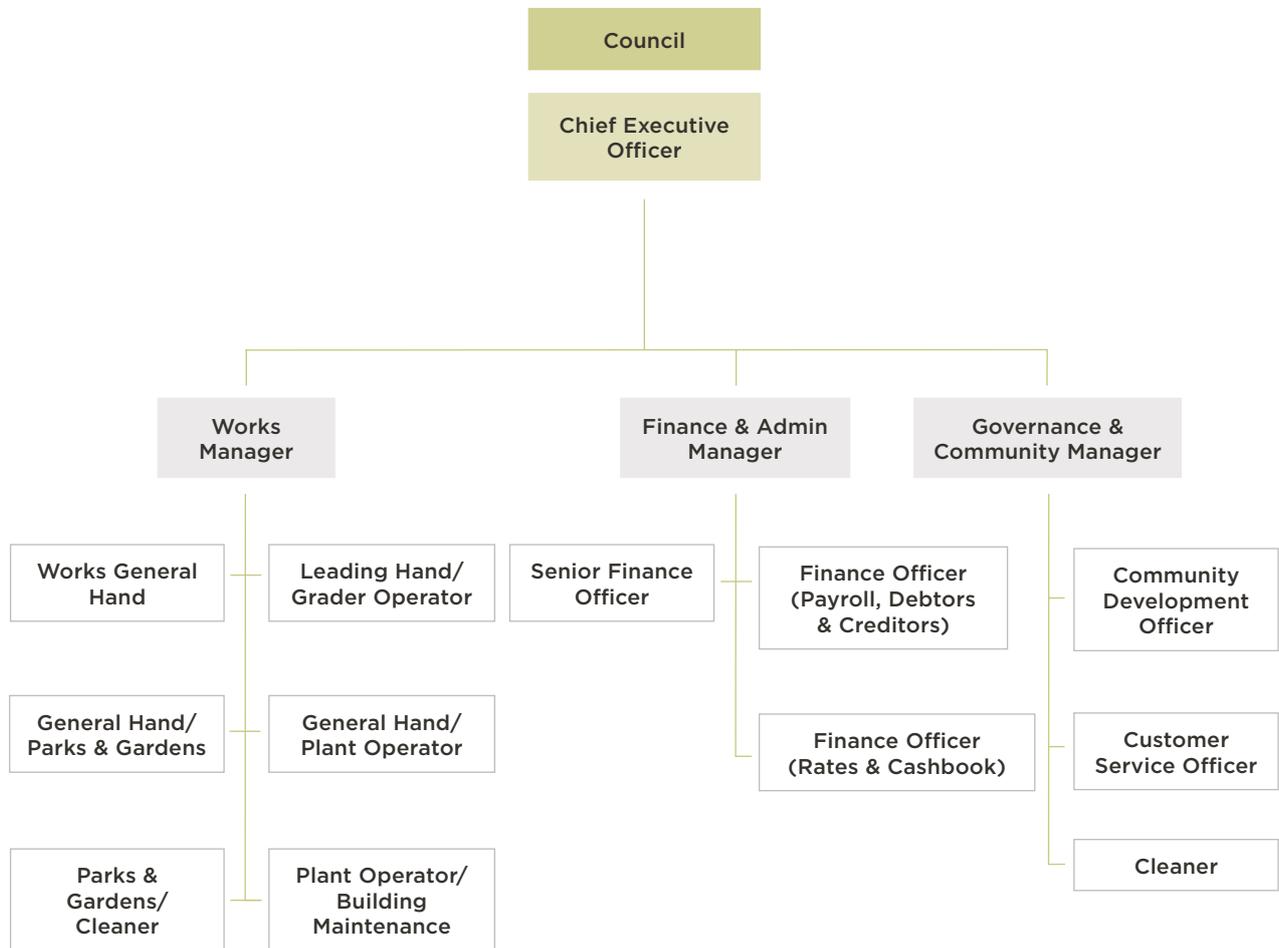


Peter Wood  
**Works Manager**



Shane Noon  
**Works Manager**

# Organisational Chart



# Strategic Community Plan

## FY 22/23 Outcomes And FY 23/24 Deliverables

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

### Strategy 1

#### Leading Mingenew

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

#### 1.1 Infrastructure

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

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

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

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

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

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



Mingenew Hockey Team



Mingenew wildflowers

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

### 1.2 Capability

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

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

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

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

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

### 1.3 Compliance

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

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

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

### 1.4 Resource Management

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

# Strategic Community Plan cont.

## Strategy 2

### Love living in Mingenew

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

#### 2.1 Health

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

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

#### 2.2 Education

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

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

#### 2.3 Culture and Heritage

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

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

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

#### 2.4 Sense of Community

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

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



Big Ears



Mingenev Tennis Clubhouse

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

<b>Mingenev Historical Society - Oral History</b>	<b>\$1,190.18</b>
<b>Friends of the Spring - Micro Bat Boxes</b>	<b>\$940.40</b>
<b>Mingenev CRC Youth Program</b>	<b>\$4,500.20</b>

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

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

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

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

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

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

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

# Strategic Community Plan cont.

## Strategy 3

### Growing Mingenew

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

#### 3.1 Housing

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

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

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

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

#### 3.2 Development

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

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



Mingenew Midwest Expo



Fun and games at Mingenew Turf Club 100 Year Anniversary Races

## Strategy 4

### See you in Mingenew

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

#### 4.1 Diversity of Accommodation

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

#### 4.2 Events

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

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

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

