



UNCONFIRMED MINUTES

AUDIT AND RISK COMMITTEE MEETING

11 DECEMBER 2023

I certify that the minutes of the meeting of the Audit and Risk Committee held on Monday, 11 December 2023 were confirmed on Tuesday, 27 February 2024.

Presiding Person



**UNCONFIRMED MINUTES
AUDIT AND RISK COMMITTEE MEETING
11 DECEMBER 2023**

ATTENTION/DISCLAIMER

The purpose of this Committee Meeting is to discuss and make recommendations to Council about items appearing on the agenda and other matters for which the Committee is responsible. The Committee has no power to make any decisions which are binding on the Council or the Shire of Mundaring unless specific delegation of authority has been granted by Council. No person should rely on or act on the basis of any advice or information provided by a Member or Employee, or on the content of any discussion occurring, during the course of the Committee Meeting.

The Shire of Mundaring expressly disclaims liability for any loss or damage suffered by any person as a result of relying on or acting on the basis of any advice or information provided by a Member or Employee, or the content of any discussion occurring during the course of the Committee Meeting.

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**AUDIT AND RISK COMMITTEE
COMMITTEE ROOM, 7000 GREAT EASTERN HIGHWAY, MUNDARING – 5.00PM**

1.0 OPENING PROCEDURES

The Director Corporate Services declared the meeting open at 4.53pm.

Acknowledgement of Country

Shire of Mundaring respectfully acknowledges the Whadjuk people of the Noongar Nation, who are the traditional custodians of this land. We acknowledge Elders past, present and emerging and respect their continuing culture and the contribution they make to the region.

1.1 Announcement of Visitors

Nil

1.2 Attendance/Apologies

Members	Pres Paige McNeil Cr Trish Cook Cr Prapti Mehta Ms Shona Zulsdorf	President South Ward Central Ward External Member
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Staff	Jason Whiteaker Garry Bird Stan Kocian Jeannine Bryant (Item 7.2) Robert Campbell (Item 9.1) Andrea Douglas	Chief Executive Officer Director Corporate Services Manager Finance and Governance Manager People and Culture Manager Information Technology Minute Taker
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Apologies	Cr Karen Beale Mr Tony Wittcomb	West Ward External Member
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Absent Nil

Guests Nil

Members of the Public Nil

Members of the Press Nil

1.3 Election of Presiding Member and Deputy Presiding Member

Director Corporate Services called for nominations for the Presiding Member of the Audit and Risk Committee.

Mr Wittcomb was nominated by Cr Beale. Pres McNeil advised that Mr Wittcomb, noting he was an apology for this meeting, had verbally confirmed he would accept the nomination.

As there were no other nominations, Mr Wittcomb was declared elected as the Presiding Member of the Audit and Risk Committee.

In Mr Wittcomb's absence, Director Corporate Services invited nominations for the position of Deputy Presiding Member of the Audit and Risk Committee.

Cr Beale had nominated herself for the role via email. Cr Cook nominated herself for the role.

As there were two nominations for the position of Deputy Presiding Member, a ballot was conducted.

Following the ballot and counting of votes, Director Corporate Services declared Cr Cook elected as Deputy Presiding Member of the Audit and Risk Committee and invited Cr Cook to assume the chair.

2.0 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

Nil

3.0 DECLARATION OF INTEREST

3.1 Declaration of Financial Interest and Proximity Interests

Council Members must disclose the nature of their interest in matters to be discussed at the meeting (*Part 5 Division 6 of the Local Government Act 1995*).

Employees must disclose the nature of their interest in reports or advice when giving the report or advice to the meeting (*Sections 5.70 and 5.71 of the Local Government Act 1995*).

Ms Zulsdorf disclosed a proximity interest as she is also an Audit and Risk external member for the City of Bayswater, Shire of York, City of South Perth and City of Belmont.

3.2 Declaration of Interest Affecting Impartiality

A Council Member or an employee who has an interest in a matter to be discussed at the meeting must disclose that interest (*Shire of Mundaring Code of Conduct, Local Government (Admin) Reg. 34C*).

Nil

4.0 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

5.0 PUBLIC QUESTION TIME

Procedures for asking and responding to questions are determined by the Presiding Person and in accordance with the Shire's Meeting Procedures Local Law 2015. Questions must relate to a function of the Committee.

Nil

6.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

OFFICER RECOMMENDATION / COMMITTEE DECISION		ARC1.12.23	
Moved by	Pres McNeil	Seconded by	Ms Zulsdorf
That:			
1. the Minutes of the Audit and Risk Committee Meeting held 22 August 2023 be confirmed; and			
2. the Minutes of the Special Audit and Risk Committee Meeting held 7 November 2023 be confirmed.			
			CARRIED 4/0
For:	Pres McNeil, Cr Cook, Cr Mehta and Ms Zulsdorf		
Against:	Nil		

7.0 REPORTS OF EMPLOYEES

7.1 Audited Annual Financial Report 2022/23

File Code	FI.AUD 2223
Author	Stan Kocian, Manager Finance and Governance
Senior Employee	Garry Bird, Director Corporate Services
Disclosure of Any Interest	Nil
Attachments	1. Annual Financial Report for the year ended 30 June 2023 ↓ 2. Annual Financial Report Variances for 2023 ↓

PURPOSE

This report presents the audited Annual Financial Report for the year ended 30 June 2023. The Annual Financial Report will be incorporated into the Annual Report and will include the independent audit report issued by the Office of the Auditor General (OAG).

BACKGROUND

The audited Annual Financial Report will be included as part of the Shire's Annual Report for 2022/23.

The OAG has completed the audit and an audit exit interview was conducted by the OAG and the OAG's audit contractor (Moore Australia) with the members of the Audit and Risk Committee and relevant Shire employees on Monday 11 December 2023.

The Annual Financial Report for the year ended 30 June 2023 has been prepared in accordance with Australian Accounting Standards and complies with the requirements of the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*.

The Audit and Risk Committee (ARC) is to review the audited Annual Financial Report prior to its presentation to Council.

The ARC Terms of Reference, under 6. Functions of the Committee provides:

- a. *Review the Shire's draft annual financial report, focusing on:*
 - i. *accounting policies and practices;*
 - ii. *changes to accounting policies and practices;*
 - iii. *the process used in making significant accounting estimates;*
 - iv. *significant adjustments to the financial report (if any) arising from the audit process;*
 - v. *compliance with accounting standards and other reporting requirements; and*
 - vi. *significant variances from prior years.*
- b. *Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation, but before the annual financial report is signed.*

STATUTORY / LEGAL IMPLICATIONS

The *Local Government Act 1995* sets out the requirements for the preparation of the annual financial report as follows:

- Section 6.4 (1) and (2) - requires the Shire to prepare an annual financial report for the preceding financial year which is to be presented in the manner and form prescribed.
- Section 6.4(3) - requires the Shire to submit to its auditor the accounts balanced up to the last day of the preceding financial year and the annual financial report by 30 September.
- Section 5.53(2) - requires the Shire to prepare an annual report that includes the financial report for the financial year and the auditor's report for the financial year.

Regulation 10 of the *Local Government (Audit) Regulations 1996* stipulates what is to be included in the auditor's report.

Sections 7.12A 4 (a) (b) and 7.12A 5 stipulate that a local government must:

- Prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters.
- Give a copy of that report to the Minister within 3 months after the audit report is received by the local government.
- Within 14 days after a local government gives a report to the Minister publish a copy of the report on the local government's official website.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Mundaring Strategic Community Plan 2020 - 2030

Priority 4 - Governance

Objective 4.4 – High standard of governance and accountability

Strategy 4.4.8 – Compliance with the Local Government Act 1995 and all relevant legislation and regulations

SUSTAINABILITY IMPLICATIONS

Nil

RISK IMPLICATIONS

Risk: Financial and reputational. Risk of material misstatement of the Shire's financial position and performance		
Likelihood	Consequence	Rating
Rare	Major	Low
Action / Strategy		

The audit of the Shire's financial report is undertaken by an external auditor to mitigate the risk of material misstatement of the Shire's financial position and performance.

EXTERNAL CONSULTATION

Nil

COMMENT

In addressing the specifics of the Terms of Reference of ARC, the following is provided:

1. Accounting policies and practices

Significant accounting policies are set out in the Notes to and forming part of the Annual Financial Report.

2. Changes to accounting policies and practices

There has been no changes in accounting policies and practices.

3. The process used in making significant accounting 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.

4. Significant adjustments to the financial report (if any) arising from the audit process

There were no significant adjustments to the financial report arising from the audit process.

5. Compliance with accounting standards and other reporting requirements

The accounts have been prepared in compliance with applicable Australian Accounting Standards, the *Local Government Act 1995* (as amended) and the *Local Government (Financial Management) Regulations 1996* (as amended).

6. Significant variances from prior years

When comparing income and expenditure for the Income Statement it is appropriate to compare actual results to budget. Major variances between the 2022/23 Budget and 2022/23 Actuals and major variances between the 2022/23 Actuals and 2021/22 Actuals are set out in **Attachment 2**.

VOTING REQUIREMENT

Simple Majority

COMMITTEE RECOMMENDATION		ARC2.12.23	
Moved by	Pres McNeil	Seconded by	Ms Zulsdorf
<p>1. That Council adopts the audited Annual Financial Report for the year ended 30 June 2023 when adopting the Annual Report for the year ended 30 June 2023 Attachment 1.</p> <p>2. That the Committee notes the significant variances and explanations in Attachment 2.</p>			
			CARRIED 4/0
For:	Pres McNeil, Cr Cook, Cr Mehta and Ms Zulsdorf		
Against:	Nil		

SHIRE OF MUNDARING
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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

The place for sustainable living.

Principal place of business:
7000 Great Eastern Highway, Mundaring WA 6073

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

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

STATEMENT BY CEO

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

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

Signed on the _____ day of _____ 2023

Chief Executive Officer

Name of Chief Executive Officer

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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),25	31,317,877	31,251,611	30,010,441
Grants, subsidies and contributions	2(a)	8,163,778	4,059,267	7,822,772
Fees and charges	2(a)	12,143,773	11,901,137	11,463,281
Interest revenue	2(a)	1,300,334	1,035,000	377,004
Other revenue	2(a)	1,515,688	1,373,039	1,763,448
		54,441,450	49,620,054	51,436,946
Expenses				
Employee costs	2(b)	(22,237,863)	(21,942,259)	(20,778,739)
Materials and contracts		(21,954,795)	(23,983,794)	(18,945,955)
Utility charges		(1,448,240)	(1,427,097)	(1,410,623)
Depreciation		(8,251,419)	(7,676,042)	(7,993,631)
Finance costs	2(b)	(378,337)	(383,818)	(410,337)
Insurance		(590,186)	(601,071)	(537,790)
Other expenditure	2(b)	(856,512)	(881,872)	(726,034)
		(55,717,352)	(56,895,953)	(50,803,109)
		(1,275,902)	(7,275,899)	633,837
Capital grants, subsidies and contributions	2(a)	9,769,019	9,945,277	3,998,121
Profit on asset disposals		36,585	660,900	122,297
Loss on asset disposals		(53,846)	(49,500)	0
Fair value adjustments to financial assets at fair value through profit or loss		5,910	0	6,994
Share of net profit of associates accounted for using the equity method	21(c)	632,787	0	999,595
		10,390,455	10,556,677	5,127,007
Net result for the period	24(b)	9,114,553	3,280,778	5,760,844
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	60,868,199	0	0
Share of other comprehensive income of associates accounted for using the equity method	17, 21(b)	29,954	0	(31,623)
Total other comprehensive income for the period	17	60,898,153	0	(31,623)
Total comprehensive income for the period		70,012,706	3,280,778	5,729,221

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

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

	NOTE	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	3	25,026,351	13,521,307
Trade and other receivables	5	6,079,082	4,482,075
Other financial assets	4(a)	24,179,308	31,318,702
Inventories	6	123,569	114,678
Other assets	8	331,938	393,516
TOTAL CURRENT ASSETS		55,740,248	49,830,278
NON-CURRENT ASSETS			
Trade and other receivables	5	1,344,682	1,249,731
Other financial assets	4(b)	142,067	136,156
Investment in associate	21(a)	20,305,412	19,681,971
Property, plant and equipment	9	88,553,160	79,836,373
Infrastructure	10	380,882,752	322,729,416
Right-of-use assets	12(a)	576,355	587,677
TOTAL NON-CURRENT ASSETS		491,804,428	424,221,324
TOTAL ASSETS		547,544,676	474,051,602
CURRENT LIABILITIES			
Trade and other payables	13	12,393,469	7,299,744
Other liabilities	14	275,650	1,148,252
Lease liabilities	12(b)	223,602	156,853
Borrowings	15	772,872	735,493
Employee related provisions	16	3,534,135	3,535,564
TOTAL CURRENT LIABILITIES		17,199,728	12,875,906
NON-CURRENT LIABILITIES			
Lease liabilities	12(b)	358,664	433,794
Borrowings	15	7,626,158	8,399,030
Employee related provisions	16	293,869	289,321
Other provisions	7	161,200	161,200
TOTAL NON-CURRENT LIABILITIES		8,439,891	9,283,345
TOTAL LIABILITIES		25,639,619	22,159,251
NET ASSETS		521,905,057	451,892,351
EQUITY			
Retained surplus		148,677,004	139,342,809
Reserve accounts	28	29,934,979	30,154,621
Revaluation surplus	17	343,293,074	282,394,921
TOTAL EQUITY		521,905,057	451,892,351

