



2022/2023

# ANNUAL REPORT

SHIRE OF NAREMBEEN

---

Together we grow



Angie Roe Images

# STENZON

Shire Presidents & CEO's Message.....	3
About Narembeen.....	5
Our Elected Members.....	6
Meeting Attendance & Training.....	7
Remuneration.....	8
Statistics.....	8
Development Services Statistics.....	9
Asset Expenditure.....	9
Community Engagement.....	11
Shire of Narembeen Community Resource Centre.....	11
Community Benefit Fund.....	13
2022/2023 Projects.....	14
Planning for Future Projects.....	16
Integrated Planning & Reporting.....	19
Governance & Statutory Statements .....	20
Financial Report for the Year Ended 30 June 2023.....	31



# SHIRE PRESIDENT & CEO'S MESSAGE



We are pleased to present the Shire of Narembreen's Annual Report for the year ended 30 June 2023.

Like many other communities throughout Western Australia the impact of the COVID-19 pandemic with the reduction of services and supplies has had a lasting impact on our community. We have been very fortunate in Narembreen that although the impact of COVID-19 is ongoing, for the most part life in our district has returned to normal and we can go about our business as we wish.

The 2023 financial year has again been a particularly busy one for the Shire and its staff, with the sustained Federal Government funding for various initiatives continuing to drive Shire projects. Whilst the infrastructure and community initiatives paid for with the additional Federal funding has been welcomed by the community, it has presented challenges to the administration; securing skilled tradespeople to undertake the proposed work, whilst being in direct competition with other regional Local Governments also trying to spend their funding has proven to be difficult. As a result, several projects have been carried over into the 2024 financial year.

Community projects initiated using the Federal Government's Local Roads and Community Infrastructure grant funding throughout 2023 include:

- Old Church Restoration
- Walker Lake Exercise Equipment
- Town Hall Upgrades
- Walker Lake and Townsite Footpath Upgrades
- Churchill Street Redevelopment (carried over to 2024)
- Electronic Community Signboard
- Savage Street/Latham Road Laneway Sealing (carried over to 2024)

Major road works commenced and completed through a combination of State Government grant funding and own-source funding were:

- Soldiers Road gravel resheeting, SLK ~ 10.00 - 35.00
- Narembreen-Kondinin Road, widen to 10m and overlay, SLK 10.00 - 13.20
- Townsite intersection Latham, Churchill, Currall, and Longhurst Streets, reconstruct and seal
- Cramphorne Road reconstruct and prime seal, SLK 32.29 - 37.29
- Narembreen-Kondinin Road, second-coat seal, SLK 4.80 - 5.40
- Narembreen-Kondinin Road, second-coat seal, SLK 6.00 - 6.30

In addition to the above construction works our small yet efficient works crew continued working hard to keep our roads, sporting facilities and gardens in good condition throughout the heat of summer and wet of winter.

There is always pressure on the crew to get as much grading done as possible as soon as the wet weather commences to ensure our roads continue to be safe during the summer period, especially when the carting of grain to the bins is in full swing and the dry summer conditions makes it very difficult to maintain the gravel roads in a suitable state.

Shire staff, especially the works crew, should be acknowledged for continually supporting the community in their own time at events such as ANZAC Day, Australia Day, and the Triathlon. On behalf of the rest of Council; a big thank you to you all, we appreciate your work.

The Community Resource Centre continues to represent the Shire in an outstanding manner to support a wide range of community focused events and activities. Chief amongst the accomplishments of the Community Resource Centre is the return of SOCK (Save Our Country Kids) week, a local initiative developed to raise awareness of the impacts of road trauma. Newly supported by the Road Safety Commission, this year's SOCK week program was able to reach beyond our district, with funding provided to over a dozen other Community Resource Centres to run their own programs.

More traditional community engagement events continue to see strong turnout from the community due to the continued work by the Shire. At the highly successful 2023 Australia Day event held at the Narembeen swimming pool, Catherine (Lucy) Lines was named the Citizen of the Year and the Narembeen Town Team received the Active Citizenship award.

Unfortunately, due to personal circumstance our Chief Executive Officer, David Blurton needed to return to Perth to be with his children. David had been with the Shire for approximately twelve months and in this time managed the Latham Road project as well as handling most of the budget compliance and auditing work. We thank David for his commitment to our Council and we wish him all the best for his future endeavours.

Thankfully, Mr Paul Sheedy accepted the role of Acting Chief Executive Officer, offering stability and guidance to Council until the successful appointment of the new CEO.

Finally, to all the Councillors, thank you for your dedication, support and commitment to the Shire of Narembeen and its community over the past twelve months. Thank you also to all the staff who work tirelessly for our community. We look forward to a positive future for Narembeen as "Together We Create Opportunities to Grow".

Cr Scott Stirrat  
**Shire President**

Rebecca McCall  
**Chief Executive Officer**



# ABOUT NAREMBEEN

---

Narembeen is a small town located in the heart of the Wheatbelt, 286km east of Perth. The town has evolved from its traditional rural history and today plays an important role within the Wheatbelt in cereal cropping, cattle and sheep production, agricultural innovation as well as support from industry such as engineering, auto works and tourism.

Narembeen is a vibrant community offering high-quality infrastructure, fantastic services, endless opportunities and an active social scene. The local community is supported by the Shire of Narembeen by the provision of community facilities, events, community wellbeing initiatives, arrangement of essential services and maintenance of extensive infrastructure; the Shire of Narembeen provides the infrastructure for the many active sporting groups in the Narembeen townsite and in more remote areas such as Mount Walker, in addition to maintaining approximately 295km of sealed roads and 1,147 of unsealed roads.

The Narembeen community is further underpinned by local industry and the renowned, award-winning Narembeen District High School which further elevates the quality of life for the residents of the district



Angie Roe Images



# OUR ELECTED MEMBERS 2022/23



**Cr Kellie Mortimore**  
**Shire President**  
Term ends 2023



**Cr Scott Stirrat**  
**Deputy President**  
Term ends 2025



**Cr Michael Currie**  
**Councillor**  
Term ends 2025



**Cr Trevor Cole**  
**Councillor**  
Term ends 2025



**Cr Amy Hardham**  
**Councillor**  
Term ends 2023



**Cr Chris Bray**  
**Councillor**  
Term ends 2023



**Cr Holly Cusack**  
**Councillor**  
Term ends 2025



**Cr Warren Milner**  
**Councillor**  
Term ends 2023

# ELECTED MEMBER MEETING ATTENDANCE & TRAINING

The below information in relation to the Shire of Narembeen's elected members is provided in accordance with Regulation 19B (2) (f) of the Local Government (Administration) Regulations 1996.

Councillor	Ordinary Council Meeting Attendance	Committee Meeting Attendance	Total Meeting Attendance	Mandatory Councillor Training (Year completed)	Additional Training	Completion Date
Cr Kellie Mortimore	10	2	12	2021	Record Keeping Awareness for Local Government Elected members	17 February 2023
					Meeting Practices for Good Governance Outcomes	22 February 2023
Cr Scott Stirrat	9	2	11	2022		
Cr Warren Milner	11	3	14	2021		
Cr Amy Hardham	9	1	10	2021		
Cr Trevor Cole	11	3	14	2022		
Cr Michael Currie	11	3	14	2022		
Cr Chris Bray	11	2	13	2021		
Cr Holly Cusack	11	2	13	2022		

# ELECTED MEMBER REMUNERATION

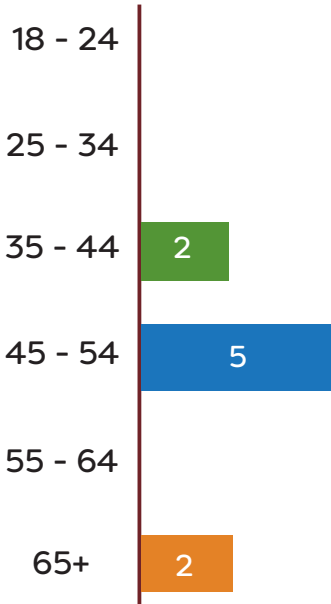
Elected Member Remuneration	
Description	Amount
Meeting Fees	\$17,100
Presidential Allowance	\$7,200
Deputy President's Allowance	\$1,800
Travel Expenses	\$2,455
TOTAL	\$28,555

## STATISTICS

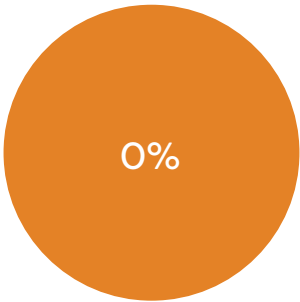
Gender



Age Brackets



Identifying as Aboriginal or Torres Strait Islander



Linguistic Background





# ROADS 2022/2023



# DEVELOPMENT SERVICES STATISTICS

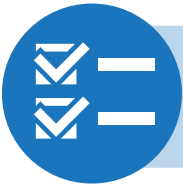
During 2022/2023 the Shire:



Issued **7 Building Approvals**



Completed **0 Demolitions**



Issued **9 Planning Applications**



Reached Registration of **180 Dogs**



Reached Registration of **79 Cats**

# ASSET EXPENDITURE

During 2022/2023 the Shire:



Road Construction & Maintenance **\$3,652,444**



Footpaths Constructed **\$140,105**



Building Maintenance & Renovations **\$622,424**



Parks & Gardens **\$278,771**



Angie Roe Images

# COMMUNITY ENGAGEMENT

## SHIRE OF NAREMBEEN COMMUNITY RESOURCE CENTRE

The Shire of Narembreen Community Resource Centre (the CRC) had a very busy year in 2023 with multiple accomplishments including the continuation of the CRC trainee program and many successful community events and initiatives.

