



The Shire of Perenjori

Annual Report 2022-2023





2022/23 ANNUAL REPORT

The Shire of Perenjori

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GENERAL INFORMATION

On the 16 October 2021 an Ordinary Election was held, as a result, four (4) Councillors were appointed. The Elected Members for the 2022/23 financial year are as follows:

Christopher King (President)	Retiring 2023
Jude Sutherland (D/President)	Retiring 2023
Colin Bryant	Retiring 2025
Daniel Bradford	Retiring 2023
Leslie Hepworth	Retiring 2025
Dael Sparkman	Retiring 2025
Andrew Fraser	Retiring 2023

Elections are normally held biannually in October and subject to electoral procedures as governed by the Local Government Act 1995. Voting at Council elections is not compulsory, however participation by residents in elections is important for the effectiveness of local government. Residents not included on the State electoral roll should contact the Australian Electoral Commission. You do not need to be a ratepayer to be on the electoral roll and to vote in Council elections.

Council Meetings are generally held on the third or fourth Thursday of every month (excluding January) and are open to the public. Meeting agendas, minutes and other documents are available on the Shire website, at the Perenjori shire office and the Latham library. An Annual Meeting of Electors is held each financial year for which notice is published in the local "Bush Telegraph", the Shire Website and Community Notice Boards.

Population	629
Distance from Perth	354 km
Number of Electors	279
Area	8,200 sq.km
Towns	Perenjori, Latham
Libraries	Perenjori, Latham
Primary Schools	Perenjori
Length of Sealed Road	271.72 km
Length of Unsealed Road	1,327.25 km
Rates Income	\$3,112,812
Total Revenue	\$10,735,096



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PRESIDENT'S REPORT

CR CHRISTOPHER KING

I am honoured to present this President's Report for the Shire of Perenjori, reflecting on the progress and achievements made during the 2022-23 financial year. As your President, I would like to express my gratitude to the community for their support and cooperation, as well as the hard work and dedication of our council members and staff.

The Shire of Perenjori has focused on enhancing our infrastructure to support the needs of our community, particularly on repairs to buildings damaged during Cyclone Seroja. Over the past year, several important projects have been completed, including the reroofing of the Shire Hall, replacing the sheeting on the Caron Dam, renovation of the Recreation Centre, completion of repairs to council owned houses and living units and the installation of upgrades to public amenities.

Improvement of road networks and continuing capital works to road infrastructure has again been a very large budget item and I thank the outside crew and contractors for their application to the task. The continued wet season 2022 required a greater focus on culvert replacement and road safety. The intended expenditure on the alternative commodity route in the western part of the shire was deferred by Main Roads WA but we envisage that it will be commenced in 2023/24. These developments, maintenance and construction tasks aim to enhance the overall liveability and safety for our residents and road users in the region.

Council is committed to fostering economic growth and we have actively sought opportunities to attract new business, support local contractors and create a sustainable economy. Road user agreements have been established with major road users and with more mining activity in and on the eastern edge of the Shire more road user agreements will be required to protect our assets and contribute to maintenance costs. We will be seeking to promote our town to encourage investment, job creation and diversify our economy.

A strong sense of community is at the heart of Perenjori, and we have worked diligently to maintain and enhance community engagement. The Shire is a proud sponsor of the Perenjori Agricultural Society Show and congratulate the committee on a very successful event. We have invested in community programs and services that prioritise the wellbeing of our all our residents. The strong involvement and participation of our community have been crucial to our success.

The Shire of Perenjori recognises the value of environmental sustainability and to that end we have invested over \$100,000 in solar panels on council buildings, we have developed a bore field to supplement the scheme water for the town oval and surrounds and are exploring opportunities to extend the life of the Perenjori tip.

The shortage of skilled tradesmen has limited our expected expenditures in 2022/23 on new housing for aged, staff and private rental. Four new dwellings are now in construction, two aged housing units and two more houses.

Residents and ratepayers can be assured the Perenjori Shire Council is in a secure financial position with significant reserves and limited borrowings, we can be confident the council will have the ability to invest in our community infrastructure in the next financial year.



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I am delighted to report the progress made by the Shire of Perenjori during the past year. Moving forward we remain committed to serving the needs of our community, embracing new opportunities and confronting challenges with resilience. I express my heartfelt gratitude to all who have contributed to our achievements. Thanks go to Paul Anderson as CEO, for his hard work to bring order to our organisation. I thank Jude Sutherland, Deputy President of the Shire of Perenjori, for her assistance and to all my fellow Councillors for their contribution to our community.

Chris King.

President Shire of Perenjori.



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CHIEF EXECUTIVE OFFICER'S REPORT

PAUL ANDERSON

It is my pleasure to present the annual report for the 2022/23 financial year for the Shire of Perenjori.

The 2022/23 financial year has been a very productive and busy year, with a significant number of long term projects being completed and outstanding governance issues being addressed. These items were predominantly statutory and financial reporting requirements which have been significantly progressed.

A full review of local laws and council policies has commenced and will be completed in the next financial year (2023/24).

The Perenjori Townscape Strategy has been reviewed and reserve beautification has been undertaken as part of the strategy, with the planting of trees in order to green up some barren areas throughout the town.

In January 2023, the business case was completed for the Commercial Hub Revitalisation project. The business case primarily focuses on the concept of developing a supermarket on the Fowler Street properties which council purchased in 2022. It was very encouraging to experience a high level of community participation with this project, and the council progressed to the design stages to enable indicative costings to be established. The draft designs have been completed and the project will proceed to the project costing stage before being considered for tender in the 2023/24 financial year.

A 10 Year Road Program to guide council's construction and maintenance roadworks was developed, and will assist in the application for external funding to undertake the works as opportunities arise. The Shire has an extensive network of roads with very diverse maintenance regimes. The bitumen seal network is a major component comprising of over 271 km which, due to varying degrees of age and maintenance, will require substantial funding in future years and the road program can assist planning these works.

The council also reviewed, and adopted, a 10 Year Plant Replacement Program to ensure the standard of the plant is maintained and can be relied upon to deliver services to the community.

The repairs, replacement and future of the roof on Caron Dam has been subject to a number of investigations, with council resolving to undertake repairs to preserve the structure. These repairs were completed in March 2023, and the structure is now fit for purpose and will continue to provide a safe and viable source of water for the Shire.

The council is also considering the long term risk of asbestos materials within the Shire and have replaced the asbestos on the Town Hall with a new colourbond roof and also installed reverse cycle air conditioners to enable the facility to be utilized comfortably in all climatic conditions.

The Shire's Community Development team has continued to provide a high level of community engagement and delivered numerous valued, and well supported, events. It is very encouraging



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to see the level of community engagement and the support that all community groups contribute to the social and community wellbeing of all residents within the Shire of Perenjori.

The Shire employees have worked diligently throughout the year to finalize a majority of projects that were carried forward, however there were still factors in supply chains and contractors' availability that has impacted on some of the works, and some projects will be carried into the 2022/23 financial year. This has resulted in a very healthy final surplus position, which will enable the outstanding projects to be continued and finalised in the 2023/24 financial year.

My initial time here has been extremely busy and productive in addressing numerous issues in relation to finance, governance, and staffing. In Local Government these issues are usually complex, however they must be addressed to ensure that the shire complies with the many legislative requirements that impact upon Local Governments.

The Shire had a substantial works program in the 2022/23 financial year, including Cyclone remediation works. The Shire received significant funding allocations through the Local Roads and Communities Infrastructure Program, introduced by the Federal Government to provide economic stimulus.

Despite these challenges throughout 2022/23, the Shire's workforce are to be commended on the achievement of several key outcomes, including:

- The delivery of several key capital projects;
- Maintaining the standards of ongoing maintenance and operational activities; and
- Plant and equipment procurement in line with the Shire's plant replacement program.

The Shire has had to contend with and overcome many challenges throughout the 2022/23 year. I have enjoyed working with and assisting the Council, community and key stakeholders towards achieving the community's long term economic, social and sustainability objectives, and providing a stable accountable organisation that delivers efficient and effective services to the community.

I look forward to the year ahead.

Kind Regards,

Paul Anderson



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FINANCE AND ADMINISTRATION

Overall Financial Position

The financial position of the Shire of Perenjori has remained stable during the 2022-23 financial year. The balance carried forward as at 30 June 2023 is \$3.577 million.

Cash balances at year end are strong with \$4.320 million in operating cash balances held and \$3.484 million in reserve funds held for prescribed future activities. Net current assets are \$8.994 million ensuring that there is more than sufficient working capital available to meet its short and longer-term obligations.

