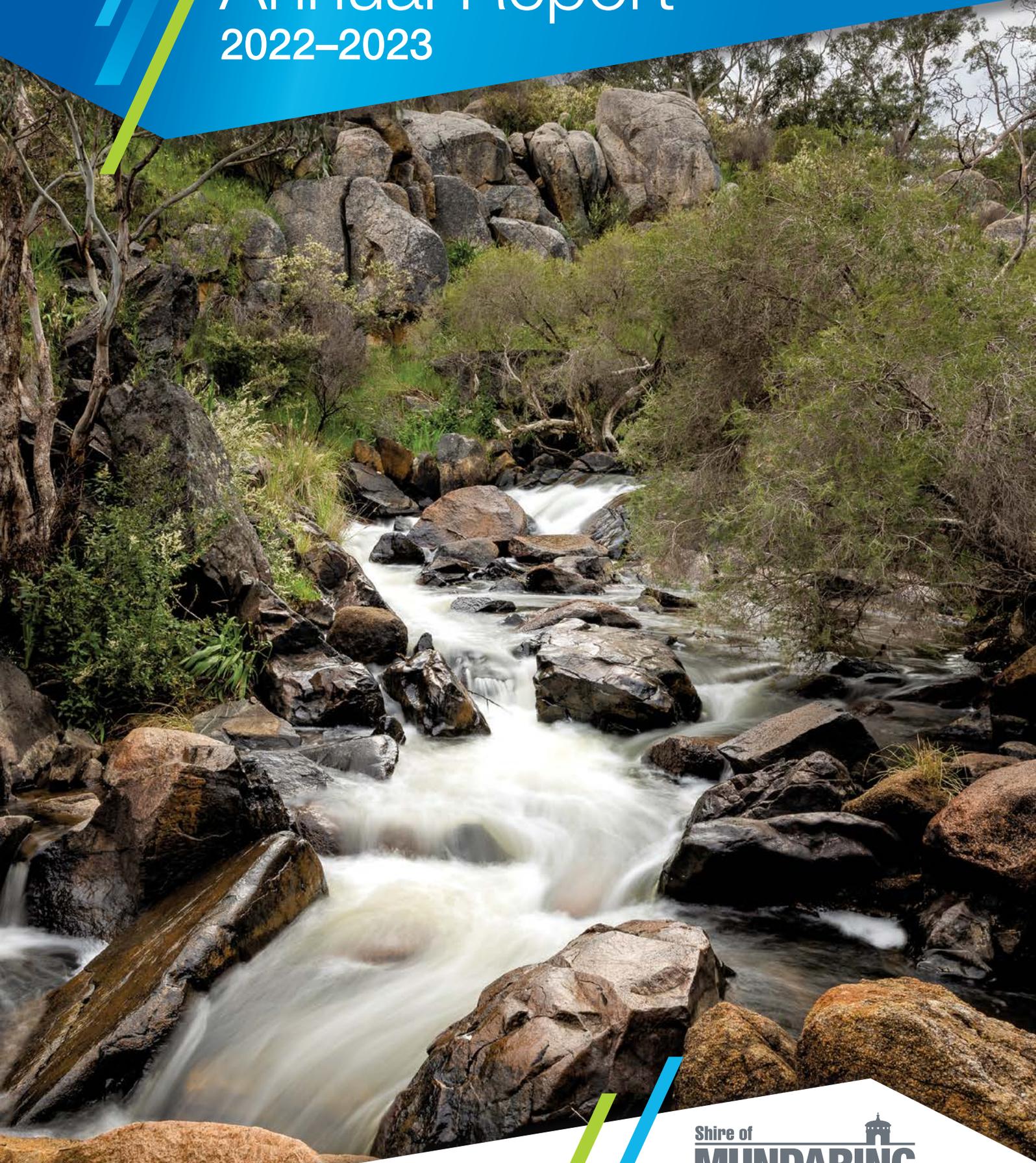


Annual Report

2022-2023



Acknowledgement of Country

Mundadjalina-k ngala kaditj Noongar moort nidja Wadjak boodjar-ak kalyakool moondang-ak kaaradj-midi. Ngala Noongar Moort wer baalabang moorditj kaadidjiny koota-djinanginy. Ngala Noongar wer Torres Strait Moortal dandjoo koorliny kwaba-djinanginy. Koorra, yeyi wer kalyakool, ngalak Aboriginal wer Torres Strait birdiya wer moort koota-djinanginy.

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.



Rohin Kickett
Detail from *Mundaring Weir*, 2022.

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About this Annual Report

Local governments are required, under the *Local Government Act 1995*, to produce an Annual Report before 31 December each year.

While this report must meet certain statutory requirements, the 2022/23 Annual Report also highlights Shire of Mundaring's operational and financial performance for the past financial year and provides an overview of the Shire's future outlook.

This report informs the reader how the Shire is delivering on its vision to be 'the place for sustainable living'.

This vision was adopted in March 2020 following a major review of the Strategic Community Plan.

The review demonstrated a desire of the people within the Shire of Mundaring for sustainable living and a move towards a more community and business led approach where leadership, collaboration and inclusivity are embraced.

The Strategic Community Plan and its supporting Corporate Business Plan form the Shire's roadmap for the future and detail the community's aspirations for the Shire of Mundaring.

These two plans are part of the Integrated Planning and Reporting Framework, which is applied by all local governments in Western Australia.

If you would like to provide feedback on the Annual Report please email the Shire at shire@mundaring.wa.gov.au.

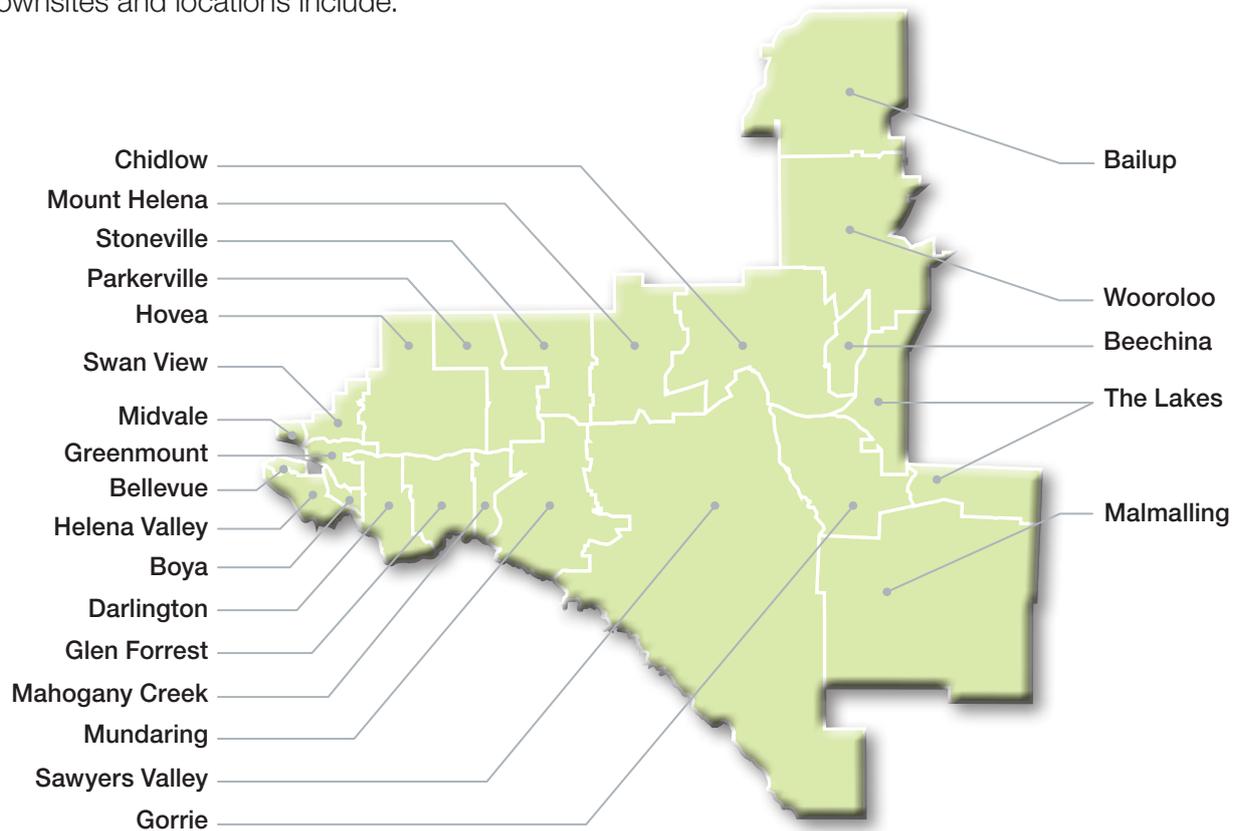
Alternative formats of this document are available upon request.

About us

The Shire of Mundaring is located on the eastern fringe of Perth, approximately 35 kilometres from the Perth CBD.

It encompasses a total land mass of 644 km², of which nearly half is National Park, State Forest or water catchments. The largest industries are construction, manufacturing, rental hiring and real estate services.

Townsites and locations include:



Community vision

The place for sustainable living

We value:

- Protection of the natural environment
- A peaceful lifestyle
- A safe and inclusive community.



Shire President's message



It is an honour to present my last Shire of Mundaring Annual Report.

As we moved beyond the challenges posed by COVID-19, the Shire saw a successful year with a number of highlights and achievements to be acknowledged.

One of the key projects, the Mundaring Multi-purpose Community Facility and Cultural Precinct, forged ahead with advanced planning and consultation this year.