The CRC continues to be a pillar of the Narembreen community by facilitating programs and events that service various demographics and which see regular community participation including visitors from surrounding districts.

### Ladies Long Lunch

Narembreen's premier biannual event returned in March 2023. The event attracted over 200 women from different backgrounds, demographics, and interests. The women in attendance enjoyed inspirational guest speakers, a lovely luncheon, and a very sociable evening under the stars. An all round well-received event for the Wheatbelt.



### Youth Leadership Forum

In May 2023 the CRC, in collaboration with the Narembreen District High School, organised a Youth Leadership Forum. This was a fantastic event and amazing opportunity for all students aged 10 and above in Narembreen as well as surrounding communities to come and learn from the invited motivational speakers. The day consisted of several inspirational and motivational presentations, engaging workshops, and breakout sessions





# COMMUNITY ENGAGEMENT

## SHIRE OF NAREMBEEN COMMUNITY RESOURCE CENTRE

### SOCK (Save Our Country Kids) Week

Following the previous success of Narembreen's Save Our Country Kids (SOCK) Week initiative, the program has become more impactful and reached further than anyone could have anticipated. With the first year of backing by the Road Safety Commission, the CRC was able to share the message, and funding, to other Community Resource Centres all around the state.



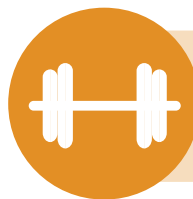
### Business Services to the District

In addition to events and initiatives, the CRC has continued to be a proponent of economic development in Narembreen by offering support to businesses in town that would otherwise be unavailable. From secretarial assistance to graphic design, the CRC continues to work collaboratively with the local business community to ensure the prosperity of the district.

### Community Services Statistics



Received **1800+ Visitors** to the Caravan Park



Reached **143 Gym Memberships**



Received **18 Successful Grant Applications**



Organised and held **52 Community Events**



# COMMUNITY ENGAGEMENT

## COMMUNITY BENEFIT FUND

The Narembreen Community Benefit Fund is a committee-run program between the Shire of Narembreen, Ramelius Resources Limited and Go Narembreen that provides funding to community groups or supports the installation of infrastructure to the betterment of the community.

The Narembreen Community Benefit Fund provided funding to the following recipients for the year ended 30 June 2023:

Round 3 - October 2022		
Organisation	Project	Amount
Narembreen Bowling Club	Australia Day Mens Fours Prize Money	\$2,500.00
St John Ambulance	Speed Alert Signage	\$5,353.00
Community Resource Centre	Ladies Long Lunch	\$5,000.00
Community Resource Centre	Christmas Party	\$3,500.00
Mt Walker Sports Club	Mobile Seating	\$1,812.00
Narembreen Recreation Centre	Entertainment	\$3,200.00
Narembreen Hockey Club	Hockey Goals	\$5,846.00
Narembreen Basketball Club	Storage Shed	\$1,349.00
Bat and Ball	Fundraising Event	\$2,000.00
<b>TOTAL</b>		<b>\$30,565.00</b>

Round 4 - March 2023		
Organisation	Project	Amount
Narembreen Hockey Club	Lighting Project	\$4,015.00
Narembreen DHS	Disco & Leadership Workshops	\$1,800.00
Mt Walker Golf Club	Mt Walker Open Golf Day	\$500.00
Narembreen Netball Club	Drink Bottle Spout for Water Fountain	\$300.00
Narembreen Golf Club	Motorised Golf Buggy Storage Shed	\$6,000.00
Narembreen Recreation Centre	Entertainment	\$3,200.00
Community Resource Centre	Cheese, Chatter & Canvas Event	\$1,500.00
Community Resource Centre	Youth Leadership Forum	\$1,650.00
<b>TOTAL</b>		<b>\$15,765.00</b>

# 2022/23 PROJECTS

## Town Hall

The Town Hall has significant historical value to the town of Narembreen as one of the oldest heritage-listed buildings in the district. Phase 3 LRCI funding was allocated to repair and restore parts of the building to preserve its history and make it more accessible for community use.

Works performed in the 2023 financial year included:

- Structural restorations of the roof, building facade, projection room, windows, and canopy
- Re-painting the exterior and interior of the foyer
- Polishing the foyer floor



## Church Museum

The Church Museum houses memorabilia of pioneering women of the district, giving an insight into life and living conditions of the settlement period.

Repair works were performed in-line with the Conservation Management Plan approved by the Department of Planning, Lands and Heritage WA, including:

- Renewal of roofing, flashing, downpipes, guttering, doors and windows
- Ground drainage
- Renewal of doors and windows
- Installation of insulation and ventilation
- Carpeting and sealing the floors
- Landscaping works



# 2022/23 PROJECTS

## Walker Lake Exercise Equipment

Building on the footpath recently constructed around Walker Lake, paid for with previous LRCI funding rounds, additional funds were allocated for the purchase and installation of outdoor exercise equipment at two locations along the pathway to enhance the amenity. Shade shelters and a nearby water fountain were also installed to encourage community use in the summer months.



## Footpath Infrastructure - Thomas Street

Continuing Council's infrastructure renewal program, LRCI Phase 3 funding was used to expand the dual-use footpath network in the townsite. These improvements have facilitated easier and safer pedestrian and gopher movement along Thomas Street have been connected with other footpath improvements on Brown Street, Ada Street and Currall Street.



# PLANNING FOR FUTURE PROJECTS

## Electronic Community Sign Board

The electronic sign will be used to communicate important community information and advertise upcoming events in a highly visible and accessible way to residents and visitors to town.

The electronic signboard is considered important to improving communications with all demographics in the community, particularly the elderly and those who do not use or have access to social media.



## Savage Street to Latham Road Laneway Sealing

Engineering designs and preliminary works have been completed to allow for the sealing of the ~200 metre laneway behind Churchill Street from Savage Street to Latham Road.

The laneway becomes very muddy when wet due to the high clay content and poor drainage, which will be resolved by the proposed works. Construction is due to be completed in 2024.





# PLANNING FOR FUTURE PROJECTS

## Churchill Street Revitalisation

Following significant community engagement and internal liaison, plans have been developed for the revitalisation of Churchill Street.

The planned works include:

- Road calming devices and installation of a raised crosswalk to increase pedestrian safety
- Works to address the sloping of the brickwork leading to the supermarket
- A caravan parking bay along the street to encourage visitors to stop in town
- Resealing works to the road
- Wayfinding signs
- Improved lighting

## New Residence - 24 Cheetham Way

As part of Council's plans to increase housing capacity in town and due to the need to attract and retain a new doctor, Council has engaged contractors to design, construct and install a new executive-style residence at 24 Cheetham Way.

Once the new residence is completed, Council plans to dispose of the old Doctor's house on Hilton Way, which will be surplus to requirements.

Designs have been completed and site works are anticipated to start May 2024.



# PLANNING FOR FUTURE PROJECTS

## Stormwater Harvesting Program

Together with the Narembeen District High School, this project aims to harvest and store rainwater from the roof space at the school and store it in four (4) 247,874-litre tanks. The stored water will then be used to water the school's sports oval during the summer months, reducing the use of the town's scheme water supply and serving as an additional source of water for emergencies.



## Shire of Narembeen Administration Office Refurbishment

The Narembeen Shire Administration Office was built in the late 1970s and has served the community for well over 50 years. To revitalise and modernise the building, architectural designs have been developed in consultation with Councillors and staff with the view to commencing construction early in the 2025 financial year.



# INTEGRATED PLANNING & REPORTING

Our Strategic Community Plan 2022-2032 reinforces our commitment to the people who live, work and visit Narembreen. The purpose of this document is to provide a clear purpose and strategic direction for our Shire, and to source the funding and support required to address the community priorities detailed later in this document.

It was developed based on

- The State Government's Blueprint for the region and other relevant policies, plans and strategies from both the State and Federal Governments.
- Community engagement on what is important to the people that live within our Shire.
- Input from Elected Members and Staff based on feedback they have received and their strong desire to deliver positive outcomes for their community.
- Current partnerships and projects already being delivered.

## REVIEW & MONITORING

The Shire of Narembreen has adopted a traffic light-based Quarterly Update to report progress against the priorities as detailed in the Corporate Business Plan. Results are formally communicated to the community annually via the legislated Annual Report.






The Strategic Community Plan will be subjected to a minor review in 2024 and a major review requiring extensive community engagement in 2026 as legislated. In addition, the Corporate Business Plan 2022-20236 will be reviewed and updated annually to reflect any changes to priorities, service levels and the budget.

