Revenue

Key revenue sources, as detailed in the Statement of Comprehensive Income, include:

- Rates received were \$3.113 million, an increase of 3.95% on 2021-22 and 0.2% higher than the budget. Discounts taken up for early payment of rates was \$0.295 million, this was a 12% increase from the 2021-22 year.
- Operating grants, subsidies and contributions were \$3,735 million, a decrease of \$0.671 million on 2021-22. The operating grants includes \$2.810 million in government financial assistance grants for 2023-24 received in June 2023. Notwithstanding these grants were provided by government in advance to subsidise operating costs, as there are no specific performance obligations attached to these grants, they are recognised as revenue when received.
- Non-operating grants received for capital construction were \$2.287 million, compared with \$1.350 million in 2021-22. These grants include those received under the Roads to Recovery, Regional Roads Group and Local Community Roads and Infrastructure programs which vary from year to year. These fund specific capital expenditure programs.
- Other revenue items including fees and charges, interest earnings and sundry revenue items totalled \$1.542 million, an increase of 8.5% on 2021-22.

Operating Expenditure

These costs, as detailed in the Statement of Comprehensive Income, have increased by \$2.146 million, an increase of 20.5%. Key movements include:

- Additional Transport costs around rural road maintenance of \$0.864 million (much of this is offset by additional revenue)
- Increase in Community Amenities activities of \$0.209 million.
- Increased activity around Recreation and Culture programs of \$0.564 million.
- Increased Economic Services costs of \$0.367 million.



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Capital Expenditure

Investment in the Shire's assets was \$3.396 million, in line with the previous year. Around half of this was spent on road renewal with the remainder spent on building maintenance (including repairs to buildings impacted by Cyclone Seroja) plant and equipment, and other infrastructure.

Total Debt

Loans are in place with the Western Australian Treasury Corporation. The Shire only held two loans during the 2022-23 year with a closing principal balance of \$0.170 million owing at 30 June 2023.

Cash Backed Reserves

These reserves are held to fund specific activities in the future. There are ten reserves currently in place totalling \$3.484 million, with the only movements for the year being interest earned on the specific bank accounts held for reserves.



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INFRASTRUCTURE SERVICES

The Shire of Perenjori services an area of more than 8,200 square kilometres within which there is an extensive road network comprising approximately 245km of sealed roads and more than 1,400km of unsealed roads. As a result, there is always a significant program of work required to keep the Shire's road network in a safe standard.

The capital and renewal work completed during the 2022-23 period comprised:

- Crack sealing works on various sealed roads around the Perenjori and Latham townsites.
- Resealing work on Aubrey St (Latham) and England Crescent (Perenjori).
- Reforming and gravel sheeting of significant segments on Forte Rd, Settlement Rd, Solomon Rd and Syson Rd.
- Reforming and gravel sheeting works are also programmed to commence in June 2023 on Taylor Rd.
- Upgrading of the unsealed hardstand area at the Perenjori Water Standpipe to a bitumen sealed surface.
- Engineering design of an upgrade of the Perenjori Cemetery Carpark to a bitumen sealed standard.
- Engineering design of incremental improvements to Loading St to address drainage and road geometry issues. The physical work is expected to be completed in three stages commencing at the northern end of the road working south. Stage 1 is due to commence in 2023/24.
- Work to upgrade the next segment of Warriedar Coppermine Rd from gravel to a bitumen sealed standard is due to commence in June 2023 and be complete by early July 2023. This work has been contracted to a Geraldton-based contractor experienced with sealed road construction.
- Work to extend three culvert structures on the western end of Carnamah Perenjori Rd are planned for June / July 2023.

The Shire also completed its usual routine road maintenance work comprising maintenance grading, signage and guidepost renewal. Additionally, a targeted program of verge clearing and pruning was commenced which has significantly improved road safety by improving visibility.

During the year, the Shire has also invested significant time into developing a 10 year capital road program. This program has been developed using visual condition assessment information of the Shire's sealed roads, input from key stakeholders and historical information about the performance of the Shire's road network. Highlights of this program include a multi-year program to address defects on the Shire's sealed road network as well as a targeted approach to renewing high-priority unsealed roads.

Parks & Gardens

- The skatepark has had new plantings this past year including hibiscus with new irrigation installed. Holes from parrot damage has been filled in and covers made for expose solenoids.



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- Village Green had new plantings in front of the toilet block and parrot damage filled in.
- ANZAC Park had the solenoid and water meter replaced, irrigation checked and repaired, and a new irrigation controller installed.
- REED Early Learning Centre had sprinklers replaced and rewiring of system. Mulch was removed and replaced with sand for the children's outdoor play area.
- Various housing improvements were conducted including repair and maintenance of reticulation.
- Gardener assigned to the Caravan Park, positive feedback has been received.
- Coring, fertilising, re-seeding, changing sprinklers, increasing water input and output through the reticulation system on the oval. Sand was put over the cricket pitch after mats were removed for the football season.
- Hockey oval was brought back to life, checking the sprinklers and keeping vehicles off the oval.
- New plantings in planter boxes to add colour to the main street.
- Turf renovations continue in the month of May, including spreading of gypsum and dolomite to improve the growing media of the turf and recovery from the hot summer.
- Continuation of Townscape Projects.

Plant & Equipment

The Shire Auctioned various plant and equipment.

The Shire purchased:

- Grader
- Gardener's truck
- Elevated work platform

Special Events

On the 4, 5, 6th March 2023 the Off-Road Racing event was held in Perenjori. The Shire assisted with temporary road closures, traffic management plans and accommodation in the vicinity of the oval.

Special Projects

- Fencing Oval & Cemetery in Perenjori and Latham
- Caron Dam Roof
- Crossing Street footpaths
- North Road Bore field

Staffing

The Shire continues to invest in staff development including first aid, chain-saw and fork-lift training.

Workshop

The Shire with the help of a consultant has acquired several new vehicles and machinery. They include:

Nifty work platform, CAT140 Grader, battery powered buggy, Kia Sportage, Toyota Corolla Hybrid, Mitsubishi Fuso 515 tipper truck as well as several battery operated items including a Stihl lawn mower, hedge trimmers and blowers.

There are four new vehicles as well as a prime mover on order which are expected to arrive later in the next financial year.

The Shire has had a successful auction run by Smith Broughton auctioneers. This has allowed us to auction off obsolete items to the public including, vehicles, plant equipment and machinery.

They raised a total of around \$250,000 with the top selling record price of \$172,500 paid for the Volvo grader. This is roughly \$100,000 more than what we would have received if we traded the machine in.

General Maintenance

- Tip fencing started
- Dam pump system
- Star gazing golf course project
- Latham town hall gazebo
- Gazebo for Maya tourist site
- Gazebos for Camel Soak
- Road side slashing program
- Fence around hockey oval
- Fence from pool to Trott Park
- Fence bollards at Caravan Park
- Cemetery fence Perenjori
- Clear Cemetery bushland
- Latham Cemetery fence
- Pavilion cool room
- Bore field north road project
- Seal standpipe
- Cemetery gazebo
- North road lighting
- Latham community hall lighting
- Caron dam fence

TOURISM, COMMUNITY AND ECONOMIC DEVELOPMENT

Community Engagement

Seniors and Volunteer Dinner

The annual Seniors and Volunteers Dinner is an opportunity to recognise and celebrate the valuable contribution of our seniors and volunteers within our community. The event commenced with a certificate presentation by the Shire President, Cr Chris King. This recognition served as acknowledgment of the dedication demonstrated by our hardworking volunteers and appreciation for their exceptional efforts and contributions.

The dinner was catered by the Parent and Community (P&C) Association, ensuring a delicious and enjoyable experience for all attendees.

We were delighted to have Warwick Trant, a talented local artist from Three Springs, perform at the dinner. Warwick's captivating performance added a touch of local artistry and entertainment, captivating the audience and creating a memorable experience for all.

Seniors Morning Tea

The weekly Seniors Morning Tea have continued to bring seniors from our community together, fostering social connections, and creating a welcoming environment for all. The Seniors Morning Tea, organised by the Shire and Blue Light, has been a success.



ANZAC Day

The ANZAC Day Service held on April 25, 2023, was an event that brought our community together to honour and remember the sacrifices made by Australian and New Zealand servicemen and servicewomen.

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The service commenced with speeches from community members, including representatives from the Council, local Badimia elder and Perenjori Primary School.

Following the service, a community barbecue was prepared by the Shire staff, the Community Resource Committee, and the Bush Fire Brigade Volunteers. This provided an opportunity for community members to come together, fostering camaraderie and a sense of belonging.



Australia Day

The Australia Day event provided an opportunity to bring the community together to reflect, recognise and celebrate our Nation. The Shire received funding of \$10,000 from the Australia Day Council, which enabled us to organise a memorable day for our community.

The event commenced with a Welcome to Country speech by a local Badimia elder, paying respects to the traditional custodians. This was followed by a speech from the Deputy Shire President, Jude Sutherland who highlighted the significance of Australia Day in fostering unity and bringing the community together.