Councillors joined community members and stakeholders to work with the Shire's consultant design team to develop initial concept sketch options in May.

Nineteen community members formed a Deliberative Panel to help refine the concepts and make recommendations to the project team. Two concept sketches were unveiled for the community to provide feedback on their preferred option in June.

Council also resolved to pursue the purchase of 2945 Jacoby Street, Mundaring. The block was identified as being strategically important for proposed future use in the Shire's Mundaring Activity Centre Plan and the Shire ultimately was successful in purchasing the property.

Four key Strategies were adopted by Council this year, including the Access and Inclusion Informing Strategy, Local Biodiversity and Watercourse Hierarchy Strategies and Economic Development and Tourism Strategy.

Council also endorsed the Shire's first Reconciliation Action Plan (RAP) at its Ordinary Council Meeting in November 2022. The Innovate RAP 2022 to 2024 is a

collaborative plan informed through strong Aboriginal engagement and stakeholder consultation and developed with guidance from Reconciliation Australia.

You can find a copy of the RAP and other Strategies on the Shire's website.

At the time of writing this, the Shire is undergoing some changes. Firstly, it has welcomed a new CEO and new Shire President, following my resignation at the Local Government Elections in October 2023.

I would like to acknowledge and thank the Shire's outgoing CEO Jonathan Throssell for his enduring contribution to the organisation and community over his 18 year tenure.

I welcome the Shire's new CEO Jason Whiteaker. Jason brings a wealth of local government knowledge and experience.

I also congratulate Cr McNeil as the newly elected Shire President in the Local Government elections.

When I nominated for Council eight years ago, the Shire had assumed 6% increases for 10 years in order to meet its plans and obligations. We had, at that time, just tripled our debt and I didn't believe that this was sustainable from a ratepayer point of view, and so I nominated for council and I was lucky enough to be elected.

Move forward eight years and Council has just passed our latest budget and I'm pleased to say that for a second year in a row, we have kept rate increases less than inflation and wage increases.

We have reduced debt further and taken on no new debt and increased our savings

as we have every year for the past eight years. Importantly, we move forward with a 10 year budget that budgets for low levels of rate increases, in line with inflation and wage growth, significantly lower debt and significantly higher savings. From eight years ago, that means around a \$400 a year saving for every household in the shire if we had kept on our original budget plan. I am very proud of that achievement.

For me, I feel I have achieved what I set out to do on council, and I believe it is time to step aside and allow others to build on the great work we have done and continue to make our community a great place to live and work.

I thank everyone for their support over the past eight years and I wish you all the best.

I look forward to still seeing you out and about in our wonderful community —the Shire of Mundaring.

Cr James Martin

Shire President

CEO's message



I am pleased to present my first Shire of Mundaring Annual Report.

Unfortunately at the time of writing this report, former Chief Executive Officer, Jonathan Throssell, had left the organisation after 18 years of service. I would like to congratulate Jonathan for his stewardship in leading the Shire during this time and acknowledge his contribution to the Shire of Mundaring.

During the previous twelve months to June 2023, the Shire, under Jonathan had a number of highlights including:

Mundaring Multi-purpose Community Facility

The staged revitalisation of the Mundaring Town Centre progressed into the planning and design stage (Stage 2) for a new civic and cultural precinct.

Over 50 community members, project stakeholders and council members worked with the Shire's consultant design team to develop initial concept sketch options. In June, the options were unveiled for the community to provide their feedback on with Council endorsing option B – Circular (West) at a Council Meeting in September 2023.

Rosedale Road shared path

A three metre wide 2.06km shared path along Rosedale Road in Chidlow was officially declared open for use in June, replacing the former asphalt and gravel path. This path provides a better connection between the Chidlow town centre and Lake Leschenaultia.

Stoneville Volunteer Bushfire Station

The \$1.2M Stoneville Volunteer Bush Fire Station reached practical completion in June, giving the Stoneville Volunteer Bush Fire Brigade and Shire of Mundaring Bush Fire services a new modern, efficient and well-equipped Fire Station.

Award-winning Shire

The Shire was awarded the Resilient Australia Local Government Award for its community-led exhibition 12 Months On – an Exhibition of Community Images which commemorated 12 months since the Wooroloo Bushfire.

In April 2023, the Shire celebrated once again when it won the Local Government category at the 2023 Master Builders Commonwealth Bank Housing Excellence Awards.

My Mundaring Online

This year saw the launch of the My Mundaring Online web portal. The portal was built in-house by the Shire's Information Technology department and allows residents to connect to popular Shire services including cat and dog registrations, rates balances, electronic Community Recycling Centre pass and tracking visits, burning and event permits, and more.

Financial position

As with other local governments, the Shire was also challenged by the rising cost of living from inflation this financial year.

Despite this, the Shire maintained its strong financial position, keeping rate increases to a minimum while still delivering the level of service our community expects.

In the most recent fiscal year, the Shire achieved a Financial Health Indicator (FHI) score of 75, surpassing the benchmark of 70 set by the Department of Local Government and Communities.

This score is calculated using seven key financial and asset management ratios required by the *Local Government (Financial Management) Regulations 1996*.

I am very much looking forward to moving the Shire of Mundaring forward into the 2023/2024 financial year. In the coming twelve months the Shire has the opportunity to reset its strategic direction, as we undertake a major review of the Shire of Mundaring Strategic Community Plan, while as an organisation there will be a strong emphasis on accountability and business improvement, customer service, openness and the use of technology to ensure we are providing the very best services and facilities we can to our community.

Jason Whiteaker
Chief Executive Officer

Future direction

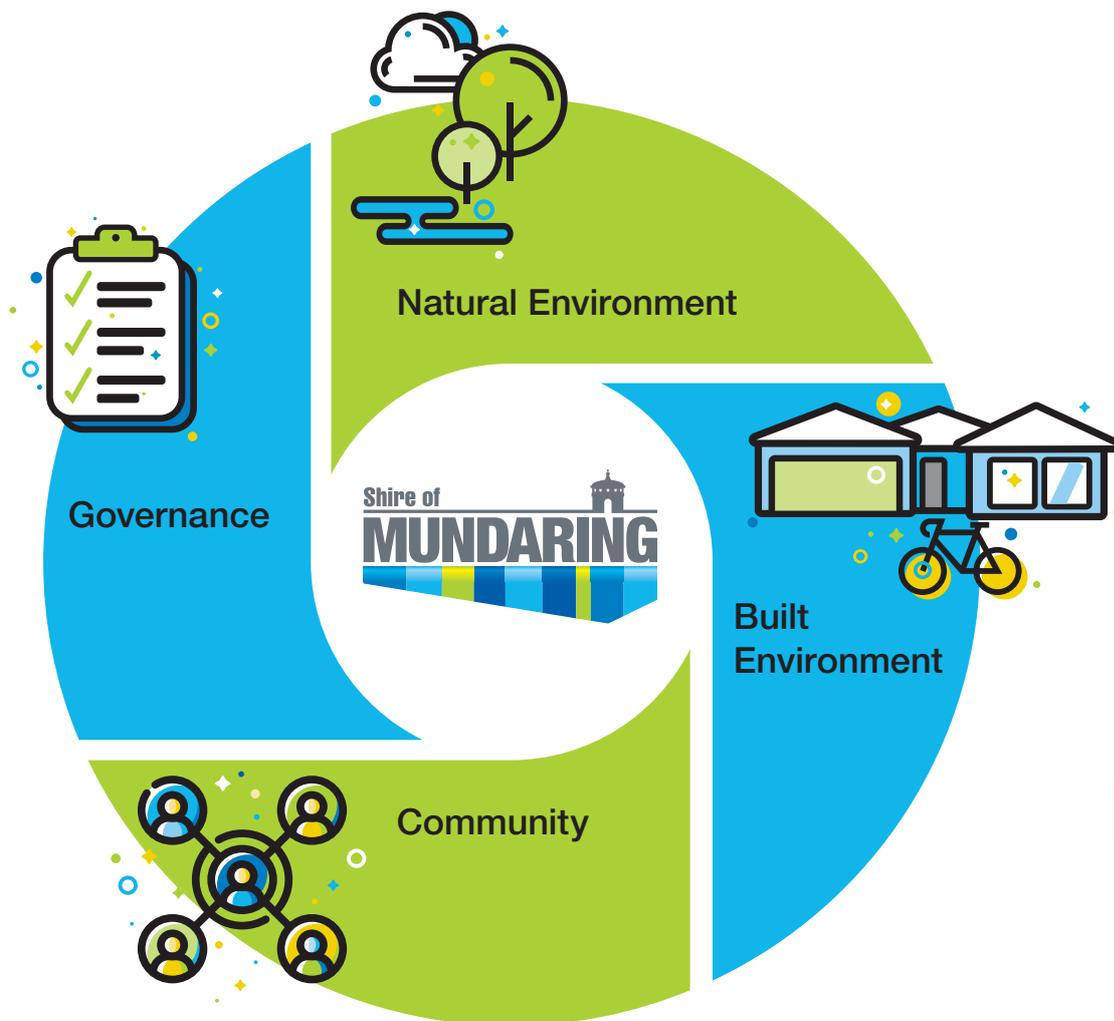
The Shire's Corporate Business Plan is central to how Council implements its strategic direction. It links medium term projects, services and actions to the Strategic Community Plan. The following is a list of some of the projects tabled in the Corporate Business Plan for the coming years.

