



**SHIRE OF WOODANILLING**

**ATTACHMENT BOOKLET FOR  
AUDIT COMMITTEE MEETING**

21 February 2023 at 9am

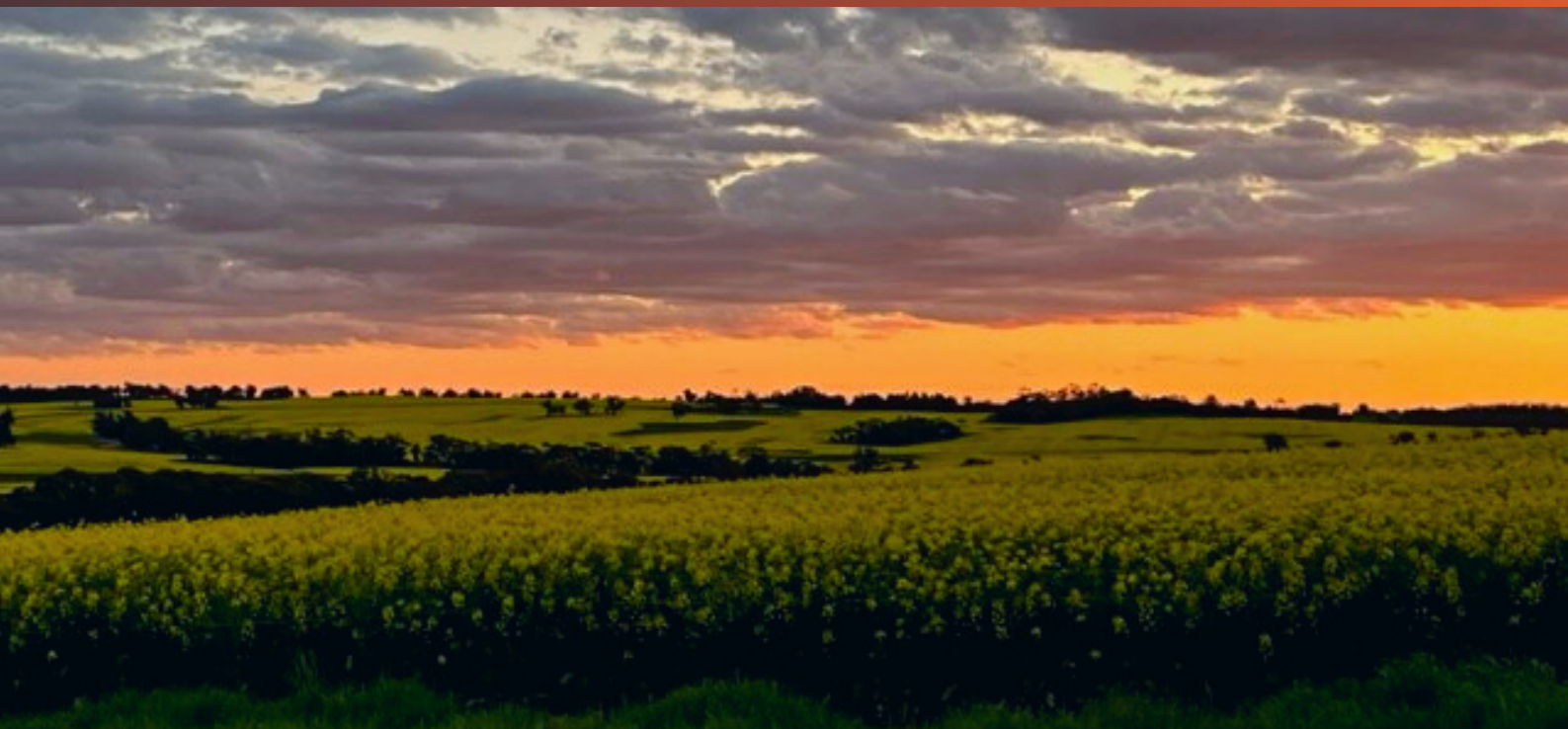
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# Annual Report

## For the year ending 30 June 2022



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# SHIRE PRESIDENT'S REPORT



I have great pleasure in presenting the Shire of Woodanilling's Annual Report for 2021/2022, a year of many milestones and achievements.

Over the past financial year our Shire and community have continued to navigate the effects of the COVID-19 pandemic. As a Council, administration and most importantly a community, Woodanilling has banded together to make life as normal as possible in such diverse times.

In January we marked Australia Day celebrations with over 160 local residents and others attending a successful morning of celebration of the Woodanilling way. It was also my pleasure to undertake one of two Citizenship Ceremonies on the day. The community spirit on the day was one to remember with acknowledging our award recipients who strongly represent our community.

Another important achievement was the celebration of Cr Russel Thomson for his 40 years in service for Local Government. Fellow Councillors and I, attended WA Local Government Week to acknowledge Cr Thomson's service to this community and to the greater region in local government. Some of areas cover roads, Landcare, Kenmare/Beaufort Bush Fire Brigade, Kenmare Hall Committee, lobbying and advocating for the Shire and other local governments that we collaborate with. Thank you Cr Thomson for your service and leadership in our community. Some of the highlights include:

## Community Events

- Anzac Day
- Australia Day
- An Australian Citizenship Ceremony

## Infrastructure

- Oxley Road Stabalisation
- Youngs Road Stabalisation
- Robinson Road Stabalisation

## General Maintenance

- Grading Culverts and Tree Pruning
- Railway Precinct
- Town Hall Ramp
- CCTV within Townsite
- MAFS Funding Supported by DFES
- Council is looking forward to supporting the community and residents as we have managed to identify that some of our roads database has more than 400 vehicles passing in any one day.

My sincerest thanks are extended to our CEO Kellie Bartley for her leadership and to all the staff and my fellow Councillors for another successful year that was approached with commitment, compassion and humour. Together, we are creating an even better lifestyle and I believe we have a bright future ahead of us. On behalf of the Shire, I would like to thank our community who make Woodanilling the wonderful place that it is. I look forward to a successful year ahead as we continue to make Woodanilling the best place to live, work and play.

**Cr S J (Stephen) JEFFERIES**

Shire President





## CEOS REPORT



It is a pleasure to present the Chief Executive's Officer's Report for the 2021/2022 and I am pleased to be here as your CEO through a portion of this period, having commenced in January 2022.

The year has been one of learning, leadership, change management and learning areas to support the roads network. Taking the carry forward projects from the Australian Government's Local Roads and Community Infrastructure Program, we anticipate being finalised by June 2023.

Furthermore, we have been successful in the grant for the Town Water Scheme and Dam precinct. This work was approved and will be an opportunity to increase the watering on the public open spaces and recreation precinct whilst providing the renewal use of the storm water catchment.

We continue to focus on road maintenance and construction through both the State Government's Regional Road Group (RRG) and through the Australian Government's Roads to Recovery (R2R) programs. The Shire is very dependent upon the grant funding for road maintenance and construction. As this is linked directly to roads chosen under the guidance of associated plans and current road conditions. At times there have been anomalies for the internal roads as Council did spend a considerable time on Youngs Road at Beaufort River that is aligned with the opportunity for Commodity Route Funding in the future.

As identified in the Shire President's report, we have managed to increase community events and Council have been able to support through donations of events held in the last 6 months of this period. We are looking forward to bringing further social interaction into the community in the spaces of health, wellbeing and social connectivity.

I am looking forward to the future of Woodanilling being able to provide further road maintenance programs and entering into the Community Engagement, to be undertaken in the coming months.

We have had a successful 12 months working under more streamlined management structure. I am extremely proud of how Shire staff adapted to these changes while continuing to produce beneficial outcomes for the community. We also met some outcomes that have been in the making for a number of years. I am proud to lead an organisation that values team work, integrity, leadership, excellence and respect.

My thanks are extended to the Shire of Woodanilling Council and Administration for their support and commitment, but a special thanks to our community members who have been open with great ideas for improvement for the Shire but also the strength and resilience shown to one another. I am excited for the coming year and the strategic direction to be undertaken in the future.

**Kellie Bartley**  
Chief Executive Officer



# COUNCILLORS



**CR SJ (STEPHEN) JEFFERIES**  
(Term expires 2023 )

**SHIRE PRESIDENT**

PO Box 40  
Woodanilling WA 6316  
Mobile: 0427 479 423  
Freoboy61@gmail.com

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**CR. H R (RUSSEL) THOMSON JP**  
(Term expires 2025 )

**DEPUTY PRESIDENT**

818 Robinson Road  
Woodanilling WA 316  
Mobile: 0419 950 217  
Email: kunmallup@bigpond.com

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**CR DS (DALE) DOUGLAS**  
(Term expires 2025 )

PO Box 105  
Woodanilling WA 6316  
Phone: 08 9823 1586  
Mobile: 0429 231 586  
Email: adadalefarm@bigpond.com

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**CR P G (PETER) MORRELL**  
(Term expires 2023)

457 Ways Road  
Beaufort River WA 6394  
Phone: 08 9862 5015  
Mobile: 0429 625 054  
Email: pjmorrell@bigpond.com

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**CR TJ (TIMOTHY) BROWN**  
(Term expires 2023)

PO Box 76  
Woodanilling WA 6316  
Phone: 08 9823 1115  
Mobile: 0418 470 920

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**CR B J (BEVERLY) SMITH**  
(Term expires 2023)

PO BOX 40  
Woodanilling WA 6316  
Mobile: 0449 933 613  
Email: smith.bev12@yahoo.com

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# Elected Members of Council

The Council of the Shire of Woodanilling is made up of 6 elected representatives, with the Shire President and Deputy Shire President elected by the council following each ordinary Local Government Election.