## Integrated Planning Annual Progress Report 2022/2023

### 1. COMMUNITY: Happy, safe, healthy and inclusive community










STRATEGY	ACTION	22/23	23/24	24/25	25/26	Comment	Progress
1.1 Together with key stakeholders identify and deliver opportunities for young people across the Shire	a. Develop and Implement a Youth Plan					Not yet commenced.	
	b. Maintain a strong supportive relationship with the Narembeen District High School to encourage youth development					Ongoing support provided; <ul style="list-style-type: none"> <li>annual student academic scholarship.</li> <li>collaborated to plan a stormwater harvesting project.</li> <li>Organised a youth leadership forum in collaboration with NDHS.</li> <li>support from the Council for a nomination for excellence in teaching awards.</li> <li>waivered fees for venue hire.</li> </ul>	
1.2 Facilitate and advocate for quality health services, health facilities and programs in the Shire	a. Continued support for the retention of the Hospital and Police service and Ambulance Service					Ongoing support provided; <ul style="list-style-type: none"> <li>advertised for full-time GP and emergency after-hours service.</li> <li>maintained support for GP.</li> <li>support provided to recruit new police OIC.</li> </ul>	
	b. Co-ordinate regular schedule of seniors programs and events by the Narembeen CRC					<ul style="list-style-type: none"> <li>coordinated representation at the Senior Games.</li> <li>hosting of Morning Coffee Club.</li> </ul>	
	c. Develop and Implement Aged Friendly Community Plan					2016 Plan due for review.	










	d. Implement the Public Health Plan and Community Wellbeing Plan				Public Health Plan 2022-2026: <ul style="list-style-type: none"> <li>Walker Lake exercise equipment installed.</li> <li>food premises surveillance carried out.</li> <li>mosquito program undertaken.</li> <li>water sampling was conducted.</li> </ul> Community Wellbeing Plan: <ul style="list-style-type: none"> <li>Child Safety Awareness policy adopted.</li> <li>CWP Committee meetings held.</li> <li>Together We Grow initiative expanded.</li> <li>Value-added to SOCK Week initiatives.</li> </ul>	
1.3 Inclusive community activities, events and initiatives	a. Update the Narembeen CRC Business Plan and ensure it is aligned with Shire priorities and plans				Not yet commenced.	
	b. Source funding and co-ordinate delivery on initiatives that support arts, culture and learning				Funding secured to host an Art Show.	
	c. Implement the conservation plan for St Paul's Anglican Church and Town Hall (State Heritage listed)				<ul style="list-style-type: none"> <li>Old Church Museum restoration completed with LRCI funding.</li> <li>Stage One of Town Hall upgrade completed.</li> </ul>	
1.4 Recreational, social and heritage spaces are safe and celebrate our lifestyle and active and healthy pursuits	a. Progressive achievement of the Sport and Recreation Facilities Plan				<ul style="list-style-type: none"> <li>Multipurpose sports facility feasibility and concept design completed.</li> </ul>	
	b. Undertake review of green spaces / reserves to maximise usage and identify optimum service levels for ovals and reserves.				Not yet commenced.	
	c. Support and promote local heritage education and				Not yet commenced	

	maintenance of heritage facilities						
1.5 Support local volunteer organisations through initiatives that reduce volunteer fatigue and strengthen their resilience	a. Investigate and quantify volunteer contributions across our Shire					Not yet commenced.	
	b. Narembeen CRC delivers initiatives to support volunteer organisations					Not yet commenced.	
	c. Offer the Community Grant Scheme with Ramelius Resources					Narembeen Community Benefit Fund Rounds 3 and 4 provided funding to 16 community recipients.	
1.6 Support emergency services planning, risk mitigation, response and recovery	a. Active leadership and participation in Emergency Management					<ul style="list-style-type: none"> <li>Bush Fire Advisory Committee held AGM.</li> <li>Council and DFES hosted Bush fire Awareness sessions.</li> <li>reviewed LEMA adopted.</li> </ul>	
	b. Update the Animal Welfare Plan					Draft in place.	
	c. Undertake review of Bush Fire Brigade management and operation					Initial review completed, Shire to retain management of brigade.	






## 2. ECONOMY: Retain and grow existing businesses, employment and attract new industry

STRATEGY	ACTION	22/23	23/24	24/25	25/26	Comment	Progress
2.1 Support the diverse industry across the Shire.	a. Townsite intersection improvements completed					Latham-Longhurst and Currall-Latham intersections completed.	
	b. Continue to improve townsite attractiveness and work with business/property owners to a set a standard					Administration gardens and caravan park entrance improved.	
	c. Develop and Implement Economic Development Plan					Not yet commenced.	
	d. Undertake industrial land subdivision					Subdivision approval for industrial land development finalised.	
	e. Facilitate expansion of telecommunications networks across the Shire and advocate for reduced number of black spots					Crisp tower installed in 2021/2022.	
	f. Review town planning scheme					Review to commence in 2023/2024.	
	g. Work with Go Narembeen to deliver positive economic outcomes					No initiatives undertaken in 2022/2023.	
	h. Actively promote commercial spaces to maximise utilisation					Promotional campaigns to be developed in 2023/2024.	
	i. Implement a Marketing Plan that promotes Narembeen lifestyle and opportunities					Marketing Plan to be developed in 2024/2025.	
2.2 Safe and efficient transport network enables economic growth	a. RAV Network assessment is completed					Not yet commenced.	
	b. Maintain and upgrade infrastructure assets in line with plans.					Unable to complete 2022/2023 road program.	



	c. Review 10yr Road Plan					Not yet commenced.	
2.3 Coordinated planning and promotion of the visitor and tourist experience	a. Promote and develop tourism opportunities in partnership with Roe Tourism and Go Narembeen.					<ul style="list-style-type: none"> <li>Roe Tourism marketing plan implemented.</li> <li>Roe Tourism website upgraded.</li> </ul>	
	b. Finalise lease of Wadderin Wildlife Sanctuary					Not yet commenced.	
	c. Support the development of the Wadderin Wildlife Sanctuary as a tourism product in collaboration with Wadderin Wildlife Sanctuary Inc					Assisted with the Try-Booking set-up.	
2.4 Retain and grow our local skills base	a. Develop and Implement Housing Strategy					A draft discussion paper completed.	
	b. Offer apprenticeships and traineeships in our workforce					Traineeship in place at the CRC.	
	c. Investigate the need for expanded childcare services.					Not yet commenced.	






### 3. ENVIRONMENT: Care and protection of the environment




STRATEGY		22/23	23/24	24/25	25/26	Comment	Progress
3.1 Maintain a high standard of environmental health and waste services	a. Participate in the ROE Environmental Health Scheme					Participation is ongoing.	
	b. Investigate waste minimization and education strategies through ROEROC					Not yet commenced.	
	c. Effective management of Bendering Regional Waste Site and Narembeen Transfer Station site					<ul style="list-style-type: none"> <li>Bendering Landfill Management Plan completed.</li> <li>Contract in place for transfer station operation and management.</li> </ul>	
3.2 Conservation of our natural environment	a. Effective management of invasive species programs to the community					Road verge spraying undertaken within available resources.	
	b. Support the conservation and activation of the Wadderin Wildlife Sanctuary					<ul style="list-style-type: none"> <li>assisted with the Try-Booking set-up.</li> <li>awarded funding for water tanks.</li> </ul>	

### 4. CIVIC LEADERSHIP: Well governed and efficiently managed Local Government

STRATEGY		22/23	23/24	24/25	25/26	Comment	Progress
4.1 Forward planning and implementation of plans to achieve strategic priorities	a. Continue to implement and monitor the Integrated Planning and Reporting milestones.					A quarterly review undertaken November 2022. Further monitoring was not carried out due to changes in management and lack of resources.	
	b. Review of Long-Term Financial Plan					Review of LTFP scheduled to commence in last quarter of 2024.	

	c. Active participation in ROEROC, GECZ and regional groupings					Active participation in GECZ and ROEROC.	
	d. Develop, implement and review the community engagement policy / framework					Scheduled to finalise by 30 June 2024.	
	e. Develop and implement Workforce Plan					Review of 2014-2023 Workforce Plan schedule to review by first quarter EY 2025.	
4.2 Compliant and resourced Local Government	a. Continue to meet compliance with statutory and regulatory requirements					Complied with requirements.	
	b. Review financial and asset management policies and practices					Due to change management, review scheduled for 2023/2024.	
	c. Undertake community satisfaction surveying to assess a range of performance measures					Community survey conducted in 2021 as part of SCP review.	
	d. Ensure asset valuations are undertaken in line with relevant Accounting Standards					Asset valuations undertaken: <ul style="list-style-type: none"> <li>Roads &amp; Other Infrastructure 2022/23</li> <li>Land &amp; Buildings 2021/2022</li> </ul>	
	e. Review of Workplace Health and Safety processes and procedures to ensure compliance and minimise risk					WHS policy reviewed May 2022.	

## IPR Progress Report – June 2023

Develop	
Implement	
Continue/Maintain	

### Traffic Light System



Limited progress or strategy unable to be delivered



Project yet to commence or some issues identified  
Impacting delivery



Good Progress on delivering strategy or strategy  
completed

# GOVERNANCE & STATUTORY STATEMENTS

## **Freedom of Information Act 1982**

The Freedom of Information Act 1992 gives an applicant a legally enforceable right to access records held by both State and Local Government agencies, subject to exemptions.

Council maintains several records and registers including but not exclusive of; Town Planning Schemes, Financial Interest Registers, Delegated Authority Register, Cemetery Register, Insurance Register, Rate Book, Tender Register, Electoral Roll, Asset Register etc.

Nominated documents can be inspected free of charge upon application to the Office of Council located at 1 Longhurst Street, Narembeen during normal business hours.

During the year of review, there were no requests for Freedom of Information. Any application received will be considered, subject to the request not contravening the privacy rights of individuals, and may be subjected to a small administrative charge for the enquiry.