- Brown Park additional cricket practice nets
- Brown Park community centre roof upgrade
- Brown Park Precinct Plan
- Broz Park play equipment upgrade and exercise equipment installation
- Concept design/master planning for upgrades to recreation changerooms and volunteer bushfire brigade stations
- Convert street lights to LED lighting
- Darlington Heritage walkway installation
- Extend Mt Helena Aquatic Centre season to early March
- Financial support to Hills Billy Cart Festival
- Glen Forrest Tennis Club upgrade court lights to LED
- Heritage Strategy
- Increase financial support for Mundaring Arts Centre
- Investigating an on-demand bulk waste verge collection service
- Investigate solar power battery storage
- Lake Leschenaultia enhancements
- McVicar/Keane St roundabout improvement
- Modernise and refit changerooms at Bilgoman Aquatic Centre
- Mundaring Town Centre and Multi-purpose Community Facility project – planning and design
- Norris Park install new BBQs
- Parkerville Hall accessibility upgrades
- Prioritise accessibility upgrades across Shire-run and leased facilities
- Sawyers Valley Oval, upgrade reticulation and subsoil drainage
- Scott Street Bridge
- Signage Strategy
- Working towards implementing FOGO (food organics and garden organics) collection in July 2024

Highlights of the year

This Annual Report details Shire of Mundaring's progress against the strategic objectives contained in the Strategic Community Plan 2020 – 2030 and the Corporate Business Plan 2022/23 – 2025/26.

Together these plans form the blueprint for the future across four aspirational objectives:



The following pages detail highlights from each of these areas for the reporting year.



Community

- **107,890** Aquatic Centre entries
- **14,117** campers at Lake Leschenaultia
- **105,756** library visits
- **212,993** physical library items issued to patrons
- **47,923** library eResources issued to patrons
- **1492** new library members
- **85** media releases distributed
- **741,596** page views on the Shire's website
- **1** Twilight Tunes event
- **5148** venue bookings for community facilities
- **171** weekly attendees at activities at the Hub of the Hills
- **978** attendees at Active Ageing Network events at the Hub of the Hills





Governance

- **1465** jobs attended by Rangers
- **21,095** in-person reception enquiries
- **48** Council and committee meetings
- **\$9.7** million of Capital Grants received
- **1496** swimming pool and spa inspections



Built Environment

- **\$2.3** million property maintenance program
- **\$469** million total asset value managed
- **\$2.8** million civil works maintenance program
- **350** development applications determined
- **834** building applications totalling **\$66** million worth of works



Natural Environment

- **323** tonnes recycled through Bulk Verge Collection
- **10,196** tonnes recycled at Mathieson Road and Coppin Road Community Recycling Centres
- **4.67** million containers were recycled through the Containers for Change program at Coppin Road refund point
- **394,765** kerbside recycling bins collected
- **1931** tonnes recycled from kerbside recycling bins
- **358** successful Seedlings for Landcare program applications
- **\$4.5** million parks and maintenance program
- **365** participants at environmental education workshops



Volunteering

- During the 2022/23 reporting year, there were **6018** volunteers in the Shire.
- **250,000** hours contributed by Volunteer Bushfire Brigades. This represents **\$12,002,500** per annum replacement cost to the Shire.
- **2208.69** total annual volunteer hours across the Shire's libraries, Visitor Centre and Hub of the Hills. This equates to a **\$106,039.21** per annum replacement cost to the Shire.





Friends and Catchment Groups

- The Shire has **78** registered Friends of Reserves Groups, comprising **203** registered volunteers.

This includes the newly formed Shire-led Roving Rehabilitators Friends Group who held their first workday in June 2023.

This group works in a number of priority reserves around the shire as directed by the Community Landcare Officer and Supervisor Environment & Horticulture.

Friends Groups operate on a volunteer basis to maintain our reserves.

The Groups' main activities include:

- hand weeding
- planting local endemic tube stock to restore habitat
- cleaning up litter
- applying for grant funding for chemical and non-chemical weed control
- installing rock riffing and nest boxes
- community engagement and education.

Some Friends Group members also participate as members of local Catchment Groups including Helena River, Jane Brook and Susannah Brook. Catchment Groups oversee the ecological health of water catchment areas feeding into local tributaries.

Catchment Groups are incorporated and often hold grant funds for Friends Groups. Friends Group volunteers often belong to Catchment Groups as an opportunity to network and form a collaborative approach to Landcare.

- In the 2022 calendar year, **137** Friends Group volunteers recorded a contribution of 4028 hours, with a replacement cost of **\$201,400**.
- A total of **38** Friends and Catchment Groups received a total of **4492** seedlings through the 2023 Seedlings for Landcare Program.

Climate Change initiatives

In 2018, the Shire adopted a greenhouse gas emission reduction target to reduce corporate emissions by 30 per cent by 2030, from 2016/2017 levels.

Emissions reduction initiatives to date have included:

- Installing solar panels at larger facilities
- Changing lighting to more efficient LED lights
- Participating in a renewable energy 'bulk buy' with other local governments.

During 2022/2023, the Shire also arranged for Western Power to accelerate its changeover of local streetlights to LED lights.

Mostly funded by a Local Roads and Community Infrastructure Grant from the Commonwealth Government, the changeover will provide ongoing reductions in annual streetlight costs once works are complete.

Initial planning has also been undertaken for electric vehicle charging infrastructure. The Shire has joined with WALGA and other WA local governments in applying for Commonwealth Government grant funding to install the first set of chargers.

Key projects

Consultation helps inform the Mundaring Multi-Purpose Community Facility



The Shire is reimagining the Mundaring town centre by creating a new civic and cultural precinct. This includes co-locating the majority of existing community facilities and services within a multi-purpose facility, including the Albert Facey Memorial Library and a range of other community services.

Progress on the Mundaring Multi-purpose Community Facility (MPCF) project forged ahead when it progressed into the planning and design stage (Stage 2) in July 2022.

Early goals were achieved with the recruitment of a Senior Project Officer and Council's endorsement of the Engagement Strategy for Stage.

However, the building blocks for the design concept and precinct planning started to come to fruition with the engagement of external specialists to facilitate community engagement, develop concept sketch and masterplan options, undertake preliminary costings and recommend a preferred concept option for delivery of the MPCF.

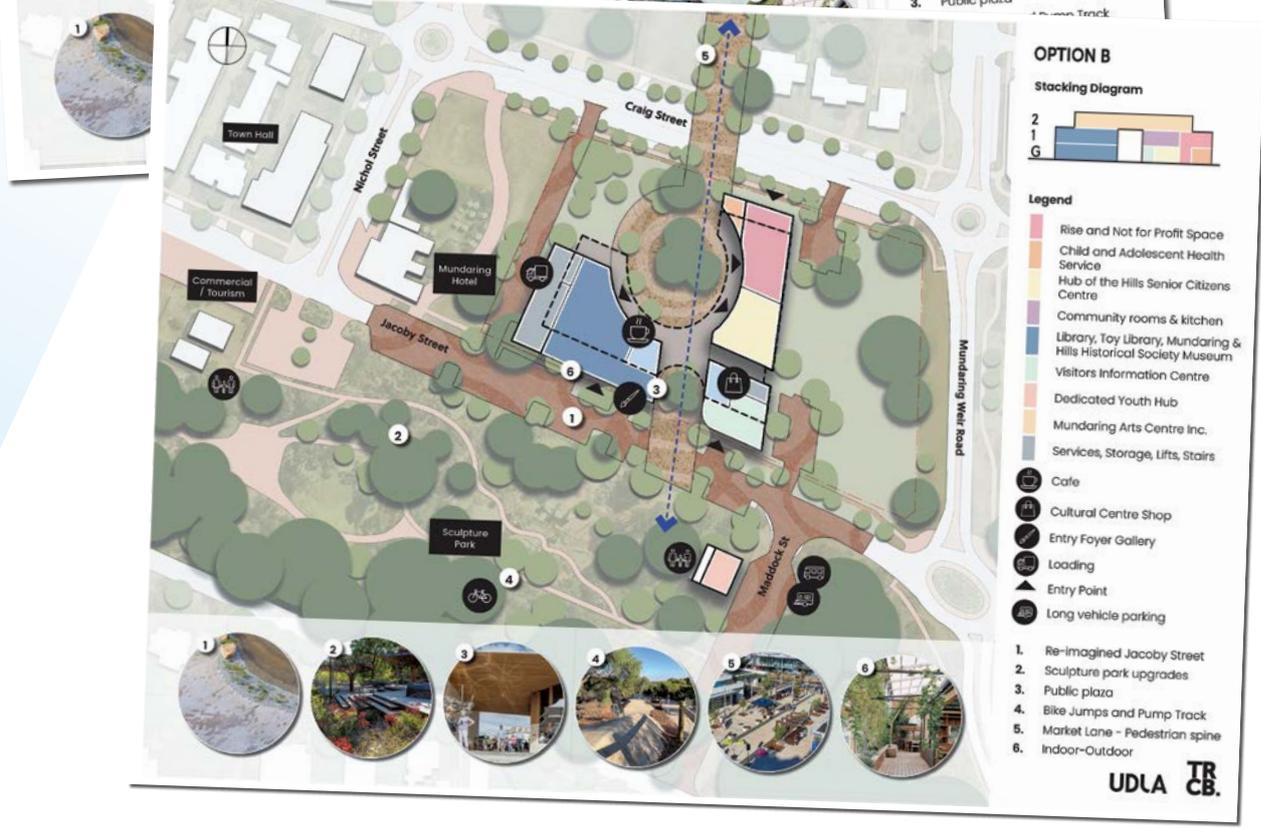
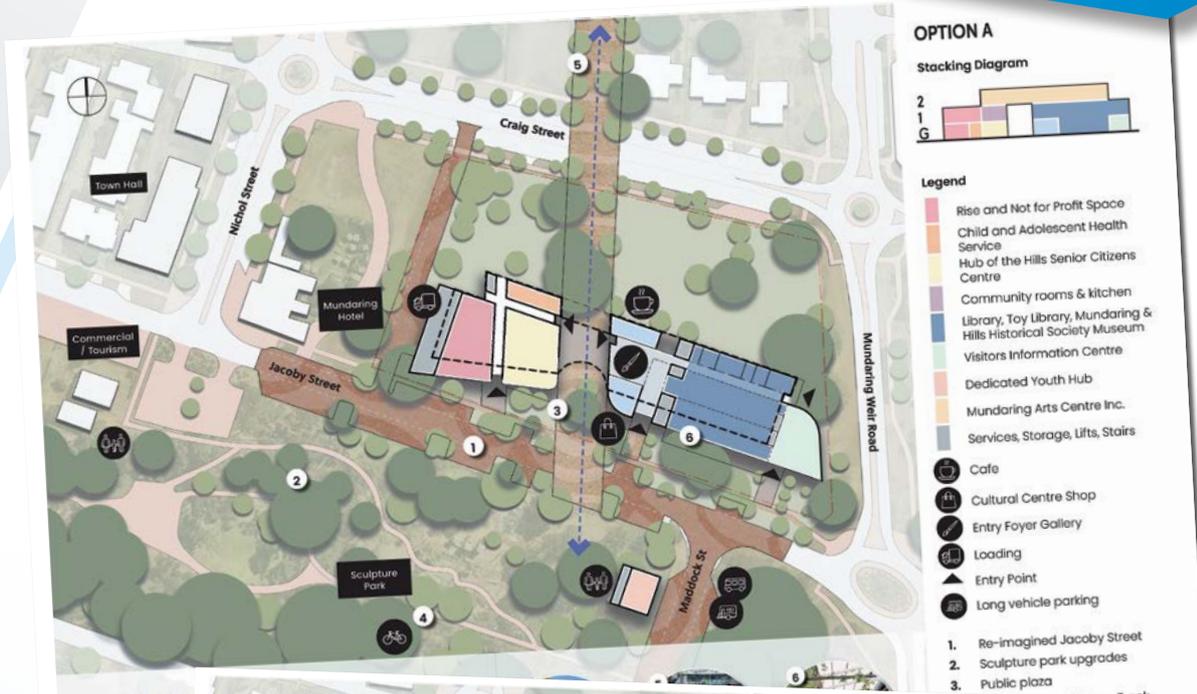
In March, 212 community members provided feedback on their aspirations and priorities for the MPCF and Cultural Precinct via a community survey on Engage Mundaring.