The Council operates on a Council Briefing Session/Ordinary Council Meeting structure to conduct its meetings. The Briefing Session is for Elected Members to workshop and be informed on matters that are presented through to the Ordinary Council Meeting where these matters are to be formally considered and decision on the matter at the Ordinary Council Meeting.

Council continued with a monthly Ordinary Council Meeting schedule, except January. A total of 11 Ordinary Council Meetings (OCM), 4 Special Council Meetings (SCM), 2 Audit Committee Meeting (ACM) and 1 Annual Electors Meeting (AEM) was held. The following table shows the Councillor attendance at these meetings.

The below table outlines the number of Council Meetings attended by each council member, during the 2021/2022 financial year.

	OCM	SCM	ACM	AEM
CR S Jefferies	10	4	2	1
CR R Thomson	11	4	2	1
CR D Douglas	10	4	2	1
CR P Morrell	11	4	2	1
CR T Brown	10	3	1	1
CR M Trimming (July - Oct 21)	3	2	N/A	N/A
CR B Smith (Dec 21 - June 22)	6	1	2	1

\* Cr M Trimming resigned at Oct 2021 election process

Meeting Type	Number of Meetings held in 2021/2022 year
Ordinary Council Meeting	11
Special Council Meeting	4
Annual Electors Meeting	1
Audit Committee Meeting	2

## Employee Remuneration

In accordance with section 5.53(2) (g) of the Local Government Act 1995 and section 19B of the Local Government (Administration) Regulations 1996, the following information is provided with respect to employees annual salary entitlement. Set out below, in bands of \$10,000 is the number of employees of the Shire of Woodanilling Remuneration with an annual salary of \$100,000 or more.

Salary Range \$	Number of Employees
\$100,000 - \$110,000	1
\$110,000 - \$120,000	0
\$120,000 - \$130,000	0
\$130,000 - \$140,000	0
\$140,000 - \$150,000	1



# OUR STATISTICS 2021 - 2022

 <b>448</b> Total number of residents* <i>*Based on 2021 Census</i>	 <b>385</b> Total number of rateable properties	 <b>\$863,979</b> Rates levied
 <b>\$430</b> Minimum general residential rate	 <b>\$430</b> Minimum general rural rate	 <b>0</b> Debt servicing ratio
 <b>\$2,518,857</b> Operating revenue	 <b>\$32,590,927</b> Net assets	 <b>\$1,297,996</b> Operating grants revenue
 <b>\$268,357</b> Specific purpose grants revenue	 <b>76.4 km</b> Length of sealed roads	 <b>455.1 km</b> Length of gravel roads
	 <b>146</b> Number of garbage services provided	



# SHIRE HISTORY

The Shire of Woodanilling is situated on the south-western edge of the Wheatbelt region in the Central Great Southern region of Western Australia. It covers an area of approximately 111,769 hectares and is located almost half way between Perth and Albany. It is linked by the Great Southern Railway line which was an important transport route for the early colony. At first the area was an outpost for York settlers wishing to expand their influence and later by other pastoralists, sandalwood harvesters, and farmers. Now the land is utilised for crop production, as well as sheep and cattle production.

The Shire is within the boundaries of the Blackwood River Catchment. Within the Shire the catchment gives rise to a number of lakes and many seasonal water courses. Prior to the 1940s these lakes were relatively fresh and supported a diverse variety of vegetation and animal life but with extensive clearing of native vegetation to allow for agricultural development, these lakes are now saline. With the removal of naturally occurring vegetation, the hydrology of the region has changed dramatically. Ground water is rising through the subsoil to the surface, transporting salts contained within the soil profile with it. Increasing salinity within soils and water bodies is now a major problem throughout the Wheatbelt.

Following settlement in 1827 exploration of the "interior" was soon initiated. The Woodanilling District was first explored by Europeans in 1830/31, when Captain Thomas Bannister led the first overland expedition from Perth to King George III Sound. Governor James Stirling, accompanied by Surveyor General John Septimus Roe visited the areas Bannister had explored in 1835. Governor Stirling revisited the area with Alfred Hillman in 1837. Further exploration of the area was undertaken in 1843 by Henry Landor and Henry Maxwell Lefroy while searching for a large inland sea said to exist south-east of York. The lake they found, with the help of Aboriginal guides, is approximately 40 kilometres north-east of Woodanilling and was called Dambeling by the Aborigines. This was later changed to Dumbleyung by early European settlers.

The pastoral industry spread rapidly in the early years and the frontier reached Woodanilling between 1840 and 1880. The construction of the Perth/Albany Road in the early 1850s brought the fine grazing lands in this region to the attention of many pastoralists, who took up leases while retaining their permanent properties at places like York. One of the first to graze sheep in the area was Elijah Quartermaine around 1850/51. Another pioneer to take up the early leases was Edward Hammersley who took up 10,000 acres in 1852. The Woodanilling area was also a rich source of sandalwood and for many early settlers it was a valuable source of income while they were establishing their homesteads. Wheat farming commenced in the Woodanilling area in the 1890s.

In 1884 a contract was signed to construct a railway line from Beverley to Albany. The line was completed in 1889 and Woodanilling was selected as a station on the rail route. In 1892 Woodanilling was gazetted as a town site and developed into a service centre for the surrounding farms. The population of the Shire of Woodanilling remained reasonably stable between 1981 (420), 1991 (434), 1995 (395), 1996 (354), 2001 (382), 2006 (418), 2010 (464), 2021 (448).





# COMMUNITY STRATEGIC PLAN

The Shire of Woodanilling Plan for the Future is comprised for two key documents – the Strategic Community Plan and the Corporate Business Plan.

The Strategic Community Plan expresses the community's vision, aspirations and goals for the 10 year period, with 4 main themes – Social, Environment, Civic Leadership, Economic. Under each there is a clear objective with desired outcomes. The Corporate Business Plan details the projects, actions, targets and responsibilities under each objective.

The Annual Report describes the Shire's performance against its Strategic Community Plan and Corporate Business Plan. It's an essential tool to inform the community and key stakeholders about the Shire's achievements and future plans.

In the following pages, major highlights and key achievements under each of the four objectives of the Corporate Business Plan will be demonstrated in the Shire's progress towards meeting the vision and aspirations set for us by the community.

Council is excited that in 2023, the review of these plans are underway and are looking forward to engage with the community for the coming years with new plans.

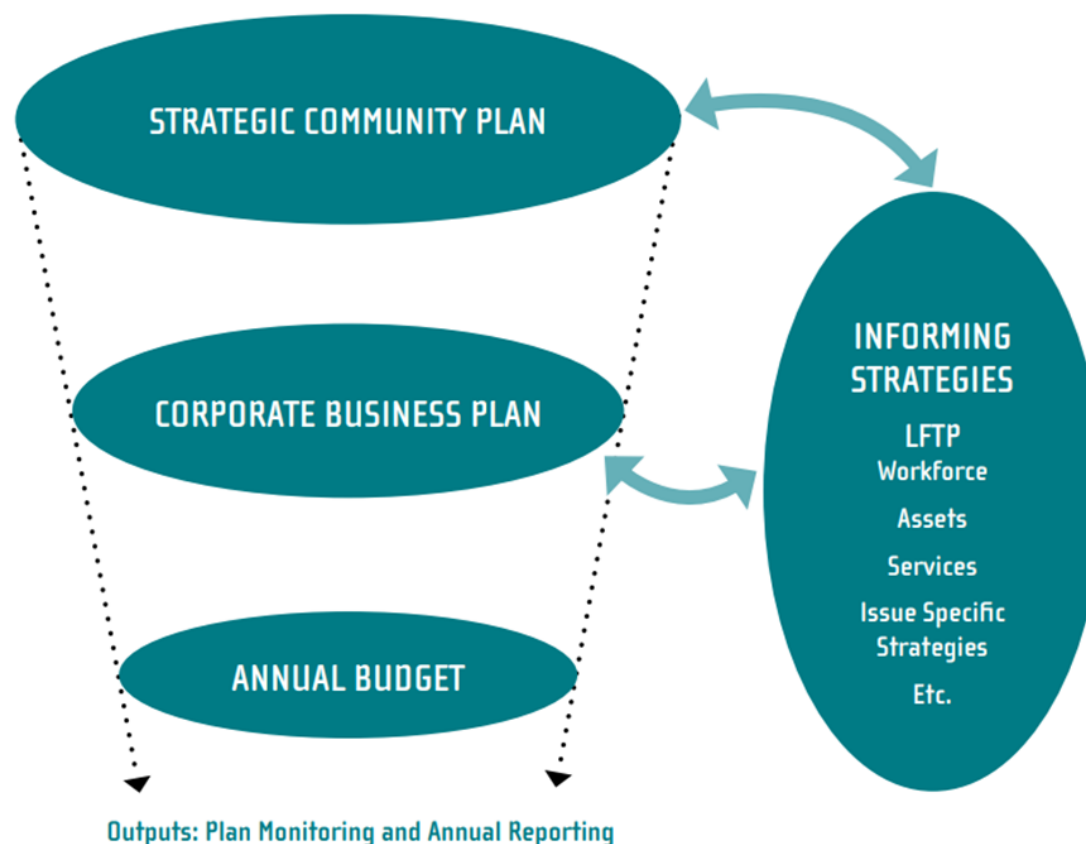
The plan has been and will be used to:

- Guide Council decision-making and priority setting
- Engage local residents and ratepayers, local businesses, community groups and other local stakeholders that contribute to the future of our community
- Inform decision-making with respect to other partners and agencies, including Federal and State Governments, regional bodies and other local governments in our region
- Provide a clear avenue to pursue funding and grant opportunities demonstrating how projects align with the aspirations and strategic direction of our community and Council
- Inform future partners of our key priorities, and the ways in which we seek to grow and develop
- Provide a framework for monitoring progress against the community's vision and aspirations.