## **Public Interest Disclosure**

The Public Interest Disclosure Act 2003 (PID) enables individuals to make disclosures about wrongdoings within the public sector without fear of reprisal. The legislation is commonly referred to as the 'whistle-blower' Act. Individuals can report present or proposed future wrongdoing by a public body when performing a public function to the Shire's Chief Executive Officer. The Shire of Narembeen received no PID applications for the 2022 financial year.

## **Register of certain complaints and minor breaches**

Section 5.121 of the Local Government Act 1995 requires a local government to maintain a register of complaints that result in an action or a finding under section 5.110(2)(a) LG Act. An up-to-date register is available on our website at [narembeen.wa.gov.au](http://narembeen.wa.gov.au). The Shire of Narembeen did not receive any minor breach complaints for the 2022 financial year.

## **National Competition Policy (NCP)**

In 1995 the Council of Australian Government entered into a number of agreements known as the National Competition Policy. The policy is a whole of Government approach to bring about reform in the public sector to encourage Government to become more competitive.

Local Government will mainly be affected where it operates significant business activities that compete or could compete with private sector business. Local Government will also be impacted where its local laws unnecessarily affect competition.

Local Government and more particularly the Shire of Narembeen is required to comply with certain policies within the National Competition Policy Statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws.



## **Competitive Neutrality (CN)**

The principle of “Competitive Neutrality” is that government businesses should not enjoy a competitive advantage, or suffer a disadvantage, simply as a result of their public sector ownership.

Measures should be introduced to effectively neutralise any net competitive advantage flowing from government ownership.

Competitive Neutrality should apply to all business activities that generate a user pays income of over \$200,000 per annum, unless it can be shown it is not in the Public Interest. A Public Benefit test is used to determine if competitive neutrality is in the public interest.

The Shire of Narembeen does not control any business activity with a user pays income in excess of \$200,000.

## **Record Keeping Plan (RKP)**

The State Records Act 2000 is an Act to provide for the keeping of State Records and for related purposes. Section 19 of the Act requires that every government organisation must have a record keeping plan that has been approved by the State Records Commission. A government’s organisation, including local governments, record keeping plan sets out matters about which records are to be created by the organisation and how it is to keep its record.

The Record Keeping Plan comprises of a range of documents which, when assessed as a whole, provides an accurate reflection of the record keeping program within the organisation. More specifically, documentation regarding the organisation’s record keeping system/s, disposal arrangements, policies and practices and processes will be essential components of the record keeping plan held by a local government. The inclusion of such documentation will constitute evidence of compliance.

The Shire’s Record Keeping Plan has been adopted by Council and approved by the State Records Commission.

## **Disability Access Inclusion Plan**

All Western Australian local governments are required to develop and implement a Disability Access and Inclusion Plan (DAIP) to improve access to their services for people with disability. The Disability Services Act 1993 requires public authorities to lodge a DAIP to the Disability Services Commission. The Shire of Narembeen adopted the DAIP in December 2016 for the period 2016-2021 and is overdue for review. Council is required to report on activities as they relate to the seven desired DAIP outcomes.

Under Section 29 (2) of the Disability Services Act 1993 the Shire is required to provide an annual summary report on its approach to assisting people with disabilities in our community as part of its inclusiveness planning, which is guided by seven (7) key outcomes.

**Employee Payments**

Regulations 19B (2) (b) of the Local Government (Administration) Regulations 1996 requires details of the number of employees of the Shire entitled to an annual salary of \$130,000 or more and the number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$130,000 to be included in the Annual Report

The relevant employee entitlements in accordance with the regulations, per relevant \$10,000 band, are as follows:

Salary Range	
\$140,000 - \$149,999	1
\$150,000 - \$159,999	1
\$210,000 - \$219,999	1

Regulation 19B (2) (e) of the Local Government (Administration) Regulations 1996 requires details of the remuneration paid or provided to the CEO for the financial year to be included in the annual report, which was \$245,325.



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

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Financial Activity	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	440

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

*Together we create the opportunity to grow.*

Principal place of business:  
1 Longhurst Street, Narembeen.

**SHIRE OF NAREMBEEN  
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 Narembeen 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

30th day of November

2023



Chief Executive Officer

Rebecca McCall



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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	2(a),24	1,955,115	1,942,098	1,878,801
Grants, subsidies and contributions	2(a)	4,421,133	1,478,268	5,121,459
Fees and charges	2(a)	651,074	596,442	629,747
Interest revenue	2(a)	181,927	37,193	27,239
Other revenue	2(a)	72,342	76,000	207,620
		7,281,591	4,130,001	7,864,866
<b>Expenses</b>				
Employee costs	2(b)	(2,076,781)	(2,108,259)	(2,187,485)
Materials and contracts		(1,473,795)	(1,782,263)	(1,549,908)
Utility charges		(258,903)	(289,750)	(264,971)
Depreciation		(3,238,579)	(3,122,135)	(3,106,232)
Finance costs	2(b)	(30,917)	(40,201)	(42,784)
Insurance		(216,439)	(224,400)	(204,741)
Other expenditure	2(b)	(55,208)	(17,000)	(44,709)
		(7,350,622)	(7,584,008)	(7,400,830)
		(69,031)	(3,454,007)	464,036
Capital grants, subsidies and contributions	2(a)	3,141,192	6,060,601	1,390,774
Profit on asset disposals		0	199,288	43,331
Loss on asset disposals		(2,755)	(24,320)	(22,290)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	3,686	0	3,997
Share of net profit of associates accounted for using the equity method	21(c)	(5,898)	0	21,899
		3,136,225	6,235,569	1,437,711
<b>Net result for the period</b>	23(b)	<b>3,067,194</b>	<b>2,781,562</b>	<b>1,901,747</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	14	64,994,868	0	1,895,386
<b>Total other comprehensive income for the period</b>	14	<b>64,994,868</b>	<b>0</b>	<b>1,895,386</b>
<b>Total comprehensive income for the period</b>		<b>68,062,062</b>	<b>2,781,562</b>	<b>3,797,133</b>

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





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

	NOTE	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	9,771,985	6,887,323
Trade and other receivables	5	398,849	312,377
Other financial assets	4(a)	15,836	1,775,937
Inventories	6	6,021	13,372
<b>TOTAL CURRENT ASSETS</b>		<b>10,192,691</b>	<b>8,989,009</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	8,459	0
Other financial assets	4(b)	155,954	168,104
Inventories	6	202,636	236,300
Investment in associate	21(a)	42,199	48,097
Property, plant and equipment	7	22,232,657	23,060,685
Infrastructure	8	144,290,722	78,184,102
<b>TOTAL NON-CURRENT ASSETS</b>		<b>166,932,627</b>	<b>101,697,288</b>
<b>TOTAL ASSETS</b>		<b>177,125,318</b>	<b>110,686,297</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	266,308	723,705
Other liabilities	11	120,960	1,206,955
Borrowings	12	76,539	74,875
Employee related provisions	13	317,362	340,620
<b>TOTAL CURRENT LIABILITIES</b>		<b>781,169</b>	<b>2,346,155</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	12	665,746	742,285
Employee related provisions	13	32,903	14,417
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>698,649</b>	<b>756,702</b>
<b>TOTAL LIABILITIES</b>		<b>1,479,818</b>	<b>3,102,857</b>
<b>NET ASSETS</b>		<b>175,645,500</b>	<b>107,583,440</b>
<b>EQUITY</b>			
Retained surplus		53,971,140	51,505,194
Reserve accounts	27	4,734,815	4,133,569
Revaluation surplus	14	116,939,545	51,944,677
<b>TOTAL EQUITY</b>		<b>175,645,500</b>	<b>107,583,440</b>

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2021</b>		<b>50,923,691</b>	<b>2,813,325</b>	<b>50,049,291</b>	<b>103,786,307</b>
Comprehensive income for the period					
Net result for the period		1,901,747	0	0	1,901,747
Other comprehensive income for the period	14	0	0	1,895,386	1,895,386
Total comprehensive income for the period		1,901,747	0	1,895,386	3,797,133
Transfers to reserve accounts	27	(1,320,244)	1,320,244	0	0
<b>Balance as at 30 June 2022</b>		<b>51,505,194</b>	<b>4,133,569</b>	<b>51,944,677</b>	<b>107,583,440</b>
Comprehensive income for the period					
Net result for the period		3,067,194	0	0	3,067,194
Other comprehensive income for the period	14	0	0	64,994,868	64,994,868
Total comprehensive income for the period		3,067,194	0	64,994,868	68,062,062
Transfers from reserve accounts	27	259,737	(259,737)	0	0
Transfers to reserve accounts	27	(860,983)	860,983	0	0
<b>Balance as at 30 June 2023</b>		<b>53,971,140</b>	<b>4,734,815</b>	<b>116,939,545</b>	<b>175,645,500</b>