Feedback from the survey was collated and in May community members were invited to participate in a three-day Collaborative Design Forum to help inform design options.

Over 50 community members, project stakeholders and council members worked with the Shire's consultant design team to develop initial concept sketch options.

A Deliberative Panel, comprising of 19 community members, was then formed to help refine the concepts and make recommendations to the project team.





In June, two concept sketches were unveiled for the community to provide their feedback on their preferred option via a survey on Engage Munding.

The Shire received 230 responses and a refined concept and masterplan option was presented to Council in September 2023.



...revitalise Lake Leschenaultia as a natural tourist attraction...

Lake Leschenaultia Visitor Improvement Project

The Lake Leschenaultia Visitor Improvement Project aims to revitalise and activate Lake Leschenaultia as a natural tourist attraction.

Projects completed in 2022/23 financial year included: replacing a large public shelter, a covered outdoor dining space, automated exit gate, vehicle counting system, installation of permanent commercial marker buoys for a dedicated swimming zone and installation of a solar photovoltaic system.

The final component to be completed is the installation of a nature playground in the 2023/24 financial year.

This project is partly funded by the Federal Government's Building Better Regions Fund.

Mundaring Cemetery

Key roads were sealed to stop erosion, along with installation of accessible parking bays and shade shelters during the reporting year.

New seating will be installed in the 2023/24 financial year.



Rosedale Road shared path completed

A three metre wide 2.06km shared path along Rosedale Road in Chidlow was officially declared opened for use by Shire President James Martin in June 2023.

The new path replaced the former asphalt and gravel path, and now links the Heritage Trail in Chidlow Village Green to recreational facilities at Lake Leschenaultia.

The \$1.085M project was fully funded by a grant from the State Government's Western Australian Bicycle Network, as part of the Labor Government's election commitment to develop and grow bike riding in the region.

The installation of a shade structure, table and bench seats, as well as drainage improvements, will be completed in the 2023/2024 financial year.

Below: Member for Swan Hills Jessica Shaw MLA representing the Hon Rita Saffioti, Minister for Transport, Chidlow Progress Association Treasurer Erik Postmas, Principal Amanda McCormack and Deputy Principal Claire Mansveld from Chidlow Primary School, Jarrod Daniel of AXIIS Contracting and Shire of Mundaring Councillors and Staff celebrated the official opening of the shared path.



Stoneville Volunteer Bush Fire Brigade Station

The new \$1.2M Stoneville Volunteer Bush Fire Brigade Station reached practical completion in June 2023.

The design, construction and fit out of the new station has given the Stoneville Volunteer Bush Fire Brigade and the Shire of Mundaring Bush Fire Service a modern, efficient and well-equipped facility.

The design was driven by extensive input from Shire officers and Stoneville Volunteer Bush Fire Brigade members, and guided by the draft Volunteer Bush Fire Brigade station design guidelines provided by DFES.

The building was designed with a budget funded by a \$900,000 Federal RLCIP Grant, \$200,000 from the Shire, along with funding for the fit out costs funded by Ratepayers via the Emergency Services Levy, Local Government Grants Scheme.

Norris Park playground upgrade

The Shire invested \$80,000 to upgrade playground equipment with a new combination play unit, swings, basket swing and climbing nets at Norris Park, Stoneville.

New practice cricket wickets

The Shire invested \$100,000 to upgrade the cricket practice wickets at Mundaring Oval to meet current standards.





Celebrating Community recipients

The Shire hosted its Celebrating Community event on International Volunteer Day on Monday 5 December 2022.

The event recognised and celebrated the contributions and achievements of 24 community members and groups across four nomination categories.

The event was attended by 90 volunteers along with their family members, local MPs, Councillors and staff.

Guests enjoyed refreshments along with entertainment provided by local Wooroloo band, the Eurokatz.

Thirty Wooroloo “Community Connectors” were also recognised for their ongoing contribution to recovery initiatives following the 2021 Wooroloo Bush Fire.

Scott Street Bridge works

Main Roads, on behalf of the Shire, commenced work on the \$2.4M upgrades to Scott Street Bridge in Helena Valley in March.

The works include reinforcing and replacing elements of the bridge structure and replacing the bridge deck.

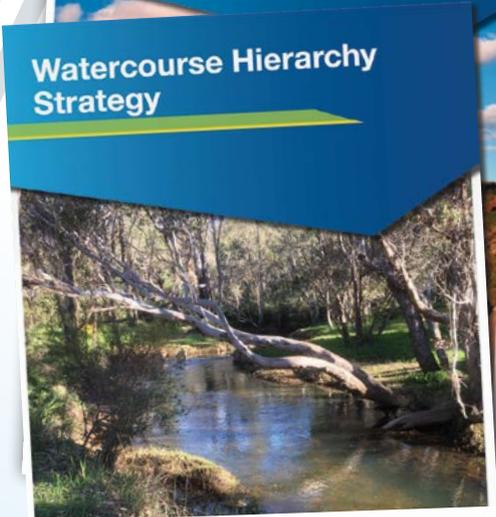
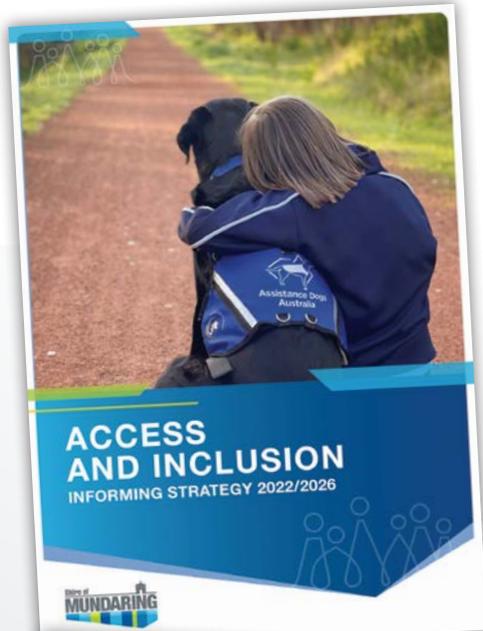
Once complete, a new, wider path adjacent to the eastern carriageway will also be available, improving access for cyclists and pedestrians.

The project is funded through the Federal Government's Roads to Recovery program.



... improving access for cyclists and pedestrians...





Strategies adopted

During the reporting year, a number of Strategies were adopted by Council and can be found on the Shire's website.

Access and Inclusion Informing Strategy

As a local government authority, the Shire has an obligation to meet outcomes under the *Disability Services Act 1993*.

The Shire's Access and Inclusion Informing Strategy 2022/2026 was adopted by Council in December 2022 and details actions for the Shire to implement over the next five years.

The Shire's Inclusion and Disability Access Advisory Group were instrumental in the public consultation process and their input helped inform the Strategy.

Significant input was also provided by residents with a disability, their families and carers; people from culturally and linguistically diverse backgrounds; the LGBTIQ+ community; and people with mental health conditions.

Local Biodiversity and Watercourse Hierarchy Strategies

Council adopted the Local Biodiversity Strategy 2023 – 2030 and the Watercourse Hierarchy Strategy at its Ordinary Council Meeting in April 2023.