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

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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		134,338,009	29,398,577	282,426,544	446,163,130
Comprehensive income for the period					
Net result for the period		5,760,844	0	0	5,760,844
Other comprehensive income for the period	17	0	0	(31,623)	(31,623)
Total comprehensive income for the period		5,760,844	0	(31,623)	5,729,221
Transfers from reserve accounts	28	2,174,615	(2,174,615)	0	0
Transfers to reserve accounts	28	(2,930,659)	2,930,659	0	0
Balance as at 30 June 2022		139,342,809	30,154,621	282,394,921	451,892,351
Comprehensive income for the period					
Net result for the period		9,114,553	0	0	9,114,553
Other comprehensive income for the period	17	0	0	60,898,153	60,898,153
Total comprehensive income for the period		9,114,553	0	60,898,153	70,012,706
Transfers from reserve accounts	28	3,770,542	(3,770,542)	0	0
Transfers to reserve accounts	28	(3,550,900)	3,550,900	0	0
Balance as at 30 June 2023		148,677,004	29,934,979	343,293,074	521,905,057

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

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

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		30,050,007	29,794,907
Grants, subsidies and contributions		7,341,159	6,418,888
Fees and charges		12,143,773	11,463,281
Interest revenue		1,300,334	377,004
Goods and services tax received		2,123,729	1,990,463
Other revenue		1,515,688	1,763,448
		54,474,690	51,807,991
Payments			
Employee costs		(22,913,855)	(20,547,930)
Materials and contracts		(16,243,711)	(18,807,400)
Utility charges		(1,448,240)	(1,410,623)
Finance costs		(378,337)	(410,337)
Insurance paid		(590,186)	(537,790)
Goods and services tax paid		(2,483,361)	(1,935,391)
Other expenditure		(856,512)	(726,034)
		(44,914,202)	(44,375,505)
Net cash provided by (used in) operating activities	18(b)	9,560,488	7,432,486
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	9(a)	(3,433,674)	(2,950,460)
Payments for construction of infrastructure	10(a)	(11,217,889)	(5,127,058)
Capital grants, subsidies and contributions	2(a)	9,769,019	3,998,121
Distributions from investments in associates	21(b)	39,300	473,761
Proceeds for financial assets at amortised cost		7,139,394	(89,521)
Proceeds from sale of property, plant & equipment		594,586	439,473
Net cash provided by (used in) investing activities		2,890,736	(3,255,684)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27(a)	(735,493)	(700,169)
Payments for principal portion of lease liabilities	27(b)	(210,687)	(206,765)
Net cash provided by (used in) financing activities		(946,180)	(906,934)
Net increase (decrease) in cash held		11,505,044	3,269,868
Cash at beginning of year		13,521,307	10,251,439
Cash and cash equivalents at the end of the year	18(a)	25,026,351	13,521,307

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

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

NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$	
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	31,317,877	31,251,611	30,010,441
Grants, subsidies and contributions		8,163,778	4,059,267	7,822,772
Fees and charges		12,143,773	11,901,137	11,463,281
Interest revenue		1,300,334	1,035,000	377,004
Other revenue		1,515,688	1,373,039	1,763,448
Profit on asset disposals		36,585	660,900	122,297
Fair value adjustments to financial assets at fair value through profit or loss		5,910	0	6,994
Share of net profit of associates accounted for using the equity method	21(c)	632,787	0	999,595
		55,116,732	50,280,954	52,565,832
Expenditure from operating activities				
Employee costs		(22,237,863)	(21,942,259)	(20,778,739)
Materials and contracts		(21,954,795)	(23,983,794)	(18,945,955)
Utility charges		(1,448,240)	(1,427,097)	(1,410,623)
Depreciation		(8,251,419)	(7,676,042)	(7,993,631)
Finance costs		(378,337)	(383,818)	(410,337)
Insurance		(590,186)	(601,071)	(537,790)
Other expenditure		(856,512)	(881,872)	(726,034)
Loss on asset disposals		(53,846)	(49,500)	0
		(55,771,198)	(56,945,453)	(50,803,109)
Non-cash amounts excluded from operating activities	26(a)	7,539,579	7,064,642	6,553,580
Amount attributable to operating activities		6,885,113	400,143	8,316,303
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions	2(a)	9,769,019	9,945,277	3,998,121
Proceeds from disposal of assets		594,586	1,526,400	439,473
Distributions from investments in associates	21(b)	39,300	0	473,761
		10,402,905	11,471,677	4,911,355
Outflows from investing activities				
Purchase of property, plant and equipment	9(a)	(3,433,674)	(4,320,275)	(2,950,460)
Purchase and construction of infrastructure	10(a)	(11,217,889)	(11,750,349)	(5,127,058)
		(14,651,563)	(16,070,624)	(8,077,518)
Amount attributable to investing activities		(4,248,658)	(4,598,947)	(3,166,163)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	28	3,770,542	5,450,590	2,174,615
		3,770,542	5,450,590	2,174,615
Outflows from financing activities				
Repayment of borrowings	27(a)	(735,493)	(735,494)	(700,169)
Payments for principal portion of lease liabilities	27(b)	(210,687)	(145,497)	(206,765)
Transfers to reserve accounts	28	(3,550,900)	(3,678,968)	(2,930,659)
		(4,497,080)	(4,559,959)	(3,837,593)
Amount attributable to financing activities		(726,538)	890,631	(1,662,978)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(b)	7,692,098	4,024,176	4,204,936
Amount attributable to operating activities		6,885,113	400,143	8,316,303
Amount attributable to investing activities		(4,248,658)	(4,598,947)	(3,166,163)
Amount attributable to financing activities		(726,538)	890,631	(1,662,978)
Surplus or deficit after imposition of general rates	26(b)	9,602,015	716,003	7,692,098

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

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

1. BASIS OF PREPARATION

The financial report of the Shire of Mundaring which is a band 2 local government, comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied 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 29 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.

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Fees and charges Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Fees and charges Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	After inspection complete based on a 4 year cycle
Fees and charges Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Fees and charges Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Other revenue Sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods
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 MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	31,317,877	0	31,317,877
Grants, subsidies and contributions	8,163,778	0	0	0	8,163,778
Fees and charges	12,143,773	0	0	0	12,143,773
Interest revenue	1,031,333	0	269,001	0	1,300,334
Other revenue	942,609	0	573,079	0	1,515,688
Capital grants, subsidies and contributions	0	9,591,593	0	177,426	9,769,019
Total	22,281,493	9,591,593	32,159,957	177,426	64,210,469

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	30,010,441	0	30,010,441
Grants, subsidies and contributions	7,822,772	0	0	0	7,822,772
Fees and charges	11,463,281	0	0	0	11,463,281
Interest revenue	161,585	0	215,419	0	377,004
Other revenue	981,952	0	781,496	0	1,763,448
Capital grants, subsidies and contributions	0	3,998,121	0	0	3,998,121
Total	20,429,590	3,998,121	31,007,356	0	55,435,067

	2023 Actual	2022 Actual
	\$	\$
Interest revenue		
Interest on reserve account funds	621,000	105,806
Rates penalty interest	269,001	215,419
Interest on Municipal funds	410,333	55,779
	1,300,334	377,004
Fees and charges relating to rates receivable		
Charges on instalment plan	133,422	131,666
(b) Expenses		
Auditors remuneration		
- Audit of the Annual Financial Report	51,250	48,200
- Other services – grant acquittals	6,650	5,050
	57,900	53,250
Employee Costs		
Employee benefit costs	21,232,424	19,917,434
Other employee costs	1,005,439	861,305
	22,237,863	20,778,739
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	378,337	410,337
	378,337	410,337
Other expenditure		
Community grants and donations	489,402	380,585
Sundry expenses	367,110	345,449
	856,512	726,034

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

3. CASH AND CASH EQUIVALENTS

Note	2023 \$	2022 \$
Cash at bank and on hand	25,026,351	13,521,307
Total cash and cash equivalents	25,026,351	13,521,307
Held as		
- Unrestricted cash and cash equivalents	16,724,289	10,767,209
- Restricted cash and cash equivalents	8,302,062	2,754,098
	25,026,351	13,521,307

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

	2023 \$	2022 \$
(a) Current assets		
Financial assets at amortised cost	24,179,308	31,318,702
	24,179,308	31,318,702
Other financial assets at amortised cost		
Term deposits	24,179,308	31,318,702
	24,179,308	31,318,702
Held as		
- Unrestricted other financial assets at amortised cost	0	1,164,081
- Restricted other financial assets at amortised cost	24,179,308	30,154,621
	24,179,308	31,318,702
(b) Non-current assets		
Financial assets at fair value through profit or loss	142,067	136,156
	142,067	136,156
Financial assets at fair value through profit or loss		
Units in Local Government House Trust	142,067	136,156
	142,067	136,156

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

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 23 (i)) due to the observable market rates).

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

Financial assets at fair value through profit or loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 22.

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

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
Current		
Rates and statutory receivables	4,011,368	2,734,898
Trade receivables	804,870	1,103,688
GST receivable	549,380	189,748
Receivables for employee related provisions	125,618	95,004
Waste charges	587,846	358,737
	6,079,082	4,482,075
Non-current		
Rates and statutory receivables	1,291,830	1,185,991
Receivables for employee related provisions	25,615	36,503
POS Payments	27,237	27,237
	1,344,682	1,249,731

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

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 22.

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

6. INVENTORIES

Note	2023	2022
	\$	\$
Current		
Fuel and materials	123,569	114,678
	123,569	114,678
The following movements in inventories occurred during the year:		
Balance at beginning of year	114,678	72,323
Inventories expensed during the year	(602,643)	(563,349)
Additions to inventory	611,534	605,704
Balance at end of year	123,569	114,678

SIGNIFICANT ACCOUNTING POLICIES
General
 Inventories are measured at the lower of cost and net realisable value.

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

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

7. OTHER PROVISIONS

	Make good provisions	Total
	\$	\$
Opening balance at 1 July 2022		
Non-current provisions	161,200	161,200
	161,200	161,200
Balance at 30 June 2023	161,200	161,200
Comprises		
Non-current	161,200	161,200
	161,200	161,200

Other provisions

Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Make good provisions

Under the licence for the operation of the Mathieson Road Waste Transfer Station, the Shire has a legal obligation to restore the site.

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

The payment of the non-current obligations is expected to be post 27 June 2035 i.e. upon the expiry of the license.

Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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

8. OTHER ASSETS

	<u>2023</u>	<u>2022</u>
	\$	\$
Other assets - current		
Prepayments	331,938	393,516
	<u>331,938</u>	<u>393,516</u>

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

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

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Buildings - work in progress	Total property, plant and equipment
	\$	\$		\$	\$	\$	\$
Balance at 1 July 2021	25,624,700	46,768,599	72,393,299	308,080	6,873,527	42,838	79,617,744
Additions	0	43,050	43,050	139,013	1,791,857	976,540	2,950,460
Disposals	0	0	0	0	(317,176)	0	(317,176)
Depreciation	0	(1,651,793)	(1,651,793)	(30,929)	(731,933)	0	(2,414,655)
Balance at 30 June 2022	25,624,700	45,159,856	70,784,556	416,164	7,616,275	1,019,378	79,836,373
Comprises:							
Gross balance amount at 30 June 2022	25,624,700	75,269,713	100,894,413	830,426	12,287,293	1,019,378	115,031,510
Accumulated depreciation at 30 June 2022	0	(30,109,857)	(30,109,857)	(414,262)	(4,671,018)	0	(35,195,137)
Balance at 30 June 2022	25,624,700	45,159,856	70,784,556	416,164	7,616,275	1,019,378	79,836,373
Additions	675,000	551,189	1,226,189	47,935	2,129,186	30,364	3,433,674
Disposals	0	0	0	0	(611,847)	0	(611,847)
Revaluation increments / (decrements) transferred to revaluation surplus	2,350,200	6,113,877	8,464,077	0	0	0	8,464,077
Depreciation	0	(1,659,182)	(1,659,182)	(60,191)	(849,744)	0	(2,569,117)
Transfers	0	988,503	988,503	0	0	(988,503)	0
Balance at 30 June 2023	28,649,900	51,154,243	79,804,143	403,908	8,283,870	61,239	88,553,160
Comprises:							
Gross balance amount at 30 June 2023	28,649,900	87,931,000	116,580,900	878,361	12,837,312	61,239	130,357,812
Accumulated depreciation at 30 June 2023	0	(36,776,757)	(36,776,757)	(474,453)	(4,553,442)	0	(41,804,652)
Balance at 30 June 2023	28,649,900	51,154,243	79,804,143	403,908	8,283,870	61,239	88,553,160

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

9. 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	Level 2	Market approach using recent observable data for similar properties in the area	Independent Registered Valuers	June 2023	Price per square metre
Buildings	Level 3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2023	Construction costs and current condition (Level 2) and remaining useful life assessments (Level 3) inputs