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

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

	NOTE	2023 Actual \$	2022 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates		1,978,638	1,893,957
Grants, subsidies and contributions		4,433,717	5,151,753
Fees and charges		651,070	624,143
Interest revenue		181,927	27,239
Other revenue		72,345	209,713
		7,317,697	7,906,805
<b>Payments</b>			
Employee costs		(2,002,008)	(2,231,786)
Materials and contracts		(1,982,007)	(1,013,419)
Utility charges		(258,903)	(264,971)
Finance costs		(30,808)	(44,107)
Insurance paid		(216,439)	(204,741)
Goods and services tax paid		(118,858)	27,331
Other expenditure		(55,208)	(44,709)
		(4,664,231)	(3,776,402)
<b>Net cash provided by (used in) operating activities</b>	15(b)	2,653,466	4,130,403
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for financial assets at amortised cost		0	(1,760,391)
Payments for purchase of property, plant & equipment	7(a)	(232,707)	(799,209)
Payments for construction of infrastructure	8(a)	(3,289,601)	(3,079,345)
Capital grants, subsidies and contributions		2,055,197	1,816,085
Proceeds for financial assets at amortised cost		1,760,392	0
Proceeds from financial assets at amortised cost - self supporting loans		15,545	15,267
Proceeds from sale of property, plant & equipment		0	411,156
Net profit on sale of inventory		(2,755)	
<b>Net cash provided by (used in) investing activities</b>		306,071	(3,396,437)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	26(a)	(74,874)	(86,672)
<b>Net cash provided by (used in) financing activities</b>		(74,874)	(86,672)
<b>Net increase (decrease) in cash held</b>		2,884,662	647,294
Cash at beginning of year		6,887,323	6,240,029
<b>Cash and cash equivalents at the end of the year</b>	15(a)	9,771,985	6,887,323

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

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

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates	24	1,931,952	1,920,713	1,857,416
Rates excluding general rates	24	23,163	21,385	21,385
Grants, subsidies and contributions		4,421,133	1,478,268	5,121,459
Fees and charges		651,074	596,442	629,747
Interest revenue		181,927	37,193	27,239
Other revenue		72,342	76,000	207,620
Profit on asset disposals		0	199,288	43,331
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	3,686	0	3,997
Share of net profit of associates accounted for using the equity method	21(c)	0	0	21,899
		7,285,277	4,329,289	7,934,093
<b>Expenditure from operating activities</b>				
Employee costs		(2,076,781)	(2,108,259)	(2,187,485)
Materials and contracts		(1,473,795)	(1,782,263)	(1,549,908)
Utility charges		(258,903)	(289,750)	(264,971)
Depreciation		(3,238,579)	(3,122,135)	(3,106,232)
Finance costs		(30,917)	(40,201)	(42,784)
Insurance		(216,439)	(224,400)	(204,741)
Other expenditure		(55,208)	(17,000)	(44,709)
Loss on asset disposals		(2,755)	(24,320)	(22,290)
Share of net loss of associates accounted for using the equity method	21(c)	(5,898)	0	0
		(7,359,275)	(7,608,328)	(7,423,120)
Non-cash amounts excluded from operating activities	25(a)	3,284,483	2,947,167	3,095,455
<b>Amount attributable to operating activities</b>		3,210,485	(331,872)	3,606,428
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		3,141,192	6,060,601	1,390,774
Proceeds from disposal of assets		0	370,000	411,156
Proceeds from financial assets at amortised cost - self supporting loans	26(a)	15,545	15,546	15,267
		3,156,737	6,446,147	1,817,197
<b>Outflows from investing activities</b>				
Purchase of property, plant and equipment	7(a)	(232,707)	(2,417,481)	(799,209)
Purchase and construction of infrastructure	8(a)	(3,289,599)	(6,402,130)	(3,079,345)
		(3,522,306)	(8,819,611)	(3,878,554)
<b>Amount attributable to investing activities</b>		(365,569)	(2,373,464)	(2,061,357)
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Transfers from reserve accounts	27	259,737	909,737	0
		259,737	909,737	0
<b>Outflows from financing activities</b>				
Repayment of borrowings	26(a)	(74,874)	(74,876)	(86,672)
Transfers to reserve accounts	27	(860,983)	(837,749)	(1,320,244)
		(935,857)	(912,625)	(1,406,916)
<b>Amount attributable to financing activities</b>		(676,120)	(2,888)	(1,406,916)
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	25(b)	2,568,613	2,708,224	2,430,458
Amount attributable to operating activities		3,210,485	(331,872)	3,606,428
Amount attributable to investing activities		(365,569)	(2,373,464)	(2,061,357)
Amount attributable to financing activities		(676,120)	(2,888)	(1,406,916)
<b>Surplus or deficit after imposition of general rates</b>	25(b)	<b>4,737,410</b>	<b>0</b>	<b>2,568,613</b>

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

**SHIRE OF NAREMBEEN**  
**FOR THE YEAR ENDED 30 JUNE 2023**  
**INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Property, Plant and Equipment	15
Note 8	Infrastructure	17
Note 9	Fixed Assets	19
Note 10	Trade and Other Payables	21
Note 11	Other Liabilities	22
Note 12	Borrowings	23
Note 13	Employee Related Provisions	24
Note 14	Revaluation Surplus	25
Note 15	Notes to the Statement of Cash Flows	26
Note 16	Restrictions Over Financial Assets	27
Note 17	Contingent Liabilities	28
Note 18	Capital Commitments	28
Note 19	Related Party Transactions	29
Note 20	Joint Arrangements	31
Note 21	Investment in Associates	32
Note 22	Events Occurring After the End of the Reporting Period	34
Note 23	Other Significant Accounting Policies	35
 <b>Information required by legislation</b>		
Note 24	Rating Information	36
Note 25	Determination of Surplus or Deficit	37
Note 26	Borrowing and Lease Liabilities	38
Note 27	Reserve accounts	39



**SHIRE OF NAREMBEEN  
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 Narembeen which is a Class 4 Local Government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

**Local Government Act 1995 requirements**

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

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

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

**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

**Initial application of accounting standards**

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

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

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

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

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

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

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

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

**SHIRE OF NAREMBEEN**  
**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
Grants, subsidies and contributions	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
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
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 - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

Consideration from contracts with customers is included in the transaction price.

**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	1,955,115	0	1,955,115
Grants, subsidies and contributions	4,421,133	0	0	0	4,421,133
Fees and charges	651,074	0	0	0	651,074
Interest revenue	181,927	0	0	0	181,927
Other revenue	0	0	0	72,342	72,342
Capital grants, subsidies and contributions	0	3,141,192	0	0	3,141,192
<b>Total</b>	<b>5,254,134</b>	<b>3,141,192</b>	<b>1,955,115</b>	<b>72,342</b>	<b>10,422,783</b>

**For the year ended 30 June 2022**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,878,801	0	1,878,801
Grants, subsidies and contributions	5,121,459	0	0	0	5,121,459
Fees and charges	629,747	0	0	0	629,747
Interest revenue	27,239	0	0	0	27,239
Other revenue	0	0	0	207,620	207,620
Capital grants, subsidies and contributions	0	1,390,774	0	0	1,390,774
<b>Total</b>	<b>5,778,445</b>	<b>1,390,774</b>	<b>1,878,801</b>	<b>207,620</b>	<b>9,255,640</b>

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

**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

<b>Note</b>	<b>2023 Actual \$</b>	<b>2022 Actual \$</b>
<b>Interest revenue</b>		
Financial assets at amortised cost - self supporting loans	1,693	1,975
Interest on reserve account funds	119,015	5,599
Trade and other receivables overdue interest	11,850	14,154
Other interest revenue	49,369	5,511
	<u>181,927</u>	<u>27,239</u>
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$0.00		

The 2023 original budget estimate in relation to:  
Charges on instalment plan was \$5,000.00.

**(b) Expenses**

**Auditors remuneration**

- Audit of the Annual Financial Report	39,000	46,500
- Other services – grant acquittals	1,500	1,800
	<u>40,500</u>	<u>48,300</u>

**Employee Costs**

Employee benefit costs	2,035,152	2,148,316
Other employee costs	41,629	39,169
	<u>2,076,781</u>	<u>2,187,485</u>

**Finance costs**

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	40,202	42,784
	<u>40,202</u>	<u>42,784</u>
Sundry expenses	55,208	44,709
	<u>55,208</u>	<u>44,709</u>

**SHIRE OF NAREMBEEN**  
**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	5,519,403	2,753,756
Term deposits	4,252,582	4,133,567
<b>Total cash and cash equivalents</b>	<b>9,771,985</b>	<b>6,887,323</b>
Held as		
- Unrestricted cash and cash equivalents	4,898,344	1,542,855
- Restricted cash and cash equivalents	4,873,641	5,344,468
	<b>9,771,985</b>	<b>6,887,323</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

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

**Restricted financial assets**

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

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

2023	2022
\$	\$
15,836	1,775,937
15,836	1,775,937

**Other financial assets at amortised cost**

Self supporting loans receivable  
Term deposits

25(b)	15,836	15,546
	0	1,760,391
	15,836	1,775,937

Held as

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

15(a)	15,836	1,760,391
	0	15,546
	15,836	1,775,937

**(b) Non-current assets**

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

74,464	90,300
81,490	77,804
155,954	168,104

**Financial assets at amortised cost**

Self supporting loans receivable

74,464	90,300
74,464	90,300

**Financial assets at fair value through profit or loss**

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

77,804	73,807
3,686	3,997
81,490	77,804

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 26(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value.