#### 4.3 Tourism Assets

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

## Strategy 5

### Making business easy In Mingenew

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

#### 5.1 Digital Capacity

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

#### 5.2 Economic Development

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

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

# Governance

## Elected Member Attendance

### Elected Member Attendance - 1 July 2022 to 30 June 2023

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

N/A Elected Member not required to Attend

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

\* Councillor appointed in July 2022 by resolution

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

## Elected Member Training

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

### Council Member Essentials module completion status

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

## Elected Remuneration

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

## Employee Remuneration

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

**Table 4**

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

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

## Freedom of Information

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

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

## Disability and Access Inclusion Plan

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

Key strategies include:

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

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

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

# Governance

---

## Complaints Register

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

## Public Disclosures

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

## Recordkeeping Plan

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

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

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

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

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

## National Competition Policy

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

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

### 1. Competitive neutrality

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

### 2. Structural reform

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

### 3. Legislation review

To review legislation that restricts competition.

## Competitive Neutrality

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

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

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

## Structural Reform

In this area, Council has no monopoly activities.

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

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

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

## Legislation Review

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

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

# Appendix: Annual Financial Statements

Statement by Chief Executive Officer	25
Statement of Comprehensive Income	26
Statement of Financial Position	27
Statement of Changes in Equity	28
Statement of Cash Flows	29
Statement of Financial Activity	30
Index of Notes to the Financial Report	31
Notes to the Financial Report	32
Independent Auditor's Report	63



Wildflowers at Mingenew Hill



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

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Financial Activity	7
Index of Notes to the Financial Report	8
Notes to the Financial Report	9
Independent Auditor's Report	40