Furthermore, the event provided an opportunity to recognise the outstanding contribution of individuals who have contributed significantly to our community. The Community Citizen of the Year Awards were presented to recipients who have shown exceptional dedication and service, making a positive impact in our community.

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The Awards were presented to the following recipients:

Leah Curtin: Community Citizen of the Year

Kevin Varischetti: Senior Citizen of the Year

Shape: Active Citizenship (Community Group)

The Australia Day event successfully brought together community members, promoting unity, and fostering a sense of belonging. It showcased the strength of our community spirit and highlighted the shared values that make our region such a remarkable place to live.



Tourism

Stargazing

On the 22nd of April, we hosted the AstrotourismWA stargazing event at the Perenjori Caravan Park. The evening kicked off with a warm welcome from Cr Sutherland, followed by an insightful presentation by Mike Whait, a representative from AstrotourismWA. Through his engaging PowerPoint presentation, Mike presented on astronomy and dark sky tourism. Following the presentation, guests walked over to the Perenjori golf course to stargaze.

Fervor Dinner

For the first time, we were delighted to host a Fervor Dinner in Perenjori. The Fervor Dinner was a unique dining experience showcasing locally sourced ingredients. The event spanned two days



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and attracted an attendance of 80 people from near and far. The Fervor Dinner served as a remarkable tourism event.

Storytime

The Shire engaged with the local Early Learning Centre in organising monthly Storytime sessions. This partnership aimed to increase the usage of the Shire Administration library by engaging with early learners and fostering a love for reading. This provided an opportunity to engage young children with books, stories, and literacy activities.

Snowy & The Seven Cool Dudes

“Snowy & The Seven Cool Dudes” served as an engaging and educational event, imparting valuable lessons to the audience. The family friendly theatre production explored themes of friendship, teamwork, and kindness.



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OTHER INFORMATION

Report on complaints made against Councillors

Section 5.53(2)(hb) of the Local Government Act requires disclosure of entries made in the register of complaints against Councillor's for the year.

For 2022/23 there were no complaints lodged of any breaches *of the Local Government Act 1995*.

Record Keeping Plan

The Shire's Record Keeping Plan outlines the control, retention and disposal policies and procedures for all shire records. The Shire's Record Keeping Plan was formally approved by the State Records Commission on the 5th April 2022 in accordance with Section 28 of the *State Records Act 2000*. This plan was reviewed and endorsed by Council in June 2022.

The State Records Act also requires the shire to maintain a recordkeeping training program that is to be reviewed on a regular basis. The Records Management Procedures Manual is designed to adequately address all records management issues and identifies staff roles and responsibilities in the system. Due to numerous staff changes within the organisation, it has been difficult for these processes to continue in an efficient manner. The Shire is committed to establishing a training program as is required by the State Records Act which will endeavour to fulfill all requirements as necessary. This will ensure that all future Shire employees are informed of their responsibilities in regard to recordkeeping.

Freedom of Information

Access to information/documents may be granted to members of the community under the *Freedom of Information Act 1992*. The Shire of Perenjori complies with the Freedom of Information Act 1992. An Information Statement is available along with application forms on the Council's website. The statement is a guide on the Freedom of Information. The Chief Executive Officer is the Shire's Freedom of Information Coordinator. Any formal application for information that is not already freely available at the Shire, may be made through the Freedom of Information Coordinator.

Between 1 July 2022 and 30 June 2023, the Shire received no Freedom of Information requests.

NATIONAL COMPETITION POLICY

The National Competition Policy statement requires Local Governments to include in the Annual Report, ongoing statements on the following:

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

Competitive neutrality

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

- Does the activity receive revenue from external sources that exceeds \$200,000 per annum? This threshold excludes grant income, internal charges and statutory fees.
- Would the benefits to be realised from the implementation of competitive neutrality exceed the costs?

Structural reform of public monopolies

The Shire of Perenjori is not classified as a natural monopoly, nor does it conduct any business activities that could be classed as public monopolies. Therefore the principle of structural monopolies does not apply to the Shire of Perenjori.

Legislation review

The Shire has a portfolio of local laws (previously known as by-laws), which may or not conflict with the Competition Principles Agreement. The Shire of Perenjori is undertaking a review of its local laws in the 2023/24 financial year and will repeal inappropriate provisions and adopt new local laws where necessary.

The Shire also has an obligation under the *Local Government Act 1995* to review its Local Laws every eight years.



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DISABILITY ACCESS AND INCLUSION PLAN

The Shire of Perenjori is committed to facilitating the inclusion of people with disabilities through the improvement of access to its information facilities and services. Towards this goal, the Shire adopted its first Disability Access and Inclusion Plan (DAIP) in 1996, which is reviewed annually, to address the access barriers within the community.

Since the adoption of the DAIP, the Shire has implemented many initiatives and made significant progress towards better access. This includes but is not limited to the following:

- Installation of footpaths with disability ramps and upgraded curbing;
- Maintaining public toilets including disabled toilets;
- Priority parking in the main street;
- Access ramps and automatically opening doors and sliding doors into major public buildings;
- Documents are available on request in alternative formats, for example large print, and published on the Council's website;
- Council events are held at venues with ramps or sliding doors that are easily accessible to all members of the public including the disabled and elderly.

The Disability Access and Inclusion Plan 2022-27 was reviewed and endorsed at the Ordinary Meeting of Council held on the 18th August 2022, and subsequently submitted to the Minister for Disability Services for review.

On an annual basis, the Shire of Perenjori submits a DAIP Progress Report to the Department of Communities. At the Ordinary Meeting of Council held on 24 August 2023, council endorsed the DAIP Progress Report for 2022-23.



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ELECTED MEMBERS AND OFFICER COMPLIANCE STATISTICS

The Local Government (Administration) Regulations 1996 Part 5 – Annual reports and planning, regulation 19B (1) and (2) was amended as of the 7 November 2020 and now requires the following statistics to be included in the annual report:

Regulation – 19B (2) (a) & (b) and Prescribed Information for Payments to Employees

Section 5.53(3)(g) of the Local Government Act 1995 requires disclosure of information as prescribed in relation to a salary of \$130,000 or more made to employees.

For the 2022/23 year there was one employee entitled to an annual salary in the band of \$180,000 to \$190,000.

Regulation - 19B (2) (c)

Elected Member Allowances 2022/23 for Standards Panel costs for hearing a complaint regarding one of its council members, and any amount that the Standards Panel orders to be reimbursed, is nil.

Regulation - 19B (2) (d)

Any amount ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made under section 5.107(1), 5.109(1) or 5.114(1) to the local government during the financial year 2022/23 was nil.

Regulation - 19B (2) (e)

Chief Executive Officer Remuneration Paid 2022/23 - \$216,276

Regulation – 19B (2) (f)

Elected Member Meeting Attendance - Ordinary Council Meetings 2022/23

A	Attended
LA	Leave Approved
N	Apology

Councillor Name	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23
Cr Bradford	A	A	N	A	A	A	No OCM	A	A	N	A	A
Cr Bryant	A	A	A	A	A	A	No OCM	A	A	A	N	A
Cr Fraser	A	A	A	A	A	A	No OCM	A	A	N	A	A
Cr Hepworth	A	A	A	A	A	A	No OCM	A	A	A	A	A
Cr King <small>President</small>	A	A	A	A	A	A	No OCM	A	A	A	N	A
Cr Sparkman	A	A	A	A	A	A	No OCM	A	A	A	A	A
Cr Sutherland <small>D President</small>	A	LA	A	A	A	A	No OCM	A	A	A	A	A

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Elected Member Meeting Attendance / Audit Committee Meetings 2022/23

Councillor Name	Dec-22	Jan-23	Mar-23
Cr Bradford	A	A	A
Cr Bryant	A	N	A
Cr Fraser	A	A	A
Cr Hepworth	A	A	A
Cr King <small>President</small>	A	A	A
Cr Sparkman	A	A	A
Cr Sutherland <small>D President</small>	A	A	A

Elected Member Meeting Attendance / Special Council Meetings 2022/23

Councillor Name	Jul-22	Oct-22	Dec-22	Jan-23	Jun-23
Cr Bradford	A	A	N	A	N
Cr Bryant	A	A	N	N	A
Cr Fraser	N	N	A	A	A
Cr Hepworth	A	A	A	A	A
Cr King <small>President</small>	A	A	A	A	A
Cr Sparkman	N	A	A	A	A
Cr Sutherland <small>D President</small>	A	A	A	A	A

Regulation - 19B (2) (l) and Regulation - 19B (2) (k)

The Strategic Community Plan and Corporate Business Plan (the Plan) 2022/23 - 2032/33 was adopted at the Ordinary Meeting of Council held on the 18th August 2022.