**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.

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

**5. TRADE AND OTHER RECEIVABLES**

	Note	2023	2022
		\$	\$
<b>Current</b>			
Rates and statutory receivables		80,103	100,264
Trade receivables		118,295	159,815
Fuel tax credits receivable		28,936	0
GST receivable		173,525	54,667
Allowance for credit losses of trade receivables		(2,010)	(2,014)
Pensioner rebates receivable		0	(355)
		398,849	312,377
<b>Non-current</b>			
Rates and statutory receivables		8,459	0
		8,459	0

**Disclosure of opening and closing balances related to contracts with customers**

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

	Note	30 June 2023 Actual	30 June 2022 Actual
		\$	\$
Trade and other receivables from contracts with customers		118,295	159,815
Allowance for credit losses of trade receivables	5	(2,010)	(2,014)
Total trade and other receivables from contracts with customers		116,285	157,801

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates and statutory receivables**

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

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

**Trade receivables**

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

**Other receivables**

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

**Measurement**

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

**Classification and subsequent measurement**

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

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

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



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

**6. INVENTORIES**

	Note	2023	2022
<b>Current</b>		\$	\$
Fuel and materials		6,021	13,372
		6,021	13,372
<b>Non-current</b>			
Land held for resale		202,636	236,300
		202,636	236,300
The following movements in inventories occurred during the year:			
<b>Balance at beginning of year</b>		249,672	317,000
Inventories expensed during the year		(7,351)	(191,258)
Inventory sold during the year		(33,664)	(67,328)
Additions to inventory		0	191,258
<b>Balance at end of year</b>		208,657	249,672

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

Inventories are measured at the lower of cost and net realisable value.

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

**Land held for resale**

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

**Land held for resale (Continued)**

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

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

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

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

**7. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$		\$	\$	\$
<b>Balance at 1 July 2021</b>	2,329,000	2,678,518	13,155,086	18,162,604	375,147	3,282,353	21,820,104
Additions		5,850	337,512	343,362	28,518	427,329	799,209
Disposals	(45,000)	(253,360)	0	(298,360)		(91,756)	(390,116)
Revaluation increments / (decrements) transferred to revaluation surplus	(365,806)	(296,536)	2,557,728	1,895,386			1,895,386
Depreciation		(86,502)	(432,726)	(519,228)	(101,056)	(443,614)	(1,063,898)
<b>Balance at 30 June 2022</b>	1,918,194	2,047,970	15,617,600	19,583,764	302,609	3,174,312	23,060,685
<b>Comprises:</b>							
Gross balance amount at 30 June 2022	1,918,194	2,047,970	15,617,600	19,583,764	508,310	3,996,306	24,088,380
Accumulated depreciation at 30 June 2022	0	0	0	0	(205,701)	(821,994)	(1,027,695)
<b>Balance at 30 June 2022</b>	1,918,194	2,047,970	15,617,600	19,583,764	302,609	3,174,312	23,060,685
Additions	0	0	206,380	206,380	0	26,327	232,707
Assets classified as held for sale	0	0	0	0	0	0	0
Depreciation	0	(88,772)	(431,903)	(520,675)	(79,237)	(460,823)	(1,060,735)
<b>Balance at 30 June 2023</b>	1,918,194	1,959,198	15,392,077	19,269,469	223,372	2,739,816	22,232,657
<b>Comprises:</b>							
Gross balance amount at 30 June 2023	1,918,194	2,047,970	15,823,980	19,790,144	508,310	4,022,633	24,321,087
Accumulated depreciation at 30 June 2023	0	(88,772)	(431,903)	(520,675)	(284,938)	(1,282,817)	(2,088,430)
<b>Balance at 30 June 2023</b>	1,918,194	1,959,198	15,392,077	19,269,469	223,372	2,739,816	22,232,657

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

**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	2/3	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers/Management Valuation	June 2022	Observable or estimated open market values/price per hectare
Buildings - non-specialised	2/3	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers/Management Valuation	June 2022	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs.
Buildings - specialised	3	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers/Management Valuation	June 2022	Construction costs and current conditions (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 by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
<b>(ii) Cost</b>					
<b>Furniture and equipment</b>	3	N/A	Cost	N/A	N/A
<b>Plant and equipment</b>	3	N/A	Cost	N/A	N/A

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

**8. INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks & ovals	Capital works in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	71,723,017	544,203	88,303	4,754,643	0	77,110,166
Additions	2,080,342	509,786	489,217	0	0	3,079,345
Adjustment for share of assets transferred to investment in associate	0	0	0	(6,198)	0	(6,198)
Depreciation	(1,651,886)	(9,035)	(8,565)	(372,848)	0	(2,042,334)
Transfers				43,123	0	43,123
<b>Balance at 30 June 2022</b>	72,151,473	1,044,954	568,955	4,418,720	0	78,184,102
<b>Comprises:</b>						
Gross balance at 30 June 2022	78,456,225	1,081,093	603,217	5,823,715	0	85,964,250
Accumulated depreciation at 30 June 2022	(6,304,752)	(36,139)	(34,262)	(1,404,995)	0	(7,780,148)
<b>Balance at 30 June 2022</b>	72,151,473	1,044,954	568,955	4,418,720	0	78,184,102
Additions	2,644,991	139,932	79,246	260,555	164,875	3,289,599
Assets accrued as provisions	0	0	0	0		0
Revaluation increments / (decrements) transferred to revaluation surplus	64,035,983	(135,814)	750,942	343,754	0	64,994,865
Depreciation	(1,786,900)	(9,035)	(8,566)	(373,343)	0	(2,177,844)
<b>Balance at 30 June 2023</b>	137,045,547	1,040,037	1,390,577	4,649,686	164,875	144,290,722
<b>Comprises:</b>						
Gross balance at 30 June 2023	145,137,199	1,085,210	1,433,405	6,428,024	164,875	154,248,713
Accumulated depreciation at 30 June 2023	(8,091,652)	(45,173)	(42,828)	(1,778,338)	0	(9,957,991)
<b>Balance at 30 June 2023</b>	137,045,547	1,040,037	1,390,577	4,649,686	164,875	144,290,722

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

**8. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Infrastructure - roads</b>	3	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers/Management Valuation	30 June 2023	Observable or estimated open market values.
<b>Infrastructure - footpaths</b>	3	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers/Management Valuation	30 June 2023	Observable or estimated open market values.
<b>Infrastructure - drainage</b>	3	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers/Management Valuation	30 June 2023	Observable or estimated open market values.
<b>Infrastructure - parks &amp; ovals</b>	3	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers/Management Valuation	30 June 2023	Observable or estimated open market values.

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

**9. FIXED ASSETS**

**(a) Depreciation**

**Depreciation rates**

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

<b>Asset Class</b>	<b>Useful life</b>
Land - freehold land	n/a
Buildings - non-specialised	30 to 50 years
Buildings - specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads	
- subgrade	n/a
- pavement	50 years
- seal	10-20 years
Infrastructure - footpaths	15 to 20 years
Infrastructure - drainage	75 to 100 years
Infrastructure - parks & ovals	5 to 50 years

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

**9. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

**Initial recognition and measurement for assets held at cost**

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

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

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

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

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

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

**Revaluation**

The fair value of land, buildings 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.

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 9(a).

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

**10 TRADE AND OTHER PAYABLES**

**Current**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Sundry creditors	36,487	549,869
Prepaid rates	30,637	18,461
Accrued payroll liabilities	54,681	57,799
PAYG withholding payable	97,091	30,423
Fringe benefits tax payable	26,691	10,696
ATO general interest charge payable	109	0
Bonds and deposits held	17,866	19,490
Accrued interest on loans	0	9,393
Retained funds	2,746	361
Transport licensing payable	0	27,213
	<b>266,308</b>	<b>723,705</b>

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

**11. OTHER LIABILITIES**

**Current**

Contract liabilities

**Reconciliation of changes in contract liabilities**

Opening balance

Additions

Revenue from contracts with customers included as a contract liability at the start of the period

**Reconciliation of changes in capital grant/contribution liabilities**

Opening balance

Additions

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

<b>2023</b>	<b>2022</b>
<b>\$</b>	<b>\$</b>
120,960	1,206,955
120,960	1,206,955
205,495	51,751
0	205,495
(205,495)	(51,751)
0	205,495
1,001,460	576,149
11,601	1,001,460
(892,101)	(576,149)
120,960	1,001,460

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or upon the completion of construction/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 NAREMBEEN**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**12. BORROWINGS**

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		76,539	665,746	742,286	74,875	742,285	817,160
<b>Total secured borrowings</b>	26(a)	76,539	665,746	742,286	74,875	742,285	817,160

**Secured liabilities and assets pledged as security**

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Narembeen. Other loans relate to transferred receivables. Refer to Note 5.

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

**Risk**

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

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

**13. 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**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
	181,083	168,720
	136,279	171,900
	317,362	340,620
	317,362	340,620
	32,903	14,417
	32,903	14,417
	32,903	14,417
	350,265	355,037

Provision is made for benefits owing to employees in respect of 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 more than 12 months from the reporting date.

