



The Shire of Perenjori

# Annual Report

## 2021-2022





**2021/22 ANNUAL REPORT**

The Shire of Perenjori

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# GENERAL INFORMATION

On the 17 October 2020 an Extraordinary Election was held after the functions of the Council had been exercised by an appointed Commissioner, the Hon Paul Omodei, since the 26 June 2019. As a result, seven (7) Councillors were appointed 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 Thursday of every month (excluding January) and are open to the public. Meeting agendas and 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.

<b>Population</b>	629
<b>Distance from Perth</b>	354 km
<b>Number of Electors</b>	353
<b>Area</b>	8,200 sq.km
<b>Towns</b>	Perenjori, Latham
<b>Libraries</b>	Perenjori, Latham
<b>Primary Schools</b>	Perenjori
<b>Length of Sealed Road</b>	271 km
<b>Length of Unsealed Road</b>	1,327 km
<b>Rates Income</b>	\$3,263,174
<b>Total Revenue</b>	\$8,730,861





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# PRESIDENT'S REPORT

## **CR CHRISTOPHER KING**

It is my pleasure to once again present the Shire of Perenjori's Annual Report.

The second half of 2021 saw a very busy community with continued, although intermittent, clean-up and repairs following Cyclone Seroja. The impact and destruction was widespread and in many cases complete restoration or reinstatement has still not been finalised. In some cases, families are still not back in their homes and the Shire is continuing to supply accommodation to those affected. While this is placing some strain on finding suitable housing for normal circumstances it is fortunate that we have this option.

There has been some significant change within the Shire of Perenjori administration team at CEO level, with Mario Romeo resigning at the end of 2021. I thank Mario for his contribution to our Council and the community; his friendly demeanour and approachable nature was particularly valuable during and following the period of the Commissioner. Mario helped rebuild trust with our community and the Councillors thank him for his time here. Mario left on good terms and we wish him well in his future employment. After an extensive recruitment process, it was decided that Paul Anderson would be our next Chief Executive Officer. Residents will recall Paul from his service to Perenjori from 1989 to 1998, and we are very pleased to welcome Paul, and his wife Wendy, back to our town. In the interim, Paul has served in senior positions across the State gaining extensive experience and is a good fit for Perenjori.

In 2021, we saw changes of Councillors with Mr Brian Baxter and Mr Phil Logue stepping down from Council. We thank both for their significant contribution to the reestablishment of a functioning Council, with particular recognition of Mr Baxter's experience as a Councillor and as President of the Shire of Perenjori for many years. His corporate knowledge and understanding of local government process was of great assistance to all members of the Council. Phil has served our community in many areas since making Perenjori his home and it could be possible that when time permits he may choose to stand again.

Councillors Dael Sparkman and Andrew Fraser were elected to Council at the October 2021 Elections and they have been great additions to the Shire of Perenjori's Council. I welcome both and wish them the very best in their journey. All seven councillors are to be congratulated on completing the mandatory training that has been introduced. The modules are quite comprehensive and educate and assist Councillors to understand the roles and responsibilities of the work they undertake on behalf of the community.

The cropping season in 2021 was excellent and our roads were subjected to tremendous pressure. The roads in the main performed very well with some parts needing high levels of attention. We are fortunate to have a high standard of equipment available and Council will continue to invest where needed to ensure our infrastructure is fit for purpose and able to cope with increased use. The 2022 harvest is looming as an equally large crop so the maintenance and harvest response task will be a priority once again.

A consequence of periods of heavy rain has meant road closures have been more frequent than previously. The intention is to protect the road surface and prolong the life of all roads. Council is



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investigating models that lessen the impact on the business of road users. We appreciate the cooperation of all individuals and businesses.

Work is continuing on rebuilding fences and damaged buildings owned by the Shire and the feedback has been positive, in particular the new fencing at the Sports Ground. Council has committed to similar work at the Perenjori and Latham cemeteries. Shire employees are to be commended for their work in beautifying and maintaining our towns.

Ratepayers and residents can be assured that the Shire of Perenjori's Council is very secure financially, fiscally prudent and providing great service to our community. We are looking to the future at projects to further improve our community's quality of life. A major focus of Council is to enhance and develop Fowler Street with particular attention to the old shop site.

I thank all those people who attended and contributed to strategic workshops held during the past year. Your input is valued and I encourage your further involvement and that of others in any future planning sessions.

In closing, I would like to thank our hardworking teams across our various facilities that make up the Shire of Perenjori. You have all contributed to our successes over the 2021/22 financial year, and do a fantastic job servicing our community.

Kind Regards,

Chris King



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# CHIEF EXECUTIVE OFFICER'S REPORT

## PAUL ANDERSON

It is my pleasure to present the annual report for the 2021/22 financial year for the Shire of Perenjori.

I commenced as Chief Executive Officer for the Shire in January 2022 and it is extremely heartening to see that the community spirit, pride and resilience that has always set Perenjori apart is still firmly in existence.

This is evident in the manner that the challenges of Covid-19 and Cyclone Seroja have been addressed, with the recovery and rebuilding process being well underway.

My initial time here has been extremely 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.

A majority of the outstanding governance issues have now been addressed and work is underway addressing the statutory and financial reporting requirements whilst ensuring that the ongoing operational functions of the organisation continue.

The Shire had a significant works program in the 2021/22 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 to the community during the covid pandemic.

The Shire employees have worked diligently to undertake these projects, but due to numerous factors impacting upon construction projects in the current environment, the 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 in the 2022/23 financial year.

Despite these challenges throughout 2020/21, 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.

In March 2022, the Shire purchased the three vacant lots in the town centre, where the supermarket used to be. This strategic purchase was undertaken to enable the Shire to control the development of the land and allow council to consider options for the commercial hub concept. I look forward to progressing this project in the 2022/23 financial year to achieve a sustainable and long term outcome that benefits the community.

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 to



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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 has had to contend with and overcome many challenges throughout 2020/21. As the new Chief Executive Officer, I look forward to working closely 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 remains stable irrespective of the impact of Covid-19 due to the strategies implemented to minimise the Council's financial risk as a result of this pandemic. The carried forward balance as at 30 June 2022 is \$4.676 million.

Cash balances at year end are strong with \$5.096 million in operating cash balances held and \$3.230 million in reserve funds held for prescribed future activities. Net current assets are \$7.951 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 \$2.995 million, an increase of 5.84% on 2020-21 and 0.2% higher than the budget. Discounts taken up for early payment of rates was \$0.260 million, slightly higher than in 2020-21.
- Operating grants, subsidies and contributions were \$4.406 million, an increase of \$1.545 million on 2020-21. This increase includes \$2.125 million in government financial assistance grants for 2022-23 received in April 2022. 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 \$1.350 million, compared with \$1.695 million in 2020-21. 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 \$1.410 million, an increase of 22% on 2020-21.

## Operating Expenditure

These costs, as detailed in the Statement of Comprehensive Income, have increased by \$0.934 million, an increase of 12.7%. Key movements include:

- Additional economic services costs around the caravan park and tourism of \$0.427 million (much of this of which is offset by additional revenue)
- Increased activity around Recreation and Culture programs of \$0.265 million
- Increased governance costs of \$0.136 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 spend 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. Three of the five loans in place at the beginning of the year were extinguished during the year, leaving two loans with \$0.211 million owing at 30 June 2022.

### **Cash Backed Reserves**

These reserves are held to fund specific activities in the future. There are ten reserves currently in place totalling \$3.230 million, with the only movements for the year being interest earned on the specific bank accounts held for reserves.



## INFRASTRUCTURE SERVICES

### Transport

The Shire of Perenjori services an area of over 8,200 square kilometres through a network of over 243 kilometres of sealed roads and 1453 kilometres of unsealed roads.

Works completed totalling over 1.8 million dollars for the 2021/22 financial year included:

- Resealing of 5.2 kilometres of Carnamah Perenjori Road
- Resealing of 2.64 kilometres of Perenjori Rothsay Road
- Seal construction of 5.4 kilometres of Warriedar Coppermine Road
- Gravelling of 3 kilometres of Spencer Road
- Widening and gravelling of 8.7 kilometres of Rabbit Proof Fence Road
- Gravelling of 3 kilometres of Caron East Road
- Gravelling of 1.6 kilometres of Oversby North Road
- Reseal of 3 kilometres of Warriedar Coppermine Road
- Gravelling of 3 kilometres of Liebe Road

Road maintenance including signage, guideposts and maintenance grading totalled over \$700,000.



The Shire purchased:

- A new John Deere grader
- Toyota Prado
- Gardeners truck
- Trailer Mounted Elevated Work Platform
- Second hand forklift for the works depot
- Second hand road sweeper



## Building

The third stage of refurbishment of the Perenjori Pavilion was put out to tender for the upgrade of the wet areas, including changing rooms and toilet facilities throughout the building. The works including compliance requirements, tiling, painting, replacement of partitions, new toilets, basins, showers, carpet and fixtures.





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### **Local Roads and Community Infrastructure Program Projects**

The Shire of Perenjori has been able to undertake numerous projects throughout the Shire with funding from the Federal Government through the Local Roads and Community Infrastructure Program.

These projects included:

- The installation of emergency generators to the Caravan Park and Perenjori Pavilion
- The replacement of fencing at the Perenjori Cemetery and Perenjori Recreation Ground
- Installation of shelters at Camel Soak, Maya Information Bay and the main street in Perenjori
- Installation of CCTV in several areas throughout the Perenjori townsite
- Installation of a shelter, BBQ and table/seating area at Latham Community Centre



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# TOURISM, COMMUNITY AND ECONOMIC DEVELOPMENT

### **Seniors and Volunteers Dinner**

The annual Senior and Volunteers dinner held in November was a chance to honour senior and volunteer contributions to our community. The celebrations commenced with an acoustic performance from local community member, Caroline Dahlberg. Throughout the evening the guests enjoyed sitting for caricature drawings from BBC entertainment.