These Strategies will play a key role in sustaining the natural environment which also underpins the health and wellbeing of our community.

Economic Development and Tourism Strategy

The Economic Development and Tourism Strategy 2023 – 2028 was adopted by Council in June 2023.

The five-year Strategy aims to encourage economic activity that capitalises on the special character and attractions of the shire, including its distinctive art, food, culture and natural environment. It also aligns with the community's vision for the shire as a place for sustainable living.



Works also commenced on both the Heritage Strategy and Signage Strategy which will be adopted in the 2023/2024 reporting year.

Signage Strategy

The need to develop a comprehensive Signage Strategy across the shire was raised by the Shire's Cultural Advisory Group, with signage also cited as lacking in the Age Friendly Informing Strategy 2020–2025 and in various precinct plans, strategies and tourism documents.

In February 2023 the Shire engaged a consultant to develop a comprehensive Signage Strategy, including undertaking stakeholder consultation and desktop research and analysis to inform the development of the Strategy.

The Strategy will guide development of well-designed, fit-for-purpose and consistent Shire signage that creates a positive sense of place identity for the shire. It will also ensure a coordinated and consistent approach to permanent signage on Council facilities, managed land and streets across the shire.

The brand will then be reflected in a range of Shire projects, such as signage used within the Railway Reserves Heritage Trail, facility signage, light industrial and commercial precincts, wayfinding and in the development of entry statements into the shire and Mundaring town centre.

The Strategy will be presented to Council for adoption in the 2023/2024 financial year.

Key achievements

Purchase of 2945 Jacoby Street, Mundaring

Having been identified as being strategically important for proposed future use in the Shire's Mundaring Activity Centre Plan, Council resolved to pursue the purchase of 2945 Jacoby Street, Mundaring in July 2022.

An Offer and Acceptance Contract was signed by the CEO on behalf of Council in October, followed by settlement in December 2022.

Consistent with the intent of purchase of the property, Council determined in February 2023 that the existing derelict dwelling be demolished to allow for future development and enable a sound land-use planning outcome.



My Mundaring Online launched

Residents enjoyed greater benefits of connecting to popular Shire services with the launch of the Shire's first online portal in August 2022.

My Mundaring Online is accessed via the Shire's website and allows residents to:

- Register their cat and dog
- Check rates balances or pay rates online
- Sign up for eRates
- Download an electronic Community Recycling Centre pass and track how many visits are left
- Check bin days
- Apply for a Permit to Burn
- Report a service request or incident.

In January 2023, an Event Permit Application process was added to My Mundaring Online along with Event Guidelines on the Shire's website.

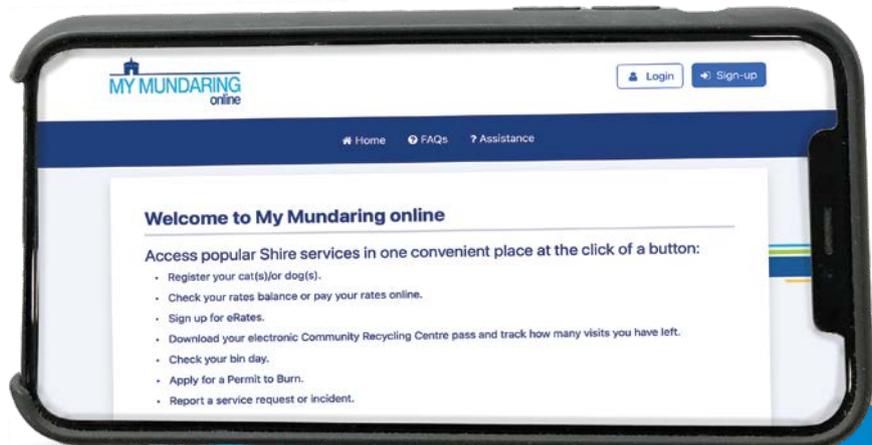
The in-house built system allows event organisers a seamless application process to host an event in the shire. It also guides them with prompts for additional information required based on the type of event the applicant is seeking permission for, and related risks the host needs to address for a safe community event.

The launch of the application not only greatly supports event organisers, but also saves time, costs and reduces risks associated with events.

At 30 June 2023, 1467 accounts had been created and validated since its launch.



... benefits of connecting to popular Shire services...





Winner of a National Resilient Australia Award

The Shire was awarded the Resilient Australia Local Government Award for 12 Months On – an Exhibition of Community Images, held in Gidgegannup in October 2022.

The exhibition was a community-led initiative held in February 2022 which commemorated 12 months since the February 2021 Wooroloo Bushfire.

The Shire, in partnership with City of Swan, Department of Communities and Australian Red Cross, was one of four State winners announced at the national Resilient Australia Awards ceremony. The awards recognise initiatives that help communities recover from disaster.

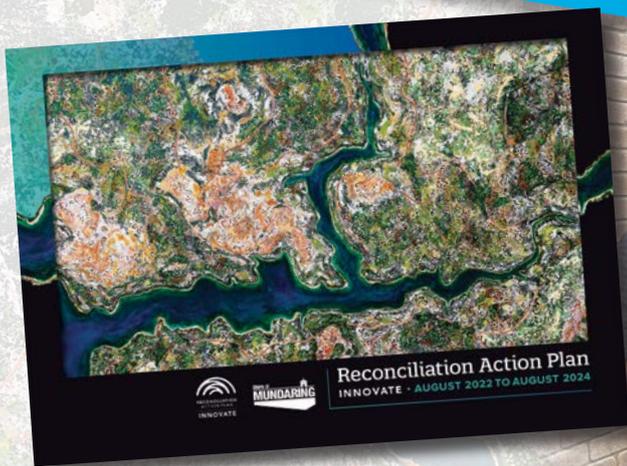
First RAP implemented

In the previous reporting year, Council endorsed the draft Innovate Reconciliation Action Plan (RAP) to be submitted to Reconciliation Australia to undergo the formal review and approval process.

Having received formal endorsement for the RAP in September 2022, the Shire was officially accredited by Reconciliation Australia and recognised as a member of the RAP Network. Subsequently Council endorsed the Shire's RAP at the November 2022 Ordinary Council Meeting.

The Innovate RAP 2022 to 2024 is a collaborative plan informed through strong Aboriginal engagement and stakeholder consultation and developed with guidance from Reconciliation Australia.

Actions contained within the plan meet both the community's vision as well as their aspirations and the accreditation standards of Reconciliation Australia.



Artist Rohin Kickett with Deputy Shire President Paige McNeil and Director of Infrastructure Services Shane Purdy.



RAP achievements:

- Reviewed, developed and implemented policies, plans and strategies to support undertaking actions in the RAP.
- Built relationships and consulted with Aboriginal and Torres Strait Islander communities and advisors.
- CEO appointed as internal RAP Champion and actively promoted the RAP across the organisation, clarifying the role staff play in delivery of the RAP.
- Activities implemented to increase staff knowledge and understanding of culture and history and cultural protocols of First Nations people.
- Celebrated significant cultural days including National Reconciliation Week at Family and Children's Services. This included a Welcome to Country in language, Aboriginal dance, didgeridoo performance and morning tea.





Shire wins Master Builders Award

The Shire won the Local Government category at the 2023 Master Builders Commonwealth Bank Housing Excellence Awards in April.

The industry nominated award is extra special as it serves as an important endorsement of the Shire's efforts and commitment to providing excellent customer service and support to ratepayers through what have been difficult times.

Brown Park Precinct Plan

In May 2023, residents surrounding Brown Park were invited to attend an open workshop and complete an online survey to share their thoughts on how Brown Park's recreation spaces and facilities should be re-developed.

The consultation was part of works to prepare a precinct plan for potential new facilities and improvements at the Brown Park Recreation Precinct, Swan View.

Once developed, the precinct plan will set out the key principles and objectives to improve multi-generational and cross-cultural inclusion, activation and community engagement at the precinct, as well as outline a prioritised infrastructure action plan to address the current and future needs of the community.

The plan was completed in the 2023/2024 financial year and was endorsed by Council in September 2023.

Broz Park wetland restoration project

The \$64,529 environmental restoration project to improve the water quality and ecosystem functioning in the wetland at Broz Park forged ahead.

Four electrofishing sessions to remove non-native fish species such as Koi Carp and Goldfish were completed, along with a water treatment with natural enzyme concentrate to remove nutrients, reduce algae growth and improve water quality.

Works were also carried out, including the installation of a concrete slab and electrical work for an artificial water aeration system.

Revegetation works on the banks of the wetland also progressed with La Salle College students volunteering 120 hours (worth \$3600 of in-kind volunteer hours) to install 1000 seedlings.



Large Melaleuca trees were also planted throughout the floodplain area in Broz Park.

In 2022, a bird education workshop was attended by 17 wildlife enthusiasts to hear about healthy wildlife interactions.

The project is supported by funding from the Western Australian Government's State Natural Resource Management (NRM) Program.

Re-endorsed as a Gold Waterwise Council

The Shire was re-endorsed for the sixth time as a Gold Waterwise Council by Water Corporation.

The endorsement recognises the Shire's work to promote efficient and sustainable water management, which is a priority in the Shire's Strategic Community Plan.

To receive re-endorsement each year, the Shire must demonstrate ongoing progress with its Waterwise Council Action Plan, which requires water efficiency as a key consideration in designing and maintaining Shire facilities and landscaping.

The Shire also encourages residents to adopt waterwise and firewise garden practices around their homes.

The Shire's Bilgoman Aquatic Centre is also endorsed in Water Corporation's Waterwise Aquatic Centre's Program.

