



SHIRE OF VICTORIA PLAINS

ANNUAL REPORT
2021 – 2022



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THE DISTRICT AT A GLANCE

Population:	802 (2021 Census Data)
Area:	2,563 km ²
Number of Electors:	581
Townsites:	Bolgart, Calingiri, Yerecoin, Piawaning, Gillingarra, Mogumber and the New Norcia community
Libraries:	Bolgart, Calingiri, Mogumber
Primary Schools:	Bolgart, Calingiri, Yerecoin
Length of sealed roads:	246km
Length of unsealed roads:	578km
Rates levied (21/22):	\$3,055,775
Total revenue (21/22):	\$7,063,515 (20% from capital grants)

The Shire of Victoria Plains is located in the wheatbelt region of Western Australia, some 140km North East of Perth. It is a short, yet scenic drive featuring picturesque fields and homes. Major agricultural activities include cereal crops, export hay, sheep, poultry, cattle, and pigs. Visitor attractions in the shire include the historic town of New Norcia, seasonal wildflowers, key local events such as Yerecoin Markets, Piawaning Expo, Mogumber Rodeo and various sporting days, and destination hospitality venues most notably in New Norcia and Bolgart. A range of local services exist, including recreation facilities such as halls, sporting oval pavilions, as well as parks, gardens and barbecue facilities for tourists and visitors. Primary education is provided in three localities. Secondary education, health and aged services are provided in a number of the Shire's neighbouring local government districts.



Our Vision

“A Place to Grow”

OUR VISION
“A Place to Grow”



Australia Day 2022



2022
Community
Citizen of the
Year Award
Annemarie
Byrne-O'Neil



Australia Day
Reflect. Respect. Celebrate.



2022 Senior
Citizen of the
Year Award
Peter Mete

OUR COUNCIL

SHIRE PRESIDENT'S REPORT 2021 - 2022



Thankfully for the Shire of Victoria Plains, the 21-22 financial year delivered a soft transition outward from the COVID19 pandemic. Time and focus could be directed towards more strategic matters. The major review of our Strategic Community Plan was a key priority. This plan sets out the Shire's priorities over the next 10 years and community input is key to achieving the right plan for Victoria Plains. Council planned a lengthy timeline and began the project by focusing on community engagement. The new community engagement plan was developed and the process of receiving feedback began. We thank the many community members who gave their time and effort, providing input during the later part of the financial year via the Shire's workshops and survey.

At the October election we saw the retirement of Jaymie King from Council, who's financial knowledge and community connections had benefitted the Victoria Plains Council for 4 years. We welcomed newly elected Councillor Suzanne Woods to the team. Cr Clarke was elected to role of Deputy President, and I thank Council for their trust in my role as Shire President for a further two years. The October Council meeting was a significant milestone, as all seven councillors attended the council chamber in person for the first time in 19 months, a physical sign we were coming out of the pandemic.

The West Australian Local Government Association (WALGA) presented Cr David Lovelock with a long and loyal service award, acknowledging 17 years of continual service to the Victoria Plains Shire. We thank Cr Lovelock for this significant contribution and personal sacrifice. Many of those years, Cr Lovelock has served as Shire President and Deputy President. His work on Council continues, allowing succession without the lost of corporate knowledge.

The Federal Government's Local Roads and Community Infrastructure Funding (round two) helped the Shire complete extra road upgrades, including the Bolgart West Rd and Yerecoin South-East Road. Calingiri received safety fencing at their hockey field and a new nature style playground. An overhaul of the Piawaning desalination plant commenced, including the installation of the standpipe controller.

Over \$900,000 was expended on the Toodyay-Bindi Bindi Rd and footpath works were undertaken in Bolgart and Calingiri. Work on the Mogumber Yarawindah Rd continued with Council's commitment to the Wheatbelt Secondary Freight Network and ag-lime route. Road maintenance continued to be an area of high need, especially after a year of significant rainfall. Council will need to find strategic ways to deal with our aging road network in the coming years.

A number of unusual legal matters consumed much of the CEO's time this financial year. We thank WALGA and the Department of Local Government for guiding our Shire through new territory. Local Government reform is underway across the state, and we approach the next financial year knowing changes to the Local Government Act and Regulations are ahead.

On behalf of Council, I thank our Shire workforce for their continued effort. In turn, I thank individual councillors for their work and commitment to the Shire of today and its future prosperity. And most of all, I sincerely thank our community of residents and ratepayers, whose passion continues to spur on Council and guide the Shire of Victoria Plains as a whole.

Cr Pauline Bantock.

Shire President

COUNCILLORS



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(West Ward) President
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(South Ward) Deputy President
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Cr D (David) Lovelock
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PO Box 272
New Norcia WA 6509
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Cr S (Stephanie) Penn
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Cr J (Jim) Kelly
(East Ward)
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Cr S (Suzanne) Woods
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COUNCIL MEETINGS

Ordinary Council Meetings are held on the fourth Wednesday of each month (except January, when no meeting is held, and December, which meeting will be held on 13 December 2023) in the Council Chambers at the Shire Administration Office, 28 Cavell Street, Calingiri, commencing 2:00pm. Council Meetings are open to the public. Members of the Public are welcome and encouraged to attend, seek to ask a Question under Public Question time Protocol regarding what their Elected Representatives are undertaking to enhance the District or other Council business related query.

Special Meetings of Council are held as and when required, and are listed as soon as practical on the Shire Website with a reason for the calling of the Meeting provided on the Notice of Meeting

Minutes and Audio Recordings of the meetings are available on the Shire's website:

<https://www.victoriaplains.wa.gov.au/council-meetings/past>

ANNUAL MEETING OF ELECTORS

An Annual Meeting of Electors is held each financial year, in accordance with Part 3 of the *Local Government (Administration) Regulations 1996* and the *Local Government Act 1995* Part 5, Division 2, Subdivision 4, section 5.27. The purpose of the meeting is to, predominantly, present the Annual Report (including the Auditor's Report) to electors, and then to discuss any other general business. Under section 5.33, all decisions made at an Elector's Meeting are to be considered at the next ordinary meeting of Council.

The Shire will hold the 2023 Annual Meeting of Electors on Wednesday, 22 March 2023 at 6pm at the Calingiri Emergency Services Building presenting the 2021/2022 Annual Report and addressing other matters of interest to the Community.

COUNCIL ELECTIONS

Elected members (councillors) are elected for four-year terms with local government ordinary elections held every two years on the third Saturday in October. There were no ordinary elections for 2021/2022.

The next local government ordinary elections will be held on 21 October 2023

COUNCIL DELEGATES TO COMMITTEES

Councillors participate in two types of committees. The first type are the committees of Council e.g. the Audit Committee. The second type of committee is where councillors are invited to participate on committees external to the Shire of Victoria Plains as an organisation. Most terms will expire at the next Ordinary Local Government election (21 October 2023).

At its meetings on 27 November 2019 and as per changes to the Local Government Act in 2021, Council resolved to make the following appointments:

COMMITTEES OF COUNCIL

Audit Committee

Members Cr Bantock, Cr Woods, Cr N Clarke
Deputy Members: Cr G O'Brien, Cr D Lovelock

Behaviour Complaints Committee

Members Cr Bantock, Cr N Clarke, Cr D Lovelock
Deputy Members All other Elected Members

Bush Fire Advisory Committee

Members Cr N Clarke
Deputy Members Cr P Bantock

DELEGATES TO OTHER BODIES

ANZAC Day Advisory Group

Members Cr S Penn, Cr G O'Brien

Avon Midland Zone of the Western Australian Local Government Association

Delegate Cr P Bantock
Deputy Delegate Cr N Clarke

Avon Voluntary Regional Organisation of Councils (AROC)

Delegate - Cr P Bantock

Bush Fire Advisory Committee

Delegate – Cr N Clarke
Deputy Delegate – Cr D Lovelock

Local Development Assessment Panel

Members Cr P Bantock, Cr S Woods
Alternate Members Cr S Penn, Cr G O'Brien

Local Emergency Management Committee (LEMC)

LEMC Chair Cr P Bantock
LEMC Deputy Chair Cr N Clarke
Other Delegates Cr D Lovelock, Cr S Woods

Rural Water Council

Delegate Cr P Bantock, Cr G O'Brien

Wheatbelt North Regional Road Group

Delegate Cr N Clarke
Deputy Delegate Cr P Bantock

COMPLAINTS

The *Local Government Act 1995* s.5.53(2)(hb) requires reporting of the formal complaints entered into a register under section 5.121 that require action in accordance with section 5.110(6)(b) or (c).

No. of complaints recorded	Method of dealing with complaints
0	Apology
0	Sanction
0	Training

No formal complaints were reported during 2021-2022.

ELECTED MEMBERS ATTENDANCE AT MEETINGS

Elected Member	Ordinary Council Meetings -	Special Council Meetings -	Annual Electors Meeting
Cr P Bantock	100%	100%	100%
Cr D Lovelock	100%	60%	100%
Cr S Penn	90%	33%	100%
Cr N Clarke	90%	100%	100%
Cr S Woods*	100%	66%	100%
Cr J Kelly	100%	83%	100%
Cr G O'Brien*	100%	83%	100%

* Elected March 2021

SCM (x 6)

CONTINUING PROFESSIONAL DEVELOPMENT

5.127. Report on training

- (1) A local government must prepare a report for each financial year on the training completed by council members in the financial year.
 (2) The CEO must publish the report on the local government's official website within 1 month after the end of the financial year to which the report relates.

Training Matrix

Training Program	Date	Training Provider	Cost	Location	Attendance
Dealing with Conflict	08/10/21	WALGA		West Leederville	Cr G O'Brien

Mandatory Training Matrix – Council Member Essentials Regulations 35 & 36 Local Government

(Administration) Regulations 1996 The Mandatory Modules are:

- (i) Understanding Local Government;
- (ii) Serving on Council;
- (iii) Meeting Procedures;
- (iv) Conflicts of Interest;
- (v) Understanding Financial Reports and Budgets.

Elected Member	Date Elected	Required to Complete Training	Due Date	Progress (Completed unless specified otherwise)	Date
Cr P Bantock	19/10/2019	N	16/10/20 18/10/24	<ul style="list-style-type: none"> Serving on Council Understanding Local Government Meeting Procedures Conflicts of Interest 	26/10/20 05/11/20 03/11/20 05/11/20 03/11/20

				<ul style="list-style-type: none"> Understanding Financial Reports and Budgets 	
Cr N Clarke	19/10/2019	N	16/10/20 18/10/24	<ul style="list-style-type: none"> Serving on Council Understanding Local Government Meeting Procedures Conflicts of Interest Understanding Financial Reports and Budgets 	26/10/20 05/11/20 03/11/20 05/11/20 03/11/20
Cr D Lovelock**	16/10/2021	Y	14/10/22	<ul style="list-style-type: none"> Serving on Council P Understanding Local Government P Meeting Procedures P Conflicts of Interest P Understanding Financial Reports and Budgets P 	In progress In progress In progress In progress In progress
Cr J Kelly*	19/10/2019	Y	16/10/20 18/10/24	<ul style="list-style-type: none"> Serving on Council – Incomplete P Understanding Local Government Meeting Procedures Conflicts of Interest Understanding Financial Reports and Budgets P+E 	In progress 05/11/20 03/11/20 05/11/20 In progress
Cr S Penn	16/10/2021	Y	14/10/22 16/10/26	<ul style="list-style-type: none"> Serving on Council Understanding Local Government Meeting Procedures Conflicts of Interest Understanding of Financial Reports and Budgets 	21/04/22 21/04/22 18/04/22 18/04/22 19/04/22
Cr G O'Brien	26/03/2021	N	25/03/22 16/10/26	<ul style="list-style-type: none"> Serving on Council Understanding Local Government Meeting Procedures Conflicts of Interest Understanding Financial Reports and Budgets 	15/05/21 12/04/21 13/06/21 27/04/21 13/08/21
Cr S Woods	16/10/2021	Y	14/10/22 16/10/26	<ul style="list-style-type: none"> Serving on Council - P Understanding Local Government Meeting Procedures - P Conflicts of Interest 	In progress 10/07/22 In progress 10/07/22 24/05/22

				• Understanding Financial Reports and Budgets - P	
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* Cr Kelly is in the process of completing outstanding training from the 2019 election.

** Cr Lovelock was re-elected on 16/10/2021 and so must complete this training by 14/10/22.

P+E = Participating but studies not finished (with evidence)

P = Participating but studies not finished (NO evidence)

Sean Fletcher

Chief Executive Officer

CEO'S MESSAGE 2021-2022

I commenced with the Shire as its Temporary CEO at the start of June 2022, so the information I have regarding 2021/2022 is, in the main, by way of observation.



The year overall, was still very much impacted by COVID-19. This was reflected in the constant changes required by the State Government regarding managing the pandemic. Of course, in many respects this seems long ago now, but in terms of managing the day to day operations of the Shire, a challenging one. During this time, the Shire managed to keep its employees safe and still provide a range of core services and facilities.