Local organisations doing outstanding work in the community were recognised with a certificate of recognition presented by Shire President Chris King.

### **Post-Cyclone Seroja Events**

The Shire received funding of \$1,000 from the Commonwealth-State Disaster Recovery Funding Arrangement to support the community after the devastating impact of Tropical Cyclone Seroja. A Pre-Harvest barbecue was held at the Perenjori Pavilion to connect and bring the community together after the impact of Tropical Cyclone Seroja in April 2021. The event was attended by the Department of Fire and Emergency Representatives, as well as Shane Love MLA. The event was an avenue to connect the community and provide the opportunity for community members to engage with the disaster recovery team representatives from the Department of Fire and Emergency Services.

The Department of Fire and Emergency Services has continued to play a pivotal role in assisting the community during recovery, through fortnightly visits to Perenjori with Department of Communities and Red Cross representatives. In April 2022, the Shire received additional funding of up to \$1,000 to hold a Tropical Cyclone Seroja anniversary barbecue. The event was held at the Village Green, attended by the community and Cyclone Seroja Recovery Officers from the Department of Communities, Department of Fire and Emergency Services and Red Cross. The first anniversary after the cyclone provided an opportunity to highlight community resilience during and after Cyclone Seroja.

### **Australia Day**

In the leadup to Australia Day, the Shire held a children's art workshop facilitated by local Badimia elder Delys Fraser. The workshop was an interactive session for children to learn Indigenous dot painting and how to work collaboratively in a group setting. Delys Fraser illustrated to the children the techniques undertaken by Indigenous artists. This session was a success as the kids reproduced this on two canvases, each taking turns adding to the canvases.

This year, the Australia Day celebrations were slightly different with an evening celebration held at the Perenjori Aquatic Centre. The Shire received funding of \$10,000 from the National Australia Day Council to assist with delivering of the Australia Day Celebrations.

The celebrations commenced with a presentation of the Community Citizen of the Year Awards by Shire President Chris King and Deputy Shire President Jude Sutherland. We had joint winners for the Community Citizen of the Year Awards, which was awarded to Sergeant Nathan Good and

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Senior Constable Jess Reading for their service to the community during Tropical Cyclone Seroja and their continued efforts to delivery youth holiday programs and community events.

The Agricultural Society received the Active Citizenship Award (Group) in appreciation of their delivery of the annual Agricultural Show which draws a large number of tourists to the community.

The celebrations continued with a performance from K.I.N Country Rock and a barbecue prepared by the Shire Administration Staff.



### **Citizenship Ceremony**

Two new Australian citizens were welcomed by the Shire this year. At the June Ordinary Meeting of Council, Shire President Chris King conducted the Citizenship Ceremony to officially swear in Tara Bradford and Stacey Anderson.

### **Anzac Day**

A morning service was held at the ANZAC War Memorial to commemorate ANZAC Day. The program included an introduction by Shire President Chris King, followed by speeches from representatives of the community and Mid-West Caravan Club. We were fortunate this year to have the Morawa DHS Band play during the entire service. The service concluded with a special barbecue breakfast at the Village Green, which was made possible with the support of the Community Resource Centre Committee.



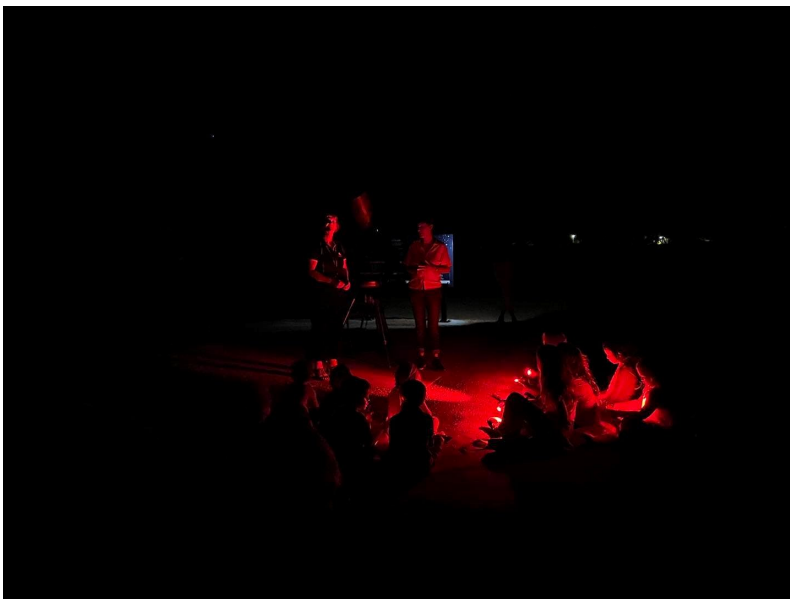
### **6B's: Men's Mental Health Night**

The Shire partnered with the Community Resource Centre to hold a Men's Mental Health night on Friday 1 April 2022. The event was an opportunity for males to discuss mental health challenges and stigma around Mental health with representatives from Red Cross, Men's Mental Health Initiative and 6bs founder Brad Milstead. A generous donation was also received from the Perenjori Hotel to support the event.

### **Astrotourism WA**

The Shire launched its new observation platform on Saturday 2 April at the Perenjori Golf Course. The stargazing launch commenced at the Perenjori Caravan Park with a presentation from Carol Redford, Chief Executive Officer of AstrotourismWA. Carol presented on Astronomy and highlighted Perenjori's low light and noise pollution, and pristine night skies making it a unique place to observe the stars and the Milky Way. The guests relocated to the platform where Deputy Shire President Jude Sutherland officially launched the stargazing platform to locals and guests from neighbouring towns and beyond.

The observation platform is an additional feature to showcase our pristine night skies and attract visitation to the townsite year-round.





### **Seniors Morning Tea Gatherings**

The Covid-19 restrictions significantly impacted our seniors early this year with cancellation of social activities by the Commonwealth Home Support Programme. The Shire, in collaboration with Perenjori Blue Light, delivered weekly morning tea for seniors at the Lodge to reduce social isolation and maintain connections. Guest speakers have included AdvoCare to discuss available Commonwealth Home Support services, and Desert Blue Connect representatives to advise of free counselling services offered by the organisation in Perenjori.



### **ServiceWA App**

Early this year, the Shire hosted a ServiceWA App workshop at the Latham library. To help people get COVID-19 digital certificates, the Community Development Officer conducted the session alongside community representative, Joanne Hirsch. The session assisted residents in creating and obtaining their digital certificates from MyGov and transporting it to the ServiceWA APP.

### **Harmony Week**

To celebrate Harmony Week and the diverse cultures in Australia, the Shire held a cooking workshop for children consisting of a range of cuisines from around the world. The cooking workshop was held at the Perenjori Sports Club and commenced at 3:00 pm. The workshop was made possible by volunteers and parents who assisted the children in preparing and cooking the different cuisines. A community dinner at 5:00 pm followed the workshop.

### **Youth Week**

The Shire received funding of \$1,500 from the Department of Communities to hold Youth Week programs. The Shire partnered with Perenjori Blue Light and the Community Resource Centre to deliver a series of events and activities during Youth Week. The programs were designed to

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encourage active participation from juniors and youth and provided a platform for the community to recognise and acknowledge the younger generation in our community.



### **Townscape Committee**

The Townscape Committee delivered the first stage of their tree planting initiative early this year. The committee, comprised of Councillors, community representatives and Shire Administration staff, successfully carried out tree planting in the main street with the support from Perenjori Primary School. The tree planting initiative saw an increase of trees and shrubs along the main street of Perenjori. The committee aims to enhance the appearance of the townsite by generating ideas for Council endorsement.

The Shire received funding of \$10,000 this financial year to plant trees in recognition of the Queen's 70th Jubilee. The Shire intends to continue the tree-planting phases in Perenjori and Latham with assistance from the Townscape Committee.



### **North Midlands Regional Club Development Plan**

The Shire of Perenjori in conjunction with the Shire of Coorow, Carnamah, Three Springs, Mingenew, and Morawa received a funding of \$10,000 from the Department of Local Government Sporting and Cultural Industries to adopt a regional development plant. In March 2022, we engaged a consultant to undertake a community consultation with Sporting Clubs to identify challenges and opportunities in the region. The Shire held a consultation workshop in March 2022 at the Sports Club. The Plan was endorsed by Council at the Ordinary Meeting of Council in May. The plan is an overarching framework that will assist Shire's in the North Midlands regional to work collaboratively to sustain our sporting clubs in the region.

### **Perenjori Public Benefit Trust Fund**

The Perenjori Public Benefit Trust Fund has continued to fund local community organisations to carry out initiatives which is proudly funded by Mt Gibson Iron Ore.

The following initiatives were endorsed by the Perenjori Public Benefit Trust panel, which is made up of Mt. Gibson, Council, and community representatives:

#### **Round 18**

<b>Organisation</b>	<b>Amount Approved</b>	<b>Project Description</b>
<b>Perenjori Pistol Club</b>	<b>\$23,471.50</b>	<b>The group applied to upgrade their shooting range and purchase equipment.</b>



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<b>Perenjori Blue Light</b>	<b>\$25,000</b>	<b>To refurbish the old Masonic Lodge and purchase portable equipment to run school holiday programmes.</b>
<b>Community Resource Centre</b>	<b>\$5,000</b>	<b>For installation of a generator.</b>

**Round 19**

<b>Organisation</b>	<b>Amount Approved</b>	<b>Project Description</b>
<b>Perenjori Blue Light</b>	<b>\$14,800</b>	<b>Hold a fundraiser for the Youth Centre and purchase a trailer.</b>

Total amount approved this financial year: \$ 68,271.5



## PERENJORI EARLY CHILDHOOD CENTRE

### Attendance numbers during the financial year of 2021/22

Month	Number of attendances
July 2021	106
August 2021	175
September 2021	122
October 2021	137
November 2021	161
December 2021	Unknown
January 2022	Closed
February 2022	106
March 2022	138
April 2022	82
May 2022	183
June 2022	132
Total :	1342

Throughout this financial year there has been a significant decrease within the number of attendances compared to the previous financial year due to different reasons, such as:

- Lack of staffing and therefore limited bookings to maintain centre's compliance;
- Diminished before and after school care as well as vacation care bookings.