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

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

Principal place of business:  
21 Victoria Street  
Mingenew WA 6522

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

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

**STATEMENT BY CEO**

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

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

Signed on the thirty day of November 2023



---

Matt Fanning  
Chief Executive Officer

Nexia Perth Audit Services Pty Ltd

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

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

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



Nexia Perth Audit Services Pty Ltd

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

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

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



Nexia Perth Audit Services Pty Ltd

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

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

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

Nexia Perth Audit Services Pty Ltd

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

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

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

Nexia Perth Audit Services Pty Ltd

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

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

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

Nexia Perth Audit Services Pty Ltd

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

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Other Assets	15
Note 8	Property, Plant and Equipment	16
Note 9	Infrastructure	18
Note 10	Fixed Assets	20
Note 11	Leases	22
Note 12	Trade and Other Payables	24
Note 13	Other Liabilities	25
Note 14	Borrowings	26
Note 15	Employee Related Provisions	27
Note 16	Revaluation Surplus	28
Note 17	Restrictions Over Financial Assets	29
Note 18	Undrawn Borrowing Facilities and Credit Standby Arrangements	29
Note 19	Contingent Liabilities	30
Note 20	Capital Commitments	30
Note 21	Related Party Transactions	31
Note 22	Joint Arrangements	33
Note 23	Events Occurring After the End of the Reporting Period	33
Note 24	Other Significant Accounting Policies	34
<b>Information required by legislation</b>		
Note 25	Rating Information	35
Note 26	Determination of Surplus or Deficit	36
Note 27	Borrowing and Lease Liabilities	37
Note 28	Reserve accounts	39

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

**1. BASIS OF PREPARATION**

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

**Local Government Act 1995 requirements**

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

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

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

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

**The local government reporting entity**

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

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

**Judgements and estimates**

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets

**Initial application of accounting standards**

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

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

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

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

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

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

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

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

**2. REVENUE AND EXPENSES**

(a) Revenue

**Contracts with customers**

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

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

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

**Revenue Recognition**

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

**For the year ended 30 June 2023**

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

**For the year ended 30 June 2022**

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

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

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

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

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

**3. CASH AND CASH EQUIVALENTS**

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

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

**Restricted financial assets**

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

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

2023	2022
\$	\$
563,254	0
<b>563,254</b>	<b>0</b>

**Other financial assets at amortised cost**

Term deposits

563,254	0
<b>563,254</b>	<b>0</b>

Held as

- Restricted other financial assets at amortised cost

17 563,254	0
<b>563,254</b>	<b>0</b>

**(b) Non-current assets**

Financial assets at fair value through profit or loss

61,117	58,353
<b>61,117</b>	<b>58,353</b>

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

Units in Local Government House Trust - opening balance

58,353 55,355

Movement attributable to fair value increment

2,764 2,998

Units in Local Government House Trust - closing balance

**61,117 58,353**

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

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

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

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

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

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

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

**5. TRADE AND OTHER RECEIVABLES**

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

**Disclosure of opening and closing balances related to contracts with customers**

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

Note	30 June 2023 Actual	30 June 2022 Actual	1 July 2021 Actual
	\$	\$	\$
Trade and other receivables from contracts with customers	72,409	836,729	94,554
Contract assets	7 413,671	0	0
Allowance for credit losses of trade receivables	(22)	(1,575)	(500)
Total trade and other receivables from contracts with customers	486,058	835,154	94,054

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates and statutory receivables**

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

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

**Trade receivables**

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

**Other receivables**

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

**Measurement**

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

**Classification and subsequent measurement**

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

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

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

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

**6. INVENTORIES**

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

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

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

**7. OTHER ASSETS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Other assets - current</b>		
Prepayments	5,200	28,907
Accrued income	15,703	4,272
Contract assets	413,671	0
	<u>434,574</u>	<u>33,179</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

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

**Contract assets**

Contract assets primarily relate to the Shire's right to . consideration for work completed but not billed at the end of the period.

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

**8. PROPERTY, PLANT AND EQUIPMENT**

(a) Movements in Balances

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

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

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

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

**(b) Carrying Value Measurements**

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>						
Land		2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2021	Price per hectare
Buildings - non-specialised		2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2021	Market data/improvements to land using construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs
Buildings - specialised		3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2021	Market data/improvements to land using construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs

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

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

**(ii) Cost**

<b>Furniture and equipment</b>	N/A	Cost	Not applicable	N/A
<b>Plant and equipment</b>	N/A	Cost	Not applicable	N/A
<b>Bushfire equipment</b>	N/A	Cost	Not applicable	N/A