A key achievement during 2021/2022 was the development of the new Strategic Plan and the adoption of the Communication Policy and Strategy. Since this time, the Strategic Community Plan was adopted by Council. The management team and myself have been busily preparing the underpinning corporate business plan, long term financial plan and the asset management plan. These plans should be ready for implementation from April 2023.

Against a constant changing backdrop, the Shire was able to complete a number of its strategic objectives including an improved level of information to the community, ongoing advertising of community activities, the finalization of the Yerecoin and Bolgart bike path projects and improved compliance and internal controls.

Finally, I would like to take this opportunity to thank Shire staff and Council in the support they have provided regarding the management and oversight of the Shire and in preparing for the roll out of the new strategic plan. I look forward very much to a fruitful 2022/2023.

Sean Fletcher
Chief Executive Officer

FINANCE AND ADMINISTRATION

FINANCIAL PERFORMANCE

The Shire of Victoria Plains completed the financial year 2021/2022 with \$1.265 million in cash and cash equivalents.

Of this however, \$1.479 million was considered restricted funds which equated to an actual negative unrestricted balance of some \$214,424 and consequently was noted as a moderate adverse finding in the Auditors Management Letter. This has been addressed in 2022/23 with the establishment of a Restricted Funding Bank Account, complementing the Reserve Fund.

It will strengthen financial discipline in providing greater clarity on the real unrestricted cash balance and therefore decision making on expenditure.

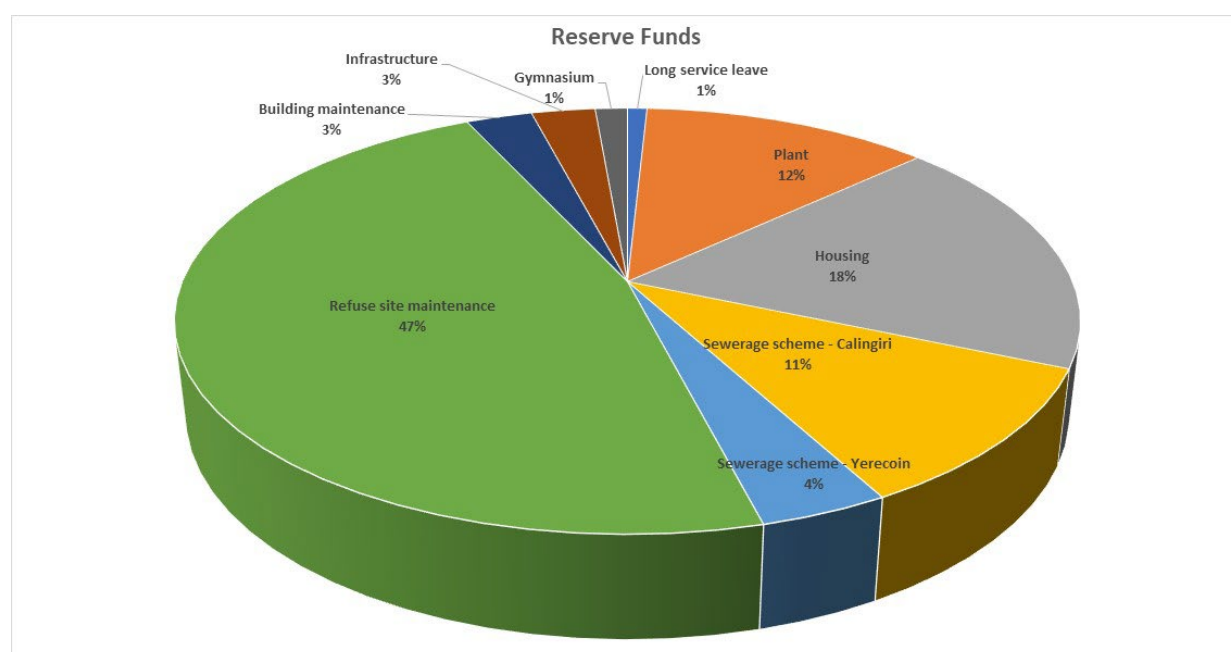
RESERVES

The Reserve accounts are Restricted Cash Assets, created for specific purpose to fund the future projects.

The budgeted closing balance of \$603,233 included a transfer **to** the Plant Reserve of \$75,120 and a transfer of \$12,000 **from** the Building Maintenance Reserve. No transfers occurred during the financial year with a small amount of interest received.

Consequently, as at 30 June 2022, the Cash-Backed Reserves balance was \$539,517, down from the budgeted amount.

The breakdown of the Reserve Fund is depicted graphically as follows:



BORROWINGS

As at 30 June 2022 had a relatively small amount of borrowings totalling \$427,648. Of this, Council borrowed \$200,000 during 2021/22 to partially fund a Grader and Roller and \$162,735 remains as a closing balance for the Calingiri Football Club's self-supporting loan.

REVENUE AND EXPENSES

The Shire's total revenue for 2022 Financial Year was \$7.064 million, expenditure, \$9.235 million and a revaluation of assets amounting to \$2.439 million. This has resulted in a book value surplus of \$267,390.

In real cash terms as depicted in the cashflow statement to the year end 2022 the following summary is provided:

- Operating Funds of \$5.862m including \$2.966m from rates.
- Operating Expenditure of \$5.534m including \$3.461m expended on materials and contracts.
- Non-operating Grants and subsidies of \$1.446m.
- Capital Expenditure of \$2.822m.

The net cash result was a balance of \$1.265 million however as alluded to earlier in this report, \$1.479 million was Restricted (i.e. funds needed to be quarantined as received with conditions on expenditure).

The Restricted Funding comprised of:

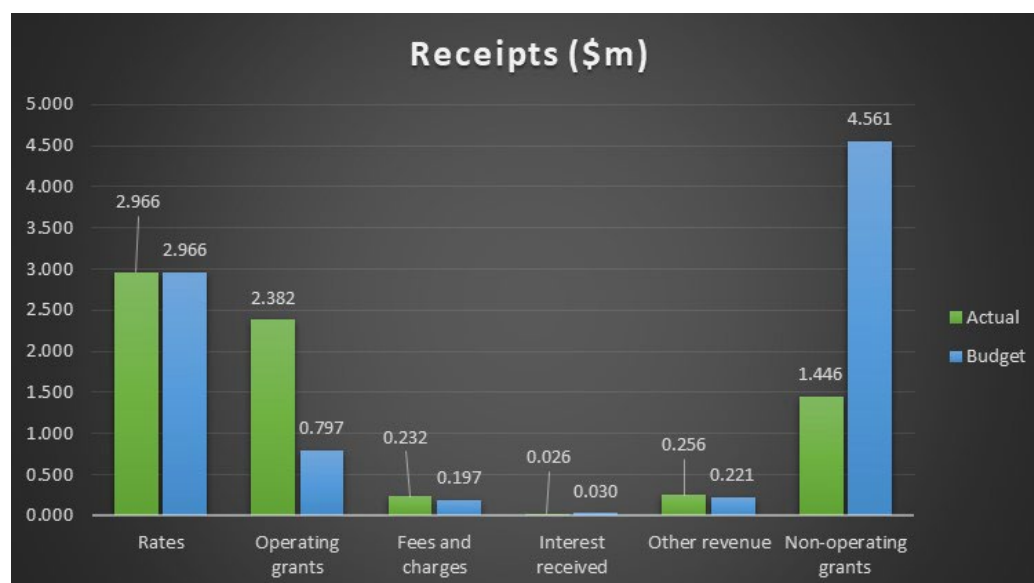
- Reserve Funding - \$539,517
- Grant Funding Received but not expended - \$1,029,682
- Bonds and Deposits - \$21,589

It should be noted that Councils from time to time will go into overdraft and ideally having a relatively small amount of cash on hand at the end of the financial year broadly means raising of revenue (rates) has not been excessive.

However as noted by the Auditors, there needs to be a positive cashflow that will allow the Shire to 'trade' until such time as rates for the new final year have been raised.

The component of these revenue and expenses from the cashflow statement are illustrated in the range of following charts:

REVENUE



In terms of variations to budget the following explanation is provided:

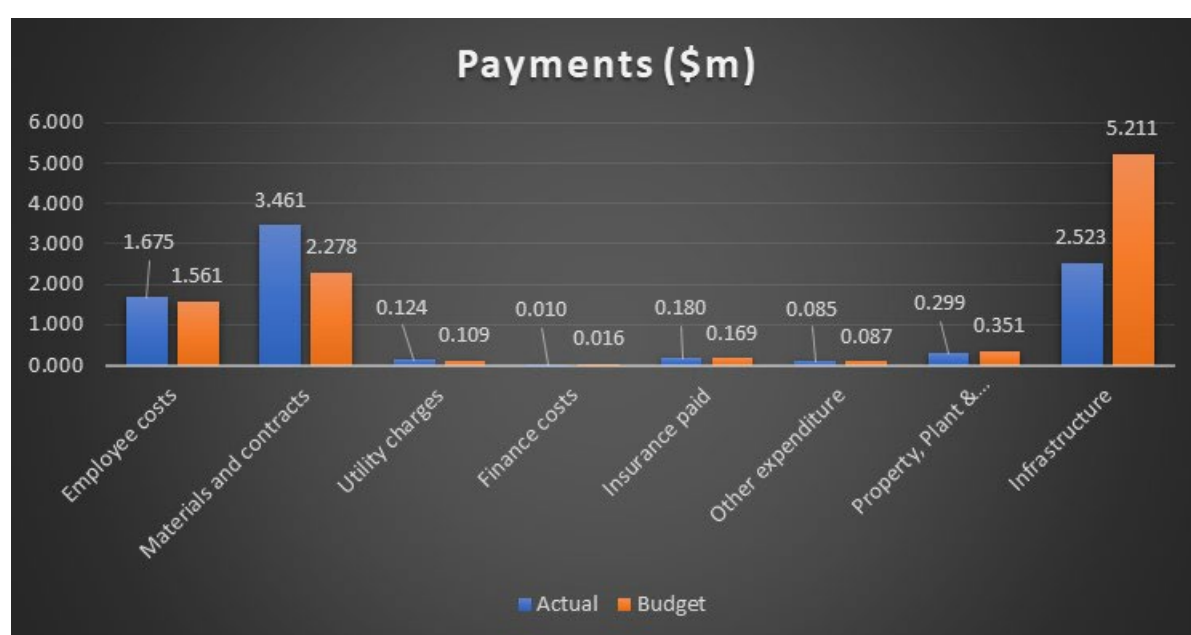
Operating Grants:

Funds exceeding the budget allocation was received from Financial Assistance Grants, Fire Mitigation activity and Insurance Claims.

Non-Operating (Capital) Grants:

The funding primarily was sourced from Road Construction grants and the reason for the variation is due to the works unable to be completed. This has resulted in the need to create a liability in the Annual Financial Statements (i.e. the Shire has an obligation to carry out the works it has received the grants for). Unfortunately, this funding was not quarantined placing some additional pressure on the 2022/23 budget.

EXPENSES



In terms of variations to budget the following explanation is provided:

Employee Costs:

In adequate budgeting, staff turnover requiring pay outs and over expenditure due to the lack of a senior management team to control.

Materials and Contracts;

Gravel purchases, flood damage yet to be approved for recoupment and legal costs of which there was an Audit Management point raised all contributed to this over expenditure.

Infrastructure:

Inability to complete the capital program caused an under expenditure in this activity offset by operating spend over expenditure in the above areas did not harvest any savings, contributing to the less than ideal financial position.

CAPITAL EXPENDITURE

The Council budgeted \$5,561,938 for capital expenditure, \$298,609 was spent on Property, Plant and Equipment, and \$2,522,637 on Infrastructure procurement.

The variance in expenditure was primarily attributed to the Calingiri – New Norcia (Ag-Lime funding) Road and Mogumber-Yarawindah Road (Wheatbelt Secondary Freight Network) which were carried forward into the 2022/23 budget.

Property, Plant and Equipment

Expenditure included:

- CESM Vehicle - \$77,000
- 2013 Komatsu Grader - \$160,000
- 2002 Multi Tyre Roller - \$35,000

Infrastructure

Expenditure included:

- Road Construction - \$2,371,951
- Footpath / Bike path - \$37,342
- Calingiri Playground - \$34,809
- Shire building carpark - \$27,210
- Piawaning Standpipe Swipe access - \$27,966
- Refuse and Hockey Field Fencing - \$16,885

FAIR VALUE

The fair value of land, buildings and 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.

A revaluation of Land and buildings was undertaken for the 2021/22 resulting in a positive increment of \$2,433,737 and which has been reflected in the financial statements (Assets).

Whilst the regulatory framework was met, the frequency of valuations was noted as a significant adverse finding in the Auditors Management Letter. This was on the concept that a formal process should be developed to determine if factors existed that would trigger the performance of a formal valuation. An example would be if a weather event (flood damage) occurred that reduced the value of road infrastructure.

The Office of the Audit General advised this was a finding across all local governments. The Shire Management team accepted this finding and will have a policy in place for 2022/23.

CONCLUSION

The 2021/22 financial year was particularly challenging for the existing personnel due to long time vacancies and turnover. However as evidenced by the audit, there were few adverse findings and the finance staff should be commended for continuing to provide good governance during trying times.