### Changes at PECC

During this financial year, there was a mid-year change to staffing when the Educational Leader finished in December which meant the centre was closed until the end of January before another Qualified Educational Leader was hired.

PECC has focused on providing the children with opportunities to thrive and prepare for all challenges awaiting for them in the future. In order to implement all the educational programs that are in line with the Early Years Learning Framework and the National Quality Standard, and to comply with current and ongoing regulations, the following have been maintained:

- Centre's resources organised and purchased according to different age groups;
- Room's layout rearranged by setting, adding and removing proper corners such as art & crafts corner, role play and home corner, quiet corner, literacy and numeracy corner, construction corner and baby corner according to the children's needs, developmental milestones and interests as well as feedback;
- The structured routine was maintained and adjusted according to the different children's combinations, bookings and needs;

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- We have maintained a learning program which reflects the children's developmental milestones and interests by gaining the formers throughout ongoing observations and the latter by engaging the children and their families in meaningful conversations. However, the learning program has been adjusted throughout the year according to the staff members' capabilities at time management, experience and ability to implement meaningful learning experiences reflecting the various children's ages, interests and developmental milestones. For this reason, the learning program has been implemented weekly, fortnightly and monthly. At present, the learning program is being implemented weekly as this is more suitable for the service;
- We are still using the Kindy Hub platform in a consistent way: we send parents pictures of their children, we were also displaying a paper weekly journal in a prominent spot of the room for the parents and the children to read and have a look at the pictures of the activities implemented during the week, however due to staff shortages and time this stopped and Kindyhub became the source for the weekly photos. We still use Kindy Hub platform as a tool to do the monthly observations which are delivered to the parents too;
- The operational daily, weekly and monthly checklists have been implemented on an ongoing basis in order to provide evidence without gaps in case of checks. Children's emergency contacts are up to date as well as their enrolment forms;
- We have completed the draft of the Quality Improvement Plan (QIP) necessary for the Assessment and Rating visit against the Australian Children's Education and Care Authority (ACECQA) National Quality Standards (NQS); however, as the service's improvement process happens on an ongoing basis, we aim to adjust it every two or three months according to the different needs and changes;
- We implemented regular emergency drills as per regulations and tried my best to organise related incursions from the community safety wardens such as fire brigades, police and ambulance. At this stage, we have been successful only with the police incursion;
- We have organised a few excursions throughout the year such as story time at the Shire's library, we have helped grow a little garden at the Caravan Park for the visitors of Perenjori & visited the Community Garden;
- Community engagement – the children attended story time at the Library & joined in the school holiday program with Blue Light. We celebrated Easter & Mother's Day at Trott's Park with an afternoon tea;
- We have purchased a few items for the centre including age appropriate toys the children have been engaged at playing with during their free play, a new mud kitchen/cubby house and climbing equipment for the children to extend their gross motor abilities and imagination;
- We have liaised with The Regulatory Authority (ECRU) on more than one occasion in regards spot checks and change over to REED;
- We regularly change the room's layout to align with the children's interests.





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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 2021/22 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 5<sup>th</sup> 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 2021 and 30 June 2022, 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 has undertaken a review of its local laws and has made a repeal of inappropriate provisions and the adoption of 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. A review is currently being undertaken.

## 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 18<sup>th</sup> August 2022, and subsequently submitted to the Minister for Disability Services for review.

## 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 and 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(2)(g) of the *Local Government Act 1995* requires disclosure of information as prescribed in relation to salary of \$130,000 or more made to employees.

For the 2021/22 year there was one employee entitled to an annual salary in the band of \$170,000 to \$180,000.

### **Regulation - 19B (2) (c)**

Elected Member Allowances 2021/2022 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 2021/2022 was nil.

### **Regulation - 19B (2) (e)**

Chief Executive Officer Remuneration Paid 2021/2022 - \$233,065 consisting of:

Chief Executive Officer Remuneration Paid for 1<sup>st</sup> July 2021 to 30<sup>th</sup> January 2022 - \$140,218

Chief Executive Officer Remuneration Paid for 31<sup>st</sup> January 2022 to 30<sup>th</sup> June 2022 - \$92, 847

### **Regulation - 19B (2) (f)**

Elected Member Meeting Attendance / Ordinary Council Meetings 2021/2022

A	Attended
LA	Leave Approved
N	Apology

## 2021/22 ANNUAL REPORT

Councillor Name	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Cr Bradford	N	A	A	A	A	N	No OCM	A	A	A	A	A
Cr Bryant	A	A	A	N	A	A	No OCM	A	A	LA	A	A
Cr Fraser	Elected October 2021			A	A	A	No OCM	A	A	A	A	A
Cr Hepworth	N	A	A	A	A	A	No OCM	A	A	N	A	A
Cr King President	A	A	A	A	A	A	No OCM	A	A	A	N	A
Cr Sparkman	Elected October 2021			A	A	A	No OCM	A	A	A	A	A
Cr Sutherland	A	A	A	A	A	A	No OCM	A	A	A	A	A
Cr Baxter	A	A	Resigned									
Cr Logue	A	A	A	Resigned								

### Elected Member Meeting Attendance / Audit Committee Meetings 2021/22

Councillor Name	Mar-22	Apr-22
Cr Bradford	A	A
Cr Bryant	A	A
Cr Fraser	A	A
Cr Hepworth	A	N
Cr King President	A	A
Cr Sparkman	A	A
Cr Sutherland	A	A

### Elected Member Meeting Attendance / Special Council Meetings 2021/22

Councillor Name	Feb-22	Apr-22	Jun-22
Cr Bradford	A	A	A
Cr Bryant	A	A	A
Cr Fraser	A	A	A
Cr Hepworth	A	N	A
Cr King President	A	A	A
Cr Sparkman	A	A	A
Cr Sutherland	A	A	A

### Regulation – 19B (2) (I) 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 18<sup>th</sup> August 2022.

### Regulation – 29C (2) (d)

The name of each Council member who lodged a primary return or annual return for the 2021/22 financial year.

**2021/22 ANNUAL REPORT**

Councillor Name	Annual Return Completed	Primary Return Completed
Cr Bradford	19.08.21	
Cr Bryant	19.08.21	
Cr Fraser		21.10.21
Cr Hepworth	19.08.21	
Cr King President	19.08.21	
Cr Sparkman		21.10.21
Cr Sutherland	15.07.21	

**Regulation – 29C (2) (e)**

The position of each employee who lodged a primary return or annual return for the 2021/22 financial year.

Employee Position Held	Annual Return Completed	Primary Return Completed
Chief Executive Officer	13.07.21	
Chief Executive Officer		31.01.22
Manager Infrastructure Services	19.08.21	
Executive Advisor	19.08.21	
Accountant	23.08.21	
Mechanic	24.08.21	
Project Officer		22.06.22
Executive Assistant		23.06.22

**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 2021/22:

Councillor Name	Serving on Council	Understanding Local Government	Meeting Procedures	Conflicts of Interest	Understanding Financial Reports & Budgets
Cr Bradford	28.05.21	30.05.21	20.07.21	07.07.21	30.05.21
Cr Bryant	22.04.22	25.06.22	14.07.21	07.07.21	14.06.22
Cr Fraser	27.08.22	07.09.22	26.08.22	18.02.22	28.08.22
Cr Hepworth	17.02.22	03.08.22	30.03.21	29.03.21	03.08.22
Cr King President	07.06.21	08.06.21	04.06.21	04.06.21	08.06.21
Cr Sparkman	15.03.22	23.08.22	02.03.22	24.01.22	23.08.22
Cr Sutherland	06.06.21	09.07.21	11.05.21	07.05.21	22.06.21



## STRATEGIC COMMUNITY PLAN 2021-2022

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>Environmental Objective</i></p> <p>A community that develops and lives sustainably in a thriving natural and quality built environment, which meets current and future community needs.</p>	<p>Continue to advocate for coverage across black spot areas.</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> <li>• Ongoing advocacy with key Western Power representatives.</li> <li>• Support Western Power in roll-out of standalone power systems for outlying properties.</li> </ul> <hr/> <p>Support development of local power and water supply options</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> <li>• Advocated to have a Western Power emergency generator installed during season of regular power outages.</li> <li>• Commence static water project with installation of bores, tanks and pumps</li> </ul> <hr/> <p>Support development Solar Park Power Project</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> <li>• Project delayed pending further investigation and funding opportunities.</li> </ul> <hr/> <p>Maintain local road network to required standard</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> <li>• Annual Road Program completed in accordance with Council Budget.</li> </ul> <hr/> <p>Develop environment centre offering space for NACC, BHA and other land care services.</p>

**2021/22 ANNUAL REPORT**

	<p><i>Achievements:</i></p> <ul style="list-style-type: none"> <li>Office space for Yarra Yarra and NACC provided in Lesser Hall.</li> </ul>
<p><i>Economic Objective</i></p> <p>Fostering and maximising growth across the economy, seeking and embracing opportunities for diversifying and strengthening our economic base.</p>	<p>Work to support business growth and communications across businesses in Perenjori</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> <li>Council approval of application for short-term stay accommodation in townsite.</li> <li>Cyclone damage to old shop premises opened opportunities for purchase of land to establish a corporate hub.</li> <li>Approved development for expansion of Latham CBH.</li> <li>Transferred management of Perenjori Early Education Centre (PECC) to Regional Early Education and Development (REED).</li> </ul> <hr/> <p>Support the management of pests</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> <li>Contributed to Central Wheatbelt Biosecurity Association which spent a total of \$498,573 on declared pest control in the Shires of Perenjori, Dalwallinu, Koorda and Morawa.</li> </ul> <hr/> <p>New Residential Land Development</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> <li>Council supported a promotional strategy to market residential lots in the Perenjori townsite.</li> </ul> <hr/> <p>Development of tourism information</p> <p><i>Achievements:</i></p> <ul style="list-style-type: none"> <li>Allocation of funds in Annual Budget for a Tourism Officer to work at the Tourist Centre and Museum during Wildflower season.</li> </ul> <hr/>