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

**9. INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Infrastructure - roads	Infrastructure - drainage	Infrastructure - bridges	Infrastructure - footpaths	Infrastructure - parks & ovals	Infrastructure - airfields	Other infrastructure	Service concession assets - infrastructure	Infrastructure - work in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	33,499,003	133,036	5,682,133	232,701	1,618,840	103,500	193,378	252,473	0	41,695,064
Additions	5,271,694	0	2,041,202	0	84,161	0	59,945	0	150,094	7,607,096
(Disposals)	0	0	0	0	(7,145)	0	0	0	0	(7,145)
Revaluation increments / (decrements) transferred to revaluation surplus	887,282	12,374	(399,265)	(2,398)	175,314	0	66,267	(59,342)	0	680,232
Depreciation	(1,072,751)	(1,728)	(135,671)	(6,416)	(191,216)	(6,640)	(20,948)	(13,131)	0	(1,450,501)
<b>Balance at 30 June 2022</b>	38,585,228	143,682	7,168,399	221,887	1,679,954	96,860	298,642	180,000	150,094	48,524,746
<b>Comprises:</b>										
Gross balance at 30 June 2022	38,585,228	143,682	7,168,399	221,887	1,684,759	103,500	309,161	180,000	150,094	48,546,710
Accumulated depreciation at 30 June 2022	0	0	0	0	(4,805)	(6,640)	(10,519)	0	0	(21,964)
<b>Balance at 30 June 2022</b>	38,585,228	143,682	7,168,399	221,887	1,679,954	96,860	298,642	180,000	150,094	48,524,746
<b>Comprises:</b>										
Additions	4,179,913	0	0	0	151,580	273,904	36,009	29,800	0	4,671,206
Depreciation	(1,119,323)	(1,796)	(143,368)	(7,426)	(142,069)	(6,645)	(32,305)	(11,980)	0	(1,468,912)
Transfers	0	0	0	0	106,499	12,634	30,961	0	(150,094)	0
<b>Balance at 30 June 2023</b>	41,645,818	141,886	7,025,031	214,461	1,795,964	374,753	333,307	197,820	0	51,729,040
<b>Comprises:</b>										
Gross balance at 30 June 2023	42,765,141	143,682	7,168,399	221,887	1,942,837	390,038	376,131	209,800	0	53,217,915
Accumulated depreciation at 30 June 2023	(1,119,323)	(1,796)	(143,368)	(7,426)	(146,873)	(15,285)	(42,824)	(11,980)	0	(1,468,875)
<b>Balance at 30 June 2023</b>	41,645,818	141,886	7,025,031	214,461	1,795,964	374,753	333,307	197,820	0	51,729,040

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

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

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

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

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

**10. FIXED ASSETS**

**(a) Depreciation**

**Depreciation rates**

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

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

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

**10. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

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

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

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

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

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

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

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

**Revaluation**

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

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

**Revaluation (continued)**

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

**Depreciation**

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

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

**Depreciation on revaluation**

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

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

**Amortisation**

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

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

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

**Impairment**

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

**Gains or losses on disposal**

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

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

**11. LEASES**

**(a) Right-of-Use Assets**

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Right-of-use assets - furniture and equipment	Right-of-use assets Total
Note	\$	\$
<b>Balance at 1 July 2021</b>	17,760	17,760
Gains/(losses) from sale and leaseback transactions	(9,364)	(9,364)
Depreciation	(2,742)	(2,742)
<b>Balance at 30 June 2022</b>	5,654	5,654
Gross balance amount at 30 June 2022	13,707	13,707
Accumulated depreciation at 30 June 2022	(8,053)	(8,053)
<b>Balance at 30 June 2022</b>	5,654	5,654
Depreciation	(2,741)	(2,741)
<b>Balance at 30 June 2023</b>	2,913	2,913
Gross balance amount at 30 June 2023	13,707	13,707
Accumulated depreciation at 30 June 2023	(10,794)	(10,794)
<b>Balance at 30 June 2023</b>	2,913	2,913

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

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

**Secured liabilities and assets pledged as security**

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

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

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

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

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

**Right-of-use assets - measurement**

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

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

**Right-of-use assets - depreciation**

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

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

**11. LEASES (Continued)**

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

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

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**The Shire as Lessor**

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

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

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

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

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

**12. TRADE AND OTHER PAYABLES**

**Current**

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

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

**Prepaid rates**

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

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

**13. OTHER LIABILITIES**

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Capital grant/contribution liabilities**