Regulation - 29C (2) (d)

The name of each Council member who lodged a primary return or annual return for the 2022/23 financial year.

Councillor Name	Annual Return Completed	Primary Return Completed
Cr Bradford	01.07.23	
Cr Bryant	01.07.23	
Cr Fraser	30.06.23	
Cr Hepworth	01.07.23	
Cr King <small>President</small>	01.07.23	
Cr Sparkman	01.07.23	
Cr Sutherland <small>D President</small>	01.07.23	



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Regulation – 29C (2) (e)

The position of each employee who lodged a primary return or annual return for the 2022/23 financial year.

Employee Position Held	Annual Return Completed	Primary Return Completed
Chief Executive Officer	03.07.23	
Manager Corporate & Community Services	30.06.23	
Manager Infrastructure Services	01.07.23	
Depot Admin	01.07.23	
Trainee	01.07.23	
Community Development Officer		14.03.23
Head Cleaner		14.03.23
Executive Assistant	01.07.23	
Mechanic	03.07.23	
Special Projects Officer - Town Crew	13.07.23	

Local Government Act 1995 Section 5.127 – Report on training

S5.127 (1) A local government must prepare a report for each financial year on the training completed by council members in the financial year.

Elected Member Training Attendance 2022/23:

Councillor Name	Serving on Council	Understanding Local Government	Meeting Procedures	Conflicts of Interest	Understanding Financial Reports & Budgets
Cr Bradford					
Cr Bryant					
Cr Fraser	27.08.22	07.09.22	26.08.22		28.08.22
Cr Hepworth		03.08.22			03.08.22
Cr King <small>President</small>					
Cr Sparkman		23.08.22			23.08.22
Cr Sutherland <small>D President</small>					

STRATEGIC COMMUNITY PLAN 2022-2023

Section 5.53 (e) of the *Local Government Act 1995* requires that the Annual Report has an overview of the strategic community plan for the Shire made in accordance with section 5.56 of the *Local Government Act 1995*, including major initiatives that are proposed to commence or to continue in the next financial year.

Principal Objective	Outcomes, Strategies and Achievements
<p><i>Goal 1:</i></p> <p>An inclusive community and a great place to live for all ages and stages of life.</p>	<p>1.1 The community is active and has access to a range of sport and recreation facilities.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Council offers free use of the Perenjori Aquatic Centre and Gym to residents. • Council facilities are provided free of charge for community groups. • Upgrade of reticulation and management on town oval and hockey field. <p>1.2 Community life is enhanced and nurtured with well supported clubs, community groups and essential volunteer-based services.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Mt Gibson Public Benefit Fund advertised and funding distributed for successful applicants. • Memorandums of Understanding entered into with Perenjori Bowls Club, Perenjori Golf Club and Latham Golf & Bowls Club for annual funding. • Assisted local arts group in relocating club room including support for running costs. <p>1.3 Arts, culture, libraries and events create memorable experiences and enrich and strengthen the community.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Council supports the annual Perenjori 300 Off-Road Race including waived fees for facility use and road closures. • Engaged pop-up dining experience, Fervor, for two events in the Perenjori Hall. • An Australia Day celebration was held at the Aquatic Centre with funding of \$10,000 received through the National Australia Day Council. • ANZAC Day event held on Village Green.

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	<ul style="list-style-type: none"> • In collaboration with DFES, coordinated celebration of refurbishment of Perenjori Hotel after damage caused by Cyclone Seroja. • Local Heritage Survey updated, advertised for public consultation, and endorsed by Council. • Council in-kind and financial sponsorship for Perenjori Agricultural Show. <p>1.4 The community is accessible for and inclusive of people with disability.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Disability Access and Inclusion Plan adopted 21/09/2022. <p>1.5 Early childhood services are provided in support of workforce participation and educational outcomes.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Worked with Regional Early Education and Development (REED) to transition Shire-managed early education centre to REED. • Conducted Storytime sessions in public Library for 0–4-year-olds. <p>1.6 Young people are engaged in pro-social activity and civic life.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Perenjori Primary School engaged in community tree planting. • Morawa District High School band invited to perform at the ANZAC Day event. • Perenjori Primary School students involved in designing artwork to be installed on the Telstra building in Fowler St. • A circus workshop and demonstration were funded through the Department of Communities • Local young people consulted via survey on ideas for activities. • Liaised with the Perenjori Primary School in Clean-up Australia Day. • Family-friendly theatre production, Snowy and the Seven Cool Dudes’ was presented in the Perenjori Town Hall.
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2022/23 ANNUAL REPORT

	<p>1.7 Gaps in medical, allied health services, and other community services are filled where possible to meet the needs of the local population.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Contracting of General Practitioner to operate the Morawa Perenjori Medical Practice. • Continued advocacy to increase allied health services in the shire. <p>1.8 Seniors are valued and supported to age in place.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Supply of senior life alarms for residents in Council-owned aged units. • Ongoing support for weekly morning tea get-togethers. • Receipt of funding of \$878,702 for aged housing units. • Advocacy for Home & Community Care (HACC) to increase operations in Perenjori. • Provided an information session for seniors on navigating seniors' rights and home care packages. • A Seniors & Volunteers dinner was held in October 2022. • Art workshops conducted for seniors. <p>1.9 Emergency management and associated community liaison and education activities are undertaken to protect the community and minimise harm from disasters.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Council endorsed funding application to facilitate a trailer and supplies to be utilised in the case of emergency. • A Business Continuity Response Plan was developed to ensure continuity of operations during any critical incident. • Supported State Recovery Team in provision of venue for meeting community members impacted by Cyclone Seroja. • Installation of two bore-fed water tanks in outlying areas to provide a fire-fighting resource. • Installation of safety glass in Evacuation Centre (Perenjori Pavilion).
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	<ul style="list-style-type: none"> • An evacuation exercise was conducted in conjunction with the Perenjori Primary School. • Development of Local Operational Recovery Plan (LORP) in consultation with community and emergency services which was endorsed by Council.
<p><i>Goal 2:</i></p> <p>Eco-friendly, attractive and well-maintained towns, surrounded by outstanding natural beauty, landscapes, flora and fauna to be protected and enjoyed.</p>	<p>2.1 Public health, safety and amenity standards are upheld.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Annual review of Local Emergency Management Arrangements undertaken. • Notification to the community of new fire ratings advertised to the community. • Updated evacuation diagrams installed into public buildings. <p>2.2 Land use and building regulations are designed and administered to meet the current and future needs of the community.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Funding received for 2 x aged units to be constructed alongside current aged units. <p>2.3 The Shire’s buildings and leases are administered to an appropriate standard for the benefit of the community according to their need and use.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Lease agreement entered into with Perenjori Pistol Club. • Funding sourced to replace asbestos roof on Perenjori Town Hall with iron sheeting. • Perenjori Masonic Lodge ownership transferred to Council. The Lodge is used for senior’s activities, school holiday programs, craft days, movie nights etc. <p>2.4 Local Aboriginal and non-Aboriginal stories, structures and places of interest are acknowledged, preserved and promoted as appropriate.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Local Aboriginals consulted with and contributed towards design of an artwork installation for the Telstra building in Fowler St.

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	<ul style="list-style-type: none"> • Consulted with local Badimia elders to ensure correct procedures for Acknowledgement of Country. <p>2.5 Waste management services are provided efficiently and sustainably.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • New signage at Perenjori Tip was installed to improve usage. • Traffic guidance installed at Perenjori Tip to direct traffic. • Commencement of fencing at the Perenjori Tip. <p>2.6 Roads, footpaths and drainage are appropriately managed according to their need and use.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Ongoing maintenance of roads, footpaths and culverts. • External consultants engaged to assist with progress of road program. • A new grader was purchased to assist with maintaining quality roadworks. • Annual Road Program undertaken in accordance with Council Budget. <p>2.7 Parks, gardens, street trees and reserves are appropriately managed according to their need and use.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Budget commitment and funding application endorsement for a project to irrigate the Perenjori oval utilising bore water. • Tree planting undertaken in the Perenjori townsite utilising grant funding. • Council approvals for seed harvesting to increase likelihood of survival of local flora species. • A townscape plan was undertaken by Townscape Committee consisting of Shire staff, Councillors and community members and endorsed by Council. <p>2.8 The provision of cemeteries reflects community needs, heritage values, and a peaceful natural environment.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • New fence installed at Perenjori Cemetery. • Perenjori Cemetery cleared of dead foliage.
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	<ul style="list-style-type: none"> Gravesite evacuation equipment acquired to ensure safety at funerals.
<p>Goal 3: A diverse economy, with flourishing businesses offering a suite of trades, services and retail offerings</p>	<p>3.1. Opportunities are maximised to promote economic growth and local development. <i>Achievements:</i></p> <ul style="list-style-type: none"> Incubator Unit rented to local electrical business. Council approved an application from a local business owner to operate a Food Van within the shire. Council planning approval for CBH to extend operations at Latham receival point. Budget allocation for the construction of two 3 x 2 modular homes. Engaged a consultant to undertake a Migration Employment job audit survey. Discussions held with United in Diversity to establish and implement a program for migrant employment in the Shire. <p>3.2. Visitors are welcomed and well-catered for. <i>Achievements:</i></p> <ul style="list-style-type: none"> Renovations to Caravan Park Chalets 2 & 3. Allocation of funds in Annual Budget to employ a Tourism Officer at the Tourist Centre during wildflower season. Upgrade of Caravan Park with installation of bollard fencing. A Storytowns podcast was developed using external developers which provided local stories from local people. A dark sky stargazing event was held in which attracted both locals and visitors. Council is a member of the Wildflower Country committee.
<p>Goal 4: A strong and diverse Council working closely with the proactive and involved community.</p>	<p>4.1. The community is well-informed and engaged. <i>Achievements:</i></p> <ul style="list-style-type: none"> Website is maintained and up to date. Weekly social media posting of roadwork activity. Community consultation on Strategic planning. Monthly Council Meeting Agendas and Minutes published to website.