Key steps to maintain waterwise endorsement at the pool include:

- daily recording of the water readings
- push-button controlled showers and sink taps
- using rainwater in winter for backwashing the pool area
- monitoring behaviour that could result in excessive water loss from the pool.

Bilgoman named finalist

Bilgoman Aquatic Centre was named as a finalist at the 2023 WA Aquatic Recreation Industry Awards in June 2023 in the following three categories:

- Watch Around Water Facility of the Year Award
- Aquatic Facility Safety Award
- Aquatic Technical Operator of the Year.





Family and Children's Services

Midvale Early Childhood and Parenting Centre

Midvale Early Childhood and Parenting Centre (MECPC) was recognised by the WA Education and Care Regulatory Unit (ECRU) as a demonstration Centre of best practice.

Over the reporting year, ECRU showcased the Centre a number of times, using the Centre to train new ECRU officers and develop training videos for the sector. MECPC was also showcased in ECRU's on-line sector newsletter.

WA Primary Health Alliance (WAPHA) Seed Funding – Health Connector Project

Child and Parent Centre Swan was provided with funding by the WA Primary Health Alliance for a pilot program to enable the centre to continue to make connections between health services, schools and early years' settings.

This will ensure better health outcomes for families who face barriers to access required services.

Child and Parent Centre Swan and Indigenous Advancement Strategy (IAS)

Sixty children involved in the Indigenous Advancement Strategy program enjoyed eight school holiday sessions at Brown Park Recreation Precinct in the 2023 Term One holidays.

In collaboration with WA Police and Community Youth Centre (PCYC), Community Police and Bandyup Women's Prison, the Centre delivered activities including court sports, craft, water play and cricket.

The police delivered breakfast, morning tea, lunch and afternoon tea, provided by the prison, with leftover food sent home for the families.

The children had a fantastic time, with schools reporting that attendees experienced smoother back to school transitions.

Based on the success of the program, the Centre partnered with PCYC, Community Police and Koya to deliver a second program at the end of Term Two.

Sixty children were enrolled, with four sessions held over two weeks.

Children enjoyed activities including a visit from the WA Birds of Prey Centre, a performance from Constable Care, St John Ambulance Youth Engagement Team and various sports, games and crafts.

Simplicity Funerals also provided Domino's pizza and lolly bags for the last day.

Celebrating Local Elder

An original member of the Child and Parent Centre Aboriginal Reference Group was celebrated during National Reconciliation Week at the Middle Swan Child and Parent Centre.

Aboriginal Elder Aunty Di Ryder OAM had a bench placed in her honour to recognise the support she has given the Centre, particularly in the Centre's first 10 years.



Heritage achievements

Preparations for a Heritage Strategy to revisit the broader approach to heritage in the shire were made during the reporting year.

In March 2023, the Shire secured a \$20,000 grant from the Department of Planning, Lands and Heritage to commence a specific review of its list of locally important heritage sites.

A review of the Shire's Local Heritage Survey also commenced, which will identify any additional local heritage sites which may need to be recorded as part of the Local Heritage Survey, or elevated into the Shire's Heritage List.





... identify any additional local heritage sites which may need to be recorded as part of the Local Heritage Survey, or elevated into the Shire's Heritage List...

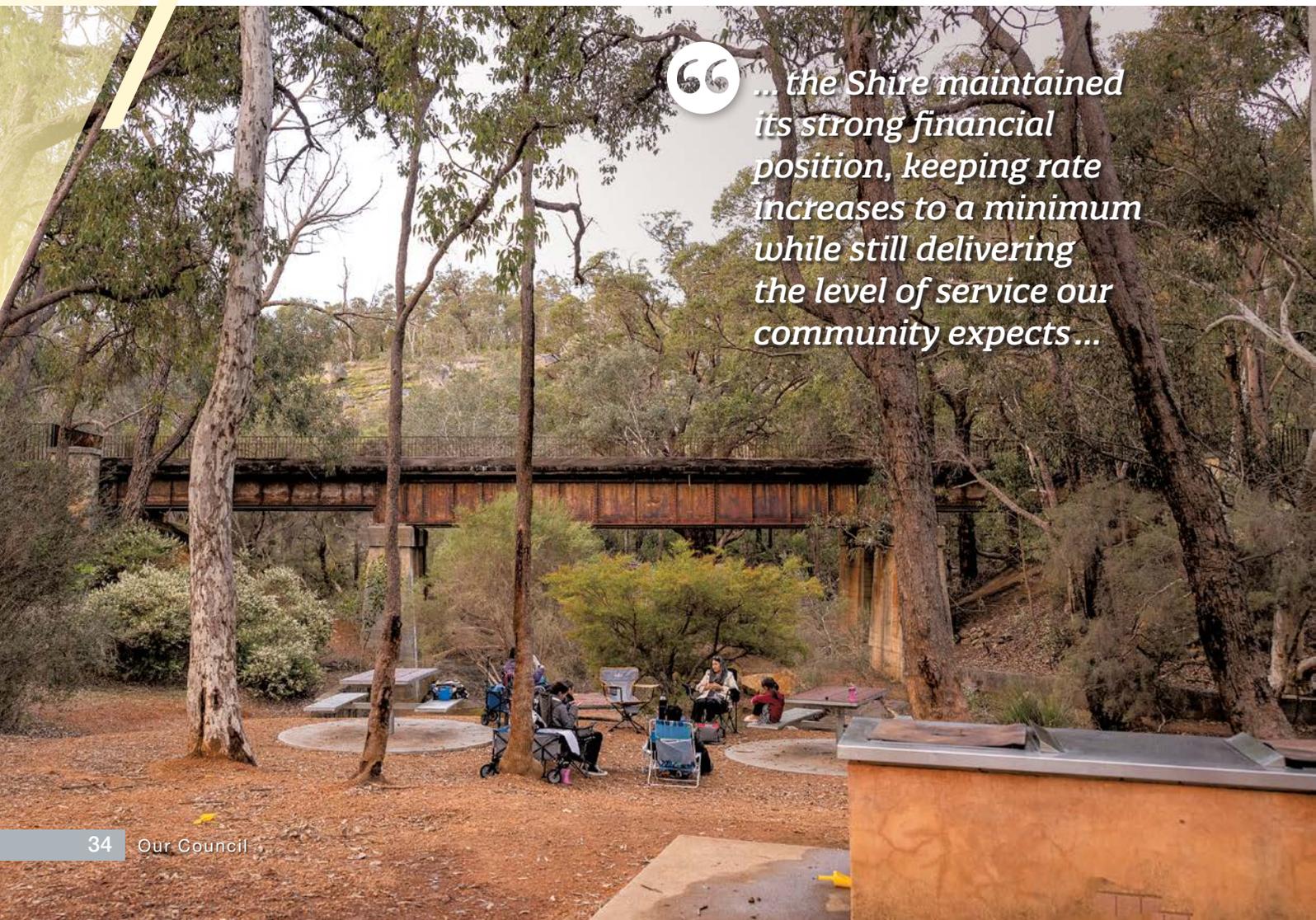


Our Council

Council holds one Ordinary Council Meeting each month, with special council meetings convened as required. These meetings are open to the public with the Shire's Meeting Procedures Local Law guiding how the meetings are conducted.

During 2022/2023 Council held 12 Ordinary Council Meetings and five Special Council Meetings. During the reporting year, the Shire's Council comprised four wards with 12 Council Members, including a Council elected Shire President and Deputy Shire President. Three members represented each ward.

While each Council Member represents a particular ward, their role is to consider the current and future interests of the entire district. See the ward map and an image of each Councillor on the next page.



... the Shire maintained its strong financial position, keeping rate increases to a minimum while still delivering the level of service our community expects...

Shire Wards

Council Members

West Ward

- Cr Karen Beale
- Cr Jo Cicchini
- Cr Matthew Corica

South Ward

- Cr Trish Cook
- Cr James Martin
Shire President
- Cr Luke Ellery

East Ward

- Cr John Daw
- Cr Claire Hurst
- Cr Neridah Zlatnik

Central Ward

- Cr Amy Collins
- Cr Paige McNeil
Deputy Shire President
- Cr Doug Jeans

Statutory Reports

Number of Council meetings attended (1 July 2022 to 30 June 2023)

| Council Member | Ordinary (12) | Special (5) | Electors (1) | Special Electors (1) |
|---|------------------|----------------|-----------------|----------------------------|
| Council members during 2022/23 financial year | | | | |
| Cr Karen Beale | 11 | 5 | 1 | 0 |
| Cr Jo Cicchini | 11 | 5 | 1 | 1 |
| Cr Amy Collins | 10 | 4 | 1 | 1 |
| Cr Trish Cook | 11 | 5 | 1 | 1 |
| Cr Matthew Corica | 7 | 2 | 0 | 0 |
| Cr John Daw | 12 | 5 | 1 | 1 |
| Cr Luke Ellery | 12 | 5 | 1 | 1 |
| Cr Claire Hurst | 10 | 5 | 1 | 1 |
| Cr Doug Jeans | 12 | 5 | 1 | 0 |
| Cr James Martin | 11 | 5 | 1 | 1 |
| Cr Paige McNeil | 12 | 5 | 1 | 1 |
| Cr Neridah Zlatnik | 12 | 5 | 1 | 1 |

Number of committee meetings attended

(1 July 2022 to 30 June 2023)

To develop and review Council policies and undertake a statutory review of local laws, the Governance Committee was established by Council in accordance with section 5.8 of the *Local Government Act 1995* at the September 2022 Ordinary Council Meeting.