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

(ii) Cost

Furniture and equipment

Plant and equipment

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

10. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks and ovals	Work in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	239,039,285	14,348,688	45,053,744	24,427,493	139,133	323,008,343
Additions	2,976,887	533,843	552,719	1,063,609	0	5,127,058
Depreciation	(3,634,229)	(268,457)	(774,556)	(693,935)	0	(5,371,177)
Transfers	0	0	28,445	75,880	(139,133)	(34,808)
Balance at 30 June 2022	238,381,943	14,614,074	44,860,352	24,873,047	0	322,729,416
Comprises:						
Gross balance at 30 June 2022	298,540,026	19,205,553	71,408,256	31,238,702	0	420,392,537
Accumulated depreciation at 30 June 2022	(60,158,083)	(4,591,479)	(26,547,904)	(6,365,655)	0	(97,663,121)
Balance at 30 June 2022	238,381,943	14,614,074	44,860,352	24,873,047	0	322,729,416
Additions	8,378,417	988,251	611,118	1,240,103	0	11,217,889
Revaluation increments / (decrements) transferred to revaluation surplus	38,814,720	2,329,912	7,315,736	3,943,754	0	52,404,122
Depreciation	(3,697,271)	(258,514)	(780,563)	(732,327)	0	(5,468,675)
Balance at 30 June 2023	281,877,809	17,673,723	52,006,643	29,324,577	0	380,882,752
Comprises:						
Gross balance at 30 June 2023	354,911,393	23,225,679	83,520,135	37,341,899	0	498,999,106
Accumulated depreciation at 30 June 2023	(73,033,584)	(5,551,956)	(31,513,492)	(8,017,322)	0	(118,116,354)
Balance at 30 June 2023	281,877,809	17,673,723	52,006,643	29,324,577	0	380,882,752

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

10. 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	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - footpaths	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - drainage	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - parks and ovals	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

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

11. FIXED ASSETS**(a) Depreciation****Depreciation rates**

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

Asset Class	Useful life
Buildings	
Structure	30 to 100 years
Fit out	18 to 45 years
Mechanical	18 to 45 years
Roof Cladding	24 to 60 years
Furniture and Equipment	3 to 12 years
Plant and Equipment	3 to 60 years
Sealed Roads and Streets	
Formation	not depreciated
Pavement	70 to 150 years
Surface	15 to 45 years
Kerb	60 to 70 years
Unsealed Roads	
Formation	not depreciated
Surface	15 years
Drainage	60 to 100 years
Bridges	40 to 100 years
Footpaths	15 to 100 years
Heritage Trails	
Formation	not depreciated
Pavement	60 years
Point Items	15 to 100 years
Waste Transfer Stations	15 to 100 years
Bus Shelters	20 to 50 years
Parks Hard Assets	5 to 80 years

(b) Temporarily Idle or retired from use assets

The Shire did not have any temporarily idle or retired from use assets as at 30 June 2023 and 30 June 2022.

(c) Fully Depreciated Assets in Use

The Shire did not have any fully depreciated assets in use as at 30 June 2023 and 30 June 2022.

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

11. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - furniture and equipment \$	Right-of-use assets Total \$
Balance at 1 July 2021		80,814	80,814
Additions		714,662	714,662
Depreciation		(207,799)	(207,799)
Balance at 30 June 2022		587,677	587,677
Additions		202,305	202,305
Depreciation		(213,627)	(213,627)
Balance at 30 June 2023		576,355	576,355

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

	2023 Actual \$	2022 Actual \$
Depreciation on right-of-use assets	(213,627)	(207,799)
Finance charge on lease liabilities	(11,164)	(7,841)
Total amount recognised in the statement of comprehensive income	(224,791)	(215,640)
Total cash outflow from leases	(221,851)	(214,606)
(b) Lease Liabilities		
Current	223,602	156,853
Non-current	358,664	433,794
	27(b) 582,266	590,647

The Shire has three leases relating to furniture and equipment. The lease terms range between 3 and 5 years.

The Shire has not revalued the right of use assets relating to leased furniture and equipment as the difference between the fair value and carrying amount is immaterial.

Secured liabilities and assets pledged as security

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

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - measurement

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

Refer to Note 11 under revaluation for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

**SHIRE OF MUNDARING
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12. LEASES (Continued)

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

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year
1 to 2 years
2 to 3 years
3 to 4 years
4 to 5 years
> 5 years

	2023 Actual	2022 Actual
	\$	\$
	484,806	440,052
	426,375	440,052
	425,764	439,752
	424,719	439,202
	420,749	438,725
	420,749	434,632
	2,603,162	2,632,415
Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease		
Rental income	588,974	483,325

The Shire leases community facilities to community groups with rentals payable either monthly or annually. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The community facilities are not considered investment property as they are leased for use in the supply of services to the community.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases.

Expectations about the future residual values are reflected in the fair value of the properties.

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

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

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

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

**SHIRE OF MUNDARING
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13. TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
Current		
Sundry creditors	5,609,039	1,395,591
Prepaid rates	1,629,961	1,515,522
Accrued payroll liabilities	0	679,111
Bonds and deposits held	2,160,082	2,190,363
Creditor accruals	1,771,486	616,475
Cash in lieu of POS	1,222,901	902,682
	12,393,469	7,299,744

SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

**SHIRE OF MUNDARING
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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14. OTHER LIABILITIES

	2023	2022
	\$	\$
Current		
Contract liabilities	15,263	68,204
Capital grant/contributions liabilities	260,387	1,080,048
	<u>275,650</u>	<u>1,148,252</u>
Reconciliation of changes in contract liabilities		
Opening balance	68,204	56,604
Additions	15,263	11,600
Revenue from contracts with customers included as a contract liability at the start of the period	(68,204)	0
	<u>15,263</u>	<u>68,204</u>
The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.		
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	1,080,048	1,646,848
Additions	1,658,068	1,253,865
Revenue from capital grant/contributions held as a liability at the start of the period	(2,477,729)	(1,820,665)
	<u>260,387</u>	<u>1,080,048</u>
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	<u>260,387</u>	<u>1,080,048</u>
	260,387	1,080,048

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

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

15. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Other loans		772,872	7,626,158	8,399,030	735,493	8,399,030	9,134,523
Total secured borrowings	27(a)	772,872	7,626,158	8,399,030	735,493	8,399,030	9,134,523

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

 Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.
 Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk
 Details of individual borrowings required by regulations are provided at Note 27(a).
 Information regarding exposure to risk can be found at Note 22.

**SHIRE OF MUNDARING
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16. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
Current provisions	\$	\$
Employee benefit provisions		
Annual leave	1,674,136	1,687,211
Long service leave	1,859,999	1,848,353
Total current employee related provisions	3,534,135	3,535,564
Non-current provisions		
Employee benefit provisions		
Long service leave	293,869	289,321
Total non-current employee related provisions	293,869	289,321
Total employee related provisions	3,828,004	3,824,885

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:

	2023	2022
Amounts are expected to be settled on the following basis:	\$	\$
Less than 12 months after the reporting date	1,557,427	1,539,165
More than 12 months from reporting date	2,270,577	2,285,720
	3,828,004	3,824,885

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

Note	2023	2022
5	151,233	131,507

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

**SHIRE OF MUNDARING
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17. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and Buildings	48,419,386	8,464,077	56,883,463	48,419,386	0	48,419,386
Revaluation surplus - Plant and equipment	1,627,873	0	1,627,873	1,627,873	0	1,627,873
Revaluation surplus - Infrastructure - roads	175,806,318	38,814,720	214,621,038	175,806,318	0	175,806,318
Revaluation surplus - Infrastructure - footpaths	8,057,073	2,329,912	10,386,985	8,057,073	0	8,057,073
Revaluation surplus - Infrastructure - drainage	28,976,295	7,315,736	36,292,031	28,976,295	0	28,976,295
Revaluation surplus - Infrastructure - parks and ovals	14,897,205	3,943,754	18,840,959	14,897,205	0	14,897,205
	277,784,150	60,868,199	338,652,349	277,784,150	0	277,784,150
Revaluation surplus - Share from investments in associates	4,610,771	29,954	4,640,725	4,642,394	(31,623)	4,610,771
	282,394,921	60,898,153	343,293,074	282,426,544	(31,623)	282,394,921

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

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2023 Actual \$	2022 Actual \$
Cash and cash equivalents	3	25,026,351	13,521,307
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	8,302,062	2,754,098
- Financial assets at amortised cost	4	24,179,308	30,154,621
		32,481,370	32,908,719
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	29,934,979	30,154,621
Bonds and deposits held	13	2,160,082	2,190,363
Cash in lieu of POS (pre 10 April 2006)		386,309	563,735
Total restricted financial assets		32,481,370	32,908,719
(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities			
Net result		9,114,553	5,760,844
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		(5,910)	(6,994)
Depreciation/amortisation		8,251,419	7,993,631
(Profit)/loss on sale of assets		17,261	(122,297)
Work in progress expensed		0	34,808
Share of profits of associates		(632,787)	(999,595)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(1,691,958)	(1,051,927)
(Increase)/decrease in other assets		61,578	(183,333)
(Increase)/decrease in inventories		(8,891)	(42,355)
Increase/(decrease) in trade and other payables		5,093,725	616,926
Increase/(decrease) in employee related provisions		3,119	(25,101)
Increase/(decrease) in other provisions		0	11,200
Increase/(decrease) in other liabilities		(872,602)	(555,200)
Capital grants, subsidies and contributions		(9,769,019)	(3,998,121)
Net cash provided by/(used in) operating activities		9,560,488	7,432,486
(c) Undrawn Borrowing Facilities			
Credit Standby Arrangements			
Bank overdraft limit		500,000	500,000
Bank overdraft at balance date		0	0
Credit card limit		56,000	56,000
Credit card balance at balance date		(22,236)	(28,060)
Total amount of credit unused		533,764	527,940
Loan facilities			
Loan facilities - current		772,872	735,493
Loan facilities - non-current		7,626,158	8,399,030
Total facilities in use at balance date		8,399,030	9,134,523
Unused loan facilities at balance date		0	0

**SHIRE OF MUNDARING
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19. CONTINGENT LIABILITIES

In compliance with the *Contaminated Sites Act 2003* Section 11, the Shire has a listed site which may be potentially contaminated. Detail of the site is:

- 440 Strettle Road, Glen Forrest, 6071

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

**SHIRE OF MUNDARING
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20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
President's annual allowance	56,554	56,554	53,759
President's meeting attendance fees	28,901	28,901	50,202
President's annual allowance for ICT expenses	5,542	3,500	7,000
President's travel expenses	1,768	1,200	4,624
	92,765	90,155	115,585
Deputy President's annual allowance	14,138	14,138	13,440
Deputy President's meeting attendance fees	22,121	22,121	21,673
Deputy President's annual allowance for ICT expenses	3,017	3,500	3,519
Deputy President's travel expenses	4,041	1,200	2,216
	43,317	40,959	40,848
All other council member's meeting attendance fees	221,210	221,210	190,420
All other council member's child care expenses	1,085	0	2,751
All other council member's annual allowance for ICT expenses	42,684	35,000	30,922
All other council member's travel expenses	8,099	12,000	6,000
	273,078	268,210	230,093
20(b)	409,160	399,324	386,526

(b) Key Management Personnel (KMP) Compensation

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

Note	2023 Actual \$	2022 Actual \$
Short-term employee benefits	1,150,749	1,089,596
Post-employment benefits	111,262	101,194
Employee - other long-term benefits	26,722	25,693
Council member costs	409,160	386,526
20(a)	1,697,893	1,603,009

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Council member costs

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

**SHIRE OF MUNDARING
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20. RELATED PARTY TRANSACTIONS (Continued)

(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.

KMP, other than elected members, are entitled to and do utilise the free use of the Shire's Aquatic Centres.

Elected members are provided with food and refreshments before all Council meetings.

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

	2023 Actual	2022 Actual
	\$	\$
Purchase of goods and services	3,786,720	3,604,098
Trade and other payables	200,394	0
Investments in associates:		
Distributions received from investments in associates	39,300	473,761

(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 and are detailed in Notes 20(a) and 20(b)

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

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21. INVESTMENT IN ASSOCIATES

(a) Investment in associates

Set out in the table below are the associates of the Shire. All associates are measured using the equity method. Western Australia is the principal place of business for all associates.

Name of entity	% of ownership interest		2023	2022
	2023	2022	Actual	Actual
EMRC	11.43%	11.53%	\$ 20,305,412	\$ 19,681,971
Total equity-accounted investments			20,305,412	19,681,971

(b) Share of investment in EMRC

The Shire of Mundaring has a share in the net assets of the Eastern Metropolitan Regional Council (EMRC) as a member council. The EMRC provides services in waste management, resource recovery, environmental management and regional development.

The accounting share applicable to the Shire of Mundaring as at 30 June 2023 as disclosed in the financial statements of the EMRC is \$20,305,412

This represents the Shire's 11.43% share of the total equity of the EMRC.