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	<ul style="list-style-type: none"> • Community members invited to register to receive SMS messages. • SMS message groups include Total Fire and Harvest Bans, Road Closures, and Community. <p>4.2. The Shire listens to and works closely with the community and its decision-making is transparent and accountable.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • The Strategic Community Plan and Corporate Business Plan was adopted in July 2022 following community workshops and consultation. <p>4.3. The Shire advocates and partners effectively on behalf of the community.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Engaged a consultant to undertake a Migration Employment job audit survey. • Discussions held with United in Diversity to establish and implement a program for migrant employment in the Shire. • Advocated to have a Well Women’s Clinic through funding via Rural Health WA. • Ongoing advocacy with key Western Power representatives. <p>4.4. The Shire works proactively with the Traditional Owners regarding sites and other matters of significance to the Badimia people.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Local Badimia elder gave Welcome to Country at Council events including ANZAC Day and Australia Day. • Liaised with Badimia elders for inclusion of Acknowledgement of Country in Council Minutes. <p>4.5. People receive a high standard of customer service in their dealings with the Shire.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> • Training opportunities sourced for staff on an ongoing basis as required.
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	<ul style="list-style-type: none">• Residents are encouraged to access the Shire website 'Report a Problem' page. <p>4.6. The organisation, assets and finances of the Shire are managed responsibly.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none">• Monthly financial statements included with Agenda and Minutes published to website.• Compliance Audit Return submitted in March 2023.
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SHIRE OF PERENJORI
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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

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

Principal place of business:
56 Fowler Street
Perenjori WA 6620

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

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

Signed on the 8th day of December 2023

Paul Anderson

Chief Executive Officer

Paul Anderson



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

	NOTE	2023 Actual	2023 Budget	Restated 2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),23	3,112,812	3,105,644	2,994,519
Grants, subsidies and contributions	2(a)	3,734,602	1,195,327	3,899,786
Fees and charges	2(a)	836,040	721,510	937,964
Interest revenue	2(a)	109,998	17,100	22,068
Other revenue	2(a)	595,926	178,000	450,322
		8,389,378	5,217,581	8,304,659
Expenses				
Employee costs	2(b)	(3,472,005)	(3,252,669)	(3,059,036)
Materials and contracts		(2,815,535)	(2,062,361)	(916,176)
Utility charges		(368,986)	(285,220)	(305,470)
Depreciation		(3,365,660)	(3,242,861)	(3,197,238)
Finance costs	2(b)	(12,590)	(41,868)	(18,106)
Insurance		(165,007)	(169,859)	(420,553)
Other expenditure	2(b)	(227,776)	(270,717)	(399,273)
		(10,427,559)	(9,325,555)	(8,315,852)
		(2,038,181)	(4,107,974)	(11,193)
Capital grants, subsidies and contributions	2	2,287,284	4,620,119	1,855,717
Profit on asset disposals		192,381	52,609	27,104
Loss on asset disposals		0	0	(163,499)
Fair value adjustments to financial assets at fair value through profit or loss	4(a)	3,686	0	3,997
		2,483,351	4,672,728	1,723,319
Net result for the period		445,170	564,754	1,712,126
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	14	91,907,917	0	8,237,751
Total other comprehensive income for the period	14	91,907,917	0	8,237,751
Total comprehensive income for the period		92,353,087	564,754	9,949,877

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

*30 June 2022 Figures have been restated. Refer to Note 2



SHIRE OF PERENJORI
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	7,803,775	8,326,536
Trade and other receivables	5	1,053,718	729,746
Inventories	6	136,308	359
TOTAL CURRENT ASSETS		8,993,801	9,056,641
NON-CURRENT ASSETS			
Other financial assets	4(a)	81,490	77,804
Inventories	6	104,000	104,000
Property, plant and equipment	7	21,829,572	21,108,053
Infrastructure	8	146,696,452	54,294,045
TOTAL NON-CURRENT ASSETS		168,711,514	75,583,902
TOTAL ASSETS		177,705,315	84,640,543
CURRENT LIABILITIES			
Trade and other payables	10	1,766,471	541,709
Other liabilities	11	166,762	608,120
Borrowings	12	43,791	40,958
Employee related provisions	13	233,540	274,537
TOTAL CURRENT LIABILITIES		2,210,564	1,465,324
NON-CURRENT LIABILITIES			
Borrowings	12	126,515	170,306
Employee related provisions	13	86,643	76,407
TOTAL NON-CURRENT LIABILITIES		213,158	246,713
TOTAL LIABILITIES		2,423,722	1,712,037
NET ASSETS		175,281,593	82,928,506
EQUITY			
Retained surplus		23,820,959	23,629,423
Reserve accounts	26	3,483,678	3,230,044
Revaluation surplus	14	147,976,956	56,069,039
TOTAL EQUITY		175,281,593	82,928,506

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		21,947,751	3,199,590	47,831,288	72,978,629
Comprehensive income for the period					
Net result for the period		1,712,126	0	0	1,712,126
Other comprehensive income for the period	14	0	0	8,237,751	8,237,751
Total comprehensive income for the period		1,712,126	0	8,237,751	9,949,877
Transfers to reserve accounts	26	(30,454)	30,454	0	0
Balance as at 30 June 2022		23,629,423	3,230,044	56,069,039	82,928,506
Comprehensive income for the period					
Net result for the period		445,170	0	0	445,170
Other comprehensive income for the period	14	0	0	91,907,917	91,907,917
Total comprehensive income for the period		445,170	0	91,907,917	92,353,087
Transfers to reserve accounts	26	(253,634)	253,634	0	0
Balance as at 30 June 2023		23,820,959	3,483,678	147,976,956	175,281,593

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

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

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		3,161,110	3,006,008
Grants, subsidies and contributions		3,439,120	3,539,930
Fees and charges		836,040	940,964
Interest revenue		109,998	22,068
Goods and services tax received		238,118	204,652
Other revenue		573,353	407,087
		8,357,739	8,120,709
Payments			
Employee costs		(2,779,516)	(2,460,827)
Materials and contracts		(1,774,565)	(760,576)
Utility charges		(368,986)	(305,470)
Finance costs		(12,590)	(20,080)
Insurance paid		(165,007)	(420,553)
Goods and services tax paid		(967,740)	(708,919)
Other expenditure		(227,776)	(399,273)
		(6,296,180)	(5,075,698)
Net cash provided by (used in) operating activities	28(b)	2,061,559	3,045,011
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	7(a)	(2,099,501)	(996,958)
Payments for construction of infrastructure	8(a)	(2,555,269)	(2,398,669)
Capital grants, subsidies and contributions		1,845,926	1,957,643
Proceeds from sale of property, plant & equipment		265,482	120,909
Net cash provided by (used in) investing activities		(2,543,362)	(1,317,075)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	25(a)	(40,958)	(138,687)
Net cash (used In) financing activities		(40,958)	(138,687)
Net (decrease) increase in cash held		(522,761)	1,589,249
Cash at beginning of year		8,326,536	6,737,287
Cash and cash equivalents at the end of the year	28(a)	7,803,775	8,326,536