I have experienced first hand, the dedication they have continued to display and their commitment to improving the Shires finance and administration to achieve best practice and leaders across WA local governments of similar size is very much appreciated.

The Shires consultants and Councillors should also be acknowledged for their support during the year. 2022/23 has already seen significant improvements and this has only occurred because of the foundation that was laid by the committed finance personnel of 2022.

Mr Colin Ashe

Manager, Finance and Administration

COMMUNNITY DEVELOPMENT

A Community Development Officer has been employed to adhere to the Business and Strategic Plan of The Shire of Victoria Plains who is dedicated to improving communications between the Shire and community and provide quality core business services. Memorandum of Understandings have been established with Community Groups and Grant programs are underway offering events and traineeships. Regular meetings have been established with many of the associations and clubs with the expectation of connectivity with all seven towns.

COMMUNITY SAFETY

In 2021/2022 The Shire of Victoria Plains continued great work within Community Safety comprising of Emergency Services, Animal Control, Bushfire Risk and CCTV.

The Shire completed the annual bushfire exercise with the Local Emergency Management Committee at the Calingiri Incident Control Centre, this exercise comprised of agencies from WA Police, Other Local Governments, Department of Fire & Emergency Services, Department of Communities, St Johns, Department of Education, and State Emergency Services. The exercise was testing one of many hazards the Shire maybe involved in as part of their obligations under the Emergency Management Act 2005. In 2023 the Shire will be undertaking a full review of the Local Emergency Management Arrangements and Local Recovery Plan as part of the five (5) year planning cycle.

The Shire was successful in receiving \$112,000 in mitigation activity funding through state government that allowed some significant fuel reduction works and fire breaks within the Bolgart and Gillingarra townsites, this has now reduced the likely impact of bushfire to these two areas that were previously rated as extreme risk.

The Shire has also carried out a number of smaller mitigation activities on verges and reserves in Calingiri, Piawaning and Yerecoin.

In 2021/2022 the Shire's Community Safety Team created the first Community Safety Engagement Schedule, this comprised of over forty (40) points of contact with our community to educate and inform. These points of contact included Social Media, Community Event Stalls, School Visits, Open Days, SMSs, newsletters, face to face and letter drops. Messages included storm safety, bushfire safety, cat / dog registrations, firebreak preparedness, road safety, flood safety and fire fan messaging.

Animal Control and CCTV have been increased with the Community Safety Officer proactively conducting patrols for animals wandering and as a result has seen roughly 200% increase in animal control warnings and penalties, there has also been an increase in feral cat trapping.

With the investment of four (4) covert CCTV cameras, the Shire has also been able to follow up illegal dumping, water theft and antisocial behaviour issues.

Again the 2021/2022 bushfire season saw significant fires throughout Western Australia, thankfully not too many within the Shire of Victoria Plains.

This allowed the Shire to provide resourcing and support to several fires outside of our Local Government such as Bruce Rock/Corrigin Bushfire and Carnarvon Bushfires ensuring if we ever needed assistance it wouldn't be far away.

With the changed and reiteration of everyone's obligations under the Work Health and Safety Act 2020, the Shire has been working on implementing new standards and clarity for our volunteers.

The Shire also hosted a session with a solicitor open to all, this provided expert

advice to our volunteers and farming community when it comes to bushfire obligations and responsibilities.

There were some successful bushfire risk workshops delivered in 2022, this has helped inform the Shire as to what safety concerns our responders have and suggested mitigating measures appropriate.

There was over thirty-eight (38) opportunities for training over the 2021/2022 off season free of charge to both our volunteer firefighters and community spontaneous volunteers.

The Bushfire Support Trailer continues to grow in capabilities and provides our volunteers with welfare support, road closure capabilities, communication support and incident management support.”

This was successfully deployed several times in support of incidents.

WORKS AND SERVICES

The Works and Services Department undertakes capital construction, major maintenance works, and the routine maintenance of built infrastructure within the Shire. To undertake these required activities a portion of funding is derived from external grant funds including various Federal and State Government agencies and from other Council income streams.



Works and Services include the following areas of responsibility:

STRATEGIC / ADMINISTRATION

- Council Policy
- Council Agenda Items
- Strategic Planning
- Funding applications
- Road works programs
- Purchasing and procurement
- Budget preparation and management
- Tender preparation and administration
- R2R funding management and acquittal
- RRG funding management and acquittal
- Project management and funding acquittal
- Compliance with appropriate legislation associated with provided services

OPERATIONAL ACTIVITY

Civil Works:

Construction and maintenance of roads, footpaths, and drainage throughout the Shire.

Parks & Gardens:

Construction and maintenance of Councils sporting fields, passive parkland areas, road verges, streetscapes and street trees.

Plant:

The plant replacement program did not allow for any significant new or replacement items.

Waste Management:

Waste management is a core function of Council. It encompasses activities and services related to the collection and disposal of waste, along with waste minimisation and recycling initiatives.

Council strives to manage waste in an environmentally responsible and sustainable manner to protect the natural environment and public health.

Landfill management, litter pickup, the disposal of hazardous waste.

Kerbside collection - A weekly kerbside waste collection service operates in the town sites of Yerecoin, Calingiri and Bolgart. This is carried out through contract arrangements with a local supplier.

Customer works request:

Council aims to be responsive to ratepayers' requests for minor improvements and fault rectification.

Requests vary dramatically and can be minor in nature from sweeping a path, an emergency with fallen trees to major road works/drainage.

Some issues may require substantial funding and planning for future budget allocations. Some requests, whilst valid may not be able to be completed as requested or may need to be included in future planned works within the asset management plan.

All requests are welcome and valued as the issues raised can then be dealt with appropriately. These requests are recorded to ensure that the responses and service is measured against internal standards.

Staff

Works and Services employ a total of 11 staff that operates from the Shire Depot located on the corner of Edmonds Street and Cavell Street, Calingiri.

Staff undertake a multitude of duties and as such are skilled in many areas relating to the maintenance and construction of public infrastructure from roads to gardens. The structure is comprised of:

1x Manager, Works and Services
1x Administration and Work Health and Safety
1x Works Foreman
5x Plant Operators
2x Parks and Gardens
1X Cleaner/ General Hand.

REVENUE – GRANT FUNDING

External funding is the major income stream for capital works and major maintenance of Councils assets and in the 2021/22 financial year the following funding for these works were derived from:

- Wheatbelt North Regional Road Group (RRG) - funding administered by the Main Roads Western Australia (MRWA).
- Department of Infrastructure, Transport, Regional Development, Communications and the Arts- Roads to Recovery (R2R).

- Main Roads Western Australia (MRWA) Direct Grant for roads.
- Wheatbelt Secondary Freight Network (WSFN).
- Council Revenue and Direct Road Funding.
- LRCI.

WORKS AND SERVICES FUNCTIONS

Major capital construction projects undertaken in the 2021/22 financial year were:

- Toodyay-Bindi Bindi Road – shoulder reconditioning works
 - Expenditure \$134,940
 - Funding Assistance from: Roads to Recovery
- Toodyay-Bindi Bindi Road – repair and resealing works (from 20/21 works).
 - Expenditure \$84,565 (\$157,327 repair works and \$84,565 sealing)
 - Funding Assistance from: Regional Roads Group, Council and Direct Road Funding
- Toodyay-Bindi Bindi Road - Reconstruction and widen seal.
 - Expenditure \$700,743
 - Funding Assistance from: Regional Roads Group and Roads to Recovery
- Ag Lime Toodyay Bindi Bindi/Goomalling Road - Intersection realignment.
 - Expenditure \$57,041
 - Funding Assistance from: Ag Lime Route (State)
- Mogumber-Yarawindah Road – project development works and resealing.
 - Total Expenditure \$532,283
 - Funding Assistance from: Council and Wheatbelt Secondary Freight Network WSFN (Federal & State) Funding
- Bolgart West Road – reconstruct road and seal
 - Expenditure \$476,383
 - Funding assistance from: Local Road Infrastructure (LRCIP)
- Yerecoin South East Road – reseal new works from 20/21
 - Expenditure \$98,165
 - Funding Assistance from: Local Road Infrastructure (LRCIP)
- Catabody Road – resheet formation
 - Expenditure \$139,508
 - Funding Assistance from: Local Road Infrastructure (LRCIP)
- Footpath installation works
 - Expenditure \$22,682 for Calingiri and \$14,661 in Bolgart
 - Funding Assistance from: Local Road Infrastructure (LRCIP)

Council carried forward five projects into the 2022/23 financial year. Three of those projects are WSFN projects which have commenced but were required to be carried

forward. The other project is the Aglime project for the intersection realignment on Calingiri-New Norcia Road which was delayed by the clearing application process.

SUMMARY

Works and Services has achieved a great deal this year in some trying times. As Manager for a diverse section of activities undertaken within the Shire of Victoria Plains, I believe that the Shire and its residents are well served by their employees, many of who go to great lengths to provide services to the public in their role as shire employees, during the short period of time that I have been in this role, I would like to express my thanks to all team members within the Works and Services department as well as all the administration staff for their high professional standards and output efforts during the 2021/22 year.

Silvio Brenzi
Manager, Works and Services



Above: Bolgart West road – Below: Toodyay Bindi bindi Road



ENVIRONMENTAL HEALTH, BUILDING AND PLANNING SERVICES

ENVIRONMENTAL HEALTH

The Environmental Health Officer conducted the following activities during the reporting period.

- Provided support for, and onsite premises assessment of, COVID compliance in food premises and public buildings
- Inspected food premises and licensing or registration of stall holders and mobile food vendors
- Managed several recalls of various food products
- Conducted inspections and surveillance of the Shire's three refuse sites
- Inspected caravan parks and camping grounds including holiday accommodation venues
- Inspected the Shire's (and other) public buildings
- Vetted and approved event management plans for public events
- Approved and inspected effluent disposal systems
- Attended to biosolids, noise, effluent, dust and other environmental health related complaints
- Provided general advice to business and residents on matters relating to environmental health
- Provided feedback to government agencies on matters or draft policies pertaining to local government environmental and public health
- Ensured the application of local and state legislation for matters pertaining to environmental health and environmental protection

WASTE MANAGEMENT

Landfill Refuse Sites

Periodic inspections were carried out at the three landfill sites.

Annual reports addressing the Shire's responsibilities with regard to the licence conditions for each site were submitted to the Department of Water and Environmental Regulation (DWER) within the required time frames.

The landfill licences were renewed, with amendments made by DWER to the Bolgart site addressing groundwater monitoring and sampling.

Work continues in respect of maintaining and improving the sites to ensure compliance with the licences.

Waste Management Planning

A review of the waste management systems within the Shire was initiated, to investigate options for improving the way waste is dealt with and to assess opportunities for rationalising collection systems, improving diversion and reducing the volumes of waste being sent to local landfills.

Calingiri and Yerecoin Sewerage Systems

Upgrades were undertaken to address flow issues in the Calingiri scheme and routine maintenance works continued on the scheme and the wastewater lagoons servicing the two systems.

No major operational issues were experienced with either scheme.

FOOD PREMISES

All food premises within the Shire were inspected on a risk assessment basis frequency. No work requests were issued and all of the Shire's food premises remained in compliance.

Several public events were conducted within the Shire during the reporting period. Food vendors attending those events were required to submit applications to trade to ensure that they were correctly registered under the Food Act and had adequate insurance.

All traders complied with those requirements and no food management issues were experienced at any event.

ON-SITE EFFLUENT DISPOSAL SYSTEMS

Several on site effluent disposal systems were approved during the year.

The approval of those applications included assessment of the sites to ensure the proposed systems were designed for the local conditions and inspection and the provision of certification to ensure compliance with the conditions of approval and with the Plumbing Code of Australia.

All systems were installed in accordance with the approvals.

BUILDING

The Shire's building surveyor undertakes the following tasks:

- Assessment of Building Applications for compliance with the National Construction Code of Australia and relevant Australian Standards;
- Issue of Certificate of Design Compliance for Class 1 & 10 buildings;
- Process and issue of Building Permits;
- Process and issue of Demolition Permits;
- Monitoring the handling and disposal of any Asbestos Containing Materials and the compliance with the ACM Handling and Disposal Code;
- Initial and periodic compliance inspections of private swimming pools barrier fencing, gates and access points in townsites;
- Inspection and maintenance of Shire controlled and owned buildings when required.
- Maintain close liaison with builders, architects/draftsmen and owner builders to ensure a satisfactory standard of building construction and compliance with the Building Code of Australia, is maintained; and
- Any other relevant building matter required to be attended to by Council staff.

Building services are provided by the Shire as it is legally required to do so for the control of building activity concerning compliance with the State's Building Act 2011 and associated national building legislation to ensure the safety of buildings within the Shire. These services include the processing of building and demolition applications and issuing permits, the issuing of occupancy permits for Class 2-9 buildings, the inspection of public buildings, the maintenance of mandatory building records and the inspecting of private swimming pools when required. Building services oversees the maintenance and service requests for Shire owned properties. The Building Commission has recently advised that the State Government is considering

introducing mandatory inspections during the construction of dwellings which is likely to have implications for Local Government.