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

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

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

**14. BORROWINGS**

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

**Secured liabilities and assets pledged as security**

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

**Risk**

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

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

**15. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	75,614	64,926
Long service leave	31,394	27,677
	<b>107,008</b>	<b>92,603</b>
<b>Total current employee related provisions</b>	<b>107,008</b>	<b>92,603</b>
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	23,732	11,820
	<b>23,732</b>	<b>11,820</b>
<b>Total non-current employee related provisions</b>	<b>23,732</b>	<b>11,820</b>
<b>Total employee related provisions</b>	<b>130,740</b>	<b>104,423</b>

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

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

**16. REVALUATION SURPLUS**

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

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

**17. RESTRICTIONS OVER FINANCIAL ASSETS**

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

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

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

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

**19. CONTINGENT LIABILITIES**

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

- Mingenew Transfer Station

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

**20. CAPITAL COMMITMENTS**

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

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

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

**21. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

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

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

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

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

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

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Termination benefits*

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

*Council member costs*

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

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

**21. RELATED PARTY TRANSACTIONS (Continued)**

**Transactions with related parties**

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

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

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

	<b>2023 Actual</b>	<b>2022 Actual</b>
	<b>\$</b>	<b>\$</b>
Purchase of goods and services	26,912	36,489

**Related Parties**

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

*i. Key management personnel*

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

*ii. Other Related Parties*

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

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

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

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

**22. JOINT ARRANGEMENTS**

**Share of joint operations**

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

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Joint operations**

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

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

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

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

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

**24. OTHER SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

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

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

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

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

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

**h) Interest revenue**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

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

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

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

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

**25. RATING INFORMATION**

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in \$	Number of Properties	2022/23		2022/23		2022/23		2022/23		2021/22	
				Actual Rateable Value*	Actual Revenue	Actual Interim Rates	Actual Revenue	Budget Interim Rate	Budget Revenue	Actual Total Revenue	Budget Total Revenue		
GRV - Mingenew	Gross rental valuation	0.15921	131	1,170,876	186,415	1,081	187,496	0	186,415	0	186,415	180,722	
GRV - Yandanooka	Gross rental valuation	0.15921	2	13,884	2,210	0	2,210	0	2,210	0	2,210	2,136	
GRV - Commercial	Gross rental valuation	0.15921	14	346,630	55,187	66,770	121,957	14,000	69,187	0	69,187	53,339	
GRV - Industrial	Gross rental valuation	0.15921	1	12,479	1,987	0	1,987	0	1,987	0	1,987	1,920	
UV - Rural	Unimproved valuation	0.07082	110	163,131,200	1,765,080	(63)	1,765,017	0	1,765,081	0	1,765,081	1,672,207	
UV - Mining	Unimproved valuation	0.07082	0	0	0	0	0	0	0	0	0	0	
<b>Total general rates</b>			258	164,675,069	2,010,879	67,788	2,078,667	14,000	2,024,880	0	2,024,880	1,910,324	
<b>Minimum payment</b>		\$											
GRV - Mingenew	Gross rental valuation	764	65	27,288	49,660	1,143	50,803	0	49,660	0	49,660	45,836	
GRV - Yandanooka	Gross rental valuation	764	0	0	0	0	0	0	0	0	0	0	
GRV - Commercial	Gross rental valuation	764	9	5,962	6,876	0	6,876	0	6,876	0	6,876	6,552	
GRV - Industrial	Gross rental valuation	764	3	2,787	2,292	0	2,292	0	2,292	0	2,292	2,184	
UV - Rural	Unimproved valuation	1,148	22	875,400	25,256	0	25,256	0	25,256	0	25,256	27,268	
UV - Mining	Unimproved valuation	1,148	20	98,671	22,960	1,003	23,963	0	21,812	0	21,812	14,209	
<b>Total minimum payments</b>			119	1,010,108	107,044	2,146	109,190	0	105,896	0	105,896	96,049	
<b>Total general rates and minimum payments</b>			377	165,685,177	2,117,923	69,934	2,187,857	14,000	2,130,776	0	2,130,776	2,006,373	
<b>Ex-gratia Rates</b>													
CBH					54,742		54,742		54,431		54,431	38,872	
Murchison Regional Aboriginal Corporation					321		321		310		310	311	
<b>Total amount raised from rates (excluding general rates)</b>					55,063		55,063		54,741		54,741	39,183	
Concessions							(34,260)				(1,105)	(1,068)	
<b>Total Rates</b>							2,208,660		2,184,412		2,184,412	2,044,488	
Rate instalment interest							2,649		4,200		4,200	3,999	
Rate overdue interest							4,048		3,800		3,800	3,859	