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

**14. REVALUATION SURPLUS**

	<b>2023 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2023 Closing Balance</b>	<b>2022 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2022 Closing Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revaluation surplus - Land	1,062,357	0	1,062,357	1,428,163	(365,806)	1,062,357
Revaluation surplus - Buildings	7,600,218	0	7,600,218	5,339,026	2,261,192	7,600,218
Revaluation surplus - Furniture and equipment	53,279	0	53,279	53,279	0	53,279
Revaluation surplus - Plant and equipment	1,435,049	0	1,435,049	1,435,049	0	1,435,049
Revaluation surplus - Infrastructure - roads	39,478,393	64,035,984	103,514,377	39,478,393	0	39,478,393
Revaluation surplus - Infrastructure - footpaths	345,070	(135,814)	209,256	345,070	0	345,070
Revaluation surplus - Infrastructure - drainage	388,212	571,933	960,145	388,212	0	388,212
Revaluation surplus - infrastructure - other	1,582,099	522,765	2,104,864	1,582,099	0	1,582,099
	<b>51,944,677</b>	<b>64,994,868</b>	<b>116,939,545</b>	<b>50,049,291</b>	<b>1,895,386</b>	<b>51,944,677</b>

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

**15. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	<b>Note</b>	<b>2023 Actual \$</b>	<b>2022 Actual \$</b>
Cash and cash equivalents	3	9,771,985	6,887,323
<b>Restrictions</b>			
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	4,873,641	5,344,468
- Financial assets at amortised cost	4	0	15,546
		4,873,641	5,360,014
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	27	4,734,815	4,133,569
Contract liabilities	11	120,960	1,206,955
Bonds and deposits held	10	17,866	19,490
<b>Total restricted financial assets</b>		4,873,641	5,360,014

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

Net result		3,067,194	1,901,747
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		(3,686)	(3,997)
Depreciation/amortisation		3,238,579	3,106,232
(Profit)/loss on sale of asset		2,755	(21,041)
Share of (profit)/loss of associates		5,898	(21,899)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(94,931)	(88,062)
(Increase)/decrease in inventories		41,015	67,328
Increase/(decrease) in trade and other payables		(457,397)	431,589
Increase/(decrease) in employee related provisions		(4,772)	(4,464)
Increase/(decrease) in other liabilities		(1,085,995)	153,744
Capital grants, subsidies and contributions		(2,055,197)	(1,390,774)
Net cash provided by/(used in) operating activities		2,653,463	4,130,403

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank overdraft limit	200,000	200,000
Bank overdraft at balance date		
Credit card limit	50,000	50,000
Credit card balance at balance date	(11,678)	(3,220)
<b>Total amount of credit unused</b>	238,322	246,780

**Loan facilities**

Loan facilities - current	76,539	74,875
Loan facilities - non-current	665,746	742,285
<b>Total facilities in use at balance date</b>	742,285	817,160

**Unused loan facilities at balance date**

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

**16. RESTRICTIONS OVER FINANCIAL ASSETS**

	<b>Note</b>	<b>2023 Actual \$</b>	<b>2022 Actual \$</b>
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	4,873,641	5,344,468
- Financial assets at amortised cost	4		15,546
		4,873,641	5,360,014
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	27	4,734,815	4,133,569
Contract liabilities	11	120,960	1,206,955
Bonds and deposits held		17,866	19,490
<b>Total restricted financial assets</b>		4,873,641	5,360,014

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

**17. CONTINGENT LIABILITIES**

The Shire of Narembeen has no contingent liabilities as at 30 June 2023. It should be noted that the Shire's 25% share in the Bendering Landfill site and the resulting liability for site rehabilitation has previously been disclosed as a contingent liability.

The liability has been recorded as part of the net assets of the RoeROC investment in associates in note 21.

**18. CAPITAL COMMITMENTS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Contracted for:		
- capital expenditure projects	54,688	344,323
- plant & equipment purchases	694,010	706,905
	<b>748,698</b>	<b>1,051,228</b>
Payable:		
- not later than one year	748,698	1,051,228

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

**19. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

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

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
President's annual allowance	7,200	7,200	7,581
President's meeting attendance fees	3,355	3,240	4,730
President's travel and accommodation expenses	210	456	617
	10,765	10,896	12,928
Deputy President's annual allowance	1,800	1,800	1,752
Deputy President's meeting attendance fees	1,740	3,240	2,400
Deputy President's travel and accommodation expenses	1,787	2,314	2,095
	5,327	7,354	6,247
All other council member's meeting attendance fees	12,005	19,440	13,350
All other council member's travel and accommodation expenses	458	230	1,676
	12,463	19,670	15,026
19(b)	28,555	37,920	34,201

**(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	523,516	442,771
Post-employment benefits	60,229	55,356
Employee - other long-term benefits	74,422	22,198
Council member costs	28,555	34,201
	686,722	554,526

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

**19. RELATED PARTY TRANSACTIONS**

**Transactions with related parties**

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

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

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

	<b>2023 Actual</b>	<b>2022 Actual</b>
	<b>\$</b>	<b>\$</b>
Sale of goods and services	1,819	
Purchase of goods and services	33,465	161,181
<b>Amounts outstanding from related parties:</b>		
Loans to associated entities	0	72,343
<b>Amounts payable to related parties:</b>		
Trade and other payables	547	0

**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 19(a) and 19(b)

*ii. Other Related Parties*

Any entity controlled by or over which any KMP, or close family member of KMP, have authority and responsibility for planning, directing and controlling, either directly or indirectly are considered to be related parties.

*iii. Entities subject to significant influence by the Shire*

There were no such entities requiring disclosure during the current or previous year.

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

**20. JOINT ARRANGEMENTS**

**Share of joint operations**

The Shire, together with the Department of Communities, has a joint arrangement with regard to the provision of 9 housing units located in Currall Street and Dorreen Street, Narembreen. The Shire's share of the net assets of the housing units is included in Property, Plant and Equipment

	<b>2023 Actual</b>	<b>2022 Actual</b>
<b>Statement of Financial Position</b>	<b>\$</b>	<b>\$</b>
Land	10,694	10,694
Buildings (non-specialised), gross cost	141,097	142,071
Less: accumulated depreciation	(29,669)	0
<b>Total assets</b>	<b>122,122</b>	<b>152,765</b>
<b>Statement of Comprehensive Income</b>		
Other income (rent)	58,908	51,359
Depreciation	(30,000)	(21,594)
Materials and contract (property maintenance)	(87,117)	(94,439)
<b>Profit/(loss) for the period</b>	<b>(58,209)</b>	<b>(64,674)</b>
<b>Statement of Cash Flows</b>		

**SIGNIFICANT ACCOUNTING POLICIES**

**Joint operations**

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

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



**SHIRE OF NAREMBEEN**  
**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
			\$	\$
Roe Regional Organisation of Councils (RoeROC)	25.00%	25.00%	42,199	48,097
<b>Total equity-accounted investments</b>			<b>42,199</b>	<b>48,097</b>

**(b) Share of investment in associates**

The RoeROC was formed to manage the provision of a waste facility and to provide environmental health services across the four member Shires. The Shire of Narembeen has a 25% interest in the net assets of the RoeROC.

The Shire of Narembeen's share of RoeROC's net assets as at 30 June 2023 are based on the records for the RoeROC kept by the Shire of Corrigin, as follows:

Summarised statement of comprehensive income	Note	2023	2022
		Actual	Actual
		\$	\$
Revenue		0	111,188
Depreciation		(23,592)	(23,592)
Profit/(loss) from continuing operations		(23,592)	87,596
Total comprehensive income for the period		(23,592)	87,596
<b>Summarised statement of financial position</b>			
Cash and cash equivalents		0	0
Other current assets		0	0
Total current assets		0	0
Non-current assets		974,276	192,388
Total assets		974,276	192,388
Current financial liabilities		0	0
Other current liabilities		237,812	0
Total current liabilities		237,812	0
Non-current financial liabilities		0	0
Other non-current liabilities		567,668	0
Total non-current liabilities		567,668	0
Total liabilities		805,480	0
<b>Net assets</b>		<b>168,796</b>	<b>192,388</b>
<b>Reconciliation to carrying amounts</b>			
Opening net assets 1 July		192,388	104,792
Changes in members contributions		0	0
Profit/(Loss) for the period		(23,592)	87,596
Other comprehensive income		0	0
Closing net assets 1 July		168,796	192,388
<b>Carrying amount at 1 July</b>		<b>48,097</b>	<b>26,198</b>
- Share of associates net profit/(loss) for the period	21(c)	(5,898)	21,899
- Share of associates other comprehensive income arising during the period		0	0
<b>Carrying amount at 30 June (Refer to Note 21(a))</b>		<b>42,199</b>	<b>48,097</b>

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

**21. INVESTMENT IN ASSOCIATES**

**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 RoeROC (refer to Note 21(b))

<b>2023 Actual</b>	<b>2022 Actual</b>
\$	\$
(5,898)	21,899
(5,898)	21,899

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

**22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

No reportable events occurred after the end of the reporting period.