Building Control

The Shire processed 26 building applications in 2022 for a construction value of \$8,434,775. One (1) demolition permit was issued

LOCAL PLANNING SCHEME

During the period 1 July 2021 to 30 June 2022 the Shire of Victoria Plains considered and granted conditional development approval to six (6) development applications received for works to the total value of \$995,041 excluding GST.

It is significant to note no development applications were refused by Council and no development applications approved were the subject of an appeal to the State Administrative Tribunal challenging Council's decision or any conditions imposed.

The Shire also responded to the Western Australian Planning Commission's request for comment regarding five (5) subdivision applications in the Shire, all of which were ultimately supported by the Shire and approved by the Commission due to their consistency with the Shire's local planning framework.

Compliance with all relevant town planning requirements is still proving to be a significant issue throughout the Shire and has again been the focus of work undertaken by the Shire's town planner over the past twelve (12) months.

The Shire's town planner will continue assisting the Shire Administration, local businesses and community members with any town planning and development related matters and will assess and provide recommendations to the Shire's Chief Executive Officer and Council in respect of any rezoning, subdivision and/or development applications received.

ORGANISATIONAL CHART



EMPLOYEE REMUNERATION

The *Local Government (Administration) Regulations 1996* r.19B requires that employee remuneration in specific bands be reported.

The Shire's executive remuneration is assessed against skills, qualifications, experience and the responsibilities of the position.

The figures below represent a cash base salary but do not include vehicle allowances, non-monetary benefits such as professional memberships or superannuation in accordance with policy.

Salary Band	30 June 2019	30 June 2020	30 June 2021	30 June 2022
\$120,001 - \$130,000				
\$130,001 - \$140,000	1	1	1	1
\$140,001 - \$150,000				
\$150,001 - \$160,000				
\$160,001 - \$170,000				1

OTHER MATTERS OF GOVERNANCE – STATUTORY REPORTING

PUBLIC INTEREST DISCLOSURES (PIDs)

The Shire is required to complete the Public Sector Commission's Integrity & Conduct Survey each year. This covers the annual reporting responsibilities under the *Public Interest Disclosure Act 2003*. The survey assists the PSC in monitoring ethical trends and building capacity through strengthening organizational structure, leadership and systems, and policies and processes, as part of its oversight of minor misconduct functions under the *Corruption, Crime and Misconduct Act 2003*.

The Shire of Victoria Plains did conduct the annual PID survey for 2021. There were no public interest disclosures during 2020/2021.

NATIONAL COMPETITION POLICY (NCP)

The Shire is required to report its progress in implementing the National Competition Policy in their annual report. There are a number of specific requirements placed on local government in the areas of competitive neutrality, legislation review and structural reform.

Competitive Neutrality

The principle of competitive neutrality is that government business should not enjoy a competitive advantage or disadvantage, simply as a result of their public sector ownership. For local government this relates to user-pays income of over \$200,000. In accordance with the Shire's responsibilities under Clause 7 of the statement relating to competitive neutrality, the Shire of Victoria Plains has reviewed its activities in line with advice from the Department of Local Government Circular No 806 and

has found that none of its activities are “Significant Business Activity” for competitive neutrality requirements.

The Shire of Victoria Plains did not privatise any activities in 2021/2022 and so consequently there were no obligations to report in this area.

Legislative Review

The Shire is required to assess which of its local laws might impact on competition and conduct a review to determine how restrictive practices might be overcome.

There were no new local laws created in 2021/2022. The next review required by the Local Government Act of the Shire’s local laws is due in 2024. Accordingly, there has been no impact on NCP requirements.

RECORD KEEPING PLAN – COMPLIANCE REPORT

In line with Section 19 of the *State Records Act 2000*, local governments are required to have a Record Keeping Plan that is approved by the State Records Office (SRO). The plan applies to employees, councillors, and contractors.

The Record Keeping Plan is the primary means of providing evidence of compliance with the Act and the implementation of best practice record keeping in the organization. In line with Section 17 of the Act, the Shire, councillors, and staff are legally required to comply with the actions listed in the plan.

The Shire is committed to the management of records in accordance with legislative requirements and best practice.

The Recordkeeping Plan was reviewed in the second half of 2021/2022 and the review report was submitted to the State Records Commission in November 2021.

Evaluation of Recordkeeping Systems

Evaluation of the shire’s recordkeeping system was undertaken in 2020/2021 with the implementation of Synergysoft Central Records in 2021. This resulted in several changes to processes to improve recordkeeping and reduce the amount of information stored outside of the recordkeeping system.

Recordkeeping Training Program

The shires staff were provided with informal training from an external consultant with one on one instructions by request. It has been found that the shires staff training in recordkeeping is deficient, and a more detailed training program is required this will be implemented in the second half of 2023.

FREEDOM OF INFORMATION (FOI)

A copy of the current statement is available on our website:
www.victoriaplains.wa.gov.au. We confirm that the Shire complies with the relevant legislation and welcomes FOI enquiries.

The Shire of Victoria Plains received Nil FOI applications during 2021/2022.

DISABILITIES ACCESS AND INCLUSION PLAN (DAIP)

The Disability Services Act 1993 s.29 requires the Shire to report on implementation of their Disability Access Inclusion Plan. Further, the Disability Services Regulations require that the report contain information on –

- a) progress made by the Shire and any agents and contractors in achieving the desired outcomes; and
- b) the strategies implemented to inform its agents and contractors of its Disability Access and Inclusion Plan.

The Shire's Disability Access Inclusion Plan (DAIP) 2015–2020 outlines the strategies and actions the Shire undertakes in working towards ensuring access and inclusion for all community members.

The DAIP comprises seven outcome areas which identify and address barriers that may prevent people with disability from accessing and enjoying the services, programs and facilities the Shire provides.

Strategy	
Outcome	Time
1. People with disability have the same opportunities as other people to access the services of and any events organised by, the Shire of Victoria Plains	
1.1. Disability planning is used in all new buildings	Ongoing
1.2. Develop links with other strategies, agencies and frameworks	Ongoing
1.3. Additional Public Toilet facilities for people with disability to be made available	Ongoing
1.4. Parking spaces for people with disability to be allocated at key access positions at Shire offices	Ongoing
1.5. Update refuse services to include specialised rubbish collection services if required	As required
1.6. Procedures for monitoring effectiveness, including Staff training to ensure awareness of the DAIP requirements	Ongoing
1.7. Procedural changes to include disability planning in new buildings	Ongoing
2. People with disability will have the same opportunities as other people to access the buildings and other facilities of the Shire of Victoria Plains	
2.1. Monitor Shires Access Plan to ensure it incorporates all planned activities and functions throughout the Shire	ongoing
2.2. New buildings to include disability and inclusion consideration at design stage	Ongoing
2.3. Develop link with other strategies and frameworks	Ongoing
2.4. Update Refuse Service to include specialised rubbish collection services	As required
2.5. Procedures for monitoring effectiveness	Ongoing
2.6. Disability Access Audit Report on Shire buildings	June 2011

3. People with disability receive information from the Shire of Victoria Plains in a format that will enable them to access the information as readily as other people are able to access it	
3.1. CD Disc containing council information on request	As required
3.2. Large print shire info on request	As required
3.3. Inform staff of DAIP requirements	Ongoing
4. People with disability receive the same level and quality of service from the staff of the Shire of Victoria Plains as other people receive from the staff of the Shire of Victoria Plains	
4.1. Allocate Duties, Responsibilities and accountability for DAIP	Ongoing
4.2. Deliver DAIP awareness training including disability communication training	Ongoing
4.3. Develop training matrix to include refresher training for DAIP	Ongoing
5. People with disability have the same opportunity as other people to make complaints to the Shire of Victoria Plains	
5.1. Ensure complaints procedure and outcome satisfaction form is made available in large print and CD	As required
5.2. Ensure staff who manage complaints procedure are aware of responsibilities and new procedures	Ongoing
5.3. Develop training matrix to include refresher training for DAIP	Ongoing
6. People with disability have the same opportunities as other people to participate in consultation with the Shire of Victoria Plains	
6.1. Invitation to people with disability to have a say in planning	Oct 2011
6.2. Invitation to be an ongoing disability community representative	Oct 2011
7. People with disability have the same opportunities as other people to obtain and maintain employment with the Shire of Victoria Plains	
7.1. People with disability are encouraged to apply for positions with the Shire	Ongoing

As per the activity in the 2019-2020 report, many tasks were on-going in nature. No priority issues were identified and no specific actions were required or undertaken.

It was planned for the DAIP to be reviewed during 2019/2020. However, this did not occur. It was anticipated that the review would be held in the second half of 2020/2021 with input, feedback and contributions from the community will be sought. A community working group did meet in May 2021. However, due to key staff changes and the impact of new reforms under the Local Government Act, the Shire lacked

resources to continue the review process. It is hoped that it will be completed by 30 June 2022

The Shire's DAIP is posted on our website, together with an Accessibility Notice.

SHIRE FACILITIES



New Artwork in Yerecoin – Tammi De Rooy

Shire Library

28 Cavell Street, Calingiri

Phone: (08) 9628 7004

Fax: (08) 9628 7008

Email: reception@victoriaplains.wa.gov.au

Calingiri Recreational Hall

Yulgering Road, Calingiri

Phone: (08) 9628 7004

Fax: (08) 9628 7008

Email: reception@victoriaplains.wa.gov.au

Calingiri Sports Pavilion

Renovated and refurbished in 2012.

Contact the Shire for further details on 9628 7004

Bolgart Hall (includes the library)

George Street, Bolgart

For information or bookings contact: Nancy Holmes 9627 5135 or the Shire on 9628 7004.

Email: bolgartlibrary@victoriaplains.wa.gov.au

Yerecoin Hall

Miling Road, Yerecoin

For information and bookings contact – Sue Waters 0428 546 062

Piawaning Hall

Toodyay Bindi Bindi Road, Piawaning

For information or bookings contact – Kerry Smith 0429 109 094

Mogumber Hall

Bindoon Moora Road, Mogumber

For information or bookings contact - Tania Menzies (Mogumber Progress Association Treasurer & Bookings) 0408 515 037

Mogumber Library (Old School Building)

Mogumber Yarawindah Road

Mogumber WA 6506

Ph: 9651 9015

Gillingarra Recreation Hall

Bindoon Moora Road, Gillingarra

For information or bookings contact - Gillingarra Sport and Recreation Club,
President: Jenny Kelly on 0427 765 805 or email: eogsrc@gmail.com

Refuse (Landfill) Sites:

The Shire operates three Category 64 Putrescible landfill sites:

- Bolgart (Licence L6956/1997/11)
- Calingiri – Crown Reserve 34141 Calingiri-Goomalling Rd (Licence L6955/1997/11)
- Mogumber – Reserve 8588 Bindoon-Moora Rd (Licence L7011/1997/11)

REPORT AGAINST THE PROGRESS OF THE STRATEGIC COMMUNITY PLAN & CORPORATE BUSINESS PLAN

The *Local Government Act 1995* s.5.53(2) requires that the annual report is to contain:

(e) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year.

Strategic Community Plan (SCP)

The current SCP was adopted on 28 March 2018, following extensive consultation in the community and public meetings in the towns during 2017. This is the last year of the current SCP, with a new SCP to be adopted early in 2022/2/23. The current SCP identifies the following as community priorities and measures of success with a comment on the status provided against each one:

Priority Areas		Measuring our Success
Community <i>to enhance and improve a sense of community in the Shire</i>		
1.1	Better publicise upcoming events and activities in the Shire	<ul style="list-style-type: none">• <i>Development and implementation of a Shire recreation plan</i> <p>This measure of success has proved to be unrealistic as such a plan was not forthcoming during the planning cycle</p>
1.2	Improve aged care and support	
1.3	Promote community health and wellbeing	
1.4	Support sporting, volunteer and community groups	
1.5	Increase community activities	
1.6	Develop new/ reuse existing community facilities	
Economic <i>to improve and add to local economic development and activity</i>		
2.1	Examine opportunities to diversify the local economy through initiatives such as tourism	<ul style="list-style-type: none">• <i>Development and implementation of a Shire economic plan and associated activities</i> <p>This measure of success has proved to be unrealistic as such a plan was not forthcoming during the planning cycle</p>
2.2	Improve tourist/ caravan park accommodation	
2.3	Improve community connectivity	
2.4	Initiatives to reverse ageing population	
2.5	Art installations to support marketing of localities	
2.6	Review land supply in town sites	
2.7	Create a regional brand that encompasses all towns	
2.8	Develop a business and industry attraction strategy	
Environment <i>to protect or improve the natural environment</i>		
3.1	Undertake initiatives to improve recycling	

3.2	Support environmental sustainability initiatives and community forums	<ul style="list-style-type: none"> • <i>Establishment of initiatives such as small-scale grants to undertake projects aimed at improvement or protection of environment, and a review of recycling activities and implement changes that are useful and affordable</i> <p>This measure of success has proved to be unrealistic as such a plan was not forthcoming during the planning cycle</p>
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Infrastructure *to maintain or add to the stock of infrastructure used by the community to go about daily life*