	Note	2023 Actual	2022 Actual
Summarised statement of comprehensive income			
Revenue		\$ 51,844,081	\$ 42,449,284
Expenses		(45,564,938)	(36,442,392)
Profit/(loss) for the period		6,279,143	6,006,892
Other comprehensive income		635,245	0
Total comprehensive income for the period		6,914,388	6,006,892
Summarised statement of financial position			
Current assets		84,995,182	85,207,247
Non-current assets		129,024,122	121,339,609
Total assets		214,019,304	206,546,856
Current liabilities		29,938,415	8,077,758
Total non-current liabilities		6,407,147	27,709,744
Total liabilities		36,345,562	35,787,502
Net assets		177,673,742	170,759,354
Reconciliation to carrying amounts			
Opening net assets 1 July		170,759,354	185,752,979
Profit/(Loss) for the period		6,279,143	6,006,892
Other comprehensive income		635,245	0
Provision for City of Belmont payout		0	(21,000,517)
Closing net assets 1 July		177,673,742	170,759,354
Carrying amount at 1 July		19,681,971	19,187,760
- Share of associates net profit/(loss) for the period	21(c)	632,787	999,595
- Share of associates other comprehensive income arising during the period		29,954	(31,623)
- Distribution of equity by associate		(39,300)	(473,761)
Carrying amount at 30 June (Refer to Note 21(a))		20,305,412	19,681,971

SIGNIFICANT ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the Shire has significant influence, that is it has the power to participate in the financial and operating policy decisions of the investee but not control or joint control of those policies.

Investments in associates are accounted for using the equity method. The equity method of accounting, is whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

(c) Share of associates net profit/(loss) for the period

Share of investment in EMRC (refer to Note 21(b))

2023 Actual	2022 Actual
\$ 632,787	\$ 999,595
632,787	999,595

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22. 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 department under policies approved by the council. The finance department 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
	%	\$	\$	\$	\$
2023					
Cash and cash equivalents	1.00%	25,026,351	0	25,021,376	4,975
Financial assets at amortised cost - term deposits	4.40%	24,179,308	24,179,308	0	0
2022					
Cash and cash equivalents	0.085%	13,521,307	0	13,516,332	4,975
Financial assets at amortised cost - term deposits	1.33%	31,318,702	31,318,702	0	0

Amounts above are exclusive of GST receivable and do not include receivables for employee related provisions.

Sensitivity

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

	2023	2022
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity*	250,214	135,163

* 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 27(a).

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22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire’s major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. 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.

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 and other receivables. To measure the expected credit losses, receivables from grants, contributions and reimbursements are separated from other trade receivables due to the difference in payment terms and security.

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2022 or 1 July 2023 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 users to settle the receivables.

The loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows for trade receivables and waste charges.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2023					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,341,605	12,485	4,766	33,860	1,392,716
Loss allowance	0	0	0	0	0
30 June 2022					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,393,877	5,940	2,467	60,141	1,462,425
Loss allowance	0	0	0	0	0

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22. 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 18(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
	\$	\$	\$	\$	\$
2023					
Trade and other payables	12,393,469	0	0	12,393,469	12,393,469
Borrowings	1,106,045	4,424,182	4,652,408	10,182,635	8,399,030
Lease liabilities	232,071	363,802	0	595,873	582,266
	<u>13,731,585</u>	<u>4,787,984</u>	<u>4,652,408</u>	<u>23,171,977</u>	<u>21,374,765</u>
2022					
Trade and other payables	7,299,744	0	0	7,299,744	7,299,744
Borrowings	1,106,046	4,424,181	5,758,454	11,288,681	9,134,523
Lease liabilities	162,141	440,626	0	602,767	590,647
	<u>8,567,931</u>	<u>4,864,807</u>	<u>5,758,454</u>	<u>19,191,192</u>	<u>17,024,914</u>

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23. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

**SHIRE OF MUNDARING
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24. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
<p>Governance To provide a decision making process for the efficient allocation of resources.</p>	Includes the activities of members of council and the administrative support required for the Council and Shire services.
<p>General purpose funding To collect revenue to allow for the provision of services.</p>	Rates, general purpose government grants and interest revenue.
<p>Law, order, public safety To provide services to help ensure a safer community.</p>	Supervision and enforcement of legislation and various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<p>Health To provide an operational framework for environmental and community health.</p>	Prevention of human illnesses, including inspection of premises/food control.
<p>Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.</p>	Operating and maintaining child minding centres and playgroup centres. Provision of services and programs for the youth and seniors of the Shire.
<p>Community amenities To provide essential services required by the community.</p>	Rubbish collection services, operation of waste disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemeteries and public conveniences.
<p>Recreation and culture To establish and effectively manage infrastructure and resources which will help the social well being of the community.</p>	Maintenance of public halls, civic centres, aquatic centres, lake, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of libraries and other cultural facilities.
<p>Transport To provide safe, effective and efficient transport services to the community.</p>	Construction and maintenance of roads, streets, pathways, depots, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
<p>Economic services To help promote the shire and its economic wellbeing.</p>	Tourism and area promotion. Provision of standpipes. Approval of building construction and implementation of statutory building controls.
<p>Other property and services To monitor and control the Shire's overheads operating accounts.</p>	Public works overheads, plant and equipment operations and activities not reported in the above programs.

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24. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses	2023 Actual	2022 Actual
	\$	\$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	177,888	352,690
General purpose funding	32,820,737	30,576,445
Law, order, public safety	200,644	474,684
Health	104,750	97,176
Education and welfare	2,553,881	2,346,297
Community amenities	8,659,794	7,633,929
Recreation and culture	1,393,700	1,300,705
Transport	62,202	99,327
Economic services	295,642	1,330,822
Other property and services	683,715	530,985
	46,952,953	44,743,060
Grants, subsidies and contributions and capital grants		
Governance	16,000	16,000
General purpose funding	3,940,266	3,317,616
Law, order, public safety	970,770	1,838,961
Education and welfare	2,944,930	3,382,308
Community amenities	76,695	0
Recreation and culture	126,668	887,150
Transport	9,844,124	2,365,241
Other property and services	13,345	13,617
	17,932,798	11,820,893
Total Income	64,885,751	56,563,953
Expenses		
Governance	(5,326,264)	(4,992,407)
General purpose funding	(846,801)	(569,357)
Law, order, public safety	(3,869,306)	(3,260,900)
Health	(634,255)	(736,728)
Education and welfare	(7,322,910)	(7,519,707)
Community amenities	(10,466,216)	(9,577,988)
Recreation and culture	(11,080,432)	(10,559,738)
Transport	(13,731,406)	(11,342,743)
Economic services	(770,213)	(739,924)
Other property and services	(1,723,395)	(1,503,617)
Total expenses	(55,771,198)	(50,803,109)
Net result for the period	9,114,553	5,760,844
(c) Total Assets		
Governance	11,575,153	10,853,907
General purpose funding	54,508,856	48,761,797
Law, order, public safety	6,737,124	4,499,762
Health	577,433	531,191
Education and welfare	2,957,440	2,625,832
Community amenities	23,128,406	22,232,782
Recreation and culture	68,926,683	61,832,852
Transport	355,298,166	301,505,199
Economic services	25,361	45,270
Other property and services	23,810,054	21,163,010
	547,544,676	474,051,602

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25. RATING INFORMATION

General Rates

RATE TYPE		2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2021/22	
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value*	Actual Rate Revenue	Actual Interim Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Total Revenue	Actual Total Revenue
GRV - Residential	Gross rental valuation	0.0945	11,398	209,647,370	19,811,677	93,093	19,904,770	19,815,006	150,251	19,965,257	19,123,315
GRV - Commercial	Gross rental valuation	0.0945	279	25,171,728	2,378,728	13,920	2,392,648	2,375,399	0	2,375,399	2,291,653
GRV - Light Industrial	Gross rental valuation	0.0945	289	15,916,422	1,504,102	(5,298)	1,498,804	1,504,102	0	1,504,102	1,455,083
GRV - Rural Residential	Gross rental valuation	0.0945	3,092	63,293,132	5,981,201	64,575	6,045,776	5,981,201	0	5,981,201	5,782,396
UV - Rural	Unimproved valuation	0.006615	252	142,501,000	942,644	50,227	992,871	942,644	0	942,644	874,874
Total general rates			15,310	456,529,652	30,618,352	216,517	30,834,869	30,618,352	150,251	30,768,603	29,527,321
Minimum Payment											
GRV - Residential	Gross rental valuation	919	442	3,211,504	406,198	0	406,198	406,198	0	406,198	411,144
GRV - Commercial	Gross rental valuation	919	3	21,860	2,757	0	2,757	2,757	0	2,757	2,664
GRV - Light Industrial	Gross rental valuation	919	1	8,148	919	0	919	919	0	919	888
GRV - Rural Residential	Gross rental valuation	919	72	578,776	66,168	0	66,168	66,168	0	66,168	63,936
UV - Mining	Unimproved valuation	1,161	6	54,363	6,966	0	6,966	6,966	0	6,966	4,488
Total minimum payments			524	3,874,651	483,008	0	483,008	483,008	0	483,008	483,120
Total general rates and minimum payments			15,834	460,404,303	31,101,360	216,517	31,317,877	31,101,360	150,251	31,251,611	30,010,441
Total Rates							31,317,877			31,251,611	30,010,441

The rate revenue was recognised from the rate record as soon as practicable after the Shire resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

*Rateable Value at time of raising of rate.

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26. DETERMINATION OF SURPLUS OR DEFICIT

	Note	2022/23	2022/23	2021/22
		(30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	(30 June 2022 Carried Forward)
		\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals		(36,585)	(660,900)	(122,297)
Less: Fair value adjustments to financial assets at fair value through profit or loss		(5,910)	0	(6,994)
Less: Share of net profit of associates and joint ventures accounted for using the equity method	21(c)	(632,787)	0	(999,595)
Add: Loss on disposal of assets		53,846	49,500	0
Add: Depreciation		8,251,419	7,676,042	7,993,631
Add: Early repayment received for non-current community group loan		0	0	25,000
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(105,839)	0	28,220
Employee benefit provisions		15,435	0	29,607
Other provisions		0	0	11,200
Contract liabilities		0	0	(440,000)
Work in progress		0	0	34,808
Non-cash amounts excluded from operating activities		7,539,579	7,064,642	6,553,580
(b) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to net current assets				
Less: Reserve accounts	28	(29,934,979)	(26,317,023)	(30,154,620)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	15	772,872	772,872	735,493
- Current portion of lease liabilities	12(b)	223,602	134,064	156,853
Total adjustments to net current assets		(28,938,505)	(25,410,087)	(29,262,274)
Net current assets used in the Statement of Financial Activity				
Total current assets		55,740,248	38,576,751	49,830,278
Less: Total current liabilities		(17,199,728)	(12,450,661)	(12,875,906)
Less: Total adjustments to net current assets		(28,938,505)	(25,410,087)	(29,262,274)
Surplus or deficit after imposition of general rates		9,602,015	716,003	7,692,098

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27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Civic Facility Redevelopment		2,813,540	0	(323,372)	2,490,168	0	(346,577)	2,143,591	2,490,168	0	(346,577)	2,143,591
Community Building Projects		7,021,152	0	(376,797)	6,644,355	0	(388,916)	6,255,439	6,644,355	0	(388,917)	6,255,438
Total		9,834,692	0	(700,169)	9,134,523	0	(735,493)	8,399,030	9,134,523	0	(735,494)	8,399,029

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
						\$	\$	\$
Civic Facility Redevelopment		170	WATC*	6.95%	3/07/2028	(162,165)	(162,165)	(185,369)
Community Building Projects		171	WATC*	3.17%	1/05/2036	(205,008)	(205,008)	(217,127)
Total						(367,173)	(367,173)	(402,496)

* WA Treasury Corporation

(b) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Security Appliance & Software	Lease 2	54,374	0	(40,579)	13,795	0	(13,795)	0	13,795	0	(13,795)	0
Telvic Microphone System	Lease 4	12,728	0	(12,728)	0	0	0	0	0	0	0	0
Photocopier/Printers	Lease 5	11,831	0	(11,831)	0	0	0	0	0	0	0	0
Photocopier/Printers	Lease 6	3,818	0	(1,563)	2,255	0	(1,586)	669	2,255	0	(1,586)	669
Data Centres (servers) x 2 *	Lease 7 / 1	0	714,661	(140,064)	574,597	0	(141,472)	433,125	606,946	0	(130,116)	476,830
Server Infrastructure	Lease 8	0	0	0	0	202,306	(53,834)	148,472	0	0	0	0
Total Lease Liabilities	12(b)	82,751	714,661	(206,765)	590,647	202,306	(210,687)	582,268	622,996	0	(145,497)	477,499

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term
						\$	\$	\$	
Security Appliance & Software		2	HP Financial	2.99%	31/10/2022	(86)	(86)	(1,060)	60 mths
Telvic Microphone System		4	HP Financial	3.05%	30/11/2021	0	0	(97)	36 mths
Photocopier/Printers		5	Konica Minolta	2.00%	31/10/2021	0	0	(50)	60 mths
Photocopier/Printers		6	Konica Minolta	1.50%	7/12/2023	(21)	(23)	(46)	43 mths
Data Centres (servers) x 2 *		7 / 1	HP Financial	1.02%	30/06/2026	(5,180)	(16,536)	(6,588)	60 mths
Server Infrastructure		8	HP Financial	4.06%	31/08/2025	(5,877)	0	0	36 mths
Total Finance Cost Payments						(11,164)	(16,645)	(7,841)	