| Council Member | Audit and Risk Committee (6) | Grants Selection Committee (4) | CEO Performance Review Committee (3) | Environmental Advisory Committee (1) |
|--|------------------------------|--------------------------------|--------------------------------------|--------------------------------------|
| Council members during 2022/23 financial year | | | | |
| Cr Karen Beale | 6 | n/a | n/a | n/a |
| Cr Jo Cicchini | n/a | n/a | n/a | n/a |
| Cr Amy Collins | n/a | n/a | n/a | 1 |
| Cr Trish Cook | n/a | n/a | 3 | n/a |
| Cr Matthew Corica | n/a | 2 | n/a | n/a |
| Cr John Daw | 6 | n/a | 3 | 1 |
| Cr Luke Ellery | n/a | 3 | n/a | n/a |
| Cr Claire Hurst | n/a | n/a | n/a | 1 |
| Cr Doug Jeans | 5 | 4 | 3 | n/a |
| Cr James Martin | 5 | 4 | 3 | n/a |
| Cr Paige McNeil | 6 | n/a | 3 | 1 |
| Cr Neridah Zlatnik | 5 | 4 | n/a | n/a |

Number of committee meetings attended (continued)

| Council Member | Australia Day Citizenship Awards (1) | Bushfire Advisory Committee (3) | Local Emergency Management Committee (3) | CEO Recruitment Committee (4) | Governance Committee (4) |
|---|---|--|--|--|--------------------------------|
| Council members during 2022/23 financial year | | | | | |
| Cr Karen Beale | n/a | n/a | n/a | n/a | 3 |
| Cr Jo Cicchini | n/a | n/a | n/a | n/a | 4 |
| Cr Amy Collins | n/a | n/a | n/a | 2 | 1 |
| Cr Trish Cook | n/a | n/a | 2 | 4 | n/a |
| Cr Matthew Corica | 0 | n/a | n/a | n/a | n/a |
| Cr John Daw | n/a | 3 | n/a | n/a | n/a |
| Cr Luke Ellery | 1 | n/a | n/a | n/a | 3 |
| Cr Claire Hurst | n/a | n/a | n/a | n/a | n/a |
| Cr Doug Jeans | 1 | 2 | n/a | 1* | n/a |
| Cr James Martin | n/a | n/a | n/a | 3 | 3 |
| Cr Paige McNeil | n/a | n/a | n/a | 4 | 4 |
| Cr Neridah Zlatnik | 1 | n/a | 2 | 4 | 4 |

*Cr Jeans was appointed to the CEO Recruitment Committee at the Tuesday 9 May 2023 meeting when Cr Collins resigned.

Diversity Data – Councillors

Seven out of 12 council members provided the diversity data detailed in the *Local Government (Administration) Regulations 1996*, regulation 19B. Five council members did not respond.

Shire of Mundaring comparison percentages are based on 2021 Census data.



| | Council | Shire of Mundaring residents |
|---|---|---|
| | | 39,166 residents |
| Gender | 8.3% male (one council member) 41.6% female (five council members) (of the seven council members that responded, one council member did not provide an answer to this question) | 51.9% male 48.1% female |
| Linguistic background | 58.3% (seven council members) speak only English at home | 85.3% speak only English at home 14.7% speak a language other than English at home |
| Country of birth | 58.3% (seven council members) born in Australia | 71.9% born in Australia 28.1% born overseas |
| Age groups | | |
| 25–34 years 35–44 years 45–54 years 55–64 years Over 64 years | 8.3% (one council member) 0% 41.6% (five council members) 8.3% (one council member) 0% | 10.8% 12.6% 14.4% 14.6% 19.8% |
| Aboriginal or Torres Strait Islander | 0 | 2.2% |

Breaches (Standard Panel)

There were no breaches reported during the reporting period.

Freedom of Information

The Shire's Freedom of Information statement is available on the Shire website and outlines the Shire's functions, the kind of records we keep and how these records can be accessed.

We received 13 Freedom of Information applications during the 2022/2023 financial year.

Public Disclosures

Shire of Mundaring is committed to the aims and objectives of the *Public Interest Disclosure Act 2003 (PID Act)*.

The Act aims to ensure openness and accountability in government by encouraging people to make disclosures and protecting them when they do. It facilitates the disclosure of public interest information and provides protection for those making such disclosures, as well as those who are the subject of disclosures. The Act also provides a process for the matters disclosed to be investigated and for appropriate action to be taken.

The Shire did not receive any public interest disclosure reports during the reporting year.

Standards Panel costs

The Shire did not pay any Standards Panel costs for hearing a complaint regarding a council member nor did the Standards Panel order any funds be reimbursed to the Shire by a council member.

Employee salaries

The *Local Government (Administration) Regulations 1996* require local governments to state in their Annual Report the number of employees with a salary of more than \$130,000.

During 2022/23, 18 Shire of Mundaring employees were entitled to an annual cash salary of \$130,000 or more in the following categories:

| Salary Range \$ | Number of Employees |
|--------------------|---------------------|
| 130,000 to 140,000 | 2 |
| 140,000 to 150,000 | 6 |
| 150,000 to 160,000 | 1 |
| 160,000 to 170,000 | 3 |
| 170,000 to 180,000 | 1 |
| 180,000 to 190,000 | 0 |
| 190,000 to 200,000 | 1 |
| 200,000 to 210,000 | 2 |
| 210,000 to 220,000 | 1 |
| 220,000 to 230,000 | 0 |
| 230,000 to 240,000 | 0 |
| 240,000 to 250,000 | 0 |
| 250,000 to 260,000 | 0 |
| 260,000 to 270,000 | 0 |
| 270,000 to 280,000 | 1* |

* Total Remuneration Package for CEO: \$324,270.

Disability Access and Inclusion

As a local government authority, the Shire has an obligation to meet outcomes under the *Disability Services Act 1993*.

Each year the Shire is required to report on the outcomes from its Access and Inclusion Informing Strategy 2022–2026.

The Shire has continued its focus on **enabling people with disability to have the same opportunities as other people to access services and events in the shire.**

Tool kits and checklists were developed and updated to assist Shire staff and community group event organisers in creating more welcoming, safe, accessible and inclusive events. For example, in consultation with industry experts the Shire has actioned development of a quiet zone sensory tool kit to enable availability of quiet zones at some Shire-run events.

In addition, the Shire developed a list and schedule of significant days to promote and celebrate inclusion.

The Shire schedules social media posts for days such as International Day of People with Disability (IDPwD) and R U OK? Day to raise awareness in the community and to promote initiatives the Shire has introduced to increase accessibility and inclusion in the shire.

One such example was a Library Services Facebook post about IDPwD. The post raised awareness that iPad Pro devices were purchased as part of an initiative to celebrate IDPwD and are now available for in-library use by people with disability.

Improving **access to buildings and community facilities for people with disability** was also a continued focus for the Shire.

As part of the accessibility upgrades at Lake Leschenaultia, Universally Accessible Toilets were constructed and opened to the public. The new Stoneville Volunteer Bushfire Station was also constructed in accordance with the National Construction Code accessibility access requirements.



Meanwhile, a Sensory Tool Kit was developed for the public to use at Bilgoman and Mount Helena Aquatic Centres. Each kit contains resources intended to assist a patron to self-regulate (including during an emergency evacuation situation), focus and increase participation in an aquatic setting.

To ensure **people with disability receive information in a format that will enable them to access the information as readily as other people are able to access it**, the Shire reviewed and updated its Writing Style Guide to include information to guide all Shire staff about the use of correct terminology and inclusive language.

Captions were continued to be used on the Shire TV displays in the Administration Building and Libraries, and video's posted on social media to assist Deaf and hard of hearing people to access information.

Another outcome for the Shire is to ensure **people with disability receive the same level and quality of services from staff as other people receive from staff.**

As such, Shire officers participated in seven Access and Inclusion networking opportunities to maintain and build partnerships and partake in knowledge sharing and learning opportunities.



Accessible desk and assistive technology (computer, keyboard and mouse) for use in Perth Hills Mundaring Visitor Centre.

Partnerships have been developed with three neighbouring local governments to share knowledge and develop relevant resources such as a Concession Information Booklet.

Further, the Shire reviewed, updated and promoted its Access and Inclusion Information Booklet with copies made available for the public.

The Shire delivered community engagement activities in line with its Community Engagement Framework to provide opportunities for all people to **participate in community consultation** and decision-making processes.

This included appropriate engagement opportunities during community consultation for the proposed new Multi-purpose Community Facility and through delivery of the Shire's Access and Inclusion Informing Strategy actions.

For people with disability to have the same opportunities as other people to obtain and maintain employment with the Shire, staff are currently consulting with industry experts and relevant networks to investigate development of strategies to:

- achieve its commitment to increase the representation of people with disability employed by the Shire to 5% by 2025 and support inclusive work environments, and
- achieve its commitment to gender diversity targets to increase the representation of women in leadership positions and support inclusive work environments.

Financial Report

for the year ended 30 June 2023



Previous page: *Honey Harvest* by Beth Baker, from the Mundaring Camera Club's 'Cultivate' photography exhibition.