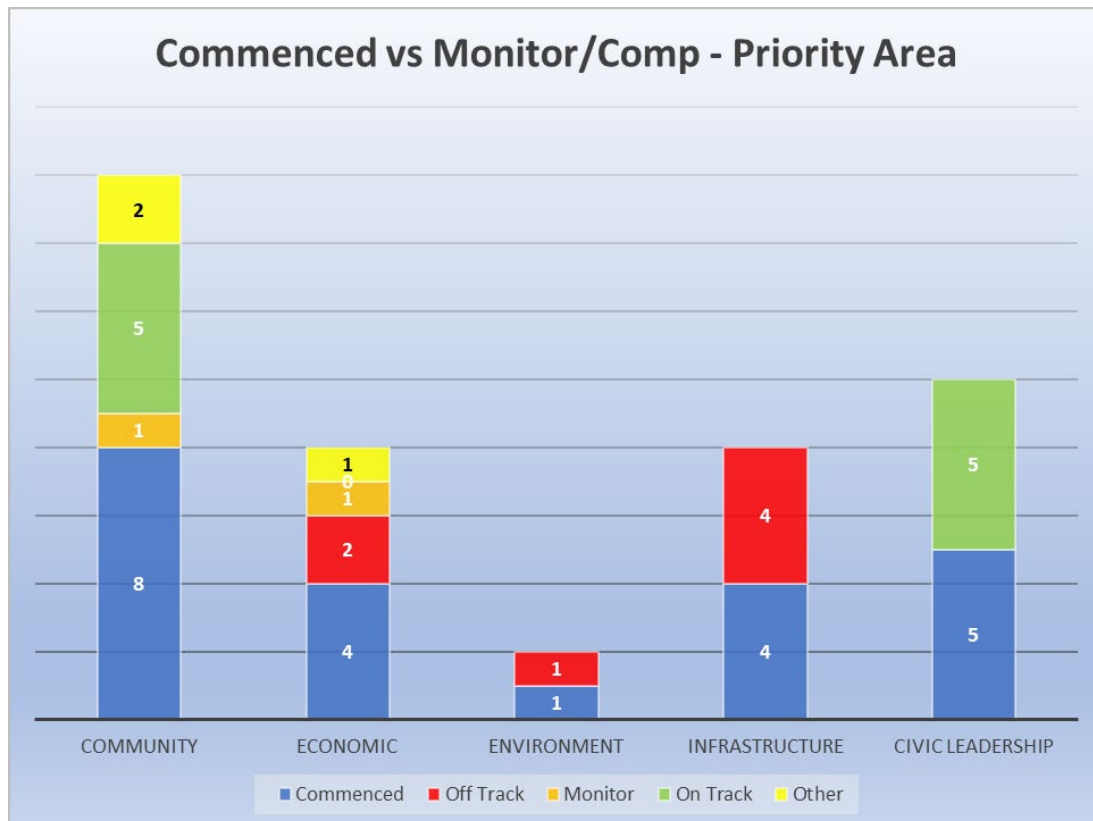
4.1	Undertake town beautification programs	<ul style="list-style-type: none"> • <i>Extent to which the Asset Management Plan is implemented</i> <p>This measure of success has proved to be unrealistic as the asset management plan was too difficult to manage</p>
4.2	Improve utilities (power, water, etc)	
4.3	Maintain/ improve community facilities to an agreed standard	
4.4	Develop a process to deal with miscellaneous works requests	<ul style="list-style-type: none"> • <i>Implementation of system to deal with minor works requests</i> <p>This measure was achieved</p>
4.5	Improve facilities for trucks and drivers	
4.6	Instigate a road verge maintenance program	

Civic Leadership *to better allocate scarce resources and effectively interact with the community*

5.1	Implement measures to improve relationship and communication between Council and community	<ul style="list-style-type: none"> • <i>Implementation of initiatives to better connect Council with the community and associated matters.</i> <p>This measure was achieved through the adoption of the Communication Plan and Strategy.</p>
5.2	Improve elected member performance	
5.3	Develop an advocacy and lobbying capacity	
5.4	Measures to improve organisational efficiency	

Corporate Business Plan

The Corporate Business Plan sets out the number of strategic actions planned undertaken and achieved for each of the strategic plan's priority areas. This is summarised in the following graph:



On balance, the Community Priority Area (PA) delivered a consistent result, despite concerns of staff resourcing issues may have impacted. The outcome for the Civic Leadership PA shows that governance, corporate planning and training of elected members is at required levels. However, the Economic, Environment and Infrastructure PAs have been impacted further by long standing and complex matters re water security, the delays in the provision of LRCI 3 Funding (although projects are now approved) and a lack of progress re AROC joint initiatives.

It is expected that with the adoption of the new SCP, the new Corporate Business Plan will better reflect what the Shire is required to achieve going forward.

MAJOR INITIATIVES 2022/2023

During 2022/2023, it is expected that the Shire will deliver the following major initiatives:

Community

- Update the Disability and Access Inclusion Plan;
- Support seniors' activities;
- Implement MOUs with local community organisations;
- Re-establish the community grants scheme;
- Undertake the local heritage survey.

Economic

- Demonstrated progress towards securing a consistent supply of water across the Shire;
- Active participation in the Wheatbelt Secondary Freight Network;
- Deliver on the plant replacement schedule of \$1M;
- Upgrade the Bolgart Caravan Park Ablution Block – LRCI 3

Environment

- Deliver environmental health services;
- Improve the sewerage scheme – Yerecoin – LRCI 2;
- Reduce verge bushfire risk;
- Undertake a review of the animal control program.

Civic Leadership

- Deliver quarterly reviews of the Shire Strategic Plan, and Corporate Business Plan;
- Continue active participation at the Avon Midland Country Zone, AROC, Regional Road Group;
- Continue improvements to its compliance regime and records;
- Review of the Shire's IT capability.

CAPITAL PROGRAM 2022/2023

The Shire will continue the Wheatbelt Secondary Freight Network (WSFN) full projects under the WSFN including the Mogumber-Yarawindah Road Reconstruction Project.

The Shire will also progress the Calingiri-New Norcia Road and Toodyay-Bindi Bindi Road Intersection Project.

The Shire will also deliver LRCI 3 projects worth \$762,824 including the Bolgart Caravan Park Toilet Block, Vegetation Improvements Projects, Improvements to Golf Course Road.

The Plant Replacement is \$1M including Loader, Prime Mover, Vehicles – Utilities.

<p>The Shire of Victoria 2021 – 2022 Annual Report was prepared by the Shire's Governance Section. All queries regarding the Annual Report can be directed to the Shire's CEO.</p>
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AUDITOR'S REPORT



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022

Shire of Victoria Plains

To the Councillors of the Shire of Victoria Plains

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

The Chief Executive Officer (CEO) is responsible for 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.

Page 1 of 3

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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



Jordan Langford-Smith
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 December 2022

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

The attached financial report of the Shire of Victoria Plains 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 Victoria Plains 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 13th day of DECEMBER 2022



Acting Chief Executive Officer

Sean Fletcher



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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
Revenue				
Rates	28(a),2(a)	3,055,775	2,966,007	2,777,989
Operating grants, subsidies and contributions	2(a)	2,050,614	797,274	1,428,127
Fees and charges	27(c),2(a)	229,478	197,400	209,802
Interest earnings	2(a)	26,428	30,482	25,643
Other revenue	2(a)	255,639	221,309	112,977
		5,617,934	4,212,472	4,554,538
Expenses				
Employee costs		(1,697,752)	(1,560,592)	(1,352,580)
Materials and contracts		(3,080,963)	(2,277,970)	(1,757,364)
Utility charges		(124,017)	(108,968)	(97,610)
Depreciation	10(a)	(4,055,604)	(3,920,654)	(3,922,601)
Finance costs	2(b)	(9,616)	(15,887)	(11,056)
Insurance		(179,698)	(169,123)	(142,398)
Other expenditure	2(b)	(87,139)	(86,655)	(73,036)
		(9,234,789)	(8,139,849)	(7,356,645)
		(3,616,855)	(3,927,377)	(2,802,107)
Capital grants, subsidies and contributions	2(a)	1,445,581	4,561,136	1,879,646
Profit on asset disposals	10(d)	-	-	28,055
Fair value adjustments to financial assets at fair value through profit or loss		4,937	-	-
		1,450,518	4,561,136	1,907,701
Net result for the period	27(b)	(2,166,337)	633,759	(894,406)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	2,433,727	-	-
Total other comprehensive income for the period	15	2,433,727	-	-
Total comprehensive income for the period		267,390	633,759	(894,406)

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



William Buck Audit (WA) Pty Ltd

**SHIRE OF VICTORIA PLAINS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,264,859	2,281,843
Trade and other receivables	5	654,211	87,641
Other financial assets	4(a)	132,836	20,762
Inventories	6	32,305	31,155
Other assets	7	106,769	129,472
TOTAL CURRENT ASSETS		2,190,980	2,550,873
NON-CURRENT ASSETS			
Trade and other receivables	5	12,856	12,856
Other financial assets	4(b)	199,184	215,906
Property, plant and equipment	8	12,031,877	9,695,536
Infrastructure	9	112,586,964	113,723,936
TOTAL NON-CURRENT ASSETS		124,830,881	123,648,234
TOTAL ASSETS		127,021,861	126,199,107
CURRENT LIABILITIES			
Trade and other payables	11	317,388	707,520
Other liabilities	12	1,029,682	234,327
Borrowings	13	79,701	59,932
Employee related provisions	14	166,023	155,729
TOTAL CURRENT LIABILITIES		1,592,794	1,157,508
NON-CURRENT LIABILITIES			
Borrowings	13	347,947	246,615
Employee related provisions	14	60,708	41,962
TOTAL NON-CURRENT LIABILITIES		408,655	288,577
TOTAL LIABILITIES		2,001,449	1,446,085
NET ASSETS		125,020,412	124,753,022
EQUITY			
Retained surplus		16,043,175	18,210,163
Reserve accounts	31	539,517	538,866
Revaluation surplus	15	108,437,720	106,003,993
TOTAL EQUITY		125,020,412	124,753,022

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



William Buck Audit (WA) Pty Ltd

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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		19,078,456	564,979	106,003,993	125,647,428
Comprehensive income for the period					
Net result for the period		(894,406)	-	-	(894,406)
Total comprehensive income for the period		(894,406)	-	-	(894,406)
Transfers from reserves	31	27,604	(27,604)	-	-
Transfers to reserves	31	(1,491)	1,491	-	-
Balance as at 30 June 2021		18,210,163	538,866	106,003,993	124,753,022
Comprehensive income for the period					
Net result for the period		(2,166,337)	-	-	(2,166,337)
Other comprehensive income for the period	15	-	-	2,433,727	2,433,727
Total comprehensive income for the period		(2,166,337)	-	2,433,727	267,390
Transfers from reserves	31	-	-	-	-
Transfers to reserves	31	(651)	651	-	-
Balance as at 30 June 2022		16,043,175	539,517	108,437,720	125,020,412

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,965,855	2,966,007	2,746,255
Operating grants, subsidies and contributions		2,382,146	797,274	1,480,948
Fees and charges		232,050	197,400	80,968
Interest received		26,428	30,482	25,643
Goods and services tax received		-	-	7,745
Other revenue		255,639	221,309	112,977
		5,862,118	4,212,472	4,454,536
Payments				
Employee costs		(1,674,877)	(1,560,592)	(1,385,387)
Materials and contracts		(3,461,230)	(2,277,970)	(1,483,712)
Utility charges		(124,017)	(108,968)	(97,610)
Finance costs		(9,616)	(15,887)	(12,109)
Insurance paid		(179,698)	(169,123)	(142,398)
Other expenditure		(84,686)	(86,655)	(73,036)
		(5,534,124)	(4,219,195)	(3,194,252)
Net cash provided by (used in) operating activities	16(b)	327,994	(6,723)	1,260,284
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost		(111,505)	-	-
Payments for purchase of property, plant & equipment	8(a)	(298,609)	(351,253)	(293,902)
Payments for construction of infrastructure	9(a)	(2,522,637)	(5,210,685)	(2,079,559)
Non-operating grants, subsidies and contributions		1,445,581	4,561,136	1,879,646
Proceeds from financial assets at amortised cost - self supporting loans		21,091	20,579	20,300
Proceeds from sale of property, plant & equipment	10(d)	-	-	77,864
Net cash provided by (used in) investing activities		(1,466,079)	(980,223)	(395,651)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	30(a)	(78,899)	(92,619)	(57,021)
Proceeds from new borrowings	30(a)	200,000	200,000	-
Net cash provided by (used in) financing activities		121,101	107,381	(57,021)
Net increase (decrease) in cash held		(1,016,984)	(879,565)	807,612
Cash at beginning of year		2,281,843	2,281,603	1,474,231
Cash and cash equivalents at the end of the year	16(a)	1,264,859	1,402,038	2,281,843