**2021/22 ANNUAL REPORT**

	<p>Development of tourism activities, sites</p> <p>Achievements:</p> <ul style="list-style-type: none"> <li>Improvement to tourist sites with installation of shaded seating and tables.</li> </ul> <hr/> <p>Encourage the employment of locals and skill development, promote career path opportunities</p> <p>Achievements:</p> <ul style="list-style-type: none"> <li>Supported a traineeship through Perenjori Early Education Centre (PECC)</li> </ul> <hr/>
<p><i>Social Objective</i></p> <p>Demonstrating a high quality of life for all, offering relevant activities, facilities and services to enable people to meet their needs and achieve or exceed their potential.</p>	<p>Continued housing development to support demand and allow for population growth</p> <p>Achievements:</p> <ul style="list-style-type: none"> <li>Funding application submitted for the construction of two x aged units.</li> <li>Budget allocation for the construction of two x two bedroom, two bathroom houses.</li> </ul> <hr/> <p>Ensure continued maintenance and preservation of housing</p> <p>Achievements:</p> <ul style="list-style-type: none"> <li>Housing maintenance and capital program completed in accordance with Council budget.</li> <li>Maintenance repairs in excess of Council budget due to Cyclone Seroja damages.</li> </ul> <hr/> <p>Continue town revitalisation</p> <p>Achievements:</p> <ul style="list-style-type: none"> <li>Re-establishment of Townscape Committee.</li> <li>Installation of footpaths in Perenjori townsite.</li> </ul> <hr/>

**2021/22 ANNUAL REPORT**

	<p>Develop Perenjori Pavilion to be more user friendly for all</p> <p>Achievements:</p> <ul style="list-style-type: none"> <li>• Commencement of upgrade of ablutions and change rooms including disabled access.</li> <li>• Installation of CCTV.</li> </ul> <hr/> <p>Ensure ongoing maintenance and renewal of existing facilities</p> <p>Achievements:</p> <ul style="list-style-type: none"> <li>• Maintenance and capital program completed in accordance with Council budget.</li> </ul> <hr/> <p>Monitor risk management plan for major events such as fire</p> <p>Achievements:</p> <ul style="list-style-type: none"> <li>• Funding application to upgrade Pavilion as usable Evacuation Centre.</li> </ul> <hr/> <p>Support Emergency Services to continue services to community</p> <p>Achievements:</p> <ul style="list-style-type: none"> <li>• Liaise with Red Cross and DFES to support community in aftermath of Cyclone Seroja.</li> </ul>
<p><i>Civic Leadership Objective</i></p> <p>Supporting community's strong volunteering culture and supporting community leaders to grow and develop.</p>	<p>Develop marketing program for Perenjori</p> <p>Achievements:</p> <ul style="list-style-type: none"> <li>• Upskilled Administration staff in social media promotion.</li> <li>• Installation of new websites for the Shire of Perenjori and Visit Perenjori.</li> </ul> <hr/> <p>Support volunteering and the development of volunteers</p> <p>Achievements:</p> <ul style="list-style-type: none"> <li>• Annual Volunteers Dinner.</li> <li>• Administration of Mt Gibson Public Benefit Trust.</li> </ul>

**2021/22 ANNUAL REPORT**

	<ul style="list-style-type: none"> <li>• Ongoing financial support for Perenjori Bowls and Golf Clubs, and Latham Golf &amp; Bowls Club.</li> </ul>
<p><i>Our Leadership Objective</i></p> <p>Strengthen the Shire's position as an innovative, independent local government providing excellence in all areas of governance, management and leadership.</p>	<p>Invest in leadership and management capacity building for Councillors and staff</p> <p>Achievements:</p> <ul style="list-style-type: none"> <li>• New Councillors enrolled in on-line training modules.</li> <li>• Attendance by Councillors and Executive Management at WALGA Conference.</li> <li>• Attendance by two Elected Members at the National General Assembly.</li> <li>• Training opportunities sourced for staff on an ongoing basis as required.</li> </ul>

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

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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



MF 23/1/23



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

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

Signed on the 23 day of January 2023



Chief Executive Officer

Paul Anderson



MF 23/1/23

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Revenue</b>				
Rates	24(a),2(a)	2,994,519	2,988,225	2,829,167
Operating grants, subsidies and contributions	2(a)	4,405,980	1,967,514	2,860,690
Fees and charges	2(a)	937,964	574,000	575,435
Interest earnings	2(a)	22,068	14,620	18,557
Other revenue	2(a)	450,322	184,706	507,842
		<b>8,810,853</b>	<b>5,729,065</b>	<b>6,791,691</b>
<b>Expenses</b>				
Employee costs		(3,059,036)	(2,939,661)	(2,664,274)
Materials and contracts		(916,176)	(1,226,582)	(754,887)
Utility charges		(305,470)	(279,595)	(220,368)
Depreciation	9(a)	(3,197,238)	(3,211,087)	(3,251,951)
Finance costs	2(b)	(18,106)	(26,076)	(29,567)
Insurance		(420,553)	(163,494)	(186,063)
Other expenditure	2(b)	(399,273)	(278,718)	(274,562)
		<b>(8,315,852)</b>	<b>(8,125,213)</b>	<b>(7,381,672)</b>
		<b>495,001</b>	<b>(2,396,148)</b>	<b>(589,981)</b>
Non-operating grants, subsidies and contributions	2(a)	1,349,523	1,242,607	1,695,407
Profit on asset disposals	9(b)	27,104	73,310	12,901
Loss on asset disposals	9(b)	(163,499)	(31,026)	(155,115)
Fair value adjustments to financial assets at fair value through profit or loss		3,997	0	2,586
		<b>1,217,125</b>	<b>1,284,891</b>	<b>1,555,779</b>
<b>Net result for the period</b>	<b>23(b)</b>	<b>1,712,126</b>	<b>(1,111,257)</b>	<b>965,798</b>
<b>Other comprehensive income/(losses) for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	14	8,237,751	0	(360,077)
<b>Total other comprehensive income/(losses) for the period</b>	<b>14</b>	<b>8,237,751</b>	<b>0</b>	<b>(360,077)</b>
<b>Total comprehensive income for the period</b>		<b>9,949,877</b>	<b>(1,111,257)</b>	<b>605,721</b>

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



MF 23/1/23

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

	NOTE	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	8,326,536	6,737,286
Trade and other receivables	5	729,746	100,185
Inventories	6	359	12,021
<b>TOTAL CURRENT ASSETS</b>		<b>9,056,641</b>	<b>6,849,492</b>
<b>NON-CURRENT ASSETS</b>			
Other financial assets at fair value	4(a)	77,804	73,807
Inventories	6	104,000	104,000
Property, plant and equipment	7	21,108,053	16,515,909
Infrastructure	8	54,294,045	50,707,353
<b>TOTAL NON-CURRENT ASSETS</b>		<b>75,583,902</b>	<b>67,401,069</b>
<b>TOTAL ASSETS</b>		<b>84,640,543</b>	<b>74,250,561</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	541,709	320,642
Other liabilities	11	608,120	277,492
Borrowings	12	40,958	138,630
Employee related provisions	13	274,537	310,153
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,465,324</b>	<b>1,046,917</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	12	170,306	211,321
Employee related provisions	13	76,407	13,694
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>246,713</b>	<b>225,015</b>
<b>TOTAL LIABILITIES</b>		<b>1,712,037</b>	<b>1,271,932</b>
<b>NET ASSETS</b>		<b>82,928,506</b>	<b>72,978,629</b>
<b>EQUITY</b>			
Retained surplus		23,629,423	21,947,751
Reserve accounts	27	3,230,044	3,199,590
Revaluation surplus	14	56,069,039	47,831,288
<b>TOTAL EQUITY</b>		<b>82,928,506</b>	<b>72,978,629</b>

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



MF 23/1/23

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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		21,190,187	2,991,356	48,191,365	72,372,908
Comprehensive income for the period					
Net result for the period		965,798	0	0	965,798
Other comprehensive income for the period	14	0	0	(360,077)	(360,077)
Total comprehensive income for the period		965,798	0	(360,077)	605,721
Transfers to reserves	27	(208,234)	208,234	0	0
Balance as at 30 June 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 reserves	27	(30,454)	30,454	0	0
Balance as at 30 June 2022		23,629,423	3,230,044	56,069,039	82,928,506