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

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

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	23	3,087,922	3,105,644	2,977,599
Rates excluding general rates	23	24,890	0	16,920
Grants, subsidies and contributions		3,734,602	1,195,327	3,899,786
Fees and charges		836,040	721,510	937,964
Interest revenue		109,998	17,100	22,068
Other revenue		595,926	178,000	450,322
Profit on asset disposals		192,381	52,609	27,104
Fair value adjustments to financial assets at fair value through profit or loss	4(a)	3,686	0	3,997
		8,585,445	5,270,190	8,335,760
Expenditure from operating activities				
Employee costs		(3,472,005)	(3,252,669)	(3,059,036)
Materials and contracts		(2,815,535)	(2,062,361)	(916,176)
Utility charges		(368,986)	(285,220)	(305,470)
Depreciation		(3,365,660)	(3,242,861)	(3,197,238)
Finance costs		(12,590)	(41,868)	(18,106)
Insurance		(165,007)	(169,859)	(420,553)
Other expenditure		(227,776)	(270,717)	(399,273)
Loss on asset disposals		0	0	(163,499)
		(10,427,559)	(9,325,555)	(8,479,351)
Non-cash amounts excluded from operating activities	24(a)	3,138,832	3,190,252	3,582,584
Amount attributable to operating activities		1,296,718	(865,113)	3,438,993
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		2,287,284	4,620,119	1,855,717
Proceeds from disposal of assets		265,482	167,000	120,909
		2,552,766	4,787,119	1,976,626
Outflows from investing activities				
Purchase of property, plant and equipment	7(a)	(2,099,501)	(3,382,700)	(996,958)
Purchase and construction of infrastructure	8(a)	(2,555,269)	(5,261,552)	(2,398,669)
		(4,654,770)	(8,644,252)	(3,395,627)
Non-cash amounts excluded from investing activities	24(a)	0	(84,303)	0
Amount attributable to investing activities		(2,102,004)	(3,941,436)	(1,419,001)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	25(a)	0	800,000	0
Transfers from reserve accounts	26	0	385,522	0
		0	1,185,522	0
Outflows from financing activities				
Repayment of borrowings	25(a)	(40,958)	(49,997)	(138,687)
Transfers to reserve accounts	26	(253,634)	(969,229)	(30,454)
		(294,592)	(1,019,226)	(169,141)
Amount attributable to financing activities		(294,592)	166,296	(169,141)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	24(b)	4,676,768	4,640,253	2,825,917
Amount attributable to operating activities		1,296,718	(865,113)	3,438,993
Amount attributable to investing activities		(2,102,004)	(3,941,436)	(1,419,001)
Amount attributable to financing activities		(294,592)	166,296	(169,141)
Surplus or deficit after imposition of general rates	24(b)	3,576,890	0	4,676,768

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

**SHIRE OF PERENJORI
FOR THE YEAR ENDED 30 JUNE 2023
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SHIRE OF PERENJORI

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

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City 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 27 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, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimated useful life of intangible assets

Initial application of accounting standards

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

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and

Editorial Corrections [general editorials]

- AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

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

New accounting standards for application in future years

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grant Contracts with Customers	Community events, minor facilities, research, design, planning evaluation and reporting	Over Time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligations 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 recognised non-financial assets to be controlled by the Local Government	Over Time	Fixed term transfer of funds based on agreed milestones and reporting	Contract obligations 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 with no contractual commitments	General appropriations with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Fees and Charges - Memberships	Gym and pool membership	Over Time	In full in advance	Refund for unused portion of application	Output method over months matched to access rights
Fees and Charges - For other goods and services	Cemetery services and private works	Single point in time	In full in advance	None	Output method based on provision of service or completion of works
Other Revenue - Commissions	Commission for licensing	Single point in time, over time	Payment in full on sale	None	When assets are controlled
Other Revenue - 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 PERENJORI
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

2. REVENUE AND EXPENSES (Continued)

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	3,112,812	0	3,112,812
Grants, subsidies and contributions	414,447	0	0	3,320,155	3,734,602
Fees and charges	836,040	0	0	0	836,040
Interest revenue	0	0	0	109,998	109,998
Other revenue	595,926	0	0	0	595,926
Capital grants, subsidies and contributions	0	2,287,284	0	0	2,287,284
Total	1,846,413	2,287,284	3,112,812	3,430,153	10,676,662

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,994,519	0	2,994,519
Grants, subsidies and contributions*	482,605	0	0	3,417,181	3,899,786
Fees and charges	937,964	0	0	0	937,964
Interest revenue	0	0	0	22,068	22,068
Other revenue	450,322	0	0	0	450,322
Capital grants, subsidies and contributions*	0	1,349,523	0	506,194	1,855,717
Total	1,870,891	1,349,523	2,994,519	3,945,443	10,160,376

Note	2023 Actual	2022 Actual
	\$	\$
Interest revenue		
Interest on reserve account funds	75,187	10,454
Trade and other receivables overdue interest	6,562	6,979
Other interest revenue	28,249	4,635
	109,998	22,068
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$0.		
Fees and charges relating to rates receivable		
Charges on instalment plan	1,350	1,730
The 2023 original budget estimate in relation to: Charges on instalment plan was \$0.		
(b) Expenses		
Auditors remuneration		
- Audit of the Annual Financial Report	39,426	54,127
- Other services – grant acquittals	4,500	4,483
	43,926	58,610
Employee Costs		
Employee benefit costs	3,365,559	2,929,312
Other employee costs	106,446	129,724
	3,472,005	3,059,036
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	12,590	18,106
	12,590	18,106
Other expenditure		
Sundry expenses	227,776	399,273
	227,776	399,273

*For the year ended 30 June 2022 it was found that some capital grants had been incorrectly classified as operating grants amounting to \$506,194. This has been restated, resulting in an increase in Capital grants, subsidies and contributions and a corresponding decrease in Operating Grants subsidies and contributions for the year ending 30 June 2022

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

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	4,320,097	8,326,536
Term deposits	3,483,678	0
Total cash and cash equivalents	7,803,775	8,326,536
Held as		
- Unrestricted cash and cash equivalents	4,153,335	4,488,372
- Restricted cash and cash equivalents	3,650,440	3,838,164
	7,803,775	8,326,536

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance
 Movement attributable to fair value increment
 Units in Local Government House Trust - closing balance

2023	2022
\$	\$
81,490	77,804
81,490	77,804
77,804	73,807
3,686	3,997
81,490	77,804

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 22 (i)) due to the observable market rates).

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

Financial assets at fair value through profit or loss

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

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

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

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
Current		
Rates and statutory receivables	48,134	32,462
Trade receivables	217,908	453,030
Contract assets	730,605	200,000
GST receivable	60,071	47,254
Allowance for credit losses of rates and statutory receivables	(1,200)	(1,200)
Allowance for credit losses of trade receivables	(1,800)	(1,800)
	1,053,718	729,746

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:	30 June 2023	30 June 2022	1 July 2021
Note	Actual	Actual	Actual
	\$	\$	\$
Trade and other receivables from contracts with customers	217,908	453,030	64,472
Allowance for credit losses of trade receivables	(1,800)	(1,800)	0
Total trade and other receivables from contracts with customers	216,108	451,230	64,472

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

Note	2023	2022
	\$	\$
Current		
Fuel and materials	136,308	359
	136,308	359
Non-current		
Land held for resale		
Cost of acquisition	104,000	104,000
	104,000	104,000
The following movements in inventories occurred during the year:		
Balance at beginning of year	104,359	116,021
Inventories expensed during the year	(179,922)	(11,662)
Additions to inventory	315,871	0
Balance at end of year	240,308	104,359

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.

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the council's intentions to release for sale.

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

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land \$	Buildings - non- specialised \$	Total land and buildings	Furniture and equipment \$	Plant and equipment \$	Total property, plant and equipment \$
Balance at 1 July 2021	465,000	13,207,954	13,672,954	0	2,842,955	16,515,909
Additions	37,500	282,899	320,399	0	676,559	996,958
Disposals	0	(27,681)	(27,681)	0	(93,805)	(121,486)
Revaluation increments / (decrements) transferred to revaluation surplus	105,500	4,934,124	5,039,624	0	0	5,039,624
Depreciation	0	(643,396)	(643,396)	0	(679,556)	(1,322,952)
Balance at 30 June 2022	608,000	17,753,900	18,361,900	0	2,746,153	21,108,053
Comprises:						
Gross balance amount at 30 June 2022	608,000	17,753,900	18,361,900	133,334	5,132,864	23,628,098
Accumulated depreciation at 30 June 2022	0	0	0	(133,334)	(2,386,711)	(2,520,045)
Balance at 30 June 2022	608,000	17,753,900	18,361,900	0	2,746,153	21,108,053
Additions	0	1,301,470	1,301,470	16,035	781,996	2,099,501
Disposals	0	0	0	0	(73,101)	(73,101)
Depreciation	0	(730,217)	(730,217)	(6,088)	(568,576)	(1,304,881)
Balance at 30 June 2023	608,000	18,325,153	18,933,153	9,947	2,886,472	21,829,572
Comprises:						
Gross balance amount at 30 June 2023	608,000	19,055,370	19,663,370	121,157	5,506,598	25,291,125
Accumulated depreciation at 30 June 2023	0	(730,217)	(730,217)	(111,210)	(2,620,126)	(3,461,553)
Balance at 30 June 2023	608,000	18,325,153	18,933,153	9,947	2,886,472	21,829,572