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	29(b)	893,669	940,474	191,710
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	28(b)	170,339	80,571	80,571
Operating grants, subsidies and contributions		2,050,614	797,274	1,428,127
Fees and charges		229,478	197,400	209,802
Interest earnings		26,428	30,482	25,643
Other revenue		255,639	221,309	112,977
Profit on asset disposals	10(d)			28,055
Fair value adjustments to financial assets at fair value through profit or loss		4,937		
		<u>2,737,435</u>	<u>1,327,036</u>	<u>1,885,175</u>
Expenditure from operating activities				
Employee costs		(1,697,752)	(1,560,592)	(1,352,580)
Materials and contracts		(3,080,963)	(2,277,970)	(1,757,364)
Utility charges		(124,017)	(108,968)	(97,610)
Depreciation		(4,055,604)	(3,920,654)	(3,922,601)
Finance costs		(9,616)	(15,887)	(11,056)
Insurance		(179,698)	(169,123)	(142,398)
Other expenditure		(87,139)	(86,655)	(73,036)
		<u>(9,234,789)</u>	<u>(8,139,849)</u>	<u>(7,356,645)</u>
Non-cash amounts excluded from operating activities	29(a)	4,069,412	3,920,654	3,902,570
Amount attributable to operating activities		<u>(2,427,942)</u>	<u>(2,892,159)</u>	<u>(1,568,900)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,445,581	4,561,136	1,879,646
Proceeds from disposal of assets	10(d)			77,864
Proceeds from financial assets at amortised cost - self supporting loans	30(a)	21,091	20,579	20,300
Purchase of property, plant and equipment	8(a)	(298,609)	(351,253)	(293,902)
Purchase and construction of infrastructure	9(a)	(2,522,637)	(5,210,685)	(2,079,559)
		<u>(1,354,574)</u>	<u>(980,223)</u>	<u>(395,651)</u>
Amount attributable to investing activities		<u>(1,354,574)</u>	<u>(980,223)</u>	<u>(395,651)</u>
FINANCING ACTIVITIES				
Repayment of borrowings	30(a)	(78,899)	(92,619)	(57,021)
Proceeds from borrowings	30(a)	200,000	200,000	
Transfers to reserves (restricted assets)	31	(651)	(76,408)	(1,491)
Transfers from reserves (restricted assets)	31		12,000	27,604
Amount attributable to financing activities		<u>120,450</u>	<u>42,973</u>	<u>(30,908)</u>
Surplus/(deficit) before imposition of general rates		<u>(2,768,397)</u>	<u>(2,888,935)</u>	<u>(1,803,749)</u>
Total amount raised from general rates	28(a)	2,885,436	2,885,436	2,697,418
Surplus/(deficit) after imposition of general rates	29(b)	<u>117,039</u>	<u>(3,500)</u>	<u>893,669</u>

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

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

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

1. BASIS OF PREPARATION

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 and other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 19 of the financial report.

Judgements and estimates

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

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

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

- estimated fair value of certain financial assets.
- impairment of financial assets.
- estimation of fair values of land and buildings, and infrastructure.
- employee provisions.
- depreciation of property plant and equipment and infrastructure.

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General rates.	Over time.	Payment dates adopted by Council during the year.	None.	When rates notice is issued.
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.
Pool inspections	Compliance safety check.	Single point in time.	Equal proportion based on an equal annually fee.	None.	After inspection complete based on a 4 year cycle.
Other inspections	Regulatory Food, Health and Safety.	Single point in time.	Full payment prior to inspection.	None.	Revenue recognised after inspection event occurs.
Waste management collection	Kerbside collection service.	Over time.	Payment on an annual basis in advance.	None.	Output method based on regular weekly and fortnightly period as proportionate to collection service.
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites.	Single point in time.	Payment in advance at gate or on normal trading terms if credit provided.	None.	On entry to facility.
Property hire and entry	Use of halls and facilities.	Single point in time.	In full in advance.	Refund if event cancelled within 7 days.	On entry or at conclusion of hire.
Memberships	Gym and pool membership.	Over time.	Payment in full in advance.	Refund for unused portion on application.	Output method Over 12 months matched to access right.
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.
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 VICTORIA PLAINS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

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	-	-	3,055,775	-	3,055,775
Operating grants, subsidies and contributions	2,050,614	-	-	-	2,050,614
Fees and charges	229,478	-	-	-	229,478
Interest earnings	-	-	20,079	6,349	26,428
Other revenue	255,639	-	-	-	255,639
Capital grants, subsidies and contributions	-	1,445,581	-	-	1,445,581
Total	2,535,731	1,445,581	3,075,854	6,349	7,063,515

Budget For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	2,966,007	-	2,966,007
Operating grants, subsidies and contributions	797,274	-	-	-	797,274
Fees and charges	197,400	-	-	-	197,400
Interest earnings	-	-	15,130	15,352	30,482
Other revenue	221,309	-	-	-	221,309
Capital grants, subsidies and contributions	-	4,561,136	-	-	4,561,136
Total	1,215,983	4,561,136	2,981,137	15,352	8,773,608

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	2,777,989	-	2,777,989
Operating grants, subsidies and contributions	1,428,127	-	-	-	1,428,127
Fees and charges	209,802	-	-	-	209,802
Interest earnings	-	-	14,828	10,815	25,643
Other revenue	76,547	-	-	36,430	112,977
Non-operating grants, subsidies and contributions	-	1,879,646	-	-	1,879,646
Total	1,714,476	1,879,646	2,792,817	47,245	6,434,184

Assets and services acquired below fair value

Contributed assets	-	-	-
Recognised volunteer services	-	-	-
	-	-	-

Interest earnings

Financial assets at amortised cost - self supporting loans	5,133	-	4,957
Interest on reserve funds	557	2,770	1,077
Rates instalment and penalty interest (refer Note 28(f))	20,388	15,130	14,828
Other interest earnings	350	12,582	4,781
	26,428	30,482	25,643

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	30,800	30,000	27,500
- Other services	3,000	-	-
	33,800	30,000	27,500

Finance costs

Borrowings	30(a)	9,616	15,887	9,853
Overdraft		-	-	1,203
		9,616	15,887	11,056

Other expenditure

Impairment losses on rates receivables		119	-	1,077
Impairment losses / writeback) on receivables from contracts with customers		2,453	-	(644)
Sundry expenses		84,567	86,655	72,603
		87,139	86,655	73,036

SHIRE OF VICTORIA PLAINS
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
Term deposits
Total cash and cash equivalents

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

Note	2022	2021
	\$	\$
	763,398	1,669,760
	501,461	612,083
16(a)	1,264,859	2,281,843
16(a)	(214,424)	1,481,524
	1,479,283	800,319
	1,264,859	2,281,843

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to 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.

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

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Self supporting loans receivable
Term deposits

Held as
- Unrestricted other financial assets at amortised cost
- Restricted other financial assets at amortised cost

(b) Non-current assets

Financial assets at amortised cost
Financial assets at fair value through profit and loss

Financial assets at amortised cost

Self supporting loans receivable

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2022	2021
	\$	\$
	132,836	20,762
	132,836	20,762
30(a)	21,331	20,762
	111,505	-
	132,836	20,762
16(a)	21,331	20,762
	111,505	-
	132,836	20,762
	140,831	162,491
	58,353	53,415
	199,184	215,906
	140,831	162,491
	140,831	162,491
	58,353	53,415
	58,353	53,415

Loans receivable from clubs have the same terms and conditions as the related borrowing disclosed in Note 30(a) as self supporting loans. Fair value of financial assets at fair value through profit and loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 26 (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 25.

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

5. TRADE AND OTHER RECEIVABLES

Current

	Note	2022 \$	2021 \$
Rates receivable		153,390	45,618
Trade and other receivables		450,008	23,244
ATO Receivable		48,880	20,850
Allowance for impairment of receivables	25(b)	(2,685)	(232)
Allowance for credit losses of rates receivables	25(b)	(1,958)	(1,839)
Receivables for employee related provisions	14	6,576	-
		654,211	87,641

Non-current

Pensioner's rates and ESL deferred		12,856	12,856
		12,856	12,856

Rates outstanding

Past due and not impaired		151,432	43,779
Impaired		1,958	1,839
		153,390	45,618
Allowance for impairment of receivables		1,839	762
Movement in allowance for the impairment of receivables		119	1,077
Carrying amount at 30 June		1,958	1,839

Sundry debtors

Past due and not impaired		447,323	23,012
Impaired		2,685	232
		450,008	23,244
Allowance for impairment of receivables		232	876
Movement in allowance for the impairment of receivables		2,453	(644)
Carrying amount at 30 June		2,685	232

Allowance for impairment of receivables

Rates receivable		1,958	1,839
Sundry receivables		2,685	232
		4,643	2,071

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 25.

Classification and subsequent measurement

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

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

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

SHIRE OF VICTORIA PLAINS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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6. INVENTORIES

	Note	2022	2021
		\$	\$
Current			
Fuel and materials		32,305	31,155
		32,305	31,155

The following movements in inventories occurred during the year:

Balance at beginning of year		31,155	21,331
Inventories expensed during the year		(206,693)	(142,652)
Additions to inventory		207,843	152,476
Balance at end of year		32,305	31,155

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.

7. OTHER ASSETS

	2022	2021
	\$	\$
Other assets - current		
Accrued income - interest receivable	-	205
Contract assets	67,839	129,267
Accrued Income	38,930	-
	106,769	129,472

SIGNIFICANT ACCOUNTING POLICIES

Contract assets

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

Impairment of assets associated with contracts with customers are detailed at note 2 (b).

SHIRE OF VICTORIA PLAINS
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8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Note	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Motor vehicles	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		1,024,500	845,409	5,774,829	7,644,738	91,460	1,098,844	991,079	9,826,121
Additions		-	3,682	33,239	36,921	85,744	-	171,237	293,902
Disposals		-	-	-	-	-	-	(49,809)	(49,809)
Depreciation	10(a)	-	(18,057)	(123,029)	(141,086)	(21,780)	(120,469)	(91,343)	(374,678)
Balance at 30 June 2021		1,024,500	831,034	5,685,039	7,540,573	155,424	978,375	1,021,164	9,695,536
Comprises:									
Gross balance amount at 30 June 2021		1,024,500	906,537	6,144,595	8,075,632	200,053	1,226,212	1,172,187	10,674,084
Accumulated depreciation at 30 June 2021		-	(75,503)	(459,556)	(535,059)	(44,629)	(247,837)	(151,023)	(978,548)
Balance at 30 June 2021		1,024,500	831,034	5,685,039	7,540,573	155,424	978,375	1,021,164	9,695,536
Additions		-	4,511	512	5,023	15,041	201,545	77,000	298,609
Revaluation increments / (decrements) transferred to revaluation surplus		38,000	593,162	1,802,565	2,433,727	-	-	-	2,433,727
Depreciation	10(a)	-	(18,510)	(123,116)	(141,626)	(27,810)	(121,556)	(105,003)	(395,995)
Balance at 30 June 2022		1,062,500	1,410,197	7,365,000	9,837,697	142,655	1,058,364	993,161	12,031,877
Comprises:									
Gross balance amount at 30 June 2022		1,062,500	1,410,197	7,365,400	9,838,097	215,094	1,427,757	1,249,187	12,730,135
Accumulated depreciation at 30 June 2022		-	-	(400)	(400)	(72,439)	(369,393)	(256,026)	(698,258)
Balance at 30 June 2022		1,062,500	1,410,197	7,365,000	9,837,697	142,655	1,058,364	993,161	12,031,877

SHIRE OF VICTORIA PLAINS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land - freehold land	2	Sales comparison approach and cost approach	Independent registered valuer	2022	Price per hectare
Land - freehold land	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuer	2022	Improvement to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuer	2022	Price per square metre
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuer	2022	Construction costs and current condition, residual values and remaining useful life assessments inputs
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
(ii) Cost					
Furniture and equipment		Cost	Cost		Purchase cost
Plant and equipment		Cost	Cost		Purchase cost
Motor vehicles		Cost	Cost		Purchase cost

SHIRE OF VICTORIA PLAINS
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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 - other	Infrastructure - bridges	Work in progress	Total Infrastructure
		\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		108,979,815	641,330	2,608,688	2,215,900	746,567	115,192,300
Additions		1,956,978	97,058	25,163	360	-	2,079,559
Depreciation	10(a)	(3,201,059)	(11,400)	(216,337)	(119,127)	-	(3,547,923)
Transfers		746,567	-	-	-	(746,567)	-
Balance at 30 June 2021		108,482,301	726,988	2,417,514	2,097,133	-	113,723,936
Comprises:							
Gross balance at 30 June 2021		156,742,718	996,299	6,271,259	7,176,434	-	171,186,710
Accumulated depreciation at 30 June 2021		(48,260,417)	(269,311)	(3,853,745)	(5,079,301)	-	(57,462,774)
Balance at 30 June 2021		108,482,301	726,988	2,417,514	2,097,133	-	113,723,936
Additions		2,371,956	37,342	113,339	-	-	2,522,637
Depreciation	10(a)	(3,306,570)	(13,431)	(220,476)	(119,132)	-	(3,659,609)
Balance at 30 June 2022		107,547,687	750,899	2,310,377	1,978,001	-	112,586,964
Comprises:							
Gross balance at 30 June 2022		159,114,674	1,033,642	6,384,598	7,176,434	-	173,709,348
Accumulated depreciation at 30 June 2022		(51,566,987)	(282,743)	(4,074,221)	(5,198,433)	-	(61,122,384)
Balance at 30 June 2022		107,547,687	750,899	2,310,377	1,978,001	-	112,586,964

SHIRE OF VICTORIA PLAINS
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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	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - other	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - bridges	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

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

10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	8(a)	18,510	18,057	18,057
Buildings - specialised	8(a)	123,116	123,029	123,029
Furniture and equipment	8(a)	27,810	21,584	21,780
Plant and equipment	8(a)	121,556	119,964	120,469
Motor vehicles	8(a)	105,003	91,342	91,343
Infrastructure - roads	9(a)	3,306,570	3,199,824	3,201,059
Infrastructure - footpaths	9(a)	13,431	11,241	11,400
Infrastructure - other	9(a)	220,476	216,486	216,337
Infrastructure - bridges	9(a)	119,132	119,127	119,127
		4,055,604	3,920,654	3,922,601

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
Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Other infrastructure	15 to 80 years
Sealed roads and streets	
formation	not depreciated
pavement	100 years
Seal	
bituminous seals	15 to 20 years
asphalt surfaces	20 years
Gravel roads	
formation	not depreciated
pavement	50 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	40 to 60 years
Sewerage piping	80 years
Water supply piping and drainage systems	17 to 90 years
Bridges	60 years

(b) Temporarily Idle or retired from use assets

The Shire did not hold any temporarily idle or retired assets not classified as for sale at balance date.