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 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts				
Rates		3,006,008	2,988,225	2,868,960
Operating grants, subsidies and contributions		3,539,930	1,967,514	3,341,962
Fees and charges		940,964	574,000	575,435
Interest received		22,068	14,620	18,557
Goods and services tax received		204,652	0	200,552
Other revenue		407,087	184,706	505,700
		8,120,709	5,729,065	7,511,166
Payments				
Employee costs		(2,460,827)	(2,939,661)	(2,665,550)
Materials and contracts		(760,576)	(1,226,582)	(576,945)
Utility charges		(305,470)	(279,595)	(220,368)
Finance costs		(20,080)	(26,076)	(29,567)
Insurance paid		(420,553)	(163,494)	(186,063)
Goods and services tax paid		(708,919)	0	(441,720)
Other expenditure		(399,273)	(278,718)	(274,562)
		(5,075,698)	(4,914,126)	(4,394,775)
<b>Net cash provided by (used in) operating activities</b>	15(b)	3,045,011	814,939	3,116,391
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	7(a)	(996,958)	(3,307,756)	(1,264,302)
Payments for construction of infrastructure	8(a)	(2,398,669)	(2,855,359)	(2,218,205)
Non-operating grants, subsidies and contributions		1,957,643	1,242,607	1,695,407
Proceeds from term deposits		0	0	700,000
Proceeds from sale of property, plant & equipment	9(b)	120,909	189,000	148,108
<b>Net cash provided by (used in) investing activities</b>		(1,317,075)	(4,731,508)	(938,992)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	26(a)	(138,687)	(185,833)	(175,255)
Proceeds from new borrowings	26(a)	0	500,000	0
<b>Net cash provided by (used in) financing activities</b>		(138,687)	314,167	(175,255)
<b>Net increase (decrease) in cash held</b>		1,589,249	(3,602,402)	2,002,144
<b>Cash at beginning of year</b>		6,737,287	6,737,285	4,735,143
<b>Cash and cash equivalents at the end of the year</b>	15(a)	8,326,536	3,134,883	6,737,287

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	25(b)	2,825,917	3,022,228	2,217,428
<b>OPERATING ACTIVITIES</b>				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	24(a)	16,920	13,000	16,589
Operating grants, subsidies and contributions		4,405,980	1,967,514	2,860,690
Fees and charges		937,964	574,000	575,435
Interest earnings		22,068	14,620	18,557
Other revenue		450,322	184,706	507,842
Profit on asset disposals	9(b)	27,104	73,310	12,901
Fair value adjustments to financial assets at fair value through profit or loss		3,997	0	2,586
		5,864,355	2,827,150	3,994,600
Expenditure from operating activities				
Employee costs		(3,059,036)	(2,939,661)	(2,664,274)
Materials and contracts		(916,176)	(1,226,582)	(754,887)
Utility charges		(305,470)	(279,595)	(220,368)
Depreciation	9(a)	(3,197,238)	(3,211,087)	(3,251,951)
Finance costs		(18,106)	(26,076)	(29,567)
Insurance		(420,553)	(163,494)	(186,063)
Other expenditure		(399,273)	(278,718)	(274,562)
Loss on asset disposals	9(b)	(163,499)	(31,026)	(155,115)
		(8,479,351)	(8,156,239)	(7,536,787)
Non-cash amounts excluded from operating activities	25(a)	3,582,584	3,253,371	3,360,579
<b>Amount attributable to operating activities</b>		967,588	(2,075,718)	(181,608)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		1,349,523	1,242,607	1,695,407
Proceeds from disposal of assets	9(b)	120,909	189,000	148,108
Purchase of property, plant and equipment	7(a)	(996,958)	(3,307,756)	(1,264,302)
Purchase and construction of infrastructure	8(a)	(2,398,669)	(2,855,359)	(2,218,205)
		(1,925,195)	(4,731,508)	(1,638,992)
<b>Amount attributable to investing activities</b>		(1,925,195)	(4,731,508)	(1,638,992)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	26(a)	(138,687)	(185,833)	(175,255)
Proceeds from borrowings	26(a)	0	500,000	0
Transfers to reserves (restricted assets)	27	(30,454)	(429,394)	(208,234)
Transfers from reserves (restricted assets)	27	0	925,000	0
<b>Amount attributable to financing activities</b>		(169,141)	809,773	(383,489)
<b>Surplus/(deficit) before imposition of general rates</b>		1,699,169	(2,975,225)	13,339
<b>Total amount raised from general rates</b>	24(a)	2,977,599	2,975,225	2,812,578
<b>Surplus/(deficit) after imposition of general rates</b>	25(b)	4,676,768	0	2,825,917

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



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

1. BASIS OF PREPARATION

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

**Local Government Act 1995 requirements**

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

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

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

**The local government reporting entity**

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 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, and infrastructure.
- estimation uncertainties made in relation to lease accounting
- estimation of useful lives of non-current assets

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
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 2022

2. REVENUE AND EXPENSES (Continued)

Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,994,519	0	2,994,519
Operating grants, subsidies and contributions	4,405,980	0	0	0	4,405,980
Fees and charges	937,964	0	0	0	937,964
Interest earnings	0	0	0	22,068	22,068
Other revenue	450,322	0	0	0	450,322
Non-operating grants, subsidies and contributions	0	1,349,523	0	0	1,349,523
Total	5,794,266	1,349,523	2,994,519	22,068	10,160,376

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,829,167	0	2,829,167
Operating grants, subsidies and contributions	2,860,690	0	0	0	2,860,690
Fees and charges	575,435	0	0	0	575,435
Interest earnings	0	0	0	18,557	18,557
Other revenue	507,842	0	0	0	507,842
Non-operating grants, subsidies and contributions	0	1,695,407	0	0	1,695,407
Total	3,943,967	1,695,407	2,829,167	18,557	8,487,098

Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings			
Interest on reserve funds	10,454	9,396	4,726
Rates instalment and penalty interest (refer Note 23(b))	6,979	200	8,244
Other interest earnings	4,635	5,024	5,587
	22,068	14,620	18,557

(b) Expenses

Auditors remuneration			
- Audit of the Annual Financial Report	54,127	50,000	28,573
- Audit of grant acquittals	4,483	0	1,800
	58,610	50,000	30,373
Finance costs			
Borrowings	26(a)	18,106	26,076
		18,106	29,567
Other expenditure			
Sundry expenses		399,273	278,718
		399,273	274,562

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

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand  
Short term deposits  
Total cash and cash equivalents

Held as

- Unrestricted cash and cash equivalents
- Restricted cash and cash equivalents

Note	2022	2021
	\$	\$
	8,326,536	3,537,696
	0	3,199,590
15(a)	8,326,536	6,737,286
	5,096,492	3,537,696
15(a)	3,230,044	3,199,590
	8,326,536	6,737,286

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Restricted financial assets

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

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

4. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit and loss - Units in Local Government House Trust

Financial assets at fair value through profit and loss  
Units in Local Government House Trust

2022	2021
\$	\$
77,804	73,807
77,804	73,807
77,804	73,807

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 and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 20.

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

5. TRADE AND OTHER RECEIVABLES

	Note	2022 \$	2021 \$
Current			
Rates receivable		32,462	35,713
Trade and other receivables		653,030	64,472
GST receivable		47,254	0
Allowance for credit losses of trade and other receivables	20(b)	(1,800)	0
Allowance for credit losses of rates receivables	20(b)	(1,200)	0
		<u>729,746</u>	<u>100,185</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 20.

**Classification and subsequent measurement**

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

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

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

6. INVENTORIES

	Note	2022 \$	2021 \$
Current			
Fuel and materials		359	12,021
		<u>359</u>	<u>12,021</u>
Non-current			
Land held for resale			
Cost of acquisition		104,000	104,000
		<u>104,000</u>	<u>104,000</u>

The following movements in inventories occurred during the year:

Balance at beginning of year	116,021	116,021
Inventories expensed during the year	(11,662)	0
Balance at end of year	<u>104,359</u>	<u>116,021</u>

**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

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 2022

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.

Note	Land	Buildings - Non Specialised	Total land and buildings	Furniture and Equipment	Plant and Equipment	Total property, plant and equipment
	\$	\$		\$	\$	\$
Balance at 1 July 2020	465,000	14,053,707	14,518,707	88,295	2,738,460	17,345,462
Additions	0	83,280	83,280	0	1,181,022	1,264,302
Disposals	0	(63,093)	(63,093)	0	(227,229)	(290,322)
Impairment (losses) / reversals	0	(360,077)	(360,077)	0	0	(360,077)
Depreciation	9(a) 0	(505,863)	(505,863)	(88,295)	(849,298)	(1,443,456)
Balance at 30 June 2021	465,000	13,207,954	13,672,954	0	2,842,955	16,515,909
Comprises:						
Gross balance amount at 30 June 2021	465,000	14,842,036	15,307,036	133,334	4,690,983	20,131,353
Accumulated depreciation at 30 June 2021	0	(1,634,082)	(1,634,082)	(133,334)	(1,848,028)	(3,615,444)
Balance at 30 June 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	9(a) 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



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

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	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
  - Plant and equipment

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

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.

Note	Infrastructure - Roads	Other infrastructure - Footpaths	Other infrastructure - Airfield	Other Infrastructure - Parks and Ovals	Other Infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	46,682,212	111,524	492,774	2,498,739	512,540	50,297,789
Additions	1,975,114	242,945	0	0	0	2,218,059
Depreciation	(1,528,567)	(16,198)	(25,273)	(192,193)	(46,264)	(1,808,495)
Balance at 30 June 2021	47,128,759	338,271	467,501	2,306,546	466,276	50,707,353
Comprises:						
Gross balance at 30 June 2021	100,212,228	854,179	637,800	3,007,228	628,809	105,340,244
Accumulated depreciation at 30 June 2021	(53,083,469)	(515,908)	(170,299)	(700,682)	(162,533)	(54,632,891)
Balance at 30 June 2021	47,128,759	338,271	467,501	2,306,546	466,276	50,707,353
Additions	1,770,134	0	0	158,695	469,840	2,398,669
(Disposals)	0	0	0	(19,473)	(116,345)	(135,818)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	408,639	2,482,557	306,931	3,198,127
Depreciation	(1,565,924)	(22,636)	(17,540)	(195,494)	(72,692)	(1,874,286)
Transfers	101,418	0	0	(101,418)	0	0
Balance at 30 June 2022	47,434,387	315,635	858,600	4,631,413	1,054,010	54,294,045
Comprises:						
Gross balance at 30 June 2022	102,092,028	854,179	858,600	4,639,282	1,069,456	109,513,545
Accumulated depreciation at 30 June 2022	(54,657,641)	(538,544)	0	(7,869)	(15,446)	(55,219,500)
Balance at 30 June 2022	47,434,387	315,635	858,600	4,631,413	1,054,010	54,294,045

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

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement costs (Gross revaluation method).	Independent Valuation	June 2018	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 2018	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.