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

28. RESERVE ACCOUNTS

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation/agreement												
(a) Telecommunications Facility Bailup Reserve	20,923	9,581	0	30,504	30,323	10,725	0	41,048	20,217	706	0	20,923
(b) Cash in lieu of Public Open Space Reserve	339,852	507,404	0	847,256	110,275	2,635	0	112,910	62,447	277,405	0	339,852
	360,775	516,985	0	877,760	140,598	13,360	0	153,958	82,664	278,111	0	360,775
Restricted by council												
(c) Leave Reserve	378,988	416,522	(427,998)	367,512	456,487	420,907	(230,000)	647,394	613,918	211,323	(446,253)	378,988
(d) Civic Facilities Reserve	11,288,490	590,847	(887,166)	10,992,171	11,100,803	615,229	(1,992,165)	9,723,867	10,932,123	545,116	(188,749)	11,288,490
(e) Information Technology Reserve	853,808	67,975	(30,000)	891,783	855,988	70,452	(30,000)	896,440	1,005,307	53,101	(204,600)	853,808
(f) Childrens Services Reserve	3,012,203	212,724	0	3,224,927	2,818,637	67,345	(30,000)	2,855,982	3,156,930	10,150	(154,877)	3,012,203
(g) Capital Investment Reserve	3,896,605	78,320	(675,000)	3,299,925	3,896,605	1,000,000	0	4,896,605	3,896,605	0	0	3,896,605
(h) Capital Income Reserve	5,070,875	615,648	(116,715)	5,569,808	4,433,172	498,596	(851,000)	4,080,768	4,665,488	449,773	(44,386)	5,070,875
(i) Gravel Pit Rehabilitation Reserve	60,983	1,266	0	62,249	61,098	1,460	0	62,558	60,779	204	0	60,983
(j) Plant Reserve	2,136,335	881,655	(755,950)	2,262,040	997,429	860,124	(915,600)	941,953	1,813,262	744,723	(421,650)	2,136,335
(k) Unspent Grants Reserves	992,853	0	(872,603)	120,250	1,381,825	0	(1,381,825)	0	1,706,953	0	(714,100)	992,853
(l) Waste Management Reserve	2,102,706	82,875	(5,110)	2,180,471	1,946,003	46,495	(20,000)	1,972,498	1,464,548	638,158	0	2,102,706
(m) Environmental Future Fund Reserve	0	86,083	0	86,083	0	85,000	0	85,000	0	0	0	0
	29,793,846	3,033,915	(3,770,542)	29,057,219	27,948,047	3,665,608	(5,450,590)	26,163,065	29,315,913	2,652,548	(2,174,615)	29,793,846
	30,154,621	3,550,900	(3,770,542)	29,934,979	28,088,645	3,678,968	(5,450,590)	26,317,023	29,398,577	2,930,659	(2,174,615)	30,154,621

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

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

Name of reserve account	Purpose of the reserve account
Restricted by legislation/agreement	
(a) Telecommunications Facility Bailup Reserve	To maintain the grounds and facilities of the reserve. Where there are surplus reserve funds, to maintain the grounds and facilities of other reserves within the locality.
(b) Cash in lieu of Public Open Space Reserve	Hold cash received in lieu of public open space.
Restricted by council	
(c) Leave Reserve	To fund the Shire's Long Service Leave Liability.
(d) Civic Facilities Reserve	To fund the construction and/or purchase of public buildings and facilities.
(e) Information Technology Reserve	To fund the upgrade and replacement of the Shire's information technology.
(f) Childrens Services Reserve	To provide funds for the purchase of capital items, preventative maintenance for Children Service's buildings and employee entitlements.
(g) Capital Investment Reserve	To fund the advancement of the Shire's Property Strategy.
(h) Capital Income Reserve	To fund the development of Shire facilities and infrastructure.
(i) Gravel Pit Rehabilitation Reserve	To fund the production of gravel and the rehabilitation of gravel pits.
(j) Plant Reserve	To fund the replacement and purchase of works plant and light vehicles.
(k) Unspent Grants Reserves	To quarantine any unspent grant funds at the end of each financial year.
(l) Waste Management Reserve	To fund capital costs and any operating deficits associated with the provision of the Shire's waste management services.
(m) Environmental Future Fund Reserve	To fund environmental initiatives and projects.

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

29. TRUST FUNDS

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

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
Public Open Space Contributions	2,533,602	18,091	0	2,551,693
BAL Grant (City of Perth LMDRF)	11,747	81	(357)	11,471
	<u>2,545,349</u>	<u>18,172</u>	<u>(357)</u>	<u>2,563,164</u>

Shire of Mundaring
Annual Financial Report 2022/23

Variance Report for 2022/23

Statement of Comprehensive Income	2023 BUDGET	2023 ACTUAL	2022 ACTUAL	Notes	Difference between 2023 Actual and 2023 Budget	Notes	Difference between 2023 Actual and 2022 Actual
	\$	\$	\$		\$		\$
Revenues from Ordinary Activities	49,620,054	54,441,450	51,436,946	1	4,821,396	8	3,004,504
Expenses from Ordinary Activities	(56,895,953)	(55,717,352)	(50,803,109)	2	1,178,601	9	(4,914,243)
Sub Total	<u>(7,275,899)</u>	<u>(1,275,902)</u>	<u>633,837</u>		<u>5,999,997</u>		<u>(1,909,739)</u>
Grants/Contributions for the development of Assets	9,945,277	9,769,019	3,998,121	3	(176,258)	10	5,770,898
Profit (Loss) on Disposal of Assets	611,400	(17,261)	122,297	4	(628,661)	11	(139,558)
Change in Equity - Joint Venture	-	632,787	999,595	5	632,787	12	(366,808)
Fair Value adjustments to financial assets at fair value through profit and loss	-	5,910	6,994		5,910		(1,084)
Changes on revaluation of non-current assets	-	60,868,199	-	6	60,868,199	13	60,868,199
Share of comprehensive income of associate	-	29,954	(31,623)	7	29,954	14	61,577
TOTAL COMPREHENSIVE INCOME	<u>3,280,778</u>	<u>70,012,706</u>	<u>5,729,221</u>		<u>66,696,064</u>		<u>64,222,992</u>

Shire of Mundaring
Annual Financial Report 2021/22

Variance Report for 2022/23

Difference between 2023 Actual and 2023 Budget

Note	Difference Amount \$	Detail	Variance Amount \$	Explanation of variances
<u>Revenues from Ordinary Activities</u>				
1	4,821,396	WA Grants Commission - General Purpose Grant	2,104,877	Impact of prepayment of 100% of the Shire's grants allocation for 2023/24 in 2022/23.
		WA Grants Commission - Local Roads	1,379,542	Impact of prepayment of 100% of the Shire's grants allocation for 2023/24 in June 2022/23.
		DFES Grant funding for Bushfire mitigation activities	484,706	Funding for bushfire mitigation activities not included in the budget.
		Fees and charges income from Midvale Child Care Centre	365,943	Actual revenue greater than budgeted revenue of \$1,655,000.
		Interest on investments	186,332	Interest earned on term deposits higher than anticipated in budget due to interest rate increases.
		Rental Income Elmsfield Road	118,753	Actual revenue greater than budgeted revenue of \$392,675. Postponed rent during Covid that was paid in 22/23 was not budgeted for.
		Interim rates income	66,266	Interim rates raised during the year were higher than forecast in the budget (\$150,251).
		Container Deposit Scheme	58,258	Actual revenue greater than budgeted revenue of \$336,364.
<u>Expenses from Ordinary Activities</u>				
2	1,178,601	Street Lighting maintenance costs.	950,039	Primarily due to the cost of the LED street lighting upgrade being less than what was originally budgeted for.
		Office Expenses Strategic and Community Services	338,825	Primarily due to consultant costs for the Town Centre Precinct project being \$335,000 less than budget. Carried over into the 2023/24 budget.
<u>Grants/Contributions for the development of Assets</u>				
3	(176,258)	Capital Grants	(176,258)	ESL contribution (which is 100%) to the replacement of Bushfire Brigade Vehicles was \$509,22 less than budget ((Budget \$1.38 million). State Metro Road Grant was \$415,721 greater than budget (actual of \$1.25 million), which was due to additional funding becoming available for projects that was not anticipated in the budget.
<u>Profit (Loss) on Disposal of Assets</u>				
4	(628,661)	Profit (Loss) on Disposal of Assets	(628,661)	Budgeted land sale of Scott Street site did not occur.
<u>Change in Equity - Joint Venture</u>				
5	632,787	Change in Equity - Joint Venture	632,787	Non-Cash Item - Increase in equity of EMRC investment accounted for. Can't reliably budget for this change.
<u>Grants/Contributions for the development of Assets</u>				
6	60,868,199	Changes on revaluation of Assets	60,868,199	Non-Cash Item. Increase in fair value of all Infrastructure and Land & Building assets due to assessment of fair value as at 30 June 2023. Can't reliably budget for this change.
<u>Share of comprehensive income of associate</u>				
7	29,954	Change in Revaluation Reserves - EMRC	29,954	Non-Cash Item - Decrease in asset revaluation reserves of EMRC accounted for. Can't reliably budget for this change.

Difference between 2023 Actual and 2022 Actual

Note	Difference Amount	Detail	Variance Amount	Explanation of variances
<u>Revenues from Ordinary Activities</u>				
8	3,004,504	Rates revenue	1,196,759	Increase in rates revenue as per adopted budget for 22/23.
		Interest on Investments and Bank accounts	869,748	Increase in interest rates from 21/22 to 22/23
		Waste Services Revenue	658,337	Increase in waste services revenue as per adopted budget for 22/23 (based on full cost recovery).
		WA Grants Commission - Local Roads	503,594	Impact of prepayment of 100 of the Shire's grants allocation for 2023/24 in 2022/23.
<u>Expenses from Ordinary Activities</u>				
9	(4,914,243)	Street Lighting maintenance costs.	(1,795,560)	Impact of the cost of the LED upgrade of streetlights (funded by grant and cash backed reserve).
		Employee Costs	(1,459,124)	Impact of EBA increase (3.5%) and an approved increase of 4.4 FTE in 22/23. 2022/23 effectively had 27 pay periods (as opposed to 26) as the full amount of pay period 1 (19 June to 2 July) for 23/24 was processed/accrued in 22/23 as at 30 June 2023.
		Waste Services expenses	(592,393)	Increase in total costs to deliver waste services. Most significant cost increases were for Domestic Collection services (\$246,092) and waste disposal to redhill (\$180,763).
		Bushfire Mitigation Activities	(294,452)	Expenses associated with Bushfire mitigation activities (Budget of \$418k and \$712k). Variation impacted by DFES funding that was not anticipated in the budget.
		Rates Office expenses	(249,855)	22/23 was a revaluation year for GRV properties in the Shire. The amount paid to Ladgate for the revaluation was \$275k.
		Street Tree Maintenance	(218,406)	Actual cost of \$1,260,465 in 22/23 compare to \$1,042,058 in 21/22.
		Maintenance of Administration Building	(200,962)	Due to increased cleaning costs.
<u>Grants/Contributions for the development of Assets</u>				
10	5,770,898	Scott Street Bridge Funding	2,723,202	One off project undertaken in 2022/23.
		Rosedale Road Footpath grant funding	1,033,408	One off project undertaken in 2022/23.
		Metro Roads Grant (State)	598,997	Funding received in 22/23 than the \$655,205 received in 21/22.
		Roads to Recovery Grant (Federal)	546,891	Funding received in 22/23 than the \$399,620 received in 21/22.
<u>Profit (Loss) on Disposal of Assets</u>				
11	(139,558)	Profit (Loss) on Disposal of Assets	(139,558)	Total loss on disposal of plant and vehicles in 22/23 was \$17,261 compared to a total profit of \$122,297 in 21/22.
<u>Change in Equity - Joint Venture</u>				
12	(366,808)	Change in Equity - Joint Venture	(366,808)	Non-Cash Item - The difference between the Shire's share of the increase in the EMRC's equity in 21/22 and the increase in the EMRC's equity in 22/23.
<u>Changes on revaluation of non-current assets</u>				
13	60,868,199	Changes on revaluation of Infrastructure Assets	60,868,199	No revaluation of assets occurred in 21/22 .
<u>Share of comprehensive income of associate</u>				
14	61,577	Change in Revaluation Reserves - EMRC	61,577	Non-Cash Item - The difference between the Shire's share of the decrease in the EMRC's revaluation reserves in 21/22 and the decrease in the EMRC's revaluation reserves in 22/23.

7.2 Work Health and Safety - Action Plan progress

File Code	HR.WHS 4.4.1
Author	Jeannie Marlow, WHS coordinator
Senior Employee	Jeannine Bryant, Manager People & Culture
Disclosure of Any Interest	Nil
Attachments	1. Shire of Mundaring WHS Action Plan ↓

PURPOSE

This report outlines progress and actions following the audit undertaken by Delivering Outcomes Pty Ltd. Shire of Mundaring's WHS Action Plan (**Attachment 1**) is presented to the committee for noting.