(c) Fully Depreciated Assets in Use

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

	2022 \$	2021 \$
Furniture and equipment	3,200	-
Infrastructure - other	245,000	10,500
	248,200	10,500

10. FIXED ASSETS (Continued)

(d) 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Motor vehicles	-	-	-	-	-	-	-	-	49,809	77,864	28,055	-
	-	-	-	-	-	-	-	-	49,809	77,864	28,055	-

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).

SHIRE OF VICTORIA PLAINS
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11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
ATO liabilities
Bonds and deposits held
Accrued expenditure

2022	2021
\$	\$
188,463	588,045
43,506	25,654
33,030	23,384
-	15,811
21,589	27,126
30,800	27,500
317,388	707,520

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

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

Prepaid rates

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

SHIRE OF VICTORIA PLAINS
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12. OTHER LIABILITIES

Current

Contract liabilities

Reconciliation of changes in capital grant/contribution 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.

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

	2022	2021
	\$	\$
Contract liabilities	1,029,682	234,327
	1,029,682	234,327
Opening balance	234,327	209,544
Additions	1,029,682	234,327
Revenue from contracts with customers included as a contract liability at the start of the period	(234,327)	(209,544)
	1,029,682	234,327

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

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13. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Loans		79,701	347,947	427,648	59,932	246,615	306,547
Total secured borrowings	30(a)	79,701	347,947	427,648	59,932	246,615	306,547

Secured liabilities and assets pledged as security

Bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Victoria Plains.

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 26(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 25.

Details of individual borrowings required by regulations are provided at Note 30(a).

SHIRE OF VICTORIA PLAINS
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14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2022	2021
	\$	\$
Current provisions		
Employee benefit provisions		
Annual Leave	159,233	118,685
Long Service Leave	6,790	37,044
	166,023	155,729
Non-current provisions		
Long Service Leave	60,708	41,962
	60,708	41,962
	226,731	197,691

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

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

	Note	2022	2021
		\$	\$
Amounts are expected to be settled on the following basis:			
Less than 12 months after the reporting date		233,307	205,522
More than 12 months from reporting date		(6,576)	(7,831)
		226,731	197,691
Expected reimbursements of employee related provisions from other WA local governments included within other receivables	5	(6,576)	(7,831)

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 VICTORIA PLAINS
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15. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land and buildings	4,648,657	2,433,727	-	2,433,727	7,082,384	4,648,657	-	-	-	4,648,657
Roads	96,047,491	-	-	-	96,047,491	96,047,491	-	-	-	96,047,491
Footpaths	418,387	-	-	-	418,387	418,387	-	-	-	418,387
Other	3,530,935	-	-	-	3,530,935	3,530,935	-	-	-	3,530,935
Bridges	1,358,523	-	-	-	1,358,523	1,358,523	-	-	-	1,358,523
	106,003,993	2,433,727	-	2,433,727	108,437,720	106,003,993	-	-	-	106,003,993

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 VICTORIA PLAINS
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16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	1,264,859	1,402,038	2,281,843
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	1,479,283	603,233	800,319
- Financial assets at amortised cost	4	111,505	-	-
		1,590,788	603,233	800,319
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	31	539,517	603,233	538,866
Contract liabilities from contracts with customers		1,029,682	-	234,327
Bonds and deposits held		21,589	-	27,126
Total restricted financial assets		1,590,788	603,233	800,319

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

Net result		(2,166,337)	633,759	(894,406)
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(4,937)	-	-
Depreciation/amortisation		4,055,604	3,920,654	3,922,601
(Profit)/loss on sale of asset		-	-	(28,055)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(566,571)	-	12,042
(Increase)/decrease in other assets		22,703	-	(115,624)
(Increase)/decrease in inventories		(1,150)	-	(9,824)
Increase/(decrease) in trade and other payables		(390,132)	-	282,855
Increase/(decrease) in employee related provisions		29,040	-	(53,389)
Increase/(decrease) in other liabilities		795,355	-	23,730
Non-operating grants, subsidies and contributions		(1,445,581)	(4,561,136)	(1,879,646)
Net cash provided by/(used in) operating activities		327,994	(6,723)	1,260,284

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit	300,000		300,000
Bank overdraft at balance date	-		-
Credit card limit	15,000		15,000
Credit card balance at balance date	-		(1,659)
Total amount of credit unused	315,000		313,341

Loan facilities

Loan facilities - current	79,701		59,932
Loan facilities - non-current	347,947		246,615
Total facilities in use at balance date	427,648		306,547

Unused loan facilities at balance date

NIL	NIL
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SHIRE OF VICTORIA PLAINS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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17. CONTINGENT LIABILITIES

The Shire operates three refuse sites:

Bolgart Refuse Site (Licence L6956/1997/11)

Calingiri Refuse Site Crown Reserve 34141 Calingiri-Goomalling Rd (Licence L6955/1997/11)

Mogumber Refuse Site Crown Reserve 8588 Bindoon-Moora Rd (Licence L7011/1997/11)

All three of the above sites are Category 64 Putrescible landfill sites (PLS).

The Shire may need to rehabilitate these refuse sites after closure. The rehabilitation cost will be determined once the post-closure rehabilitation plans are prepared.

18. CAPITAL COMMITMENTS

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

2022	2021
\$	\$
-	-
-	-
-	-
-	-

19. TRUST FUNDS

The Shire did not have any funds held at balance date over which it has no control.

20. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Shire.

21. MAJOR LAND TRANSACTIONS

The Shire did not have any major land transactions during the financial year.

22. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The Shire was not involved in any trading undertakings or major trading undertakings during the financial year.

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

23. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Cr. Pauline Bantock

President's annual allowance
Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr. Neville Clarke

Deputy President's annual allowance
Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr. David Lovelock

Deputy President's annual allowance
Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr. Stephanie Penn

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr. Jim Kelly

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr. Gary O'Brien

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr. Suzanne Woods

Meeting attendance fees
Annual allowance for ICT expenses

Cr. Jacqueline Corless-Crowther

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr. Jaymie King

Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Cr. Andrew Broadhurst

Meeting attendance fees
Annual allowance for ICT expenses

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
	6,500	10,000	6,500
	7,500	7,500	7,500
	1,000	1,000	1,000
	-	783	-
	15,000	19,283	15,000
	1,625	1,625	-
	7,500	7,500	7,500
	1,000	1,000	1,000
	-	783	-
	10,125	10,908	8,500
	-	-	1,625
	7,500	7,500	7,500
	1,000	1,000	1,000
	-	783	-
	8,500	9,283	10,125
	7,500	7,500	7,500
	1,000	1,000	1,000
	-	783	-
	8,500	9,283	8,500
	7,500	7,500	7,500
	1,000	1,000	1,000
	-	783	191
	8,500	9,283	8,691
	7,500	7,500	3,750
	1,000	1,000	500
	1,017	783	-
	9,517	9,283	4,250
	5,000	-	-
	750	-	-
	5,750	-	-
	-	-	3,125
	-	-	500
	-	-	-
	-	-	3,625
	1,875	7,500	7,500
	250	1,000	1,000
	-	783	-
	2,125	9,283	8,500
	-	-	1,875
	-	-	250
	-	-	2,125
	68,017	76,606	69,316

23. RELATED PARTY TRANSACTIONS (Continued)

(a) Elected Member Remuneration (Continued)

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

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
President's annual allowance	6,500	10,000	6,500
Deputy President's annual allowance	1,625	1,625	1,625
Meeting attendance fees	51,875	52,500	53,750
Annual allowance for ICT expenses	7,000	7,000	7,250
Travel and accommodation expenses	1,017	5,481	191
23(b)	68,017	76,606	69,316

(b) Key Management Personnel (KMP) Compensation

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

Note	2022 Actual \$	2021 Actual \$
Short-term employee benefits	270,552	305,742
Post-employment benefits	36,975	43,521
Employee - other long-term benefits	11,302	15,514
Council member costs	68,017	69,316
23(a)	386,846	434,093

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs

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

(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	-	-
Purchase of goods and services	-	-
Short term employee benefits - other related parties	-	-
Payment of Council member costs	-	-

(d) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence.

Significant influence may be gained by share ownership, statute or agreement.

SHIRE OF VICTORIA PLAINS
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24. JOINT ARRANGEMENTS

Share of joint operations

The following investments have been classified as Joint Operations.

(i) Calingiri - Lot 23 and 24 Harrington Street

The Shire entered into a Joint Arrangement with Homeswest on 17 December 1999. The purpose of the arrangement was for the construction of four aged persons units in Calingiri.

Financial Contributions	Shire \$	Homeswest \$	Total \$	Interests %
Land Contribution	26,318	-	26,318	18.98%
Construction Costs	80,273	455,097	535,370	81.02%
	106,591	455,097	561,688	100%

(ii) Bolgart - Lot 184 and 191 George Street

The Shire entered into a Joint Arrangement with Homeswest on 21 February 2006. The purpose of the arrangement was for the construction of two aged persons units in Bolgart.

Financial Contributions	Shire \$	Homeswest \$	Total \$	Interests %
Land Contribution	11,858	1,771	13,629	18.00%
Construction Costs	44,500	258,145	302,645	82.00%
	56,358	259,916	316,274	100%
Total Financial Contribution	162,949	715,013	877,962	

Statement of Financial Position

	2022 Actual \$	2021 Actual \$
Land and Buildings	253,015	242,500
Accumulated Depreciation	-	(21,547)
Total assets	253,015	220,953
Total equity	253,015	242,500

Statement of Comprehensive Income

Revenue		
Fees and Charges	30,167	22,603
Expenses		
Employee Costs	(4,086)	(7,761)
Materials and Contracts	(25,993)	(9,193)
Insurance	(6,205)	(7,209)
Utilities	(11,793)	(11,032)
Depreciation	(4,300)	(4,300)
Profit/(loss) for the period	(22,210)	(16,892)
Other comprehensive income	80,351	-
Total comprehensive income for the period	58,141	(16,892)

Statement of Cash Flows

Receipts		
Fees and charges	30,167	22,603
Payments		
Employee costs	(4,086)	(7,761)
Materials and contracts	(25,993)	(9,193)
Utility charges	(11,793)	(11,032)
Insurance paid	(6,205)	(7,209)
	(48,077)	(35,195)
Net cash provided by (used in) operating activities	(17,910)	(12,592)

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

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

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

SHIRE OF VICTORIA PLAINS
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25. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.07%	1,264,859	501,461	762,808	590
Financial assets at amortised cost - term deposits	0.75%	111,505	111,505	-	-
2021					
Cash and cash equivalents	0.05%	2,281,843	612,083	1,669,170	590

Sensitivity

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

Impact of a 1% movement in interest rates on profit and loss and equity*

* Holding all other variables constant

2022	2021
\$	\$
7,628	16,692

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 30(a).

SHIRE OF VICTORIA PLAINS
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25. 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
30 June 2022						
Rates receivable						
Expected credit loss	1.27%	1.28%	1.28%	1.28%		
Gross carrying amount	58,809	73,365	6,386	14,730	153,290	
Loss allowance	748	939	82	189	1,958	5
30 June 2021						
Rates receivable						
Expected credit loss	4.03%	4.03%	4.03%	4.03%		
Gross carrying amount	13,799	9,766	7,237	14,816	45,618	
Loss allowance	556	394	292	596	1,838	5

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

	Less than 1 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	3.11%		
Gross carrying amount	319,069	-	44,707	86,232	450,008	
Loss allowance	-	-	-	2,685	2,685	5
30 June 2021						
Trade and other receivables						
Expected credit loss	1.00%	1.00%	1.00%	1.00%		
Gross carrying amount	9,645	598	40	12,961	23,244	
Loss allowance	97	6	-	130	233	5

SHIRE OF VICTORIA PLAINS
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25. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

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	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Opening loss allowance as at 1 July	\$ 1,839	\$ 762	\$ 232	\$ 876
Increase in loss allowance recognised in profit or loss during the year	119	1,077	2,453	-
Unused amount reversed	-	-	-	(644)
Closing loss allowance at 30 June	1,958	1,839	2,685	232

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.