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

9. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - Non Specialised	7(a)	643,396	578,402	505,863
Furniture and Equipment	7(a)	0	2,000	88,295
Plant and Equipment	7(a)	679,556	822,315	849,298
Infrastructure - Roads	8(a)	1,565,924	1,528,982	1,528,567
Other Infrastructure - Other	8(a)	72,692	45,008	46,264
Other infrastructure - Footpaths	8(a)	22,636	16,189	16,198
Other Infrastructure - Parks and Ovals	8(a)	195,494	191,385	192,193
Other infrastructure - Airfield	8(a)	17,540	26,806	25,273
		3,197,238	3,211,087	3,251,951

Depreciation rates

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

Asset Class	Useful life
Buildings	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	50 - 65 years
seal	
- 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

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

9. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land	0				0	0	0	0	0	0	0	0
Buildings - Non Specialised	27,681	0	0	(27,681)	0	0	0	0	63,093	0	0	(63,093)
Plant and Equipment	93,805	120,909	27,104	0	146,716	189,000	73,310	(31,026)	227,229	148,108	12,901	(92,022)
Other Infrastructure - Other	116,345	0	0	(116,345)	0	0	0	0	0	0	0	0
Other Infrastructure - Parks and C	19,473	0	0	(19,473)	0	0	0	0	0	0	0	0
	257,304	120,909	27,104	(163,499)	146,716	189,000	73,310	(31,026)	290,322	148,108	12,901	(155,115)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
<b>Governance</b>				
Holden Trailblazer	14,930	30,909	15,979	0
<b>Law, order, public safety</b>				
Refuse site support infrastructure	11,706	0	0	(11,706)
<b>Community amenities</b>				
Drive trail	99,693	0	0	(99,693)
<b>Recreation and culture</b>				
Fencing	16,447	0	0	(16,447)
Watering infrastructure	7,972	0	0	(7,972)
<b>Transport</b>				
Volvo Grader	78,875	90,000	11,125	0
Barracks - Railway Station	27,681	0	0	(27,681)
	257,304	120,909	27,104	(163,499)
	257,304	120,909	27,104	(163,499)

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

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, where applicable, any accumulated depreciation and impairment losses.

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

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. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Depreciation

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

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

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

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

Depreciation on revaluation

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

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

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10. TRADE AND OTHER PAYABLES

	2022	2021
	\$	\$
Current		
Sundry creditors	389,061	248,848
Prepaid rates	32,686	24,448
Accrued payroll liabilities	29,781	45,243
ATO Liabilities	80,022	(6,304)
Licensing	3,726	0
Accrued Interest on loans	6,433	8,407
	541,709	320,642

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

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

Prepaid rates

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



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11. OTHER LIABILITIES

	2022 \$	2021 \$
Current		
Contract liabilities	0	277,492
Capital grant/contributions liabilities	608,120	0
	608,120	277,492
Reconciliation of changes in contract liabilities		
Opening balance	277,492	0
Additions	0	277,492
Revenue from contracts with customers included as a contract liability at the start of the period	(277,492)	0
	0	277,492

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

Reconciliation of changes in capital grant/contribution liabilities  
Additions

	608,120	0
	608,120	0

Expected satisfaction of capital grant/contribution liabilities  
Less than 1 year

	608,120	0
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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 the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

SHIRE OF PERENJORI  
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12. BORROWINGS

		2022			2021		
	Note	Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Loans		40,958	170,306	211,264	138,630	211,321	349,951
Total secured borrowings	26(a)	40,958	170,306	211,264	138,630	211,321	349,951

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

SIGNIFICANT ACCOUNTING POLICIES

**Borrowing costs**

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

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

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

**Risk**

Information regarding exposure to risk can be found at Note 20.

Details of individual borrowings required by regulations are provided at Note 26(a).

SHIRE OF PERENJORI  
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13. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2022	2021
	\$	\$
Current provisions		
Employee benefit provisions		
Annual Leave	237,976	210,315
Long Service Leave	36,561	99,838
	274,537	310,153
Non-current provisions		
Long Service Leave	76,407	13,694
	76,407	13,694
	350,944	323,847

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

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

Note	2022	2021
	\$	\$
Amounts are expected to be settled on the following basis:		
Less than 12 months after the reporting date	214,269	232,301
More than 12 months from reporting date	136,675	91,546
	350,944	323,847

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.

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14. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Impairment	2021 Revaluation (Decrement)	Total Movements	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and Buildings	5,676,493	5,039,624	0	5,039,624	10,716,117	6,036,570	(360,077)	0	(360,077)	5,676,493
Revaluation surplus - Plant and Equipment	1,173,390	0	0	0	1,173,390	1,173,390	0	0	0	1,173,390
Revaluation surplus - Infrastructure - Roads	39,103,104	0	0	0	39,103,104	39,103,104	0	0	0	39,103,104
Revaluation surplus - Other Infrastructure - Other	370,089	306,930	0	306,930	677,019	370,089	0	0	0	370,089
Revaluation surplus - Other Infrastructure - Parks and Ovals	730,178	2,482,560	0	2,482,560	3,212,738	730,178	0	0	0	730,178
Revaluation surplus - Other infrastructure - Airfield	778,034	408,639	0	408,639	1,186,671	778,034	0	0	0	778,034
	47,831,288	8,237,753	0	8,237,753	56,069,039	48,191,365	(360,077)	0	(360,077)	47,831,288

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

SHIRE OF PERENJORI  
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15. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	8,326,536	3,134,883	6,737,287
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	3,230,044	2,703,983	3,199,590
		3,230,044	2,703,983	3,199,590
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	27	3,230,044	2,703,983	3,199,590
<b>Total restricted financial assets</b>		<b>3,230,044</b>	<b>2,703,983</b>	<b>3,199,590</b>

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

Net result	1,712,126	(1,111,257)	965,798
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit and loss	(3,997)	0	(2,586)
Depreciation/amortisation	3,197,238	3,211,087	3,251,951
(Profit)/loss on sale of asset	136,395	(42,284)	142,214
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables	(629,624)	0	(11,693)
(Increase)/decrease in other assets	62	0	3,508
(Increase)/decrease in inventories	11,662	0	(3,459)
Increase/(decrease) in trade and other payables	221,067	0	207,708
Increase/(decrease) in employee related provisions	27,097	0	(19,136)
Increase/(decrease) in contract liabilities	(277,492)	0	277,492
Non-operating grants, subsidies and contributions	(1,349,523)	(1,242,607)	(1,695,407)
Net cash provided by/(used in) operating activities	3,045,011	814,939	3,116,390

(c) Undrawn Borrowing Facilities

Credit card limit	20,000	15,000
Credit card balance at balance date	5,060	2,871
<b>Total amount of credit unused</b>	<b>25,060</b>	<b>17,871</b>
Loan facilities		
Loan facilities - current	40,958	138,630
Loan facilities - non-current	170,306	211,321
<b>Total facilities in use at balance date</b>	<b>211,264</b>	<b>349,951</b>

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16. 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 its 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.

17. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	156,636	0
- plant & equipment purchases	106,547	0
	263,183	0
Payable:		
- not later than one year	263,183	0

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18. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Commissioner - P O'Modei</b>				
Commissioner annual payment		0	0	42,715
<b>Elected member C King</b>				
President's annual allowance		20,063	0	15,047
Meeting attendance fees		7,497	0	3,899
Other expenses		0	0	1,356
ICT expenses		353	0	1,691
Travel and accommodation expenses		235	0	109
		<u>28,148</u>	<u>0</u>	<u>22,102</u>
<b>Elected member J Sutherland</b>				
President's annual allowance		0	0	0
Deputy President's annual allowance		5,016	0	3,762
Meeting attendance fees		4,317	0	2,099
Other expenses		0	0	1,356
ICT expenses		353	0	1,691
Travel and accommodation expenses		1,281	0	554
		<u>10,967</u>	<u>0</u>	<u>9,462</u>
<b>Elected member D Bradford</b>				
Meeting attendance fees		3,877	0	2,099
Other expenses		0	0	1,356
ICT expenses		353	0	1,691
Travel and accommodation expenses		832	0	1,275
		<u>5,062</u>	<u>0</u>	<u>6,421</u>
<b>Elected member B Baxter</b>				
Meeting attendance fees		779	0	2,099
Other expenses		0	0	1,356
ICT expenses		64	0	1,691
Travel and accommodation expenses		135	0	572
		<u>978</u>	<u>0</u>	<u>5,718</u>
<b>Elected member C Bryant</b>				
Meeting attendance fees		4,216	0	2,099
Other expenses		0	0	1,356
ICT expenses		353	0	1,691
Travel and accommodation expenses		2,599	0	1,554
		<u>7,168</u>	<u>0</u>	<u>6,700</u>
<b>Elected member L Hepworth</b>				
Meeting attendance fees		3,419	0	2,099
Other expenses		0	0	1,356
ICT expenses		353	0	1,691
Travel and accommodation expenses		1,243	0	340
		<u>5,015</u>	<u>0</u>	<u>5,486</u>
<b>Elected member P Logue</b>				
Meeting attendance fees		1,219	0	1,879
Other expenses		0	0	1,356
ICT expenses		127	0	1,691
Travel and accommodation expenses		561	0	1,138
		<u>1,907</u>	<u>0</u>	<u>6,064</u>



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18. Elected Member Remuneration (Continued)

**Elected member A Fraser**

Meeting attendance fees	2,658	0	0
ICT expenses	226	0	0
Travel and accommodation expenses	422	0	0
	3,306	0	0

**Elected member D Sparkman**

Meeting attendance fees	2,658	0	0
ICT expenses	291	0	0
	2,949	0	0

**Amounts not allocated directly to elected members**

President's annual allowance		20,063	
Deputy President's annual allowance		5,016	
Meeting attendance fees	0	30,339	0
ICT expenses	0	5,000	0
Travel and accommodation expenses	0	8,500	0
	0	68,918	0

**TOTAL**

	65,500	68,918	104,668
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Fees, expenses and allowances to be paid or reimbursed to elected council members.