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 12th day of December 2023



Chief Executive Officer

Jason Whiteaker

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

| Revenue Category | Nature of goods and services | When obligations typically satisfied | Payment terms | Returns/Refunds/Warranties | Timing of revenue recognition |
|---|---|--------------------------------------|--|---|--|
| Rates | General Rates | Over time | Payment dates adopted by Council during the year | None | When rates notice is issued |
| Grant contracts with customers | Community events, minor facilities, research, design, planning evaluation and services | Over time | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Grants, subsidies or contributions for the construction of non-financial assets | Construction or acquisition of recognisable non-financial assets to be controlled by the local government | Over time | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Grants with no contract commitments | General appropriations and contributions with no reciprocal commitment | No obligations | Not applicable | Not applicable | When assets are controlled |
| 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

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 | 16 | 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 | 16 | 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

| | 2023 | 2022 |
|-------------------------------|-------------|-------------|
| | \$ | \$ |
| Other assets - current | | |
| Prepayments | 331,938 | 393,516 |
| | 331,938 | 393,516 |

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 value. 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

| | Right-of-use assets - furniture and equipment | Right-of-use assets Total |
|--|---|---------------------------------|
| Note | \$ | \$ |
| Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year. | | |
| 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

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

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

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

13. TRADE AND OTHER PAYABLES

Current

| | 2023 | 2022 |
|-----------------------------|-------------------|------------------|
| | \$ | \$ |
| 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 FOR THE YEAR ENDED 30 JUNE 2023

14. OTHER LIABILITIES

Current

Contract liabilities
Capital grant/contributions liabilities

| | 2023 \$ | 2022 \$ |
|---|----------------|------------------|
| 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> |
| 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 | 260,387 | 1,080,048 |
| | <u>260,387</u> | <u>1,080,048</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.

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year

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

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

16. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Total non-current employee related provisions

Total employee related provisions

| | 2023 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| 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 |
| 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:

| | Note | 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 | 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

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

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

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

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

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

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

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

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 | 2022 |
|---|---------------|---------------|
| | Actual | 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.

SHIRE OF MUNDARING

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

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 |

SHIRE OF MUNDARING

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

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).

SHIRE OF MUNDARING

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

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 |

SHIRE OF MUNDARING

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

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> |

SHIRE OF MUNDARING

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

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

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. |

SHIRE OF MUNDARING

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

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 |

SHIRE OF MUNDARING

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

25. RATING INFORMATION

General Rates

| RATE TYPE | Basis of valuation | Rate in \$ | Number of Properties | 2022/23 Actual Rateable Value* | 2022/23 Actual Rate Revenue | 2022/23 Actual Interim Rates | 2022/23 Actual Total Revenue | 2022/23 Budget Rate Revenue | 2022/23 Budget Interim Rate | 2022/23 Budget Total Revenue | 2021/22 Actual Total Revenue |
|---|------------------------|------------|----------------------|--------------------------------|-----------------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|------------------------------|------------------------------|
| Rate Description | | \$ | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 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 | | | | | | | |
| | | | | \$ | | | | | | | |
| 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.

SHIRE OF MUNDARING

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

26. DETERMINATION OF SURPLUS OR DEFICIT

| | 2022/23 (30 June 2023 Carried Forward) | 2022/23 Budget (30 June 2023 Carried Forward) | 2021/22 (30 June 2022 Carried Forward) |
|---|---|---|---|
| Note | \$ | \$ | \$ |
| (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 | | | |
| | (36,585) | (660,900) | (122,297) |
| | (5,910) | 0 | (6,994) |
| 21(c) | (632,787) | 0 | (999,595) |
| | 53,846 | 49,500 | 0 |
| | 8,251,419 | 7,676,042 | 7,993,631 |
| | 0 | 0 | 25,000 |
| Non-cash movements in non-current assets and liabilities: | | | |
| | (105,839) | 0 | 28,220 |
| | 15,435 | 0 | 29,607 |
| | 0 | 0 | 11,200 |
| | 0 | 0 | (440,000) |
| | 0 | 0 | 34,808 |
| | 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 | | | |
| 28 | (29,934,979) | (26,317,023) | (30,154,620) |
| | 772,872 | 772,872 | 735,493 |
| 12(b) | 223,602 | 134,064 | 156,853 |
| | (28,938,505) | (25,410,087) | (29,262,274) |
| Net current assets used in the Statement of Financial Activity | | | |
| | 55,740,248 | 38,576,751 | 49,830,278 |
| | (17,199,728) | (12,450,661) | (12,875,906) |
| | (28,938,505) | (25,410,087) | (29,262,274) |
| | 9,602,015 | 716,003 | 7,692,098 |

SHIRE OF MUNDARING

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

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 |
| Borrowing Finance Cost Payments | | | | | | | | | | | | |
| 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) | | | | |
| Total Finance Cost Payments | | | | | | \$(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 | (53,634) | 148,472 | 0 | 0 | 0 | 0 |
| Total Lease Liabilities | 12(b) | 82,751 | 714,661 | (206,765) | 590,647 | 202,306 | (210,687) | 582,266 | 622,996 | 0 | (145,497) | 477,499 |
| Lease Finance Cost Payments | | | | | | | | | | | | |
| 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 | 2023 | 2023 | 2023 | 2023 | 2023 | 2023 | 2022 | 2022 | 2022 | 2022 | |
|--|------------------------------|-----------------------|------------------------------|------------------------------|------------------------------|-----------------------|------------------------------|------------------------------|------------------------------|-----------------------|------------------------------|------------------------------|
| | Actual Opening Balance | Actual Transfer to | Actual Transfer (from) | Actual Closing Balance | Budget Opening Balance | Budget Transfer to | Budget Transfer (from) | Budget Closing Balance | Actual Opening Balance | Actual Transfer to | Actual Transfer (from) | 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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT 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 |
| | 2,545,349 | 18,172 | (357) | 2,563,164 |



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Mundaring

To the Council of the Shire of Mundaring

Opinion

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

- the Statement of Financial Position as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2023 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Basis for opinion

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

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

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial report and my auditor's report.

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

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

Page 1 of 3

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

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

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

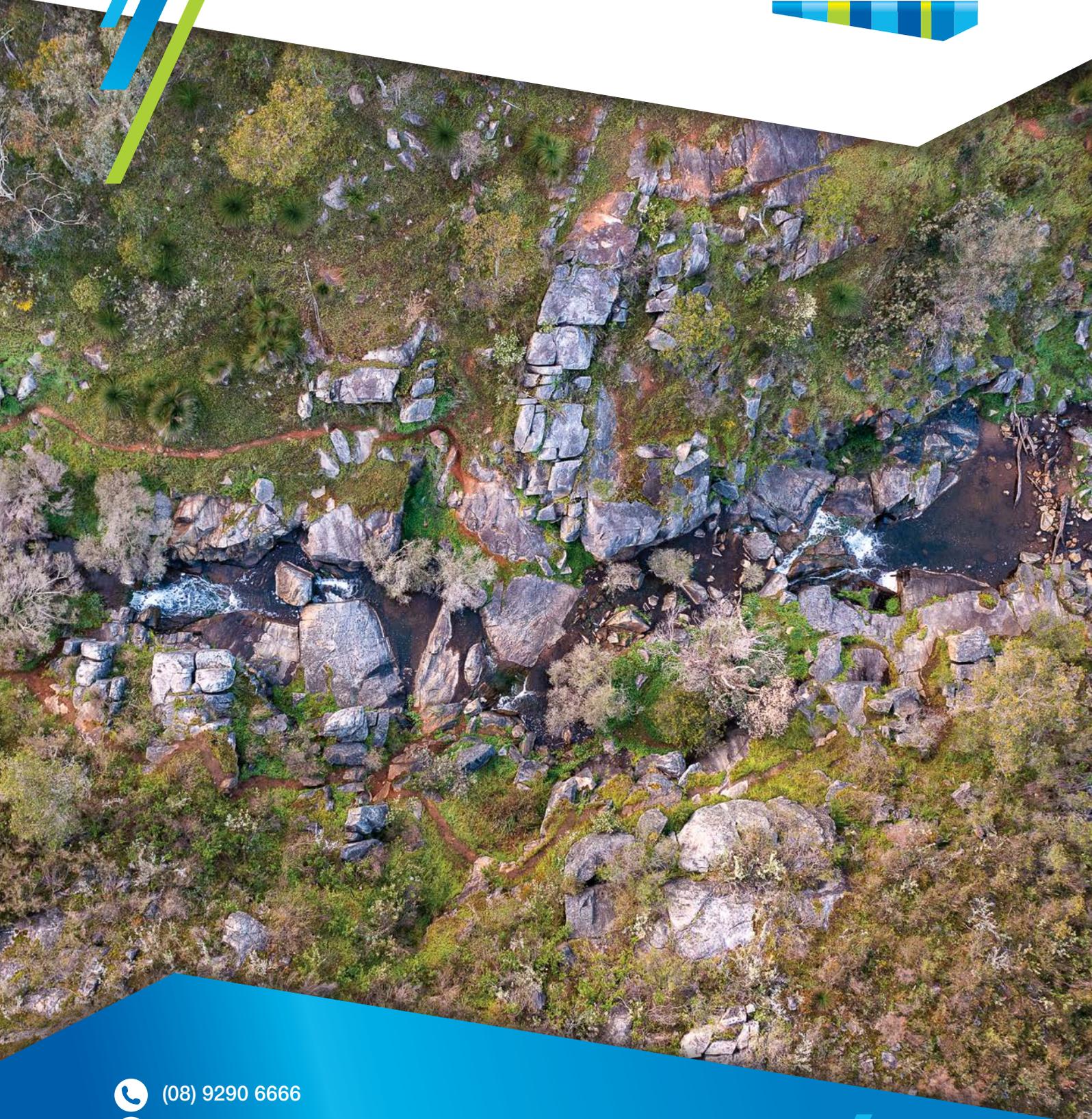
This auditor's report relates to the financial report of the Shire of Mundaring for the year ended 30 June 2023 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.



Nayna Raniga
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
12 December 2023



*...to ensure we are providing
the very best services and facilities
we can to our community...*



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