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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings						
Land		2	Market approach using recent observable market data for similar items (Net revaluation method).	Independent Valuation	June 2022	Price per hectare/market borrowing rate.
Buildings - non-specialised		3	Market approach using recent observable market data for similar items (Net revaluation method).	Independent Valuation	June 2022	Improvements to buildings using construction costs and current conditions, residual values and remaining useful life.
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			N/A	Cost	N/A	N/A
Plant and equipment			N/A	Cost	N/A	N/A

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

8. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - Roads	Other Infrastructure - Foopaths	Other Infrastructure - Parks and Ovals	Other Infrastructure - Airfield	Other Infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	47,128,759	338,271	2,306,546	467,501	466,276	50,707,353
Additions	1,770,134	0	158,695	0	469,840	2,398,669
(Disposals)	0	0	(19,473)	0	(116,345)	(135,818)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	2,482,557	408,639	306,931	3,198,127
Depreciation	(1,565,924)	(22,636)	(195,494)	(17,540)	(72,692)	(1,874,286)
Transfers	101,418	0	(101,418)	0	0	0
Balance at 30 June 2022	47,434,387	315,635	4,631,413	858,600	1,054,010	54,294,045
Comprises:						
Gross balance at 30 June 2022	102,092,028	854,179	4,639,282	858,600	1,069,456	109,513,545
Accumulated depreciation at 30 June 2022	(54,657,641)	(538,544)	(7,869)	0	(15,446)	(55,219,500)
Balance at 30 June 2022	47,434,387	315,635	4,631,413	858,600	1,054,010	54,294,045
Additions	2,111,079	94,891	0	0	349,299	2,555,269
Revaluation increments / (decrements) transferred to revaluation surplus	91,632,831	275,086	0	0	0	91,907,917
Depreciation	(1,591,232)	(22,636)	(321,989)	(23,144)	(101,778)	(2,060,779)
Balance at 30 June 2023	139,587,065	662,976	4,309,424	835,456	1,301,531	146,696,452
Comprises:						
Gross balance at 30 June 2023	221,048,079	1,019,962	4,639,281	858,600	1,418,755	228,984,677
Accumulated depreciation at 30 June 2023	(81,461,014)	(356,986)	(329,857)	(23,144)	(117,224)	(82,288,225)
Balance at 30 June 2023	139,587,065	662,976	4,309,424	835,456	1,301,531	146,696,452

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

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - roads	3	Cost approach using depreciated replacement costs (Gross revaluation method).	Independent Valuation	June 2023	Construction costs and current conditions residual values and remaining useful life assessment inputs.
Other infrastructure - Footpaths	3	Cost approach using depreciated replacement costs (Gross revaluation method).	Independent Valuation	June 2023	Construction costs and current conditions residual values and remaining useful life assessment inputs.
Other infrastructure - Airfield	3	Cost approach using depreciated replacement costs (Net revaluation method).	Independent Valuation	June 2022	Construction costs/purchase costs and current conditions residual values and remaining useful life assessment inputs.
Other infrastructure - Parks & Ovals	3	Cost approach using depreciated replacement costs (Net revaluation method).	Independent Valuation	June 2022	Construction costs/purchase costs and current conditions residual values and remaining useful life assessment inputs.
Other infrastructure - Other	3	Cost approach using depreciated replacement costs (Net revaluation method).	Independent Valuation	June 2022	Construction costs/purchase costs and current conditions residual values and remaining useful life assessment 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.

The significant increases in the value of infrastructure assets as a result of the 2022 revaluation of the airfield, parks and ovals and other infrastructure and the 2023 revaluation of roads and footpaths reflect a significant increase in replacement costs for these assets since the prior revaluation. Costs of construction have significantly increased in recent years as a result of prevailing economic conditions.

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

9. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings	25 to 50 years
Furniture and equipment	4 to 30 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement seal	50 - 65 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Footpaths - slab	50 years
Sewerage piping	not depreciated
Water supply piping and drainage systems	not depreciated
Airfield & Other Infrastructure	10-50 years
Parks & Ovals	10-50 years

(b) Fully Depreciated Assets in Use

	2023	2022
	\$	\$
Buildings - non-specialised	0	36,883
Furniture and equipment	103,250	202,155
Plant and equipment	953,202	642,623
Other Infrastructure - Parks and Ovals	0	51,151
Other Infrastructure - Other	0	123,641
	1,056,452	1,056,453

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

Buildings - non-specialised	0	36,883
Furniture and equipment	103,250	202,155
Plant and equipment	953,202	642,623
Other Infrastructure - Parks and Ovals	0	51,151
Other Infrastructure - Other	0	123,641
	1,056,452	1,056,453

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

9. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

Revaluation (continued)

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

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

Depreciation

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

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

Depreciation on revaluation

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

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

Impairment

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

Gains or losses on disposal

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

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

10. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
ATO liabilities
Licencing
Accrued Interest on loans

	2023	2022
	\$	\$
	1,569,171	389,061
	96,656	32,686
	45,408	29,781
	49,725	80,022
	280	3,726
	5,231	6,433
	1,766,471	541,709

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

Prepaid rates

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

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

11. OTHER LIABILITIES

Current

Capital grant/contributions liabilities

	2023	2022
	\$	\$
	166,762	608,120
	<u>166,762</u>	<u>608,120</u>
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	608,120	0
Additions	220,988	608,120
Revenue from capital grant/contributions held as a liability at the start of the period	(662,346)	0
	<u>166,762</u>	<u>608,120</u>

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

Reconciliation of changes in capital grant/contribution liabilities

Opening balance

Additions

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

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.

Capital grant/contribution liabilities

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

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

12. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		43,791	126,515	170,306	40,958	170,306	211,264
Total secured borrowings	25(a)	43,791	126,515	170,306	40,958	170,306	211,264

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

Risk

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

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

13. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	179,815	206,576
Long service leave	22,911	31,737
	202,726	238,313
Employee related other provisions		
Employment on-costs	30,814	36,224
	30,814	36,224
Total current employee related provisions	233,540	274,537
Non-current provisions		
Employee benefit provisions		
Long service leave	75,211	66,326
	75,211	66,326
Employee related other provisions		
Employment on-costs	11,432	10,081
	11,432	10,081
Total non-current employee related provisions	86,643	76,407
Total employee related provisions	320,183	350,944

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

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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

14. REVALUATION SURPLUS

	2023		2023		2022		2022	
	Opening Balance	Total Movement on Revaluation	Closing Balance	Opening Balance	Total Movement on Revaluation	Closing Balance	Opening Balance	Total Movement on Revaluation
	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	246	0	246	123	123	246	123	123
Revaluation surplus - Buildings - non-specialised	10,715,871	0	10,715,871	5,676,370	5,039,501	10,715,871	5,676,370	5,039,501
Revaluation surplus - Plant and equipment	1,173,390	0	1,173,390	1,173,390	0	1,173,390	1,173,390	0
Revaluation surplus - Infrastructure - Roads	39,103,104	91,632,831	130,735,935	39,103,104	0	39,103,104	39,103,104	0
Revaluation surplus - Other infrastructure - Footpaths	0	275,086	275,086	0	0	0	0	0
Revaluation surplus - Other infrastructure - Parks and Ovals	3,212,738	0	3,212,738	730,178	2,482,560	3,212,738	730,178	2,482,560
Revaluation surplus - Other infrastructure - Airfield	1,186,671	0	1,186,671	778,034	408,639	1,186,673	778,034	408,639
Revaluation surplus - Other Infrastructure - Other	677,019	0	677,019	370,089	306,930	677,019	370,089	306,930
	56,069,039	91,907,917	147,976,956	47,831,288	8,237,753	56,069,039	47,831,288	8,237,753

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

15. RESTRICTIONS OVER FINANCIAL ASSETS

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

Note	2023 Actual \$	2022 Actual \$
	3,650,440	3,838,164
	3,650,440	3,838,164

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

Restricted reserve accounts

26 3,483,678 3,230,044

Capital grant liabilities

11 166,762 608,120

Total restricted financial assets

3,650,440 3,838,164

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

Credit card limit

20,000 20,000

Credit card balance at balance date

(2,677) (5,060)

Total amount of credit unused

17,323 14,940

Loan facilities

Loan facilities - current

43,791 40,958

Loan facilities - non-current

126,515 170,306

Total facilities in use at balance date

170,306 211,264

Unused loan facilities at balance date

0 0

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

17. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 Section 11, the Shire has listed sites to be possible sources of contamination. Details of the sites are:

Landfill Sites

The Shire operates the Latham and Perenjori landfill sites under licences issued in terms of Part V of the Environmental Protection Act 1986. Both landfill sites are categorised as Class II putrescible landfill sites in terms of Schedule 1, Category 64 of the Environmental Protection Regulations 1987. The Shire's focus is maintaining the site in accordance with licensing conditions.