BACKGROUND

A large component of the plan required a detailed review of all Work Health and Safety (WHS) policies and procedures. A significant number have been completed and rolled out to date and are as follows:

- WHS Strategic Policy
- Roles and Responsibilities of the WHS Committee Policy
- Work Health and Safety Committee Terms of Reference
- Hazard and Risk CEO Policy and Procedure
- Incident Reporting and Investigation Management CEO Policy and Procedure
- Personal Protective Equipment (PPEC) and Clothing Management CEO Policy and Procedure
- WHS Audit CEO Policy and Procedure
- Code of Conduct for Employees Policy
- Workers Compensation and Injury Management CEO Policy and Procedure

The following projects from the Action Plan are scheduled to take place in 2024:

- Asbestos Management - a joint project with LGIS and is scheduled for February, 2024
- Volunteer Management
- Contractor Management
- Visitor Management

STATUTORY / LEGAL IMPLICATIONS

Work Health and Safety Act 2020

Work Health and Safety (General) Regulations 2022

POLICY IMPLICATIONS

The Shire's "Work Health and Safety Policy" (2.1) has been reviewed and is current as at April 2023.

FINANCIAL IMPLICATIONS

The report by Delivering Outcomes Pty Ltd recommended investment in Work Health and Safety. The below provides an update of progress in this regard;

- WHS Coordinator appointed and commenced with the Shire in September, 2023
- LGIS (consultant) engaged to deliver Asbestos Management Project, February, 2023
- SiteDocs Safety Management System will be implemented, commencing January, 2023

STRATEGIC IMPLICATIONS

Mundaring Strategic Community Plan 2020 - 2030

Priority 4 - Governance

Objective 4.4 – High standard of governance and accountability

Strategy 4.4.3 – Risks are well managed

SUSTAINABILITY IMPLICATIONS

Governance

- Commitment to providing a safe work environment
- Deliver outcomes that are consistent with strategic goals and objectives of the Shire
- Comply with relevant legislation and regulation
- Adequately manage risk

EXTERNAL CONSULTATION

The Shire may seek to engage an external consultant to assist with WHS projects.

RISK IMPLICATIONS

Risk: Delayed roll out of safety management system due availability of project team, champions and other key staff not available within expected timeframes.		
Likelihood	Consequence	Rating
Possible	Moderate	Moderate
Action / Strategy		
Provide sufficient notice and set meeting and roll-out dates as soon as possible to reduce the possibility of delay with staff not being available.		

Risk: Availability of devices to access SiteDocs for field staff		
Likelihood	Consequence	Rating
Possible	Moderate	Moderate
Action / Strategy		
Sufficient support is provided by line manager to ensure all team members have access.		

COMMENT

The WHS Action plan is progressing well and the Shire continues to work towards an improved safety culture. This has been demonstrated by increased WHS communication through safety noticeboards, and increased site visits from the WHS team.

The implementation of the SiteDocs safety management system will continue to build a positive safety culture, with the project objectives detailed below:

1. To provide access to all workers to WHS documents, including training records licenses, certificates, and internal training records, policies, procedures, improvement plans, action plans, SDS records, SWMS, SWPs, AND JSAs
2. To automate all WHS procedures, processes, workflows and tools to an appropriate level.

VOTING REQUIREMENT

Simple Majority

OFFICER RECOMMENDATION / COMMITTEE DECISION		ARC3.12.23	
Moved by	Cr Mehta	Seconded by	Pres McNeil
That the Committee note actions completed from the Work Health and Safety Action Plan.			
			CARRIED 4/0
For:	Pres McNeil, Cr Cook, Cr Mehta and Ms Zulsdorf		
Against:	Nil		

Shire of Mundaring WHS Action Plan												
Start: 16/01/2023		Task Start		Task Duration	21%	Display: Daily		Week: 1		Show Overdue: No		
End: 2/01/2026		Task Start		Task Duration	21%	Display: Daily		Week: 1		Show Overdue: No		
Today: 30/11/2023		Task Start		Task Duration	21%	Display: Daily		Week: 1		Show Overdue: No		
IBS	Task	Assign To	Start Date	Work Days	% Done	Priority	Start	End	Revised Start	Revised End	Work Days	
Governance & Project Establishment												
			3/01/1900									-
.1	WHS Senior Project Lead In Place	Garry	16/01/2023	2	100%	●	16/01/2023	6/02/2023			15	
.2	Project Plan & Approach Finalised	Jeannine	7/02/2023	4	100%	●	7/02/2023	13/02/2023			5	
.3	Communication Plan finalised & agreed with WHS Chair	Jeannine	14/02/2023	3	100%	●	14/02/2023	17/02/2023			4	
.4	WHS Noticeboards Sourced (Inc. materials)	Monika	9/02/2023	1	100%	●	9/02/2023	9/02/2023			1	
.5	Training for WHS Chair & Executive	Monika/Jeannine	30/03/2023	1	100%	●	30/03/2023	30/03/2023			1	
.6	Training for WHS Committee	Monika/Jeannine	30/03/2023	1	100%	●	30/03/2023	30/03/2023			1	
.7	Training for WHS Advisor & WHS Project Officer	Monika/Jeannine	30/03/2023	2	100%	●	30/03/2023	31/03/2023			2	
.8	Researching / Purchasing WHS Software	Monika/Jeannine	30/03/2023	2	90%	●	30/03/2023	31/03/2023			2	
.9	Training WHS Safety Representatives (Inc on ground coaching)	Monika	30/03/2023	5	100%	●	30/03/2023	5/04/2023			5	
.10	Awareness & Training for Managers & Coordinators (split into two groups)	Monika/Jeannine	10/10/2023	2	50%	●	10/10/2023	11/10/2023			2	
.11	Awareness and Training for Supervisors (split into three groups)	Monika/Jeannine	10/10/2023	2	50%	●	10/10/2023	11/10/2023			2	
.12	WHS Noticeboards in Place	Monika	24/02/2023	2	100%	●	24/02/2023	25/02/2023			2	
.13	Discussion & agreement on how training & competency will be captured with People & Culture Managers	Jeannine	28/09/2023	3	25%	●	28/09/2023	30/09/2023			3	
.14	A Contractor & Procurement dedicated resource sourced	Garry/Stan		10	75%	●	3/01/1900	14/01/1900			10	
.15	Detailed WHS Advisor & WHS Project Officer training on creating Policies and Procedures	Monika	13/02/2023	2	100%	●	13/02/2023	15/02/2023			2	
.16	Agree initial Communication Messages on WHS with WHS Chair and CEO	Jeannine	6/03/2023	1	100%	●	6/03/2023	7/03/2023			1	
.17	CEO delivers organisation wide message on WHS, Commitment, Responsibilities and Approach	Jonathan	13/03/2023	1	100%	●	13/03/2023	14/03/2023			1	
.18	Initial WHS Committee Meeting - Establishing how it needs to operate, responsibilities and resource allocation	Garry	10/03/2023	3	100%	●	10/03/2023	14/03/2023			3	
.19	WHS Project Half Yearly Report (1)	Jeannine	10/06/2023	3	0%	●	10/06/2023	14/06/2023			3	
.20	WHS Project Half Yearly Report (2)	Jeannine	10/12/2023	3	0%	●	10/12/2023	14/12/2023			3	
WHS Strategic Policy												
			16/02/2023									22
.1	Draft WHS Strategic Policy is reviewed & approved by WHS Chair & CEO	Amanda	16/02/2023	1	100%	●	16/02/2023	16/02/2023			1	
.2	CEO Draft placed on WHS notice boards	Monika	20/02/2023	2	100%	●	20/02/2023	22/02/2023			2	
.3	Draft submitted to Governance for Council approval	Garry	14/03/2023	1	100%	●	14/03/2023	14/03/2023			1	
.4	Council approval process completed	Garry	14/03/2023	1	100%	●	14/03/2023	14/03/2023			1	
.5	Council approval version updated on WHS noticeboard	Monika	17/03/2023	1	100%	●	17/03/2023	17/03/2023			1	
Hazard & Risk Policy & Procedure												
.1	Draft the Management Policy & Procedure & Forms, Templates & Register	Monika	10/09/2023	10	100%	●	10/09/2023	1/11/2023			37	
.2	Initial review & education with WHS Committee	WHS Committee	28/02/2023	1	100%	●	28/02/2023	28/02/2023			1	
.2.1	Out for consultation & gather feedback	WHS Reps	10/09/2023	12	100%	●	10/09/2023	13/10/2023			24	
.2.2	Finalise Policy & Procedure & Give Feedback	WHS Committee	31/9/2023	7	100%	●	10/09/2023	20/10/2023			29	
.3	Create your roll out Plan	WHS Team	10/10/2023	5	50%	●	10/10/2023	31/10/2023			16	
.3.1	Training & Competency	WHS Team	10/10/2023	24	0%	●	10/10/2023	10/11/2023			24	
.3.2	Organisational wide hazard identification	WHS Team	10/10/2023	18	0%	●	10/10/2023	2/11/2023			18	
.3.3	Activate full Policy & Procedure	WHS Team	10/10/2023	2	0%	●	10/10/2023	31/10/2023			16	
.3.4	Ongoing review to check understanding & Compliance	WHS Team		365	50%	●	-	-			-	
Incident Reporting & Investigation												
.1	Draft the Management Policy & Procedure & Forms, Templates & Register	Monika	16/02/2023	7	100%	●	16/02/2023	24/02/2023			7	
.2	Initial review & education with WHS Committee	WHS Committee	28/02/2023	1	100%	●	28/02/2023	28/02/2023			1	
.3	Out for consultation & gather feedback	WHS Reps	1/03/2023	13	100%	●	1/03/2023	17/03/2023			13	
.4	Finalise Policy & Procedure & Give Feedback	WHS Committee	31/03/2023	7	100%	●	31/03/2023	8/04/2023			7	
.5	Create your roll out Plan	WHS Team	4/09/2023	5	100%	●	4/09/2023	9/09/2023			5	
.6	Training & Competency	WHS Team		24	50%	●	-	-			-	
.7	Activate full Policy & Procedure	WHS Team	15/05/2023	2	100%	●	15/05/2023	17/05/2023			2	
.8	Ongoing review to check understanding & Compliance	WHS Team	17/05/2023	365	50%	●	17/05/2023	10/10/2024			365	
PPEC - Personal Protective Equipment												
.1	Draft the Management Policy & Procedure	Monika	28/02/2023	14	100%	●	28/02/2023	17/03/2023			14	
.2	Initial review & education with WHS Committee	WHS Committee	17/03/2023	1	100%	●	17/03/2023	17/03/2023			1	
.3	Out for consultation & gather feedback	WHS Reps	18/03/2023	11	100%	●	18/03/2023	1/04/2023			11	
.4	Finalise Policy & Procedure & Give Feedback	WHS Committee	31/03/2023	5	100%	●	31/03/2023	6/04/2023			5	
.5	Create your roll out Plan	Monika	31/03/2023	7	100%	●	31/03/2023	8/04/2023			7	
.6	Training & Competency	WHS Team	8/04/2023	18	50%	●	8/04/2023	3/05/2023			18	
.7	Activate full Policy & Procedure	Monika	1/05/2023	2	100%	●	1/05/2023	3/05/2023			2	
.8	Ongoing review to check understanding & Compliance	WHS Team		365	50%	●	-	-			-	
Competency Identification, Induction, Evaluation & Training												
.1	Draft the Management Policy & Procedure	WHS Team	1/11/2023	12	0%	●	1/11/2023	16/11/2023			12	