The Strategic Community Plan and the accompanying Corporate Business Plan set the direction

for the Shire's future and the Council's service levels and projects. The following sections outlines

the achievements arising from the Plan over the past year.





## Theme 1: Social

### Community Facilities & Community Well Being

- To provide facilities and amenities that meet the communities needs and expectations within Council's ability to fund from rates and external sources.
  - To ensure access to high quality facilities and services that the community is proud to use and promote.
  - To deliver a quality of life to our residents that is based upon sound environmentally sustainable principles and is socially productive and growing.
- 
- Reforming of Woodanilling Town Enhancement Group – reviewing existing Woodanilling Town Centre Enhancement plans, entry statements and town signage.
  - The Community Development Committee has managed to achieve some outcomes with the support of Federal Grant funding for Local Roads and Infrastructure program.
  - Shire managed to commenced development in the Railway Precinct with gazebo and surrounds.
  - Up keep and improvements at the Lake Queerearup site with BBQ facilities and toilet block.
  - With the development of GSCORE Trails Master Plan project for the Great Southern, it has been undertaking advocacy and development activities to develop and attract funding as required to enhance a drive trail through Woodanilling.
  - Holding annual community barbeques at the Sports Precinct encouraging sporting activities and community engagement.
  - Ensure significant heritage buildings and places under Council's care are preserved and where possible restored.
  - Develop and implement an upgrade plan for the Woodanilling Cemetery that is sensitive to denominational and indigenous groups.
  - The Tip Shop and recycling is in place, comply with single use plastic bags and support the progress of the Container Deposit Scheme through a donation point in the town.
  - Continue to work with external grant funding for the Town Dam and Storm water precinct.
  - Council has supported local groups in sporting, education and community groups throughout the year.
  - Conduct the annual Australia Day Breakfast and support the Australia Day Awards annually.
  - Improve CCTV with in the town centre through grant funding.
  - Increased fire awareness and training with our Bush Fire Brigade and members
  - Support our rural awareness with the support through the Community Emergency Services Manager and the support of funds from DFES.







## Theme 2: Environment

To protect and enhance the key natural and cultural assets of the Shire.

- Maintain the natural environment and landscape, weed control on roadsides and reserves. Continue working towards a bush fire compliant town through mitigation works and burn studies on Casuarina Obesa with DFES and UWA.
- Review town site water drainage management – prepare drainage plan for town site by redesigning drainage to more effectively move stormwater from the town.
- With the support of Wagin Woodanilling Landcare, provide programs and outcomes associated with the natural environment and landscape
- Continue to work with WWLandcare for grant funding to support the district
- Send out Cat/Dog registrations to help maintain animal management control
- Continual support and works at the CBH Stormwater Dam site
- Maintenance of culverts and drainage systems within the townsite and around the shire
- Wagin Woodanilling Landcare significant donation from the Perth Hills Department of Parks and Wildlife, a Chatfield Tree Planter
- Mozzie fogging program to prevent the increase of pests
- Protecting the built environment and resources by reducing water and non-water threats – Standpipe charges increased but meter sizes remain after consultation by Water Corp with Local Governments.





## Theme 3: Civic Leadership

- To attract and retain quality Councillors and Staff.
- To have Councillors who are trained and qualified in their roles and responsibilities
- Within the scope and ability of the Council, provide a safe and crime free community.
- To be responsive to the expectations of our clients and users in the area of customer service
- To promote excellence in customer service.

- Stage 1 Town Mitigation work completed and stage 2 started around the town to safeguard from bushfires. Further works will be undertaken during the unrestricted fire period.
- Streamlining of staff and refinement of roles and work hours has enabled the office to operate effectively and offer the community good service and timely response to requests. Staff training takes place as required and the Shire looks to implement innovations that have direct benefit to the Shire and the Community.
- A local door knock and R U Prepared Project was undertaken to gather information from community members so that the Shire has a better understanding of its residents and their needs when emergency incidents occur and to also upskill the community in preparedness.
- Sharing with Katanning and Broomehill-Tambellup the Shire has secured the services of a CESM. The CESM manages the delivery and implementation of preparedness, prevention, response and recovery services and has developed effective partnerships that adopt a best practice approach to emergency management delivery between Local Governments, DFES, Volunteer Bushfire Brigades and the community.
- The 4WDL VROC consists of the Shires of Wagin, West Arthur, Williams, Woodanilling, Dumbleyung and Lake Grace. This group works together to ensure quality decision making is supported by good policies, procedures and legislation, regular meetings are held to benchmark targets.
- In 2018 a Fire Management Plan was implemented. The strategy behind this project was to support the Bush Fire Advisory Committee and local Brigades and also an annual review of the Woodanilling Town site Fire Management Plan.
- Support from DFES with Mitigation Funding Grants to achieve mitigation works around the townsite of the shire
- Water Tanks for Firefighting purposes 3 x 111,500l tanks.
- Continue collaboration with local Police to maintain the Shire and residents safety
- Attend Local Emergency Management to ensure preparedness for local emergencies
- Support our local community during the COVID19 pandemic
- Provided COVID test packs and masks via social media and local Woodanilling Store
- Continue to support our community through providing customer service to requests







## Theme 4: Economic

To maintain a quality road transport network which is safe and accessible to all users.

- Works on Youngs Road with financial support from Local Roads and Infrastructure Program
- Youngs Road due to the identified commodity route that takes place in the Beaufort River Region.
- Stabilising Robinson Road
- Maintain School Bus Runs
- Tree pruning and culvert maintenance program
- Council will be continuing with Senior Management to further work with Regional Road Groups, Roads to Recovery and other Federal Funding to increase grants to support further works through the shire and its road network.





## FREEDOM OF INFORMATION

The Shire of Woodanilling welcomes any enquiries for information held by Council. The Shire is subject to the provisions of the *Freedom of Information Act 1992*, which gives individuals and organisations a general right of access to information held by the Shire. It should be noted that some documents are for viewing only and documents cannot be copied which would breach the *Copyright Act 1968*.

The Act also provides the right of appeal in relation to decisions made by the Shire to refuse access to information applied for under the Act. The Shire received no requests for information in 2021/2022. Council's Information Statement is reviewed annually, and a copy made available at the administration office and on the Council's website, as required under the *Freedom of Information Act 1992*.

## NATIONAL COMPETITION POLICY

This policy has been introduced by the Commonwealth Government to promote competition for the benefit of business, consumers, and the economy by removing unnecessary protection of monopolies of markets where competition can be enhanced. It affects local governments as factors such as exemption from company and income tax or possible local regulations and laws may give local government a potential advantage over private contractors.

In respect to competitive neutrality, the Shire of Woodanilling's reports:

- The Shire of Woodanilling during 2021/2022 did not engage in any significant business activities which generated in excess of \$200,000 annual income. Therefore, the introduction of competitive neutrality under Clause 7 of the policy was not required.
- There is no indication that the Council will become involved in any significant business activities during the next financial reporting period.
- There have been no allegations received by the Council of non-compliance with the neutrality principles.

## PUBLIC INTEREST DISCLOSURE

In accordance with the requirements of the *Public Interest Disclosure Act 2003*, the Shire of Woodanilling has established procedures to facilitate the making of disclosures under the Act. These procedures set out the processes in place in respect to protected disclosures generally, to protect people from reprisal for making protected disclosures, and to provide guidance on investigations. During the 2021/2022 financial year, no disclosures relating to improper conduct were made to the Shire and therefore no disclosures were referred to the ombudsman. Register of Complaints Made Against Elected Members In accordance with section 5.53 of the *Local Government Act 1995* and the associated *Local Government (Rules of Conduct) Regulations 2007* the complaints made direct to the Shire of Woodanilling against Elected Members during the 2021/2022 financial year were nil.

## RECORD KEEPING PLAN

In accordance with legislative requirements, a Record Keeping Plan for the Shire of Woodanilling is completed and lodged upon request from the State Records Office. This is a requirement under the *State Records Act 2000*, an Act to provide for the keeping of State records and for related purposes.

The Record Keeping Plan is prepared to ensure compliance with Section 19 of the *State Records Act 2000*. Best practice record keeping is conducted in accordance with *State Records Commission Standards and Records Management Standard AS15489*.

The Shire of Woodanilling Record Keeping Plan has set out the minimum requirements as to which records are to be created and how those records are kept. The Shire of Woodanilling has developed processes to facilitate the complete and accurate record of all business transactions and decisions. Measures have been taken to ensure all recorded information can be retrieved quickly, accurately, and cheaply when required and government records are protected and preserved. These take the form of hard copies or electronic records.

The Record Keeping Officer has attended training in records management covering Records Keeping Basics, Keyword Classification and Records Disposal. A general briefing for all staff on the compliance requirements of the *State Records Act 2000* and induction training for all new staff on their obligations was completed in accordance with the *State Records Act 2000* and the operation of records management within the Shire of Woodanilling. Register of Financial Interests in accordance with the requirements of the *Local Government Act 1995*, this register is held in the Administration office and is available for viewing by the public.