Contaminated Sites

The Shire of Perenjori has in compliance with Section 11 of the Contaminated Sites Act 2003 identified the Shire of Perenjori Works Depot as a possible contaminated site.

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Water and Environmental Regulation (DWER) the need and criteria for remediation, the Shire is unable to accurately quantify the clean up liability for it's landfill sites and potentially contaminated sites. The Shire is continuing to monitor the site and will progressively undertake site investigations and remediation on a risk based approach. This approach is consistent with DWER guidelines.

18. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	1,388,315	156,636
- plant & equipment purchases	180,118	106,547
	1,568,433	263,183
Payable:		
- not later than one year	1,568,433	263,183

The capital expenditure projects outstanding at the end of the current reporting period represent road improvements and additional housing. Plant and equipment purchases predominantly relate to new software.

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

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

	2023	2023	2022
Note	Actual	Budget	Actual
	\$	\$	\$
President's annual allowance	26,286	28,756	28,148
Deputy President's annual allowance	13,542	13,332	10,967
All other council member's meeting attendance fees	36,530	34,887	18,826
All other council member's ICT expenses	1,528	0	1,767
All other council member's travel and accommodation expenses	3,964	6,072	5,792
19(b)	81,850	83,047	65,500

(b) Key Management Personnel (KMP) Compensation

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

	2023	2022
Note	Actual	Actual
	\$	\$
Short-term employee benefits	491,918	434,578
Post-employment benefits	54,862	64,004
Employee - other long-term benefits	3,525	10,472
Council member costs	81,850	65,500
19(a)	632,155	574,554

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Council member costs

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

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

19. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

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

	2023 Actual	2022 Actual
	\$	\$
Purchase of goods and services	434,639	189,411
Short term employee benefits - other related parties	0	111,117

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.

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

20. JOINT ARRANGEMENTS

Share of joint operations

The Shire of Perenjori has a joint arrangement with the Housing Authority for the provision of four (4) family houses and two (2) aged care units. The assets reflect capital works carried out by the Shire. All revenue and expenditure, as well as the Shire's share of assets of the joint arrangement are recognised in the Shire's financial statements.

Statement of Financial Position

Buildings - non specialised
Less: accumulated depreciation
Total assets

	2023 Actual	2022 Actual
	\$	\$
	559,500	551,000
	(22,097)	0
	537,403	551,000

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

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

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

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

21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There have been no material events after the reporting period which would affect the financial report of the Shire for the year ended 30th June 2023 or which would require a separate disclosure.

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

22. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

24. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23		2021/22	
	2022/23 (30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	2022/23 (1 July 2022 Brought Forward)	2021/22 (30 June 2022 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 Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	(192,381)	(52,609)	(27,104)	(27,104)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(3,686)	0	(3,997)	(3,997)
Add: Loss on disposal of assets	0	0	163,499	163,499
Add: Depreciation	3,365,660	3,242,861	3,197,238	3,197,238
Non-cash movements in non-current assets and liabilities: Employee benefit provisions	(30,761)	252,948	252,948	252,948
Non-cash amounts excluded from operating activities	3,138,832	3,190,252	3,582,584	3,582,584
(b) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	(3,483,678)	(3,813,641)	(3,230,044)	(3,230,044)
Add: Current liabilities not expected to be cleared at end of year	43,791	620,655	40,958	40,958
- Current portion of borrowings	233,540	0	274,537	274,537
- Employee benefit provisions	(3,206,347)	(3,192,986)	(2,914,549)	(2,914,549)
Total adjustments to net current assets				
Net current assets used in the Statement of Financial Activity				
Total current assets	8,993,801	4,541,315	9,056,641	9,056,641
Less: Total current liabilities	(2,210,564)	(1,348,329)	(1,465,324)	(1,465,324)
Less: Total adjustments to net current assets	(3,206,347)	(3,192,986)	(2,914,549)	(2,914,549)
Surplus or deficit after imposition of general rates	3,576,890	0	4,676,768	4,676,768

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

26. RESERVE ACCOUNTS

	2023 Actual		2023 Actual		2023 Budget		2023 Budget		2022 Actual		2022 Actual	
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation/agreement												
(a) Leave reserve	84,718	827	0	85,545	84,718	333	0	85,051	84,303	415	0	84,718
(b) Plant reserve	573,156	20,040	0	593,196	573,156	400,000	(385,522)	587,634	570,348	2,808	0	573,156
(c) Refuse reserve	205,147	21,990	0	227,137	205,147	20,805	0	225,952	204,141	1,006	0	205,147
(d) Swimming Pool reserve	108,639	21,054	0	129,693	108,639	20,348	0	128,987	88,204	20,435	0	108,639
(e) Road & Rehabilitation reserve	33,691	327	0	34,018	33,691	132	0	33,823	33,526	165	0	33,691
(f) Housing reserve	440,214	4,271	0	444,485	440,214	1,728	0	441,942	438,057	2,157	0	440,214
(g) Mt Gibson Infrastructure reserve	1,352,343	130,932	0	1,483,275	1,352,233	205,328	0	1,557,561	1,350,993	1,350	0	1,352,343
(h) Tourism Accommodation reserve	65,047	25,631	0	90,678	65,047	25,255	0	90,302	64,728	319	0	65,047
(i) Water reserve	164,903	26,600	0	191,503	164,903	25,647	0	190,550	164,095	808	0	164,903
(j) IT Communication reserve	202,186	1,962	0	204,148	202,186	794	0	202,980	201,195	991	0	202,186
(k) Cyclone Seroja Recovery reserve	0	0	0	0	0	268,859	0	268,859	0	0	0	0
	3,230,044	253,634	0	3,483,678	3,229,934	969,229	(385,522)	3,813,641	3,199,590	30,454	0	3,230,044
	3,230,044	253,634	0	3,483,678	3,229,934	969,229	(385,522)	3,813,641	3,199,590	30,454	0	3,230,044

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

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

Name of reserve account Restricted by legislation/agreement	Purpose of the reserve account
(a) Leave reserve	To be used to - : fund long service leave requirements.
(b) Plant reserve	To be used for - : purchase of major plant.
(c) Refuse reserve	To be used for - : future landfill sites.
(d) Swimming Pool reserve	To be used for - : refurbishment and upgrade swimming pool facilities.
(e) Road & Rehabilitation reserve	To be used for - : roads, gravel and airport infrastructure.
(f) Housing reserve	To be used for - : maintenance, upgrade and additional housing requirements.
(g) Mt Gibson Infrastructure reserve	To be used for - : supporting the acquisition, restoration, extension or improvement of infrastructure assets limited to public buildings, recreational facilities, parks and gardens, power supply, water supply, land drainage or roads as per agreement.
(h) Tourism Accommodation reserve	To be used for - : costs associated with the caravan park.
(i) Water reserve	To be used for - : increasing and maintaining all aspects of water capacity within the Shire.
(j) IT Communication reserve	To be used for - : IT costs associated with future requirements.
(k) Cyclone Seroja Recovery reserve	To be used for - : costs related to the making good of buildings and infrastructure damaged by Cyclone Seroja.

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

27. TRUST FUNDS

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

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
Mount Gibson Public Benefit Fund	137,955	201,358	(26,376)	312,937
	137,955	201,358	(26,376)	312,937

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

28. 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	2023 Actual \$	2022 Actual \$
Cash and cash equivalents	3	7,803,775	8,326,536
Restrictions			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	3,650,440	3,838,164
		3,650,440	3,838,164
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	26	3,483,678	3,230,044
Capital grant liabilities	11	166,762	608,120
Total restricted financial assets		3,650,440	3,838,164
(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities			
Net result		445,170	1,712,126
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		(3,686)	(3,997)
Depreciation/amortisation		3,365,660	3,197,238
(Profit)/loss on sale of asset		(192,381)	136,395
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(323,970)	(629,624)
(Increase)/decrease in other assets		0	62
(Increase)/decrease in inventories		(135,949)	11,662
Increase/(decrease) in trade and other payables		1,224,760	221,067
Increase/(decrease) in employee related provisions		(30,761)	27,097
Increase/(decrease) in other liabilities		(441,358)	(277,492)
Capital grants, subsidies and contributions		(1,845,926)	(1,349,523)
Net cash provided by/(used in) operating activities		2,061,559	3,045,011





SoPJ Model Report ready for audit Final Version 8.12.2023

Final Audit Report

2023-12-08

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