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

\*Rateable Value at time of raising of rate.

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

**26. DETERMINATION OF SURPLUS OR DEFICIT**

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

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

**27. BORROWING AND LEASE LIABILITIES**

(a) Borrowings

Purpose	Note	Actual				Budget			
		New Loans		Principal		New Loans		Principal	
		During 2021-22	During 2021-22	Repayments During 2021-22	Principal at 30 June 2022	During 2022-23	During 2022-23	Repayments During 2022-23	Principal at 30 June 2023
Senior Citizen Building		\$ 17,001	\$ (17,001)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
King Street - Triplex		14,222	(14,222)	0	0	0	0	0	0
Philip Street - House		10,499	(10,499)	0	0	0	0	0	0
Moore Street - House		18,175	(18,175)	0	0	0	0	0	0
Field Street - House		15,007	(15,007)	0	0	0	0	0	0
Pavilion Fitout		18,921	(18,921)	0	0	0	0	0	0
Roller		7,017	(7,017)	0	0	0	0	0	0
Grader		22,152	(22,152)	0	0	0	0	0	0
Side Tipper		15,032	(15,032)	0	0	0	0	0	0
Drum Roller		27,893	(27,893)	0	0	0	0	0	0
<b>Total</b>		<b>165,919</b>	<b>(165,919)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(57,041)</b>	<b>195,458</b>
<b>Borrowing Finance Cost Payments</b>		<b>280,000</b>	<b>(27,500)</b>	<b>0</b>	<b>252,500</b>	<b>0</b>	<b>(55,331)</b>	<b>(57,041)</b>	<b>195,458</b>
		<b>280,000</b>	<b>(193,419)</b>	<b>0</b>	<b>252,500</b>	<b>0</b>	<b>(55,331)</b>	<b>(57,041)</b>	<b>195,458</b>

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023		Budget for year ending 30 June 2022	
						Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022
Senior Citizen Building		137	* WATC	2.40%	29/06/2022	\$ 0	\$ 0	\$ (520)	\$ 0
King Street - Triplex		133	* WATC	2.40%	29/06/2022	0	0	(331)	0
Philip Street - House		134	* WATC	2.40%	29/06/2022	0	0	(252)	0
Moore Street - House		136	* WATC	2.40%	29/06/2022	0	0	(629)	0
Field Street - House		142	* WATC	2.40%	29/06/2022	0	0	(290)	0
Pavilion Fitout		138	* WATC	2.40%	29/06/2022	0	0	(499)	0
Roller		139	* WATC	2.40%	29/06/2022	0	0	(123)	0
Grader		141	* WATC	2.40%	29/06/2022	0	0	(424)	0
Side Tipper		144	* WATC	2.40%	29/06/2022	0	0	(290)	0
Drum Roller		145	* WATC	2.40%	29/06/2022	0	0	(431)	0
Grader		146	* WATC	0.80%	29/09/2026	0	0	(3,273)	0
<b>Total</b>						<b>(3,366)</b>	<b>(6,849)</b>	<b>(7,062)</b>	<b>(7,062)</b>
<b>Total Finance Cost Payments</b>						<b>(3,366)</b>	<b>(6,849)</b>	<b>(7,062)</b>	<b>(7,062)</b>