## DISABILITY ACCESS & INCLUSION PLAN

The Disability Access Inclusion Plan is a strategic document for the Shire of Woodanilling required by the Government of Western Australia and registered with the Department of Communities. This document is reported on annually to improve quality of life outcomes for people who live with a disability

The Shire has achieved the following objectives

- Incorporate the objectives of the DAIP into Council's Corporate Business Plan
- Ensure Shire staff, agents and contractors are aware of the DAIP and the requirements for providing access and inclusion to services and events
- Ensure that information from the Shire website is accessible
- The recently renovated public toilets at the Town Hall have been updated to include the latest disability standards
- Improve Executive Management's awareness of the importance of the DAIP as an instrument for improving access and inclusion within the Shire

The Shire of Woodanilling has taken significant strides forward to make our community more accessible, however much more must be done to provide equal access and opportunity for all.



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

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The SHIRE OF WOODANILLING conducts the operations of a local government with the following community vision:

*The Shire will endeavour to provide community services and facilities to meet the needs of members of the community and enable them to enjoy a pleasant and healthy way of life.*

Principal place of business:  
3316 Robinson Road  
Woodanilling WA 6315

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

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

Signed on the                      22nd                      day of                      December                      2022



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

Mrs Kellie Bartley

\_\_\_\_\_  
Name of Chief Executive Officer



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Revenue</b>				
Rates	22(a),2(a)	820,579	822,811	769,940
Operating grants, subsidies and contributions	2(a)	1,297,996	592,016	1,107,657
Fees and charges	21(c),2(a)	361,956	345,285	351,347
Interest earnings	2(a)	3,860	3,725	4,932
Other revenue	2(a)	34,466	0	(659)
		2,518,857	1,763,837	2,233,218
<b>Expenses</b>				
Employee costs		(1,118,291)	(1,023,663)	(1,053,023)
Materials and contracts		(512,860)	(509,122)	(501,809)
Utility charges		(87,940)	(85,090)	(95,040)
Depreciation	10(a)	(775,911)	(888,733)	(856,073)
Insurance		(94,943)	(76,537)	(81,174)
Other expenditure	2(b)	(74,002)	(112,279)	(132,473)
		(2,663,947)	(2,695,424)	(2,719,592)
		(145,090)	(931,587)	(486,374)
Non operating capital grants, subsidies and contributions	2(a)	268,357	1,015,152	358,825
Profit on asset disposals	10(b)	0	124,656	0
Loss on asset disposals	10(b)	0	(1,822)	0
Fair value adjustments to financial assets at fair value through profit or loss		1,999	2,000	1,292
		270,356	1,139,986	360,117
<b>Net result for the period</b>	21(b)	<b>125,266</b>	<b>208,399</b>	<b>(126,257)</b>
<b>Total other comprehensive income for the period</b>	14	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>125,266</b>	<b>208,399</b>	<b>(126,257)</b>

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





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

	NOTE	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,865,194	1,663,683
Trade and other receivables	5	106,425	106,284
Inventories	6	28,371	22,098
Other assets	7	0	1,050
<b>TOTAL CURRENT ASSETS</b>		<b>1,999,990</b>	<b>1,793,115</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets	4(b)	38,994	36,995
Property, plant and equipment	8	6,135,059	6,382,559
Infrastructure	9	24,805,438	24,758,204
<b>TOTAL NON-CURRENT ASSETS</b>		<b>30,979,491</b>	<b>31,177,758</b>
<b>TOTAL ASSETS</b>		<b>32,979,481</b>	<b>32,970,873</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	111,861	219,528
Other liabilities	12	102,758	106,341
Employee related provisions	13	154,525	131,500
<b>TOTAL CURRENT LIABILITIES</b>		<b>369,144</b>	<b>457,369</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee related provisions	13	19,413	47,842
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>19,413</b>	<b>47,842</b>
<b>TOTAL LIABILITIES</b>		<b>388,557</b>	<b>505,211</b>
<b>NET ASSETS</b>		<b>32,590,927</b>	<b>32,465,661</b>
<b>EQUITY</b>			
Retained surplus		12,730,378	12,625,287
Reserve accounts	23	869,086	848,911
Revaluation surplus	14	18,991,463	18,991,463
<b>TOTAL EQUITY</b>		<b>32,590,927</b>	<b>32,465,661</b>

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2020</b>		<b>12,971,704</b>	<b>628,751</b>	<b>18,991,463</b>	<b>32,591,918</b>
Comprehensive income for the period					
Net result for the period		(126,257)	0	0	(126,257)
Total comprehensive income for the period		(126,257)	0	0	(126,257)
Transfers to reserves	23	(220,160)	220,160	0	0
<b>Balance as at 30 June 2021</b>		<b>12,625,287</b>	<b>848,911</b>	<b>18,991,463</b>	<b>32,465,661</b>
Comprehensive income for the period					
Net result for the period		125,266	0	0	125,266
Total comprehensive income for the period		125,266	0	0	125,266
Transfers to reserves	23	(20,175)	20,175	0	0
<b>Balance as at 30 June 2022</b>		<b>12,730,378</b>	<b>869,086</b>	<b>18,991,463</b>	<b>32,590,927</b>

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



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		814,711	863,811	756,240
Operating grants, subsidies and contributions		1,298,179	713,357	1,227,042
Fees and charges		361,956	238,944	351,347
Interest received		3,860	3,725	4,932
Goods and services tax received		0	0	(1,237)
Other revenue		34,466	0	(659)
		2,513,172	1,819,837	2,337,665
<b>Payments</b>				
Employee costs		(1,119,542)	(1,092,782)	(1,110,257)
Materials and contracts		(629,182)	(506,066)	(478,557)
Utility charges		(87,940)	(85,090)	(95,040)
Insurance paid		(94,943)	(76,537)	(81,174)
Goods and services tax paid		1,237	0	0
Other expenditure		(74,002)	(112,279)	(132,473)
		(2,004,372)	(1,872,754)	(1,897,501)
<b>Net cash provided by (used in) operating activities</b>	15(b)	508,800	(52,917)	440,164
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(78,621)	(746,000)	(110,611)
Payments for construction of infrastructure	9(a)	(497,024)	(1,215,087)	(272,968)
Non-operating grants, subsidies and contributions		268,357	1,015,152	358,825
Proceeds from sale of property, plant & equipment	10(b)	0	188,000	0
<b>Net cash provided by (used in) investing activities</b>		(307,288)	(757,935)	(24,754)
<b>Net increase (decrease) in cash held</b>		201,512	(810,852)	415,410
Cash at beginning of year		1,663,683	1,662,267	1,248,273
<b>Cash and cash equivalents at the end of the year</b>	15(a)	1,865,194	851,415	1,663,683

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



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>	23(b)	485,418	485,418	361,121
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities (excluding general rate)</b>				
Operating grants, subsidies and contributions		1,297,996	592,016	1,107,657
Fees and charges		361,956	345,285	351,347
Interest earnings		3,860	3,725	4,932
Other revenue		34,466	0	(659)
Profit on asset disposals	10(b)	0	124,656	0
Fair value adjustments to financial assets at fair value through profit or loss		1,999	1,940	1,292
		1,700,277	1,067,682	1,464,569
<b>Expenditure from operating activities</b>				
Employee costs		(1,118,291)	(1,023,663)	(1,053,023)
Materials and contracts		(512,861)	(509,122)	(501,809)
Utility charges		(87,940)	(85,090)	(95,040)
Depreciation		(775,911)	(888,733)	(856,073)
Insurance		(94,943)	(76,537)	(81,174)
Other expenditure		(74,002)	(112,279)	(132,473)
Loss on asset disposals	10(b)	0	(1,822)	0
		(2,663,948)	(2,697,246)	(2,719,593)
Non-cash amounts excluded from operating activities	23(a)	745,483	852,351	854,295
<b>Amount attributable to operating activities</b>		(218,188)	(777,213)	(400,729)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		268,357	1,015,152	358,825
Proceeds from disposal of assets	10(b)	0	188,000	0
Purchase of property, plant and equipment	8(a)	(78,621)	(746,000)	(110,611)
Purchase and construction of infrastructure	9(a)	(497,024)	(1,215,087)	(272,968)
		(307,288)	(757,935)	(24,754)
<b>FINANCING ACTIVITIES</b>				
Transfers to reserves (restricted assets)	23	(20,175)	(347,290)	(220,160)
Transfers from reserves (restricted assets)	23	0	584,290	0
<b>Amount attributable to financing activities</b>		(20,175)	237,000	(220,160)
<b>Surplus/(deficit) before imposition of general rates</b>		(58,819)	(812,730)	(284,522)
<b>Total amount raised from general rates</b>	22(a)	820,579	822,811	769,940
<b>Surplus/(deficit) after imposition of general rates</b>	23(b)	<b>761,760</b>	<b>10,021</b>	<b>485,418</b>

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



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

**1. BASIS OF PREPARATION**

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

**Local Government Act 1995 requirements**

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

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

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is

**The local government reporting entity**

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 4 of the financial report.