(c) Liquidity risk

Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
2022	\$	\$	\$	\$	\$
Trade and other payables	317,388	-	-	317,388	317,388
Borrowings	86,352	340,536	25,758	452,646	427,648
Contract liabilities	1,029,682	-	-	1,029,682	1,029,682
	1,433,422	340,536	25,758	1,799,716	1,774,718
2021					
Trade and other payables	707,520	-	-	707,520	707,520
Borrowings	66,692	217,132	51,695	335,519	306,547
Contract liabilities	234,327	-	-	234,327	234,327
	1,008,539	217,132	51,695	1,277,366	1,248,394

26. 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.

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27. 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 available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and rate payers 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 local 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, noise control and waste disposal compliance.

Education and welfare

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

Maintenance of playgroup centre and support of school programs.

Housing

To provide and maintain housing.

Provide housing for staff. '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, 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 of the community.

Maintenance of public use buildings and areas including various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

Transport

Facilitate safe, effective and efficient transport options for the community.

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

Economic services

To help promote the shire and its economic well-being.

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 council's overheads operating accounts.

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

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

27. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	4,858	6,348	30,000
General purpose funding	3,092,376	3,005,187	2,808,200
Law, order, public safety	95,120	142,066	4,405
Health	2,526	4,017	238
Education and welfare	-	100	-
Housing	65,226	92,622	62,076
Community amenities	123,966	90,854	99,537
Recreation and culture	88,710	16,789	12,506
Transport	8,200	5,713	68,173
Economic services	34,742	26,803	36,695
Other property and services	56,533	24,699	32,636
	3,572,257	3,415,198	3,154,466
Grants, subsidies and contributions			
General purpose funding	1,562,861	587,148	1,186,404
Law, order, public safety	307,408	71,590	83,098
Education and welfare	-	530	-
Recreation and culture	-	-	2,107
Transport	1,625,926	4,699,142	2,036,164
	3,496,195	5,358,410	3,307,773
Total Income	7,068,452	8,773,608	6,462,239
Expenses			
Governance	(555,417)	(585,805)	(533,903)
General purpose funding	(469,378)	(457,346)	(429,755)
Law, order, public safety	(672,105)	(488,108)	(288,669)
Health	(147,582)	(144,231)	(131,498)
Education and welfare	(2,602)	(14,863)	(4,211)
Housing	(265,078)	(281,508)	(229,065)
Community amenities	(498,406)	(664,841)	(543,885)
Recreation and culture	(841,230)	(687,881)	(641,019)
Transport	(5,505,705)	(4,545,490)	(4,324,630)
Economic services	(271,693)	(263,434)	(200,560)
Other property and services	(5,593)	(6,342)	(29,450)
Total expenses	(9,234,789)	(8,139,849)	(7,356,645)
Net result for the period	(2,166,337)	633,759	(894,406)

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

27. FUNCTION AND ACTIVITY (Continued)

(c) Fees and Charges

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Governance	1,281	3,190	2,849
General purpose funding	4,496	3,760	3,649
Law, order, public safety	8,147	2,890	2,819
Health	538	1,420	590
Education and welfare	-	100	-
Housing	63,856	78,280	59,023
Community amenities	113,449	85,800	99,802
Recreation and culture	3,599	6,450	6,637
Transport	327	-	15,549
Economic services	14,197	9,930	17,986
Other property and services	19,588	5,580	898
	229,478	197,400	209,802

(d) Total Assets

	2022	2021
	\$	\$
Governance	164,288	58,679
General purpose funding	1,882,911	2,332,839
Law, order, public safety	893,889	803,070
Education and welfare	5,493	6,320
Housing	2,306,180	2,166,259
Community amenities	2,240,330	2,281,647
Recreation and culture	6,719,726	4,673,375
Transport	111,457,463	112,314,191
Economic services	92,498	177,944
Other property and services	1,259,083	1,384,783
	127,021,861	126,199,107

SHIRE OF VICTORIA PLAINS
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28. RATING INFORMATION

(a) General Rates

RATE TYPE		Rate in \$	Number of Properties	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			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gross rental valuations													
General GRV	Gross rental valuation	0.117898	162	1,790,734	211,124	-	-	211,124	211,124	-	-	211,124	197,057
Unimproved valuations													
General UV	Unimproved valuation	0.007169	309	362,360,999	2,597,766	-	-	2,597,766	2,597,766	-	-	2,597,766	2,434,733
Sub-Total			471	364,151,733	2,808,890	-	-	2,808,890	2,808,890	-	-	2,808,890	2,631,790
Minimum payment													
Gross rental valuations													
General GRV	Gross rental valuation	485	66	93,146	32,010	-	-	32,010	32,010	-	-	32,010	29,964
Unimproved valuations													
General UV	Unimproved valuation	586	76	2,030,621	44,536	-	-	44,536	44,536	-	-	44,536	35,664
Sub-Total			142	2,123,767	76,546	-	-	76,546	76,546	-	-	76,546	65,628
Exempt properties													
Unimproved valuation													
General UV	Unimproved valuation		43	3,289	-	-	-	-	-	-	-	-	-
Sub-Total			43	3,289	-	-	-	-	-	-	-	-	-
			656	366,278,789	2,885,436	-	-	2,885,436	2,885,436	-	-	2,885,436	2,697,418
Total amount raised from general rates								2,885,436				2,885,436	2,697,418
* Rateable value is based on the value of properties at the time the rate is raised.													
Ex-gratia Rates													
Ex-gratia Rates					83,868	-	-	83,868	80,571	-	-	80,571	80,571
Interim and back rates					86,471	-	-	86,471	-	-	-	-	-
Sub-Total			-	-	170,339	-	-	170,339	80,571	-	-	80,571	80,571
Discounts on specified area and ex gratia rates (Refer note 28(e))								-				-	-
Concessions on specified area and ex gratia rates (Refer note 28(e))								-				-	-
Total amount raised from rates (excluding general rates)								170,339				80,571	80,571
(b) Total Rates								3,055,775				2,966,007	2,777,989

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

SHIRE OF VICTORIA PLAINS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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28. RATING INFORMATION (Continued)

(c) Specified Area Rate

The Shire did not impose any specified area rates during the 2021/22 financial year.

(d) Service Charges

The Shire did not impose any service charges during the 2021/22 financial year.

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

The Shire did not grant any discounts, waivers or concessions during the 2021/22 financial year.

(f) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	6/10/2021	-	-	7.00%
Option Two				
First instalment	6/10/2021	-	-	7.00%
Second instalment	8/12/2021	7.50	5.50%	7.00%
Third instalment	9/02/2022	7.50	5.50%	7.00%
Fourth instalment	13/04/2022	7.50	5.50%	7.00%

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Interest on unpaid rates	8,693	5,080	4,744
Interest on instalment plan	11,386	10,050	10,084
Interest on ESL Penalty	309	-	149
Charges on instalment plan	2,140	2,400	2,436
	22,528	17,530	17,413

SHIRE OF VICTORIA PLAINS
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29. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget	2021/22	2020/21
		(30 June 2022	(1 July 2021	(30 June 2021
Note	Carried Forward)	Carried Forward)	Brought Forward)	Carried Forward
	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	10(d)	-	(28,055)	(28,055)
Less: Movement of accrued interest on borrowings		-	(1,053)	(1,053)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(4,937)	-	-
Add: Depreciation	10(a)	4,055,604	3,922,601	3,922,601
Non-cash movements in non-current assets and liabilities:				
Employee benefit provisions		18,745	9,077	9,077
Non-cash amounts excluded from operating activities		4,069,412	3,902,570	3,902,570
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	31	(539,517)	(538,866)	(538,866)
Less: Financial assets at amortised cost - self supporting loans	4(a)	(21,331)	(20,762)	(20,762)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	13	79,701	59,932	59,932
Total adjustments to net current assets		(481,147)	(499,696)	(499,696)
Net current assets used in the Rate Setting Statement				
Total current assets		2,190,980	2,550,873	2,550,873
Less: Total current liabilities		(1,592,794)	(1,157,508)	(1,157,508)
Less: Total adjustments to net current assets		(481,147)	(499,696)	(499,696)
Net current assets used in the Rate Setting Statement		117,039	893,669	893,669

30. BORROWING

(a) Borrowings

		Actual										Budget						
Purpose	Note	Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Actual Interest Expense During 2020-21	Actual Interest Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Actual Interest Expense During 2021-22	Actual Interest Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Budget Interest Expense During 2021-22	Budget Interest Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$			\$	\$	\$			\$	\$	\$	\$			\$
Recreation and Culture																		
Calingiri Sports Pavilion		40,508	-	(19,692)	1,731	(1,844)	20,703	-	(20,583)	807	(927)	-	20,584	-	(20,584)	1,158	(1,158)	-
Economic Services																		
Piawanning Water Supply		119,572	-	(17,029)	2,454	(3,052)	101,945	-	(17,456)	3,128	(3,121)	84,496	101,580	-	(17,456)	3,357	(3,357)	84,124
Transport																		
Grader and Roller		-	-	-	-	-	-	200,000	(19,623)	1,221	(1,181)	180,417	-	200,000	(34,000)	6,000	(6,000)	166,000
Total		160,080	-	(36,721)	4,185	(4,896)	122,648	200,000	(57,662)	5,156	(5,229)	264,913	122,164	200,000	(72,040)	10,515	(10,515)	250,124
Self Supporting Loans																		
Recreation and Culture																		
Calingiri Football Club		204,541	-	(20,300)	4,615	(4,957)	183,899	-	(21,091)	4,460	(4,533)	162,735	183,253	-	(20,579)	5,372	(5,372)	162,674
Total Self Supporting Loans		204,541	-	(20,300)	4,615	(4,957)	183,899	-	(21,091)	4,460	(4,533)	162,735	183,253	-	(20,579)	5,372	(5,372)	162,674
Total Borrowings	13	364,621	-	(57,021)	8,800	(9,853)	306,547	200,000	(78,753)	9,616	(9,762)	427,648	305,417	200,000	(92,619)	15,887	(15,887)	412,798

Principal repayments for the statement of cash flows and rate setting statement comprise the principal repayments plus movement in accrued interest:

(78,899)

* WA Treasury Corporation
All loan repayments were financed by general purpose revenue.

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

(b) New Borrowings - 2021/22

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2022 Actual	2022 Budget	2022 Actual	2022 Budget		
Grader and Roller	WATC	Semi Annual	5	0.85%	\$	\$	\$	\$	\$	\$
					200,000	200,000	200,000	200,000	4,689	-
					200,000	200,000	200,000	200,000	4,689	-

* WA Treasury Corporation

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2021		Borrowed During Year	Expended During Year	Unspent Balance 30 June 2022
Grader and Roller	WATC	6/10/2021	\$		\$	\$	\$
			-		200,000	(200,000)	-
			-		200,000	(200,000)	-

* WA Treasury Corporation

SHIRE OF VICTORIA PLAINS
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31. RESERVE ACCOUNTS

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Long service leave	4,477	6	-	4,483	4,477	13	-	4,490	4,464	13	-	4,477
(b) Plant	66,275	81	-	66,356	66,272	75,120	-	141,392	66,111	164	-	66,275
(c) Housing	98,676	119	-	98,795	98,669	133	-	98,802	98,536	140	-	98,676
(d) Sewerage scheme - Calingiri	57,146	69	-	57,215	57,142	165	-	57,307	56,977	169	-	57,146
(e) Sewerage scheme - Yerecoin	21,137	25	-	21,162	21,135	61	-	21,196	21,074	63	-	21,137
(f) Refuse site maintenance	253,909	306	-	254,215	253,886	809	-	254,695	280,681	832	(27,604)	253,909
(g) Building maintenance	15,169	18	-	15,187	15,168	44	(12,000)	3,212	15,124	45	-	15,169
(h) Infrastructure	14,666	18	-	14,684	14,665	42	-	14,707	14,623	43	-	14,666
(i) Gymnasium	7,411	9	-	7,420	7,411	21	-	7,432	7,389	22	-	7,411
	538,866	651	-	539,517	538,825	76,408	(12,000)	603,233	564,979	1,491	(27,604)	538,866

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Long service leave	Ongoing	to be used to fund annual and long service leave requirements.
(b) Plant	Ongoing	to be used for the purchase of major plant.
(c) Housing	Ongoing	to be used for the procurement of staff housing.
(d) Sewerage scheme - Calingiri	Ongoing	to be used to maintain and improve the Calingiri sewerage scheme.
(e) Sewerage scheme - Yerecoin	Ongoing	to be used to maintain and improve the Yerecoin sewerage scheme.
(f) Refuse site maintenance	Ongoing	to be used to fund future refuse site development.
(g) Building maintenance	Ongoing	to be used for long term maintenance of Shire buildings.
(h) Infrastructure	Ongoing	to be used for future infrastructure development to ensure long term Shire sustainability.
(i) Gymnasium	Ongoing	to be used for future purchases and replacement of gymnasium equipment.