\* WA Treasury Corporation

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

27. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual				Budget			
		Principal at 1 July 2021	New Leases During 2021-22	Principal at 30 June 2022	Principal Repayments During 2021-22	Principal at 1 July 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
Photocopier		7,705	0	(3,388)	4,317	4,317	0	0	1,130
IT equipment		4,005	0	(4,005)	0	0	0	0	0
<b>Total Lease Liabilities</b>	11(b)	<b>11,710</b>	<b>0</b>	<b>(7,393)</b>	<b>4,317</b>	<b>4,317</b>	<b>0</b>	<b>(3,187)</b>	<b>1,130</b>

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June		Budget for year ending 30 June	
						2022	2023	2022	2023
Photocopier			De Lage Landon	8.20%	7/09/2023	505	(505)	0	(1,534)
IT equipment			Fimint	12.80%	28/03/2022	(1,427)	0	0	0
<b>Total Finance Cost Payments</b>						<b>\$ (1,932)</b>	<b>\$ (217)</b>	<b>\$ (1,932)</b>	<b>(1,534)</b>

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

**28. RESERVE ACCOUNTS**

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
<b>Restricted by legislation/agreement</b>												
(a) Aged person units reserve	12,795	2,422	0	15,217	12,795	2,013	0	14,808	12,782	13	0	12,795
	12,795	2,422	0	15,217	12,795	2,013	0	14,808	12,782	13	0	12,795
<b>Restricted by council</b>												
(b) Employee entitlement reserve	76,723	2,489	0	79,212	30,331	69	0	30,400	68,134	8,589	0	76,723
(c) Building and land reserve	30,331	292,730	0	323,061	76,723	250,031	0	326,754	30,301	30	0	30,331
(d) Plant reserve	274,895	249,732	0	524,627	274,895	241,328	0	516,223	194,640	80,255	0	274,895
(e) Recreation reserve	3,099	10,534	0	13,633	3,099	3	0	3,102	3,096	3	0	3,099
(f) Environmental reserve	19,636	6,013	0	25,649	19,636	20	0	19,656	19,617	19	0	19,636
(g) Land development reserve	6,985	231	0	7,216	6,985	6	0	6,991	6,978	7	0	6,985
(h) TRC/POINAB building reserve	22,240	734	0	22,974	22,240	22	0	22,262	22,218	22	0	22,240
(i) Insurance reserve	23,068	21,625	0	44,693	23,068	23	0	23,091	23,045	23	0	23,068
(l) Economic development & marketing reserve	10,333	10,774	0	21,107	10,333	10	0	10,343	10,323	10	0	10,333
(k) Covid-19 emergency reserve	80,789	404	(81,193)	0	80,789	82	0	80,871	80,710	79	0	80,789
(l) Mingenew day care centre redevelopment	0	25,688	0	25,688	0	0	0	0	0	0	0	0
	548,099	620,954	(81,193)	1,087,860	548,099	491,594	0	1,039,693	459,062	89,037	0	548,099
	560,894	623,376	(81,193)	1,103,077	560,894	493,607	0	1,054,501	471,844	89,050	0	560,894

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

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

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



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2023 Shire of Mingenew

To the Council of the Shire of Mingenew

#### Opinion

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

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

In my opinion, the financial report is:

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

#### Basis for opinion

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

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

#### Other information

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

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

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

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

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

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

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

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

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

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

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

### **Auditor's responsibilities for the audit of the financial report**

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

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

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

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

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

### **Matters relating to the electronic publication of the audited financial report**

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



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



**Shire office:** 21 Victoria Road (PO Box 120), Mingenew, WA 6522  
**T** (08) 9928 1102 **F** (08) 9928 1128 **E** [enquiries@mingenew.wa.gov.au](mailto:enquiries@mingenew.wa.gov.au)  
[www.mingenew.wa.gov.au](http://www.mingenew.wa.gov.au)