**Judgements and estimates**

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation uncertainties made in relation to lease accounting



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

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates		Payment dates adopted by Council during the year.	None	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, Subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments.	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Licences/Registrations/Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Reimbursements	Insurance Claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

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

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

**Revenue Recognition**

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

**For the year ended 30 June 2022**

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates			820,579		820,579
Operating grants, subsidies and contributions	1,297,996				1,297,996
Fees and charges	361,956				361,956
Interest earnings			3,687	173	3,860
Other revenue				34,466	34,466
Non-operating grants, subsidies and contributions		268,357			268,357
<b>Total</b>	<b>1,659,952</b>	<b>268,357</b>	<b>824,266</b>	<b>34,639</b>	<b>2,787,214</b>

**For the year ended 30 June 2021**

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates			769,940		769,940
Operating grants, subsidies and contributions	1,107,657				1,107,657
Fees and charges	351,347				351,347
Interest earnings			4,754	178	4,932
Other revenue				(658)	(658)
Non-operating grants, subsidies and contributions		358,825			358,825
<b>Total</b>	<b>1,459,004</b>	<b>358,825</b>	<b>774,694</b>	<b>(480)</b>	<b>2,592,043</b>

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

**(a) Interest earnings**

Interest on reserve funds	173	150	160
Rates instalment and penalty interest (refer Note 22(c))	3,687	3,650	4,754
Other interest earnings	0	150	18

**(b) Expenses**

**Auditors remuneration**

- Annual Report, R2R and LRCIP Annual Grant Reports	32,900	31,500	29,600
- Other services	400		

**Other expenditure**

**Sundry expenses**

	2022 Actual	2022 Budget	2021 Actual
	3,860	3,950	4,932
	33,300	31,500	29,600
	74,002	112,279	132,473
	74,002	112,279	132,473



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

**3. CASH AND CASH EQUIVALENTS**

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

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

Note	2022	2021
	\$	\$
	1,865,194	1,663,683
15(a)	1,865,194	1,663,683
	996,109	814,772
15(a)	869,085	848,911
	1,865,194	1,663,683

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

**Restricted financial assets**

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

Details of restrictions on financial assets can be found at Note 15.

**4. OTHER FINANCIAL ASSETS**

**(b) Non-current assets**

Financial assets at fair value through profit and loss

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

Units in Local Government House Trust  
BWK Co-op Shares

2022	2021
\$	\$
38,994	36,995
38,994	36,995
38,902	36,903
92	92
38,994	36,995

**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 20 (i)) due to the observable market rates.

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

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

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

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

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 18.

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

**5. TRADE AND OTHER RECEIVABLES**

**Current**

Rates receivable  
Trade and other receivables  
GST receivable  
Contract Assets

Note	2022	2021
	\$	\$
	78,323	73,177
	4,752	31,870
	0	1,237
	23,350	0
	106,425	106,284

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 18.

**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.

**6. INVENTORIES**

**Current**

Fuel and materials

Note	2022	2021
	\$	\$
	28,371	22,098
	28,371	22,098

The following movements in inventories occurred during the year:

**Balance at beginning of year**

Inventories expensed during the year

Additions to inventory

**Balance at end of year**

	22,098	8,521
	(108,594)	(70,099)
	114,867	83,676
	28,371	22,098

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

**7. OTHER ASSETS**

**Other assets - current**

Prepayments

2022	2021
\$	\$
0	1,050
0	1,050

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

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



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

**8. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

	Note	Land	Buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>		498,000	5,149,533	5,647,533	46,955	1,008,701	6,703,189
Additions		0	0	0	110,611	0	110,611
Disposals		0	0	0	0	0	0
Depreciation	10(a)	0	(109,814)	(109,814)	(21,864)	(299,563)	(431,241)
<b>Balance at 30 June 2021</b>		498,000	5,039,719	5,537,719	135,702	709,138	6,382,559
<b>Comprises:</b>							
Gross balance amount at 30 June 2021		498,000	5,506,266	6,004,266	277,543	3,177,957	9,459,766
Accumulated depreciation at 30 June 2021		0	(466,547)	(466,547)	(141,841)	(2,468,819)	(3,077,207)
<b>Balance at 30 June 2021</b>		498,000	5,039,719	5,537,719	135,702	709,138	6,382,559
Additions			13,049	13,049	11,985	53,587	78,621
Disposals		0	0	0	0	0	0
Depreciation	10(a)	0	(109,814)	(109,814)	(26,647)	(189,661)	(326,122)
<b>Balance at 30 June 2022</b>		498,000	4,942,954	5,440,954	121,040	573,064	6,135,058
<b>Comprises:</b>							
Gross balance amount at 30 June 2022		498,000	5,519,315	6,017,315	289,528	3,231,545	9,538,388
Accumulated depreciation at 30 June 2022		0	(576,361)	(576,361)	(168,488)	(2,658,480)	(3,403,329)
<b>Balance at 30 June 2022</b>		498,000	4,942,954	5,440,954	121,040	573,065	6,135,059

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

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

**(b) Carrying Value Measurements**

<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/income approach using discounted cashflow methodology	Independent registered valuers	June 2017	Price per hectare / market borrowing rate
Buildings	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuers	June 2017	Improvements to building, using construction costs and current conditions, residual values and remaining useful life assessments
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.					
<b>(ii) Cost</b>					
<b>Furniture and equipment</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase cost
<b>Plant and equipment</b>	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase cost

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

**9. INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Note	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Bridges and Drainage	Infrastructure - Parks and Ovals	Total Infrastructure
		\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>		19,274,591	121,536	5,434,096	79,845	24,910,068
Additions		266,588	0	6,380	0	272,968
(Disposals)		0	0	0	0	0
Depreciation	10(a)	(325,097)	(9,674)	(87,628)	(2,433)	(424,832)
<b>Balance at 30 June 2021</b>		19,216,082	111,862	5,352,848	77,412	24,758,204
<b>Comprises:</b>						
Gross balance at 30 June 2021		22,692,777	203,796	7,021,103	355,625	30,273,301
Accumulated depreciation at 30 June 2021		(3,476,695)	(91,934)	(1,668,255)	(278,213)	(5,515,097)
<b>Balance at 30 June 2021</b>		19,216,082	111,862	5,352,848	77,412	24,758,204
Additions		497,024	0	0	0	497,024
(Disposals)		0	0	0	0	0
Depreciation	10(a)	(349,420)	(9,997)	(87,939)	(2,433)	(449,789)
<b>Balance at 30 June 2022</b>		19,363,686	101,865	5,264,909	74,979	24,805,439
<b>Comprises:</b>						
Gross balance at 30 June 2022		23,189,801	203,796	7,021,103	355,625	30,770,325
Accumulated depreciation at 30 June 2022		(3,826,116)	(101,931)	(1,756,194)	(280,646)	(5,964,887)
<b>Balance at 30 June 2022</b>		19,363,685	101,865	5,264,909	74,979	24,805,438



SHIRE OF WOODANILLING  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Bridges and Drainage	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Parks and Ovals	3	Cost approach using depreciated replacement cost	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments

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.

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**10. FIXED ASSETS**

**(a) Depreciation**

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings	8(a)	109,814	112,614	109,814
Furniture and equipment	8(a)	26,647	15,639	21,864
Plant and equipment	8(a)	189,661	316,423	299,563
Infrastructure - Roads	9(a)	349,420	343,322	325,097
Infrastructure - Footpaths	9(a)	9,997	10,674	9,674
Infrastructure - Bridges and Drainage	9(a)	87,939	87,628	87,628
Infrastructure - Parks and Ovals	9(a)	2,433	2,433	2,433
		775,911	888,733	856,073

**Depreciation rates**

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and street formation	not depreciated
Pavement	50 years
Seal	
bituminous	20 years
asphalt	25 years
Gravel road formation	not depreciated
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

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10. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value \$	2022 Actual Sale Proceeds \$	2022 Actual Profit \$	2022 Actual Loss \$	2022 Budget Net Book Value \$	2022 Budget Sale Proceeds \$	2022 Budget Profit \$	2022 Budget Loss \$	2021 Actual Net Book Value \$	2021 Actual Sale Proceeds \$	2021 Actual Profit \$	2021 Actual Loss \$
Plant and equipment	0	0	0	0	65,226	188,000	124,656	(1,882)	0	0	0	0
	0	0	0	0	65,226	188,000	124,656	(1,882)	0	0	0	0



## 10. FIXED ASSETS (Continued)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

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

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

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

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

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

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

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

#### Revaluation

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

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

#### Revaluation (continued)

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

#### Depreciation

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

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

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

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

#### Depreciation on revaluation

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

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

#### 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).

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**11. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
 Prepaid rates  
 Accrued payroll liabilities  
 Bonds and deposits held

2022	2021
\$	\$
58,823	165,698
10,315	11,037
3,890	(263)
38,833	43,056
111,861	219,528

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

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

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

**Prepaid rates**

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

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**12. OTHER LIABILITIES**

**Current**

Contract liabilities

**Reconciliation of changes in contract liabilities**

Opening balance

Additions

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

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

2022	2021
\$	\$
102,757	106,341
102,757	106,341
106,341	69,286
102,757	106,341
(106,341)	(69,286)
102,757	106,341

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 20(i)) due to the unobservable inputs, including own credit risk.