Attachment 1 to Report 7.2

End: 2/01/2026										Week:	1			
Today: 30/11/2023										Task Start	Task Duration	21%	Show Overdue:	No
BS	Task	Assign To	Start Date	Work Days	% Done	Priority	Start	End	Revised Start	Revised End	Work Days			
.2	Initial review & education with WHS Committee	WHS Committee	29/11/2023	1	0%		29/11/2023	29/11/2023			1			
.3	Out for consultation & gather feedback	WHS Reps	10/12/2023	12	0%		10/12/2023	27/12/2023			12			
.4	Finalise Policy & Procedure & Give Feedback	WHS Committee	20/12/2023	1	0%		20/12/2023	20/12/2023			1			
.5	Create your roll out Plan	WHS Team	5/01/2024	7	0%		5/01/2024	13/01/2024			7			
.6	Training & Competency	WHS Team	5/01/2023	17	0%		5/01/2023	27/01/2023			17			
.7	Activate full Policy & Procedure	WHS Team	20/12/2023	4	0%		20/12/2023	23/12/2023			4			
.8	Ongoing review to check understanding & Compliance	WHS Team		365	50%		-	-			-			
Asset Safety														
.1	Draft the Management Policy & Procedure	WHS Team	1/03/2024	10	0%		1/03/2024	14/03/2024			10			
.2	Initial review & education with WHS Committee	WHS Committee	31/03/2024	1	0%		31/03/2024	2/04/2024			1			
.3	Out for consultation & gather feedback	WHS Reps	3/04/2024	12	0%		3/04/2024	18/04/2024			12			
.4	Finalise Policy & Procedure & Give Feedback	WHS Committee	28/04/2024	7	0%		28/04/2024	8/05/2024			7			
.5	Create your roll out Plan	WHS Team	1/05/2024	5	0%		1/05/2024	7/05/2024			5			
.6	Training & Competency	WHS Team	8/05/2024	19	0%		8/05/2024	1/06/2024			19			
.7	Activate full Policy & Procedure	WHS Team	29/05/2024	2	0%		29/05/2024	30/05/2024			2			
.8	Ongoing review to check understanding & Compliance	WHS Team	1/06/2024	365	0%		1/06/2024	28/10/2025			365			
Chemicals & Hazardous Substances														
.1	Draft the Management Policy & Procedure	WHS Team / LGIS	14/03/2024	10	0%		14/03/2024	27/03/2024			10			
.2	Initial review & education with WHS Committee	WHS Committee	31/03/2024	1	0%		31/03/2024	2/04/2024			1			
.3	Out for consultation & gather feedback	WHS Reps	3/04/2024	12	0%		3/04/2024	18/04/2024			12			
.4	Finalise Policy & Procedure & Give Feedback	WHS Committee	28/04/2024	7	0%		28/04/2024	8/05/2024			7			
.5	Create your roll out Plan	WHS Team / LGIS	1/05/2024	5	0%		1/05/2024	7/05/2024			5			
.6	Training & Competency	WHS Team / LGIS	8/05/2024	19	0%		8/05/2024	1/06/2024			19			
.7	Activate full Policy & Procedure	WHS Team / LGIS	29/05/2024	2	0%		29/05/2024	30/05/2024			2			
.8	Ongoing review to check understanding & Compliance	WHS Team / LGIS	1/06/2024	365	0%		1/06/2024	28/10/2025			365			
Contractors - WHS Procurement, Contracts, Compliance & Monitoring														
.1	Draft the Management Policy & Procedure	WHS Team / LGIS	29/03/2024	10	0%		29/03/2024	11/04/2024			10			
.2	Initial review & education with WHS Committee	WHS Committee	28/04/2024	1	0%		28/04/2024	30/04/2024			1			
.3	Out for consultation & gather feedback	WHS Reps	1/05/2024	12	0%		1/05/2024	16/05/2024			12			
.4	Finalise Policy & Procedure & Give Feedback	WHS Committee	31/05/2024	7	0%		31/05/2024	8/06/2024			7			
.5	Create your roll out Plan	WHS Team / LGIS	1/06/2024	5	0%		1/06/2024	7/06/2024			5			
.6	Training & Competency	WHS Team / LGIS	8/06/2024	19	0%		8/06/2024	4/07/2024			19			
.7	Activate full Policy & Procedure	WHS Team / LGIS	30/06/2024	4	0%		30/06/2024	5/07/2024			4			
.8	Ongoing review to check understanding & Compliance	WHS Team / LGIS	4/07/2024	365	0%		4/07/2024	28/11/2025			365			
Visitor Management														
0	Draft the Management Policy & Procedure	WHS Team	6/02/2024	10	0%		6/02/2024	18/02/2024			10			
0.2	Initial review & education with WHS Committee	WHS Committee	28/02/2023	1	0%		28/02/2024	28/02/2024			1			
0.3	Out for consultation & gather feedback	WHS Reps	1/03/2024	13	0%		1/03/2024	19/03/2024			13			
0.4	Finalise Policy & Procedure & Give Feedback	WHS Committee	31/03/2024	7	0%		31/03/2024	10/04/2024			7			
0.5	Create your roll out Plan	WHS Team	3/04/2024	5	0%		3/04/2024	9/04/2024			5			
0.6	Training & Competency	WHS Team	7/04/2024	19	0%		7/04/2024	3/05/2024			19			
0.7	Activate full Policy & Procedure	WHS Team	28/04/2024	4	0%		28/04/2024	3/05/2024			4			
0.8	Ongoing review to check understanding & Compliance	WHS Team	4/05/2024	365	0%		4/05/2024	30/09/2025			365			
Health & Well-Being														
1	Draft the Management Policy & Procedure	WHS Team	23/03/2024	10	0%		23/03/2024	5/04/2024			10			
1.2	Initial review & education with WHS Committee	WHS Committee	31/03/2024	1	0%		31/03/2024	2/04/2024			1			
1.3	Out for consultation & gather feedback	WHS Reps	3/04/2024	12	0%		3/04/2024	18/04/2024			12			
1.4	Finalise Policy & Procedure & Give Feedback	WHS Committee	28/04/2024	7	0%		28/04/2024	8/05/2024			7			
1.5	Create your roll out Plan	WHS Team	1/05/2024	5	0%		1/05/2024	7/05/2024			5			
1.6	Training & Competency	WHS Team	8/05/2024	19	0%		8/05/2024	1/06/2024			19			
1.7	Activate full Policy & Procedure	WHS Team	29/05/2024	4	0%		29/05/2024	1/06/2024			4			
1.8	Ongoing review to check understanding & Compliance	WHS Team		365	0%		-	-			-			
Working in Isolation														
2.1	Draft the Management Policy & Procedure	Jeannie	22/10/2024	10	25%		20/11/2023	4/12/2023			10			
2.2	Initial review & education with WHS Committee	WHS Committee	3/11/2024	1	0%		3/11/2023	10/11/2023			6			
2.3	Out for consultation & gather feedback	WHS Reps	15/11/2024	12	0%		15/11/2024	30/11/2024			12			
2.4	Finalise Policy & Procedure & Give Feedback	WHS Committee	22/11/2024	7	0%		22/11/2024	30/11/2024			7			
2.5	Create your roll out Plan	WHS Team	27/11/2024	5	0%		27/11/2024	3/12/2024			5			
2.6	Training & Competency	WHS Team	1/12/2024	19	0%		1/12/2024	28/12/2024			19			
2.7	Activate full Policy & Procedure	WHS Team	20/12/2024	4	0%		20/12/2024	26/12/2024			4			
2.8	Ongoing review to check understanding & Compliance	WHS Team		365	0%		-	-			-			
Emergency Management														
3.1	Draft the Management Policy & Procedure	WHS Team / LGIS	23/10/2023	10	0%		11/12/2023	23/12/2023			10			

Attachment 1 to Report 7.2

End: 2/01/2026										Week:	1			
Today: 30/11/2023										Task Start	Task Duration	21%	Show Overdue:	No
IBS	Task	Assign To	Start Date	Work Days	% Done	Priority	Start	End	Revised Start	Revised End	Work Days			
3.2	Initial review & education with WHS Committee	WHS Committee	7/11/2023	5	0%		7/11/2023	11/11/2023			5			
3.3	Out for consultation & gather feedback	WHS Reps	13/11/2023	12	0%		13/11/2023	29/11/2023			12			
3.4	Finalise Policy & Procedure & Give Feedback	WHS Committee	1/12/2023	7	0%		1/12/2023	9/12/2023			7			
3.5	Create your roll out Plan	WHS Team / LGIS	12/12/2023	5	0%		12/12/2023	16/12/2023			5			
3.6	Training & Competency	WHS Team / LGIS	22/01/2024	19	0%		22/01/2024	16/02/2024			19			
3.7	Activate full Policy & Procedure	WHS Team / LGIS	5/02/2024	4	0%		5/02/2024	9/02/2024			4			
3.8	Ongoing review to check understanding & Compliance	WHS Team / LGIS	11/02/2024	365	0%		11/02/2024	9/07/2025			365			
4	WHS Audit													
4.1	Draft the Management Procedure	Monika	23/01/2023	10	100%		23/01/2023	4/02/2023			10			
4.2	Initial review & education with WHS Committee	WHS Committee	19/02/2023	1	100%		19/02/2023	21/02/2023			1			
4.3	Out for consultation & gather feedback	WHS Reps	24/02/2023	12	100%		24/02/2023	11/03/2023			12			
4.4	Finalise Procedure & Give Feedback	WHS Committee	15/03/2023	7	100%		15/03/2023	23/03/2023			7			
4.5	Create your roll out Plan	WHS Committee	24/03/2023	5	50%		31/03/2023	6/04/2023			5			
4.6	Activate full Policy & Procedure	WHS Committee	2/05/2023	4	100%		2/05/2023	5/05/2023			4			
5	Code of Conduct													
5.1	Draft the Management Policy & Procedure	Monika	13/02/2023	10	100%		13/02/2023	25/02/2023			10			
5.2	Initial review & education with WHS Committee	WHS Committee	28/02/2023	1	100%		28/02/2023	28/02/2023			1			
5.3	Out for consultation & gather feedback	WHS Reps	1/03/2023	13	100%		1/03/2023	17/03/2023			13			
5.4	Finalise Policy & Procedure & Give Feedback	WHS Committee	31/03/2023	7	100%		31/03/2023	8/04/2023			7			
5.5	Create your roll out Plan	Jeannine	3/04/2023	5	100%		3/04/2023	8/04/2023			5			
5.6	Training & Competency	Jeannine	7/04/2023	19	100%		7/04/2023	3/05/2023			19			
5.7	Activate full Policy & Procedure	Jeannine	28/04/2023	4	100%		28/04/2023	3/05/2023			4			
5.8	Ongoing review to check understanding & Compliance	P&C	2/05/2023	365	100%		2/05/2023	25/09/2024			365			
6	Volunteer Management													
6.1	Draft the Management Policy & Procedure	WHS Team	20/05/2024	11	0%		20/05/2024	4/06/2024			11			
6.2	Initial review & education with WHS Committee	WHS Committee	10/06/2024	1	0%		10/06/2024	11/06/2024			1			
6.3	Out for consultation & gather feedback	WHS Reps	17/06/2024	13	0%		17/06/2024	4/07/2024			13			
6.4	Finalise Policy & Procedure & Give Feedback	WHS Committee	8/07/2024	7	0%		8/07/2024	17/07/2024			7			
6.5	Create your roll out Plan	WHS Team	22/07/2024	5	0%		22/07/2024	27/07/2024			5			
6.6	Training & Competency	WHS Team	29/07/2024	19	0%		29/07/2024	23/08/2024			19			
6.7	Activate full Policy & Procedure	WHS Team	29/07/2024	4	0%		29/07/2024	2/08/2024			4			
6.8	Ongoing review to check understanding & Compliance	WHS Team	5/08/2024	365	0%		5/08/2024	2/01/2026			365			
7	WHS Targets & Objectives													
7.1	Draft the Management Policy & Procedure	WHS Team	18/04/2023	7	0%		18/04/2023	26/04/2023			7			
7.2	Initial review & education with WHS Committee	WHS Committee	28/04/2023	1	0%		28/04/2023	28/04/2023			1			
7.3	Out for consultation & gather feedback	WHS Reps	1/05/2023	13	0%		1/05/2023	18/05/2023			13			
7.4	Finalise Policy & Procedure & Give Feedback	WHS Committee	31/05/2023	7	0%		31/05/2023	8/06/2023			7			
7.5	Create your roll out Plan	WHS Team	1/06/2023	5	0%		1/06/2023	7/06/2023			5			
7.6	Training & Competency	WHS Team	8/06/2023	19	0%		8/06/2023	5/07/2023			19			
7.7	Activate full Policy & Procedure	WHS Team	30/06/2023	4	0%		30/06/2023	6/07/2023			4			
7.8	Ongoing review to check understanding & Compliance	WHS Team	4/07/2023	365	0%		4/07/2023	26/11/2024			365			
8	Asbestos Management													
8.1	Draft the Management Policy & Procedure	WHS Team LGIS	13/11/2023	14	50%		13/11/2023	1/12/2023			14			
8.2	Initial review & education with WHS Committee	WHS Committee	28/10/2023	1	0%		28/10/2023	28/10/2023			1			
8.3	Out for consultation & gather feedback	WHS Reps	11/11/2023	13	0%		11/11/2023	29/11/2023			13			
8.4	Finalise Policy & Procedure & Give Feedback	WHS Committee	18/11/2023	7	0%		18/11/2023	28/11/2023			7			
8.5	Create your roll out Plan	WHS Team LGIS	25/11/2023	5	0%		25/11/2023	1/12/2023			5			
8.6	Training & Competency	WHS Team LGIS	30/11/2023	19	0%		30/11/2023	26/12/2023			19			
8.7	Activate full Policy & Procedure	WHS Team LGIS	19/12/2023	4	0%		19/12/2023	22/12/2023			4			
8.8	Ongoing review to check understanding & Compliance	WHS Team LGIS		365	0%						365			
9	LGIS													
9.1	Implement a Legislation Register	Monika	20/12/2022		100%		20/12/2022	20/12/2022			1			
9.2	Register with Dept of Mines & Worksafe (for updates)	Amanda	1/04/2022		100%		1/04/2022	1/04/2022			1			
9.3	Explore options for Safety Management Software System	Amanda	9/09/2022		100%		9/09/2022	9/09/2022			1			
9.4	Develop WHS Management Plan - Targets & Objectives 2022/23	Amanda	6/06/2022		100%		6/06/2022	7/06/2022			1			
9.5	Review Contractor Management information (ensure induction checklist includes/captures WHS)	Monika	1/07/2023				1/07/2023	4/07/2023			1			
9.6	Creation of electronic forms	Monika	1/05/2023		100%		1/05/2023	2/05/2023			1			
9.7	Review/improve/streamline WHS intranet site	Monika	21/12/2022		60%		21/12/2022	21/12/2022			1			
9.8	Survey workers annually about consultation arrangements	Amanda	4/10/2022		100%		4/10/2022	4/10/2022			1			
9.9	Include risk management induction & confirm information is included on induction checklist	Amanda	16/05/2022		100%		16/05/2022	17/05/2022			1			