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Commissioner's expenses	0	0	42,715
President's annual allowance	20,063	20,063	15,047
Deputy President's annual allowance	5,016	5,016	3,762
Meeting attendance fees	30,640	30,339	16,273
Other expenses	0	0	9,492
ICT expenses	2,473	5,000	11,837
Travel and accommodation expenses	7,308	8,500	5,542
18(b)	65,500	68,918	104,668

(b) Key Management Personnel (KMP) Compensation

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

	2022 Actual \$	2021 Actual \$
Short-term employee benefits	434,578	291,121
Post-employment benefits	64,004	40,839
Employee - other long-term benefits	10,472	24,568
Council member costs	65,500	104,668
18(a)	574,554	461,196

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

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Council member costs*

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

(c) Transactions with related parties

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

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

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

	2022 Actual	2021 Actual
	\$	\$
Purchase of goods and services	189,411	313,246
Short term employee benefits - other related parties	111,117	65,717

(d) Related Parties

The Shire's main related parties are as follows:

*i. Key management personnel*

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

*ii. Other Related Parties*

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

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

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19. 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

	2022 Actual	2021 Actual
	\$	\$
Buildings - non specialised	128,484	128,484
Less: accumulated depreciation	(20,946)	(16,196)
Total assets	107,538	112,288

Share of joint ownership

Shire of Perenjori Ownership

79 Russell Street	21.00%
Lot 58 Hesford Street	14.85%
Lot 28 Livingstone Street	21.00%

Joint operations

A joint operation is a joint arrangement where the Shire has joint control with another party to the joint arrangement. All parties to the 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.

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20. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2022					
Cash and cash equivalents	0.00%	8,326,536	0	8,326,536	0
2021					
Cash and cash equivalents	0.00%	6,737,286	3,199,590	3,537,696	0

Sensitivity

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

	2022 \$	2021 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	83,265	35,377

\* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 26(a).

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20. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

*Trade and Other Receivables*

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

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

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

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

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

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

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
<b>30 June 2022</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.14%		
Gross carrying amount	12,980	5,748	4,852	8,881	32,461	
Loss allowance	0	0	0	1,200	1,200	5
<b>30 June 2021</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	19,325	6,381	6,175	3,832	35,713	
Loss allowance		0	0	0	0	5

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

	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
<b>30 June 2022</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.03%		
Gross carrying amount	658,186	38,739	1,100	54,992	753,017	
Loss allowance	0	0	0	1,800	1,800	5
<b>30 June 2021</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	36,361	8,349	0	19,762	64,472	
Loss allowance	0	0	0	0	0	5

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

20. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Rates receivable		Trade and other receivables	
	2022	2021	2022	2021
	Actual	Actual	Actual	Actual
	\$	\$	\$	\$
Opening loss allowance as at 1 July	0	0	0	0
Increase in loss allowance recognised in profit or loss during the year	1,200	0	1,800	0
Closing loss allowance at 30 June	1,200	0	1,800	0

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

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

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

20. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

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

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2022</b>					
Trade and other payables	541,709	0	0	541,709	541,709
Borrowings	54,826	165,202	36,787	256,815	211,264
	596,535	165,202	36,787	798,524	752,973
<b>2021</b>					
Trade and other payables	320,642	0	0	320,642	320,642
Borrowings	158,838	54,805	136,308	349,951	349,951
Contract liabilities	277,492	0	0	277,492	277,492
	756,972	54,805	136,308	948,085	948,085



SHIRE OF PERENJORI  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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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 2022 or which would require a separate disclosure.

SHIRE OF PERENJORI  
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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 statements is presented.

**e) Budget comparative figures**

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

**f) Superannuation**

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

**g) Fair value of assets and liabilities**

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

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

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

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

**h) Interest earnings**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

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

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

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

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

**k) Initial application of accounting standards**

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

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

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

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

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

SHIRE OF PERENJORI  
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23. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs. In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire of Perenjori's Community Vision, and for each of its broad activities/programs.

Council has adopted a 'Plan for the future' comprising a Strategic Community Plan and Corporate Business Plan to provide the long term community vision, aspirations and objectives.

The Strategic Community Plan defines the key objectives of the Shire as:

*"Economic: A strong, resilient and balanced economy.*

*Environment: Our unique natural and built environment is protected and enhanced.*

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE	Expenses associated with provision of services to members of council and elections. Also included are costs associated with computer operations, corporate accounting, corporate records and asset management. Costs reported as administrative expenses are redistributed in accordance with the principle of activity based costing.
GENERAL PURPOSE FUNDING	Rates and associated revenues, general purpose government grants, interest revenue and other miscellaneous revenues such as commission on police licensing. The costs associated with raising the above mentioned revenues, e.g.: valuation expenses, debt collection and overheads.
LAW, ORDER, PUBLIC SAFETY	Enforcement of Local Laws, fire prevention, animal control and provision of ranger services.
HEALTH	Health inspection services, food quality control, mosquito control and contributions towards provision of medical health services.
EDUCATION AND WELFARE	Donations to local education facilities, Perenjori Early Childhood Centre.
HOUSING	Provision of maintenance for staff and private housing.
COMMUNITY AMENITIES	Rubbish collection services, operation and maintenance of refuse sites, cemetery maintenance and flood mitigation, public convenience maintenance.
RECREATION AND CULTURE	Maintenance of halls, swimming pool, recreation centres, parks and gardens, ovals and various reserves, operation of library services.
TRANSPORT	Maintenance of roads, drainage, footpaths, parking facilities, traffic control, street cleaning and maintenance of airstrip.
ECONOMIC SERVICES	Tourism, community development, pest control, building services, caravan parks and private works.
OTHER PROPERTY AND SERVICES	Plant works, plant overheads and stock of materials.

SHIRE OF PERENJORI  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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23. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	160,059	28,396	325,169
General purpose funding	3,009,200	2,993,749	2,734,797
Law, order, public safety	171,460	120,256	146,689
Health	7,541	2,500	2,936
Education and welfare	102,498	80,000	197,089
Housing	180,921	140,000	155,252
Community amenities	50,485	36,000	44,603
Recreation and culture	8,139	5,050	8,387
Transport	18,051	78,910	18,145
Economic services	559,500	282,000	235,187
Other property and services	168,120	68,000	78,234
	4,435,974	3,834,861	3,946,488
Grants, subsidies and contributions			
Governance	0	0	0
General purpose funding	3,923,376	1,697,271	2,400,929
Law, order, public safety	25,652	33,500	521,810
Health	0	0	0
Education and welfare	0	0	0
Housing	138,249	0	0
Community amenities	20,135	0	1,000
Recreation and culture	200,000	0	200,000
Transport	1,438,091	1,479,350	1,432,358
Economic services	10,000	0	0
Other property and services	0	0	0
	5,755,503	3,210,121	4,556,097
Total Income	10,191,477	7,044,982	8,502,585
Expenses			
Governance	(403,201)	(309,856)	(267,541)
General purpose funding	(171,763)	(199,827)	(178,934)
Law, order, public safety	(499,077)	(523,809)	(571,062)
Health	(157,007)	(151,918)	(116,616)
Education and welfare	(499,617)	(552,703)	(502,540)
Housing	(221,587)	(183,110)	(136,906)
Community amenities	(575,634)	(717,520)	(486,824)
Recreation and culture	(1,620,368)	(1,557,167)	(1,355,479)
Transport	(3,044,084)	(2,930,943)	(3,074,487)
Economic services	(1,155,161)	(992,325)	(760,113)
Other property and services	(131,852)	(37,061)	(86,285)
Total expenses	(8,479,351)	(8,156,239)	(7,536,787)
Net result for the period	1,712,126	(1,111,257)	965,798

SHIRE OF PERENJORI  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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23. FUNCTION AND ACTIVITY (Continued)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
(c) Fees and Charges (including Service Charges)			
Governance	0	0	0
General purpose funding	3,067	300	1,899
Law, order, public safety	5,142	1,150	5,043
Health	3,531	2,500	2,936
Education and welfare	85,858	80,000	97,089
Housing	180,921	136,000	154,484
Community amenities	43,640	35,000	43,183
Recreation and culture	4,819	4,450	6,461
Transport	6,926	5,600	7,196
Economic services	559,500	282,000	235,188
Other property and services	44,560	27,000	21,956
	937,964	574,000	575,435
	2022	2021	
	\$	\$	
(d) Total Assets			
Governance	2,542,053	2,370,265	
General purpose funding	6,014,956	3,537,696	
Law, order, public safety	754,021	858,853	
Health	0	191,275	
Education and welfare	0	1,334,135	
Housing	4,210,319	3,822,476	
Community amenities	1,124,071	368,742	
Recreation and culture	6,894,828	5,618,271	
Transport	59,264,784	49,843,457	
Economic services	3,081,131	2,834,808	
Other property and services	754,380	1,521,598	
Unallocated	0	1,948,985	
	84,640,543	74,250,561	