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**13. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual Leave

Long Service Leave

**Non-current provisions**

Long Service Leave

	2022	2021
	\$	\$
Annual Leave	88,192	84,931
Long Service Leave	66,333	46,569
	154,525	131,500
Long Service Leave	19,413	47,842
	19,413	47,842
	173,938	179,342

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

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

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

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
Less than 12 months after the reporting date	154,525	131,500
More than 12 months from reporting date	19,413	47,842
	173,938	179,342

Expected reimbursements of employee related provisions from other WA local governments included within other receivables

5	0	0
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**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 WOODANILLING  
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14. REVALUATION SURPLUS

	2022 Opening Balance \$	2022 Change in Accounting Policy \$	2022 Revaluation Increment \$	2022 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2022 Closing Balance \$	2021 Opening Balance \$	2021 Revaluation Increment \$	2021 Revaluation (Decrement) \$	Total Movement on Revaluation \$	2021 Closing Balance \$
Revaluation surplus - Land - freehold land	40,000	0	0	0	0	40,000	40,000	0	0	0	40,000
Revaluation surplus - Buildings - non specialised	2,112,676	0	0	0	0	2,112,676	2,112,676	0	0	0	2,112,676
Revaluation surplus - Plant and equipment	439,679	0	0	0	0	439,679	439,679	0	0	0	439,679
Revaluation surplus - Infrastructure - Roads	10,491,652	0	0	0	0	10,491,652	10,491,652	0	0	0	10,491,652
Revaluation surplus - Infrastructure - Footpaths	103,307	0	0	0	0	103,307	103,307	0	0	0	103,307
Revaluation surplus - Infrastructure - Bridges and Drainage	5,804,149	0	0	0	0	5,804,149	5,804,149	0	0	0	5,804,149
	18,991,463	0	0	0	0	18,991,463	18,991,463	0	0	0	18,991,463

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

**SHIRE OF WOODANILLING**  
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**15. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	1,865,194	1,662,267	1,663,683

**Restrictions**

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	3	869,085	611,910	848,911
		869,085	611,910	848,911

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

Restricted reserve accounts	23	869,085	611,910	848,911
<b>Total restricted financial assets</b>		869,085	611,910	848,911

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

Net result		125,266	208,399	(126,257)
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(1,999)	(2,000)	(1,292)
Depreciation/amortisation		775,911	888,733	856,073
(Profit)/loss on sale of asset		0	(122,834)	0
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(141)	56,000	68,628
(Increase)/decrease in other assets		1,050	106,341	
(Increase)/decrease in inventories		(6,273)	10,000	(13,577)
Increase/(decrease) in trade and other payables		(107,667)	(6,944)	(5,123)
Increase/(decrease) in employee related provisions		(5,404)	(69,119)	(16,517)
Increase/(decrease) in other liabilities		(3,585)	(106,341)	37,055
Non-operating grants, subsidies and contributions		(268,357)	(1,015,152)	(358,825)
Net cash provided by/(used in) operating activities		508,800	(52,917)	440,164

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank overdraft limit				
Bank overdraft at balance date				
Credit card limit		2,000		2,000
Credit card balance at balance date		(709)		(1,007)
<b>Total amount of credit unused</b>		1,291		993

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**16. CONTINGENT LIABILITIES**

The Shire is not aware of any reportable contingent liabilities as at the reporting date.



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**17. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

**Mr Stephen Jefferies**

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
President's annual allowance	4,491	7,000	0
Meeting attendance fees	3,545	4,550	3,500
Annual allowance for ICT expenses	1,050	1,050	1,050
Travel and accommodation expenses	500	0	0
	9,585	12,600	4,550

**Mr Russell Thompson**

President's annual allowance	1,481	0	5,925
Deputy President's annual allowance	3,742	4,000	0
Meeting attendance fees	3,545	4,550	3,500
Annual allowance for ICT expenses	1,050	1,050	1,050
	9,818	9,600	10,475

**M Dale Douglas**

Deputy President's annual allowance	1,234	0	4,938
Meeting attendance fees	3,589	4,550	3,500
Annual allowance for ICT expenses	1,050	1,050	1,050
	5,873	5,600	9,488

**Mr Peter Morrell**

Meeting attendance fees	3,589	4,550	3,500
Annual allowance for ICT expenses	1,050	1,050	1,050
Travel and accommodation expenses	499	500	1,038
	5,138	6,100	5,588

**Ms Bev Smith**

Meeting attendance fees	2,422	3,500	0
Annual allowance for ICT expenses	700	800	0
	3,122	4,300	0

**Mr Tim Brown**

Meeting attendance fees	3,589	4,550	3,500
Annual allowance for ICT expenses	1,050	1,050	1,050
	4,639	5,600	4,550

**Mr Morris Trimming**

Meeting attendance fees	1,166	0	3,500
Annual allowance for ICT expenses	350	0	1,050
	1,516	0	4,550

	39,694	43,800	39,201
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Fees, expenses and allowances to be paid or reimbursed to elected council members.

	2022 Actual \$	2022 Budget \$	2021 Actual \$
President's annual allowance	5,972	7,000	5,925
Deputy President's annual allowance	4,977	4,000	4,938
Meeting attendance fees	21,446	26,250	21,000
Annual allowance for ICT expenses	6,300	6,050	6,300
Travel and accommodation expenses	999	500	1,038

17(b)	39,694	43,800	39,201
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**SHIRE OF WOODANILLING**  
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**(b) Key Management Personnel (KMP) Compensation**

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

	2022 Actual \$	2021 Actual \$
Short-term employee benefits	303,288	239,197
Post-employment benefits	37,319	27,581
Employee - other long-term benefits	27,570	5,726
Council member costs	39,694	39,201
17(a)	407,871	311,705

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

These amounts represent annual leave and long service leave entitlements accruing during the year.

*Council member costs*

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

**17. RELATED PARTY TRANSACTIONS**

**(c) Transactions with related parties**

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

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

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

	2022 Actual \$	2021 Actual \$
Sale of goods and services	3,345	14,287
Purchase of goods and services	3,977	2,158
Short term employee benefits - other related parties	72,560	71,971
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables	0	6,767

**(d) Related Parties**

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

*i. Key management personnel*

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

*ii. Other Related Parties*

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

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

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

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

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**18. FINANCIAL RISK MANAGEMENT**

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

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

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

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

**(a) Interest rate risk**

**Cash and cash equivalents**

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk.

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
<b>2022</b>					
Cash and cash equivalents	0.02%	1,865,194	0	1,864,744	450
<b>2021</b>					
Cash and cash equivalents	0.02%	1,663,683	0	1,663,233	450

**Sensitivity**

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

	2022 \$	2021 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	18,647	16,637

\* Holding all other variables constant

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

**(b) Credit risk**

**Trade and Other Receivables**

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

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

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

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

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

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

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
<b>30 June 2022</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0%	
Gross carrying amount	21,485	16,453	11,031	29,354	78,323	
Loss allowance	0	0	0	0	0	5
<b>30 June 2021</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0%	
Gross carrying amount	1,800	28,326	12,848	30,203	73,177	
Loss allowance	0	0	0	0	0	5

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
<b>30 June 2022</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0%	
Gross carrying amount	1,933	1,020	50	1,749	4,752	
Loss allowance	0	0	0	0	0	5
<b>30 June 2021</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%	\$0	
Gross carrying amount	30,197	0	547	1,125	31,870	
Loss allowance	0	0	0	0	0	5



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

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

**(b) Credit risk**

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

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
	\$	\$	\$	\$	\$	\$
Opening loss allowance as at 1 July	0	0	0	0	0	0
Closing loss allowance at 30 June	0	0	0	0	0	0

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

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

**Contract Assets**

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

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

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

**(c) Liquidity risk**

**Payables**

Payables are subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 15(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b><u>2022</u></b>					
Trade and other payables	111,861	0	0	111,861	111,861
	111,861	0	0	111,861	111,861
<b><u>2021</u></b>					
Trade and other payables	219,528	0	0	219,528	219,528
	219,528	0	0	219,528	219,528

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

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

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

## 20. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

### b) Current and non-current classification

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

### c) Rounding off figures

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

### d) Comparative figures

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

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

### e) Budget comparative figures

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

### f) Superannuation

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

### g) Fair value of assets and liabilities

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

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

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

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

### h) Interest earnings

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

### i) Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

### Valuation techniques

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

#### Market approach

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

#### Income approach

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

#### Cost approach

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

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

### j) Impairment of assets

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

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

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

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

### k) Initial application of accounting standards

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

### New accounting standards for application in future years

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

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

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



## 21. FUNCTION AND ACTIVITY

### (a) Service objectives and descriptions

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

#### Objective

#### Description

##### Governance

To provide a decision making process for the efficient allocation of scarce resources.

Includes the activities of members of council and the administrative support to the council for the provision of governance of the district. Other costs relate to the task of assisting members and ratepayers on matters which do not concern specific council services.

##### General purpose funding

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

##### Law, order, public safety

To provide services to help ensure a safer and environmentally conscious community.

Supervision and enforcement of various laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

##### Health

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

##### Education and welfare

To provide services to disadvantaged persons, the elderly, children and youth.

Maintenance of child minding centre, playground centre, senior citizen and aged care centre. Provision and maintenance of home and community care programs and youth services.

##### Housing

To provide and maintain elderly residents housing.

Provision and maintenance of elderly residents housing.

##### Community amenities

To provide services required by the community

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

##### Recreation and culture

To establish and effectively manage infrastructure and resources which will help the social well being.

Maintenance of public halls, civic centres, aquatic centres, beaches and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

##### Transport

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic signs. Cleaning of streets

##### Economic services

To help promote the shire and its economic wellbeing

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building control.

##### Other property and services

To monitor and control the shires overhead operating accounts.

Private works operation, plant repair and operation costs and engineering operation costs.