Attachment 1 to Report 7.2

End: 2/01/2026										Week: 1				
oday: 30/11/2023										Task Start	Task Duration	21%	Show Overdue:	No
IBS	Task	Assign To	Start Date	Work Days	% Done	Priority	Start	End	Revised Start	Revised End	Work Days			
9.10	WHS included on the Agenda at meetings (included as part of the WHS Management Plan - Targets & Objectives 2022/23)	WHS Team	5/05/2022		100%									
9.11	Ensure SWMS are available for all high risk work activities	WHS Team	12/11/2021		90%		12/11/2021	12/11/2021			1			
9.12	Develop a feedback form for workers to complete/submit to the Shire after completing external training	Amanda			100%		-	-			-			
9.13	Develop an organisational level matrix that identifies training requirements	WHS Team					-	-			-			
0	Worker's Compensation / Injury Management						-	-			-			
0.1	Draft the Management Policy & Procedure	WHS Team / LGIS	1/10/2023	10	100%		18/09/2023	20/10/2023						
0.2	Initial review & education with WHS Committee	WHS Committee	1/11/2023	5	100%		1/11/2023	8/11/2023			6			
0.3	Out for consultation & gather feedback	WHS Reps	1/11/2023	5	100%		1/11/2023	8/11/2023			6			
0.4	Finalise Policy & Procedure & Give Feedback	WHS Committee		5	100%		-	-			-			
0.5	Create your roll out Plan	WHS Team / LGIS					-	-			-			
0.6	Training & Competency	WHS Team / LGIS					-	-			-			
0.7	Activate full Policy & Procedure	WHS Team / LGIS					-	-			-			
0.8	Ongoing review to check understanding & Compliance	WHS Team / LGIS					-	-			-			
0.9	Paper to ELT on notifiable incidents	WHS Team					-	-			-			
0.10	Review online contractor induction	WHS Team					-	-			-			
1	Health & Safety Committee													
1.1	Draft the Roles and Responsibilities	Amanda			100%									
1.2	Draft the Terms of Reference	Amanda			100%		-	-			-			
1.3	CEO Policy HSRs Entitlements	Monika			100%		-	-			-			
1.4	Review update Site Inspection Worksheets	Monika			100%		-	-			-			
1.5							-	-			-			
2	Additional						-	-			-			
2.1	CEO Policy - Consultation	TBA												
2.2	Report highlighting Traffic Management	Garry / Shane												
							-	-			-			

7.3 Audit and Risk Committee Action Items - Status Report

File Code	GV.MTG 6.1
Author	Stan Kocian, Manager Finance and Governance
Senior Employee	Garry Bird, Director Corporate Services
Disclosure of Any Interest	Nil
Attachments	Nil

PURPOSE

To provide an update on the status of Audit and Risk Committee action items for the information of committee members.

BACKGROUND

A number of matters have previously been considered by the Audit and Risk Committee, several of which required follow up actions.

STATUTORY / LEGAL IMPLICATIONS

There are statutory or legal implications for some of the action items listed. Please refer to the minutes of the meeting at which the matter was considered for further information.

POLICY IMPLICATIONS

There are policy implications for some of the action items listed. Please refer to the minutes of the meeting at which the matter was considered for further information.

FINANCIAL IMPLICATIONS

There may be financial implications for some of the action items listed. Please refer to the minutes of the meeting at which the matter was considered for further information.

STRATEGIC IMPLICATIONS

Mundaring Strategic Community Plan 2020 - 2030

Priority 4 - Governance

Objective 4.4 – High standard of governance and accountability

Strategy 4.4.3 – Risks are well managed

SUSTAINABILITY IMPLICATIONS

There are sustainability implications for some of the action items listed. Please refer to the minutes of the meeting at which the matter was considered for further information.

RISK IMPLICATIONS

Risk: That action items from the Committee are not completed and expose Council to the risks being addressed by the item.
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Likelihood	Consequence	Rating
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Possible	Moderate	Moderate
Action / Strategy		
That staff update the Committee regularly on progress towards completing the required actions.		

EXTERNAL CONSULTATION

Nil

COMMENT

The following matters have previously been considered by the Audit and Risk Committee, with follow up actions required.

MEETING REFERENCE	RESPONSIBLE OFFICER	ACTION	STATUS – 28 November 2023
<p>26.5.20 Item 8.3 Auditor General's Report – Contract Extensions and Variations Related 17.08.21 Internal Audit Report Contract Management</p>	Director Corporate Services	<p>Draft Contract Management Policy by 30 June 2021 and Guidelines, Templates and Procedures by 30 June 2022.</p> <p>Create and fill new Contracts Management Officer position by September 2021.</p>	<p>Contract Management Policy adopted by Council 9 March 2021 (C5.03.21).</p> <p>Guidelines still to be drafted.</p> <p>Revised due date: 31 December 2023</p>
<p>Comment</p> <p>As a result of the failure to attract a suitable applicant to the Contract Management Officer position, a revised position was approved in September 2023 – “Finance Officer - Purchasing & Contracts”. Whilst an appointment has been made to this position, the role has had to be utilised to provide relief coverage in Accounts Payable during November. The development of the guidelines will commence in December 2023.</p>			
<p>25.01.2022 Item 8.2 Internal Audit Report - Infringements</p>	Director Statutory Services	<p>An Infringements Procedures Manual will be created and maintained focused on the three stages of the process:</p> <ul style="list-style-type: none"> • Issue of infringements, including authorised employees; • Maintenance and management of infringements; and • Referral to FER. <p>This Manual will be</p>	<p>Due date: 31 December 2022</p> <p>Revised due date: 30 June 2023.</p> <p>Revised due date #2 – 31 December 2023</p>

		available to all sections of Statutory Services (Rangers, Fire, Health, Planning and Building including Swimming Pools).	
Comment			
The delivery of this project is scheduled to commence in early January 2024 and is expected to be completed by 31 March 2024.			
25.01.2022 Item 8.2 Internal Audit Report - Infringements	Director Statutory Services	<p>1. A Compliance Register, which will show a more comprehensive picture of the Shire's compliance and enforcement actions, compared to an Infringements Register will be implemented across Statutory Services (Rangers, Fire, Health, Planning and Building including Swimming Pools).</p> <p>This will take the form of a centralised spreadsheet with tabs for each service, which will be maintained by a responsible employee from each service. It is proposed that this spreadsheet is used as an interim measure pending implementation of point 2 below; and</p> <p>2. Improvements to the infringement's module in Authority (the Shire's accounting software) will be investigated.</p>	<p>Due date: 31 December 2022</p> <p>Revised due date: 30 June 2023.</p> <p>Revised due date #2 – 31 December 2023</p>
Comment			
The delivery of this project is scheduled to commence in early January 2024 and is expected to be completed by 31 March 2024.			

25.01.2022 Item 8.2 Internal Audit Report - Infringements	Director Statutory Services	An update to the legislation section of the Compliance Policy document will be actioned. Due date: 31 December 2022.	Due date: 31 December 2022. Completed December 2023
Comment The legislation section of the policy has been updated. A full review of the Compliance Policy has been scheduled for Quarters 3 and 4 of 2024 by the Governance Committee, noting that the Policy Development and Review Workplan will be reviewed by the Governance Committee at the meeting to be held 18 December 2023.			
25.01.2022 Item 8.2 Internal Audit Report - Infringements	Director Statutory Services	Infringement Reports - Statutory Services staff will liaise with IT and explore whether improvements can be made to the existing reporting facility in Authority.	Due date: 31 December 2022. Revised due date: 31 December 2023.
Comment This action item will be addressed as part of the development of the Infringements Register. The delivery of this project is scheduled to commence in early January 2024 and is expected to be completed by 31 March 2024.			
25.01.2022 Item 8.2 Internal Audit Report - Infringements	Director Statutory Services	Timing of the issue of infringements- The timeframe for issuing infringement notices depends on the legislation under which the infringement notice is issued. The various timeframes will form part of the Register that will be implemented. Age analysis reporting will be considered when exploring improvements to Authority.	Due date: 31 December 2022. Revised due date: 31 December 2023.
Comment This action item will be addressed as part of the development of the Infringements Procedures Manual. The delivery of this project is scheduled to commence in early January 2024 and is expected to be completed by 31 March 2024.			
28.06.2022 Item 8.3	Director	Give further	Due date: 30 June

Review of WALGA Contestable Energy Supply.	Infrastructure Services	consideration and clarity in a future revision of the Purchasing Policy in regards to the use of the tender exempt procurements for goods or services supplied or obtained through the government of the State or the Commonwealth or any of its agencies, or by a local government or a regional local government.	2024
<p>Comment</p> <p>The timeline for the review of Purchasing Policy has been scheduled to commence in January 2024 with a scheduled completion date of June 2024 (subject to further review by the Governance Committee at the meeting to be held 18 December 2023).</p>			
25.10.2022 Item 8.1; and 7.03.2023 Item 7.1 WHS Management Plan and Action Plan.	Director Corporate Services	Provide regular updates to the Committee on progress of these plans	Due date: September 2025
<p>Comment</p> <p>Six monthly update have been requested by the Committee as follows;</p> <ul style="list-style-type: none"> • September 2023 • March 2024 • September 2024 • March 2025 • September 2025 			
28.022023 Item 9.1 General Computer Controls – Capability Maturity Framework	Director Corporate Services	Provide an update to the Committee by June 2023 (six monthly update).	Due date: June 2025
<p>Comment</p> <p>Six monthly update have been requested by the Committee as follows;</p> <ul style="list-style-type: none"> • June 2023 (completed) • January 2024 • June 2024 • January 2025 • June 2025 			

VOTING REQUIREMENT

Simple Majority

OFFICER RECOMMENDATION / COMMITTEE DECISION		ARC4.12.23	
Moved by	Cr Mehta	Seconded by	Ms Zulsdorf
That the Committee notes the Action Items Status Report as at 28 November 2023.			
CARRIED 4/0			
For:	Pres McNeil, Cr Cook, Cr Mehta and Ms Zulsdorf		
Against:	Nil		

8.0 URGENT BUSINESS (LATE REPORTS)

Nil

9.0 CONFIDENTIAL REPORTS

Meeting Closed to Public at 5.40pm

The Local Government Act 1995, Part 5, Section 5.23 states in part:

- (2) If a meeting is being held by a council or by a committee referred to in subsection (1)(b), the council or committee may close to members of the public the meeting, or part of the meeting, if the meeting or the part of the meeting deals with any of the following —
- (a) a matter affecting an employee or employees; and
 - (b) the personal affairs of any person; and
 - (c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting; and
 - (d) legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting; and
 - (e) a matter that if disclosed, would reveal —
 - (i) a trade secret; or
 - (ii) information that has a commercial value to a person; or
 - (iii) information about the business, professional, commercial or financial affairs of a person, where the trade secret or information is held by, or is about, a person other than the local government; and
 - (f) a matter that if disclosed, could be reasonably expected to —
 - (i) impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law; or
 - (ii) endanger the security of the local government's property; or
 - (iii) prejudice the maintenance or enforcement of a lawful measure for protecting public safety; and
 - (g) information which is the subject of a direction given under section 23(1a) of the *Parliamentary Commissioner Act 1971*; and
 - (h) such other matters as may be prescribed.

OFFICER RECOMMENDATION / COMMITTEE DECISION		ARC5.12.23	
Moved by	Pres McNeil	Seconded by	Cr Mehta
<p>That the Committee Closes the meeting to members of the public, in accordance with s5.23(2) of the Local Government Act 1995, in order to consider the confidential reports as detailed below:</p> <p>9.1 General Computer Controls - Capability Maturity Framework Self-Assessment</p> <p>Item 9.1 is considered confidential in accordance with the Local Government Act 1995 section 5.23(2) (f(ii)) as it contains information relating to a matter that if disclosed, could be reasonably expected to endanger the security of the local government's property.</p> <p style="text-align: right;">CARRIED 4/0</p> <p>For: Pres McNeil, Cr Cook, Cr Mehta and Ms Zulsdorf</p> <p>Against: Nil</p>			

Meeting Opened to Public at 5.53pm.

OFFICER RECOMMENDATION / COMMITTEE DECISION		ARC6.12.23	
Moved by	Pres McNeil	Seconded by	Cr Mehta
<p>That the meeting again be opened to the public.</p> <p style="text-align: right;">CARRIED 4/0</p> <p>For: Pres McNeil, Cr Cook, Cr Mehta and Ms Zulsdorf</p> <p>Against: Nil</p>			

10.0 CLOSING PROCEDURES

10.1 Date, Time and Place of the Next Meeting

The next Audit and Risk Committee meeting will be held at 4.00pm, Tuesday 27 February 2024 in the Committee Room, 7000 Great Eastern Highway, Mundaring.

10.2 Closure of the Meeting

Deputy Presiding Member declared the meeting closed at 5.55pm.