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

24. RATING INFORMATION

(a) General Rates

		2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2020/21					
RATE TYPE		Actual	Actual	Actual	Actual	Budget	Budget	Budget					
Rate Description	Basis of valuation	Rateable	Rate	Interim	Back	Rate	Interim	Back					
		Value *	Revenue	Rates	Rates	Total		Total					
		\$	\$	\$	\$	Revenue	Rate	Rate					
						Revenue	Rate	Rate					
		\$	\$	\$	\$	\$	\$	\$					
Townsite	Gross rental valuation	8.43660	106	1,157,948	97,691	(162)	0	97,529	97,691	0	0	97,691	94,380
Mining	Gross rental valuation	8.43660	1	3,144,000	265,247	21,275	0	286,522	265,247	0	0	265,247	260,047
Rural	Unimproved valuation	1.93800	254	105,401,000	2,042,671	0	(19)	2,042,652	2,042,671	9,000	0	2,051,671	1,962,652
Mining	Unimproved valuation	34.94010	39	2,097,544	732,884	0	58	732,942	732,884	0	0	732,884	708,574
Exploration	Unimproved valuation	26.01000	36	204,414	53,168	0	0	53,168	53,168	0	0	53,168	16,847
Sub-Total			436	112,004,906	3,191,661	21,113	39	3,212,813	3,191,661	9,000	0	3,200,661	3,042,500
Minimum payment		Minimum											
		\$											
Townsite	Gross rental valuation	356	32	0	11,392			11,392	11,392	0	0	11,392	12,564
Mining	Gross rental valuation	356	1	0	356	0	0	356	356	0	0	356	349
Rural	Unimproved valuation	356	11	0	3,916	0	0	3,916	3,916	0	0	3,916	3,490
Mining	Unimproved valuation	356	7	0	2,492	0	0	2,492	2,492	0	0	2,492	1,745
Exploration	Unimproved valuation	356	18	0	6,408	0	0	6,408	6,408	0	0	6,408	5,235
Sub-Total			69	0	24,564	0	0	24,564	24,564	0	0	24,564	23,383
			505	112,004,906	3,216,225	21,113	39	3,237,377	3,216,225	9,000	0	3,225,225	3,065,883
Discounts on general rates (Refer note 24(d))								(259,778)				(250,000)	(253,305)
Total amount raised from general rates								2,977,599				2,975,225	2,812,578
Rates (excluding general rates)													
Ex-gratia Rates													
Ex-gratia Rates								16,920	13,000	0	0	13,000	16,589
Sub-Total			0	0	0	0	0	16,920	13,000	0	0	13,000	16,589
Total amount raised from rates (excluding general rates)								16,920				13,000	16,589
Total Rates								2,994,519				2,988,225	2,829,167

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

SHIRE OF PERENJORI  
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24. RATING INFORMATION (Continued)

(b) Specified Area Rate

The Shire did not levy a specified are rate during the current reporting period

(c) Service Charges

The Shire did not levy a service charge during the current reporting period

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

Rates Discounts

Rate or Fee Discount Granted	Type	Discount %	Discount \$	2022 Actual	2022 Budget	2021 Actual	Circumstances in which Discount is Granted
Early Payment		10.00%		\$ 259,778	\$ 250,000	\$ 253,305	Full payment received by the due date.
				259,778	250,000	253,305	

SHIRE OF PERENJORI  
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24. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	11/10/2021	0.0	0.00%	0.00%
<b>Option Two</b>				
First instalment	11/10/2021	10.0	5.50%	7.00%
Second instalment	13/12/2021	10.0	5.50%	7.00%
<b>Option Two</b>				
First instalment	11/10/2021	10.0	5.50%	7.00%
Second instalment	13/12/2021	10.0	5.50%	7.00%
Third instalment	14/02/2022	10.0	5.50%	7.00%
Fourth instalment	19/04/2022	10.0	5.50%	7.00%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Charges on instalment plan	1,730	0	1,310
Interest on instalment plan	2,754	0	2,681
Interest on unpaid rates	4,036	0	5,337
Pensioner deferred interest	27	0	24
	8,547	0	9,352



SHIRE OF PERENJORI  
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25. RATE SETTING STATEMENT INFORMATION

		2021/22	2021/22	2020/21
		Budget		
		(30 June 2022)	(30 June 2022)	(30 June 2021)
		Carried	Carried	Carried
Note		Forward)	Forward)	Forward)
		\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	9(b)	(27,104)	73,310	(12,901)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(3,997)	0	(2,586)
Movement in pensioner deferred rates (non-current)		0	0	(31,000)
Movement in employee benefit provisions		252,948	0	0
Add: Loss on disposal of assets	9(b)	163,499	(31,026)	155,115
Add: Depreciation	9(a)	3,197,238	3,211,087	3,251,951
Non-cash amounts excluded from operating activities		3,582,584	3,253,371	3,360,579
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	27	(3,230,044)	0	(3,199,590)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	12	40,958	0	138,630
- Employee benefit provisions		274,537	0	84,302
Total adjustments to net current assets		(2,914,549)	0	(2,976,658)
Net current assets used in the Rate Setting Statement				
Total current assets		9,056,641	3,257,760	6,849,492
Less: Total current liabilities		(1,465,324)	(765,098)	(1,046,917)
Less: Total adjustments to net current assets		(2,914,549)	(2,492,662)	(2,976,658)
Net current assets used in the Rate Setting Statement		4,676,768	0	2,825,917

SHIRE OF PERENJORI  
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26. BORROWINGS

(a) Borrowings

									Budget			
									Principal			
		Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
Purpose	Note	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
CHA Housing		62,736	0	(14,192)	48,544	0	(15,179)	33,365	48,509	0	(15,185)	33,324
Flat Pack Housing		52,492	0	(25,640)	26,852	0	(26,852)	0	26,853	0	(26,853)	0
Duplex Housing		59,648	0	(29,138)	30,510	0	(30,510)	0	30,514	0	(30,514)	0
John Street - Subdivision		222,209	0	(21,574)	200,635	0	(22,736)	177,899	201,990	0	(23,053)	178,937
Perenjori Aquatic Centre		84,362	0	(40,952)	43,410	0	(43,410)	0	42,946	0	(42,946)	0
Grader		43,759	0	(43,759)	0	0	0	0	0	0	0	0
Caron Dam		0	0	0	0	0	0	0	0	500,000	(47,282)	452,718
Total		525,206	0	(175,255)	349,951	0	(138,687)	211,264	350,812	500,000	(185,833)	664,979
Borrowing Interest Repayments												
Purpose	Note	Function and activity		Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021			
							\$	\$	\$			
CHA Housing		Housing		96	WATC	6.54%	(2,884)	(2,883)	(3,864)			
Flat Pack Housing		Housing		97	WATC	4.68%	(946)	(946)	(2,393)			
Duplex Housing		Housing		101	WATC	4.68%	(1,075)	(1,075)	(2,272)			
John Street - Subdivision		Community amenities		98	WATC	6.97%	(13,618)	(13,684)	(16,089)			
Perenjori Aquatic Centre		Recreation and culture		100	WATC	5.50%	(1,555)	(1,555)	(4,369)			
Grader		Transport		102	WATC	2.65%	0	0	(580)			
Caron Dam		Economic services		N/A	WATC	N/A	0	(5,932)	0			
Total							(20,078)	(26,075)	(29,567)			
Total Interest Repayments							(20,078)	(26,075)	(29,567)			

\* WA Treasury Corporation

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

27. RESERVE ACCOUNTS	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	84,303	415	0	84,718	84,303	337	0	84,640	84,015	288	0	84,303
(b) Plant reserve	570,348	2,808	0	573,156	570,348	2,281	(100,000)	472,629	568,395	1,953	0	570,348
(c) Refuse reserve	204,141	1,006	0	205,147	204,141	817	0	204,958	203,442	699	0	204,141
(d) Swimming Pool reserve	88,204	20,435	0	108,639	88,204	20,353	0	108,557	87,902	302	0	88,204
(e) Road & Rehabilitation reserve	33,526	165	0	33,691	33,526	134	0	33,660	33,411	115	0	33,526
(f) Housing reserve	438,057	2,157	0	440,214	438,057	1,752	0	439,809	436,557	1,500	0	438,057
(g) Mt Gibson Infrastructure reserve	1,350,993	1,350	0	1,352,343	1,350,992	2,000	(725,000)	627,992	1,149,089	201,904	0	1,350,993
(h) Toursim Accommodation reserve	64,728	319	0	65,047	64,728	259	0	64,987	64,506	222	0	64,728
(i) Water reserve	164,095	808	0	164,903	164,095	656	0	164,751	163,533	562	0	164,095
(j) IT Communication reserve	201,195	991	0	202,186	201,195	805	(100,000)	102,000	200,506	689	0	201,195
(k) Cyclone Seroja Recovery reserve	0	0	0	0	0	400,000	0	400,000	0	0	0	0
	3,199,590	30,454	0	3,230,044	3,199,589	429,394	(925,000)	2,703,983	2,991,356	208,234	0	3,199,590

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	Fund long service leave requirements.
(b) Plant reserve	Ongoing	Purchase of major plant.
(c) Refuse reserve	Ongoing	Future landfill sites.
(d) Swimming Pool reserve	Ongoing	Refurbishment and upgrade swimming pool facilities.
(e) Road & Rehabilitation reserve	Ongoing	Roads, gravel rehabilitation and airport infrastructure.
(f) Housing reserve	Ongoing	Maintenance, upgrade and additional housing requirements.
(g) Mt Gibson Infrastructure reserve	Ongoing	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) Toursim Accommodation reserve	Ongoing	Costs associated with the caravan park.
(i) Water reserve	Ongoing	Increasing and maintaining all aspects of water capacity within the Shire.
(j) IT Communication reserve	Ongoing	IT costs associated with future requirements.
(k) Cyclone Seroja Recovery reserve	Ongoing	Cyclone recovery costs associated with cyclone event.

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

28. TRUST FUNDS

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

	1 July 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
Mount Gibson Public Benefit Fund	246,881	150,410	(259,336)	137,955
	246,881	150,410	(259,336)	137,955



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2022

#### Shire of Perenjori

To the Councillors of the Shire of Perenjori

#### Opinion

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

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

In my opinion, the financial report is:

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

#### Basis for opinion

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

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

#### Other information

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

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

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



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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

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

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

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

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

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

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

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

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



Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
24 January 2023