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

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

**(b) Income and expenses**

**Income excluding grants, subsidies and contributions**

	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Governance	2,180	32,000	1,340
General purpose funding	827,083	828,236	776,622
Law, order, public safety	40,789	9,700	13,990
Health	561	0	0
Education and welfare	53,145	52,500	53,082
Housing	23,761	23,700	22,968
Community amenities	28,562	31,500	31,046
Recreation and culture	2,938	4,205	4,141
Transport	183,827	267,356	171,830
Economic services	38,603	46,280	49,931
Other property and services	21,412	3,000	1,902
	<b>1,222,861</b>	<b>1,298,477</b>	<b>1,126,852</b>

**Grants, subsidies and contributions**

Governance	33,301	0	0
General purpose funding	1,064,540	404,301	971,716
Law, order, public safety	62,779	56,328	27,823
Education and welfare	9,323	54,000	76,904
Housing	1,705	0	583
Community amenities	0	54,000	0
Recreation and culture	16,695	0	0
Transport	314,146	1,018,539	316,214
Other property and services	63,863	20,000	73,242
	<b>1,566,352</b>	<b>1,607,168</b>	<b>1,466,482</b>

**Total Income**

	<b>2,789,213</b>	<b>2,905,645</b>	<b>2,593,334</b>
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**Expenses**

Governance	(202,763)	(277,716)	(210,740)
General purpose funding	(21,142)	(19,022)	(19,228)
Law, order, public safety	(168,194)	(115,157)	(139,920)
Health	(59,182)	(35,224)	(37,904)
Education and welfare	(42,621)	(58,005)	(41,062)
Housing	(71,267)	(47,249)	(51,954)
Community amenities	(157,935)	(141,407)	(148,856)
Recreation and culture	(247,198)	(205,676)	(201,691)
Transport	(1,564,269)	(1,513,920)	(1,579,679)
Economic services	(77,032)	(95,183)	(98,404)
Other property and services	(52,344)	(188,687)	(190,154)

**Total expenses**

	<b>(2,663,947)</b>	<b>(2,697,246)</b>	<b>(2,719,592)</b>
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**Net result for the period**

	<b>125,266</b>	<b>208,399</b>	<b>(126,257)</b>
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**SHIRE OF WOODANILLING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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

**(c) Fees and Charges**

Governance
General purpose funding
Law, order, public safety
Health
Education and welfare
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services

2022 Actual	2022 Budget	2021 Actual
\$	\$	\$
180	200	200
2,640	1,500	1,500
7,701	9,700	14,746
561	0	0
53,145	52,500	53,082
23,761	23,700	22,968
28,562	31,500	31,046
2,938	4,205	4,141
182,453	172,700	171,831
38,603	46,280	49,932
21,412	3,000	1,901
361,956	345,285	351,347

**(d) Total Assets**

Governance
General purpose funding
Law, order, public safety
Health
Education and welfare
Housing
Community amenities
Recreation and culture
Transport
Economic services
Other property and services
Unallocated

2022	2021
\$	\$
73,025	38,386
1,074,432	895,600
292,742	243,418
0	1,050
1,366,893	1,393,080
935,193	949,948
225,900	134,369
2,703,870	2,755,871
25,468,185	25,429,175
3,227	17,594
545,387	732,855
290,627	379,527
32,979,481	32,970,873

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

22. RATING INFORMATION

(a) General Rates

RATE TYPE		Rate in	Number of	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue	
Rate Description		Basis of valuation	\$	Properties	\$	\$	\$	\$	\$	\$	\$	\$	\$	
GRV	Gross rental valuation		0.11954	98	877,300	104,873	0	0	104,873	104,873	0	0	104,873	101,058
UV	Unimproved valuation		0.00514	193	139,440,500	716,724	1,962	0	718,686	716,358	0	0	716,358	677,376
Sub-Total				291	140,317,800	821,597	1,962	0	823,559	821,231	0	0	821,231	778,434
Minimum payment														
GRV	Gross rental valuation	0	430	67	102,855	28,810	0	0	28,810	28,810	0	0	28,810	25,350
UV	Unimproved valuation		430	27	1,059,227	11,610	0	0	11,610	9,890	0	0	9,890	7,800
Sub-Total				94	1,162,082	40,420	0	0	40,420	38,700	0	0	38,700	33,150
				385	141,479,882	862,017	1,962	0	863,979	859,931	0	0	859,931	811,584
Discounts on general rates (Refer note 22(b))									(43,400)				(31,720)	(41,644)
Concessions on general rates (Refer note 22(b))									0				(5,400)	0
Total amount raised from general rates									820,579				822,811	769,940
* Rateable value is based on the value of properties at the time the rate is raised.														
Total Rates									820,579				822,811	769,940



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

22. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Type	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$	Circumstances in which Discount is Granted
General	Rate	5.00%		43,400	31,720	41,644	All rates and charges paid in full within 35 days of issue. In addition Council provides a 50% discount on general rates only to Lots 32,33,34,35 & 38 DP 223222, Quartermaine & Shenton Roads, Woodanilling and Lots 2,3 & 4 DP
				43,400	31,720	41,644	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/ Concession	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$
GRV - Urban Farm	Rate	Concession	50.00%		0	5,400	0
					0	5,400	0
Total discounts/concessions (Note 22)					43,400	37,120	41,644

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Reasons for the Waiver or Concession
GRV - Urban Farm	Assessments being zoned "local rural" adjacent to land zoned "regional rural" that is currently being run as an operational farm that would otherwise be zoned unimproved land.	In moving from differential to general rating to make the use consistent

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

**22. RATING INFORMATION (Continued)**

**(c) Interest Charges & Instalments**

<b>Instalment Options</b>	<b>Date Due</b>	<b>Instalment Plan Admin Charge</b>	<b>Instalment Plan Interest Rate</b>	<b>Unpaid Rates Interest Rate</b>
		<b>\$</b>	<b>%</b>	<b>%</b>
<b>Option One</b>				
Single full payment	23/12/2021	0.0	0.00%	7.00%
<b>Option Two</b>				
First instalment	23/12/2021	0.0	0.00%	7.00%
Second instalment	26/04/2022	5.0	3.00%	7.00%
<b>Option Three</b>				
First instalment	23/12/2021	0.0	0.00%	7.00%
Second instalment	21/02/2022	5.0	3.00%	7.00%
Third instalment	26/04/2022	5.0	3.00%	7.00%
Fourth instalment	24/06/2022	5.0	3.00%	7.00%

	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest on unpaid rates	3,545	3,500	4,593
Interest on instalment plan	142	150	161
Charges on instalment plan	245	150	250
	<b>3,932</b>	<b>3,800</b>	<b>5,004</b>

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

23. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget (30 June 2022 Carried Forward)	2021/22 Brought Forward) (1 July 2021 Brought Forward)	2020/21 Carried Forward (30 June 2021 Carried Forward)
Note		\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	10(b)	0	(124,656)	0
Less: Fair value adjustments to financial assets at fair value through profit and loss		(1,999)	2,000	(1,292)
Add: Loss on disposal of assets	10(b)	0	1,822	0
Add: Depreciation	10(a)	775,911	888,733	856,073
Non-cash movements in non-current assets and liabilities:				
Employee benefit provisions		(28,429)	(17,889)	(486)
Contract liabilities		0	106,341	0
<b>Non-cash amounts excluded from operating activities</b>		745,483	852,351	854,295
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	23	(869,086)	(611,910)	(848,911)
Less: Trade & Other Payables			(1,414)	(1,414)
<b>Total adjustments to net current assets</b>		(869,086)	(611,910)	(850,325)
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		1,999,990	1,724,649	1,793,115
Less: Total current liabilities		(369,144)	(292,854)	(457,369)
Less: Total adjustments to net current assets		(869,086)	(611,910)	(850,325)
<b>Net current assets used in the Rate Setting Statement</b>		761,760	819,885	485,418

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

**23 RESERVE ACCOUNTS**

**Restricted by council**

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
(a) Plant Replacement Reserve	668,887	137	0	669,023	668,887	125,000	(482,000)	311,887	448,772	220,115	0	668,887
(b) Building Reserve	42,083	9	0	42,092	42,082	152,290	0	194,372	42,073	10	0	42,083
(c) Office Equipment Reserve	14,028	3	0	14,031	14,028	0	0	14,028	14,024	4	0	14,028
(d) Road Construction Reserve	21,623	5	0	21,628	21,623	50,000	0	71,623	21,618	5	0	21,623
(e) Affordable Housing Reserve	102,290	21	0	102,311	102,290	0	(102,290)	0	102,264	26	0	102,290
(f) Staff Leave	0	20,000	0	20,000	0	20,000	0	20,000	0	0	0	0
	848,911	20,175	0	869,085	848,910	347,290	(584,290)	611,910	628,751	220,160	0	848,911

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
	As per Plant Replacement Program	
(a) Plant Replacement Reserve		To be used to fund the net cost of plant and equipment purchases as determined in the 10 Year Plant Replacement Program
(b) Building Reserve	As required	To be used to meet requirements for providing new buildings for Council purposes, other than affordable housing or recreational facilities, or for major maintenance
(c) Office Equipment Reserve	As required	To be used for the purchase of office equipment and future computer upgrades
(d) Road Construction Reserve	As required	To be used to fund road construction project cost escalation if required
	As per Building Plan	
(e) Affordable Housing Reserve		To be used to meet requirements for affordable housing, either new or major upgrades into the future
(f) Staff Leave	As required	To provide provisions to meet Council's Long Service Leave and Accrued Annual Leave liabilities to minimise the effect on Council's budget annually



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2022 Shire of Woodanilling

**To the Councillors of the Shire of Woodanilling**

#### Qualified Opinion

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

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

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the financial report is:

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

#### Basis for Qualified Opinion

The Shire's Land and Buildings, reported at values as at 30 June 2022 of \$498,000 and \$4,942,954 respectively in Note 8 of the annual financial report, were last valued in June 2017. Because the assets have not been revalued with sufficient regularity or in accordance with Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996, I am unable to determine whether Land and Buildings assets at 30 June 2022 of \$5,440,954 in the Statement of Financial Position is fairly stated. Additionally, I am unable to determine whether any adjustments are necessary to the related balances and disclosures of Revaluation Surplus in the Statement of Financial Position and Statement of Changes in Equity and Note 14, Other Comprehensive Income in the Statement of Comprehensive Income and Note 21(d) Total Assets Classified by Function and Activity, as it was impracticable to do so.

#### 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 2022, but not the financial report and my auditor's report.

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

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

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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

## Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

### **Matters relating to the electronic publication of the audited financial report**

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

Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
22 December 2022



# Shire of Woodanilling

REPORT TO THE AUDIT COMMITTEE  
FOR THE YEAR ENDED 30 JUNE 2022

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## 1. EXECUTIVE SUMMARY

<b>Purpose</b>	<p>This report summarises significant audit findings and matters which have come to our attention during our audit of the financial statements of the Shire of Woodanilling for the financial year ended 30 June 2022.</p> <p>This report is provided to enable the Audit Committee to clarify outstanding issues with us and discuss key audit findings. It includes only those audit matters of governance interest that have come to our attention as a result of the performance of our audit. An audit of financial statements is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, the audit does not usually identify all such matters.</p>
<b>Audit status</b>	<p>We have completed our audit for the year ended 30 June 2022 except for:</p> <ul style="list-style-type: none"><li>• Sign off on the financial statements</li><li>▪ Receipt of signed Management Representation Letter to Lincolns and to Office of Auditor General</li><li>▪ Process for issuing of audit opinion</li></ul> <p><del>We expect to recommend to the Office of the Auditor General an unmodified audit report after these matters are completed.</del></p>
<b>Audit misstatements</b>	<p>A list of corrected and uncorrected misstatements is included in Section 5. Additionally, corrected and uncorrected misstatements in presentations and disclosures are discussed in this section.</p>
<b>Disclaimer</b>	<p>This report is provided solely for the benefit of the Shire of Woodanilling and is not to be copied, quoted or referred to without prior written consent. The Auditor General and Lincolns accepts no responsibility to anyone other than the parties identified in the Local Government Act for the information contained in this report.</p>



## 2. AUDIT SCOPE

Lincolns conducted an independent audit on behalf of the Office of the Auditor General (OAG) in order to enable the Auditor General to express an opinion to the Council on the financial report of Shire of Woodanilling for the year ended 30 June 2022. Our audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We perform procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996, a view which is consistent with our understanding of the Shire of Woodanilling's financial position and of its performance as represented by the results of its operations, changes in equity and cash flows.

Our audit procedures included;

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- evaluating the appropriateness of accounting policies and disclosures used, the reasonableness of accounting estimates

We considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures.

An audit is not designed to identify all matters that may be relevant to the accountable authority and management, nor to relieve management or those in charge of governance of their responsibilities. Accordingly, this report includes only those significant matters that have come to our attention as a result of performing our audit.

### 3. AUDIT FOCUS

We refer to our audit plan where we identified areas for potential for increased audit risk and our planned responses in the audit.

The following presents our audit findings in these areas.

Area of Risk	Audit Outcomes
Grant Funding and Other Revenue	<ul style="list-style-type: none"> <li>• Significant grant revenue was agreed to third party documentation.</li> <li>• Audit included additional analysis of revenue allocation in accordance with AASB 15 Revenue from Contracts with Customers and AASB 1058 Income for Not For Profit Entities.</li> <li>• Risk of fraud in the revenue cycle was also considered including testing of key controls and analytical review Audit procedures undertaken rebutted the risk of fraud to an acceptable level.</li> <li>• We also reviewed related party transactions. The financial statements adequately disclose related party transactions for Councillors and Key Management Personnel.</li> </ul> <p>Grant Funding and Other Revenue as disclosed in the financial statements is materially correct.</p>
Rates	<p>Audit work included the following:</p> <ul style="list-style-type: none"> <li>• Rateable values agreed to the Valuer General rates.</li> <li>• We checked control procedures for the transfer of rates from Valuer General to Internal Software system.</li> <li>• Testing of rates notices was undertaken both on a sample basis and analytically.</li> </ul> <p>Results supported the rate revenue and financial statement disclosures.</p>
Expenses	<p>Our audit of expenses included testing of key financial controls over the recognition of expenses, vouching significant expenses and analytical reviews.</p> <p>Expenditure as disclosed in the financial statements is materially correct.</p>
Payroll/Provisions	<p>Audit sampling tested payroll records to the following:</p> <ul style="list-style-type: none"> <li>• Employee awards</li> <li>• Employee contracts</li> <li>• Check calculation of superannuation and tax</li> <li>• Check authority to deduct salary sacrifice</li> <li>• Check the control procedures in payroll department in line with internal policies</li> <li>• Our audit of provisions included reviewing the reasonableness of assumptions used to calculate annual leave and long service leave</li> <li>• Analytical review</li> </ul> <p>Results of audit procedures indicate employee costs are materially correct and disclosed correctly in the financial statements.</p>

Management's monitoring of the control environment	<p>We reviewed council minutes for the following:</p> <ul style="list-style-type: none"> <li>• Process for reviewing internal control procedures including evidence of periodic review of policy manual.</li> <li>• Management's implementation and monitoring of new control procedures.</li> <li>• Management's implementation and monitoring for amending current control procedures.</li> <li>• Impact of COVID 19 on the control environment</li> </ul> <p>We are satisfied that management is applying effective controls and that Council are aware of the control environment.</p>
Management Override of Controls	<p>Audit processes were undertaken to:</p> <ul style="list-style-type: none"> <li>• Sample test and judgementally review general journals</li> <li>• Understand and test the adequacy and effectiveness of division of duties</li> <li>• Controls testing</li> <li>• Substantive procedures</li> </ul> <p>Sufficient audit evidence was obtained to support the view that controls are operating effectively.</p>
Fixed Assets	<p>Council did not undertake any revaluation process in the 2022 financial year.</p> <p>Audit Processes were undertaken to:</p> <ul style="list-style-type: none"> <li>• Sample test additions and disposals</li> <li>• Check profit/loss on sale of assets</li> <li>• Confirm ownership and existence of assets</li> <li>• Recalculate Depreciation</li> </ul>
Accounting Estimates	<ul style="list-style-type: none"> <li>• We reviewed the method and underlying data that management use when determining critical accounting estimates. This included considering the reasonableness of assumptions and corroborating representations.</li> <li>• For infrastructure, property, plant and equipment we reviewed Management's assessment of the useful lives and existence of assets. We reviewed managements monitoring of impairment and determined that adequate processes exist.</li> </ul>
AASB 1059 Service Concession Arrangements: Grantors	<ul style="list-style-type: none"> <li>• We reviewed the assessment of contracts undertaken by the Shire.</li> <li>• Reviewed major expenditure items.</li> <li>• Outcome of review discussed with MFA.</li> </ul> <p>Review noted that no arrangements under AASB 1059 that require disclosure.</p>

## 4. AUDIT & ACCOUNTING ISSUES

### 4.1 Audit Report

Subject to an OAG review of Fair Value assessments of Land, Buildings, and Infrastructure, we are currently considering the outcome of the audit opinion in relation to this matter.

In all other aspects of the financial report the audit report will have an unqualified opinion.

### 4.2 Management Letter Findings

- Fair Value of Infrastructure Assets – Significant
- Month End Reconciliation Review – Significant
- Compliance with Laws & Regs – Significant
- Business Plan – Moderate
- Strategic Community Plan - Moderate
- Review of Payroll Master File Audit Trail – Moderate
- Payroll Timesheets and Works Costings – Moderate
- GST Reconciliation – Minor
- General Journals - Moderate
- Bonds & Deposits Held – Moderate (Prior Year)

## 5. ACCOUNTING MISSTATEMENTS

### 5.1 Uncorrected Audit Misstatements

No unadjusted errors were identified in the financial report.

### 5.2 Corrected Audit Misstatements

	<b>Financial Statements Accounts Impacted</b>	<b>Statement of Financial Position Adjustment</b>	<b>Effect on Operating Surplus</b>	<b>Effect on Other Comprehensive Income</b>	<b>Comment</b>
1.	Contract Asset  Contract Liability	\$23,350 DR  \$23,350 CR			Being reclassification of contract asset.

## 6. ACTIONS / ISSUES FOR NEXT YEAR'S AUDIT

### 6.1 New Accounting Standards

New accounting standards will have application in future years. A brief discussion of the impact of these follows.

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current. Applies to the financial year ended 30 June 2024.

- This is not expected to impact the financial report.

- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018 – 2020 and Other Amendments. Applies to the financial year ended 30 June 2023.

- Specific impacts have not been identified.

-AASB 2022-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies or Definition of Accounting Estimates. Applies to the financial year ended 30 June 2024.

- This is not expected to impact the financial report.

### 6.2 Frequency of Revaluation

Although Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996 requires the local government to revalue land, buildings, and infrastructures no more than 5 years after the last valuation, we recommend that management consider assessing whether there are trigger events that would indicate movement in these assets annually. Where indicators exist a robust fair value assessment should be performed capturing the requirements of AASB 13 Fair Value Movements. Where an entity undertakes the formal valuation internally it is recommended this assessment be peer reviewed (i.e. review the valuation methodology, inputs and model etc for reasonableness) by an approved independent valuer.