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

**24. RATING INFORMATION**

**(a) General Rates**

<b>RATE TYPE</b>				<b>2022/23 Actual Rateable Value*</b>	<b>2022/23 Actual Rate Revenue</b>	<b>2022/23 Actual Interim Rates</b>	<b>2022/23 Actual Total Revenue</b>	<b>2022/23 Budget Rate Revenue</b>	<b>2022/23 Budget Interim Rate</b>	<b>2022/23 Budget Total Revenue</b>	<b>2021/22 Actual Total Revenue</b>
<b>Rate Description</b>	<b>Basis of valuation</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Town	Gross rental valuation	0.12370	224	1,951,900	241,450	0	241,450	241,450	0	241,450	229,665
Rural	Unimproved valuation	0.01236	321	134,448,500	1,675,512	0	1,675,512	1,661,918	0	1,661,918	1,611,229
Mining	Unimproved valuation	0.01236	1	55,000	680	0	680	680	0	680	1,845
<b>Total general rates</b>			546	136,455,400	1,917,642	0	1,917,642	1,904,048	0	1,904,048	1,842,739
<b>Minimum payment</b>											
Town	Gross rental valuation	485	15	9,690	7,275	0	7,275	7,275	0	7,275	6,692
Rural	Unimproved valuation	485	42	756,100	20,370	0	20,370	20,370	0	20,370	19,598
Mining	Unimproved valuation	485	32	303,278	15,520	0	15,520	15,520	0	15,520	13,500
<b>Total minimum payments</b>			89	1,069,068	43,165	0	43,165	43,165	0	43,165	39,790
<b>Total general rates and minimum payments</b>			635	137,524,468	1,960,807	0	1,960,807	1,947,213	0	1,947,213	1,882,529
<b>Ex-gratia Rates</b>											
CBH					23,163	0	23,163	21,385	0	21,385	21,385
<b>Total amount raised from ex-gratia rates</b>			0	0	23,163	0	23,163	21,385	0	21,385	21,385
Discounts							(28,855)			(26,500)	(25,113)
<b>Total Rates</b>							1,955,115			1,942,098	1,878,801
Rate instalment interest							3,288			5,000	5,323
Rate overdue interest							8,562			10,000	8,831

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

**25. DETERMINATION OF SURPLUS OR DEFICIT**

Note	2022/23 (30 June 2023 Carried Forward)	2022/23 Budget (30 June 2023 Carried Forward)	2022/23 (1 July 2022 Brought Forward)	2021/22 (30 June 2022 Carried Forward)
	\$	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
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> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	0	(199,288)	(43,331)	(43,331)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(3,686)	0	(3,997)	(3,997)
Less: Share of net (profit)/loss of associates and joint ventures accounted for using the equity method	5,898	0	(21,899)	(21,899)
Add: Loss on disposal of assets	0	24,320	22,290	22,290
Add: Depreciation	9(a) 3,238,579	3,122,135	3,106,232	3,106,232
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates	(8,459)	0	3,957	3,957
Employee benefit provisions	18,486	0	(35,125)	(35,125)
Inventory	33,665	0	67,328	67,328
<b>Non-cash amounts excluded from operating activities</b>	<b>3,284,483</b>	<b>2,947,167</b>	<b>3,095,455</b>	<b>3,095,455</b>
<b>(b) Surplus or deficit after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	27 (4,734,815)	(4,061,581)	(4,133,569)	(4,133,569)
Less: Financial assets at amortised cost - self supporting loans	4(a) (15,836)	0	(15,546)	(15,546)
Add: Current liabilities not expected to be cleared at end of year - Current portion of borrowings	12 76,539	(59,330)	74,875	74,875
<b>Total adjustments to net current assets</b>	<b>(4,674,112)</b>	<b>(4,120,911)</b>	<b>(4,074,240)</b>	<b>(4,074,240)</b>
<b>Net current assets used in the Statement of Financial Activity</b>				
Total current assets	10,192,691	6,178,932	8,989,008	8,989,008
Less: Total current liabilities	(781,169)	(2,058,021)	(2,346,155)	(2,346,155)
Less: Total adjustments to net current assets	(4,674,112)	(4,120,911)	(4,074,240)	(4,074,240)
<b>Surplus or deficit after imposition of general rates</b>	<b>4,737,410</b>	<b>0</b>	<b>2,568,613</b>	<b>2,568,613</b>

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

**26. BORROWING AND LEASE LIABILITIES**

**(a) Borrowings**

Purpose	Loan number	Actual							Budget			
		Principal at	New Loans	Principal	Principal at 30	New Loans	Principal	Principal at	Principal at 1	New Loans	Principal	Principal at
		1 July 2021	During 2021-22	Repayments During 2021-22	June 2022	During 2022-23	Repayments During 2022-23	30 June 2023	July 2022	During 2022-23	Repayments During 2022-23	30 June 2023
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Swimming pool	125	159,480	0	(22,412)	137,068	0	(23,934)	113,134	137,068	0	(23,935)	113,133
Recreation centre	128	607,852	0	(33,603)	574,249	0	(35,395)	538,854	574,248	0	(35,395)	538,853
Solar panels	129	15,390	0	(15,390)	0	0	0	0	0	0		0
<b>Total</b>		<b>782,722</b>	<b>0</b>	<b>(71,405)</b>	<b>711,317</b>	<b>0</b>	<b>(59,329)</b>	<b>651,988</b>	<b>711,315</b>	<b>0</b>	<b>(59,330)</b>	<b>651,985</b>
<b>Self Supporting Loans</b>												
Aged homes	127	25,997	0	(3,892)	22,105	0	(4,059)	18,046	22,105	0	(4,059)	18,046
Mt Walker tennis club	130	15,113	0	(3,717)	11,396	0	(3,758)	7,638	11,396	0	(3,758)	7,638
Narembeen Bowling Club	131	80,000	0	(7,658)	72,342	0	(7,728)	64,614	72,345	0	(7,729)	64,616
<b>Total Self Supporting Loans</b>		<b>121,110</b>	<b>0</b>	<b>(15,267)</b>	<b>105,843</b>	<b>0</b>	<b>(15,545)</b>	<b>90,298</b>	<b>105,846</b>	<b>0</b>	<b>(15,546)</b>	<b>90,300</b>
<b>Total Borrowings</b>	<b>12</b>	<b>903,832</b>	<b>0</b>	<b>(86,672)</b>	<b>817,160</b>	<b>0</b>	<b>(74,874)</b>	<b>742,286</b>	<b>817,161</b>	<b>0</b>	<b>(74,876)</b>	<b>742,285</b>

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost.

All other loan repayments were financed by general purpose revenue.

**Borrowing Finance Cost Payments**

Purpose	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ended 30 June 2023	Budget for year ended 30 June 2023	Actual for year ended 30 June 2022
					\$	\$	\$
Swimming pool	125	WATC	6.68%	30/04/2027	(8,763)	(8,763)	(10,285)
Recreation centre	128	WATC	5.26%	1/04/2034	(29,746)	(29,745)	(31,537)
<b>Total</b>					<b>(38,509)</b>	<b>(38,508)</b>	<b>(41,822)</b>
<b>Self Supporting Loans Finance Cost Payments</b>							
Aged homes	127	WATC	4.23%	29/06/2027	(893)	(893)	(1,059)
Mt Walker tennis club	130	WATC	1.09%	25/02/2025	(114)	(114)	(155)
Narembeen Bowling Club	131	WATC	0.97%	1/02/2031	(686)	(686)	(761)
<b>Total Self Supporting Loans Finance Cost Payments</b>					<b>(1,693)</b>	<b>(1,693)</b>	<b>(1,975)</b>
<b>Total Finance Cost Payments</b>					<b>(40,202)</b>	<b>(40,201)</b>	<b>(43,797)</b>



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

**27. RESERVE ACCOUNTS**

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by legislation/agreement</b>												
(a) Plant reserve	585,940	83,245	0	669,185	585,940	83,245	0	669,185	567,212	18,728	0	585,940
(b) Infrastructure reserve	1,631,810	549,122	(259,737)	1,921,195	1,631,810	549,122	(259,737)	1,921,195	1,383,640	248,170	0	1,631,810
(c) Land development reserve	373,254	960	0	374,214	373,254	0	(250,000)	123,254	71,660	301,594	0	373,254
(d) Avoca Farm/Wadderin reserve	45,761	34,500	0	80,261	45,761	34,500	0	80,261	45,666	95	0	45,761
(e) Recreation centre	613,980	6,433	0	620,413	613,980	0	0	613,980	168,508	445,472	0	613,980
(f) Leave reserve	264,014	11,597	0	275,611	264,014	0	0	264,014	263,476	538	0	264,014
(g) Housing reserve	479,509	80,323	0	559,832	479,509	80,323	(400,000)	159,832	182,517	296,992	0	479,509
(h) Heritage reserve	20,284	458	0	20,742	20,284	0	0	20,284	20,263	21	0	20,284
(i) Medical reserve	90,365	3,786	0	94,151	90,365	0	0	90,365	90,188	177	0	90,365
(j) Bendering landfill rehabilitation reserve	28,652	90,559	0	119,211	28,652	90,559	0	119,211	20,195	8,457	0	28,652
	4,133,569	860,983	(259,737)	4,734,815	4,133,569	837,749	(909,737)	4,061,581	2,813,325	1,320,244	0	4,133,569

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:

<b>Name of reserve account</b>	<b>Purpose of the reserve account</b>
<b>Restricted by legislation/agreement</b>	
(a) Plant reserve	To be used in the replacement and upgrade of Shire plant and equipment
(b) Infrastructure reserve	To be used for the construction of new or significantly improved infrastructure
(c) Land development reserve	To be used to finance future development within the Shire
(d) Avoca Farm/Wadderin reserve	To be used to develop Avoca farm and Wadderin reserve
(e) Recreation centre	To be used to provide new or upgrade existing recreation facilities within the Shire
(f) Leave reserve	To be used to fund annual and long service leave
(g) Housing reserve	To be used for the construction of new Shire housing and refurbishment of existing houses
(h) Heritage reserve	To be used to finance the maintenance of historical buildings within the Shire
(i) Medical reserve	To be used to assist in the future attraction and retention of medical services
(j) Bendering landfill rehabilitation reserve	To be used to assist in the future upgrade of plant, machinery and other requirements at Bendering Landfill site



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2023 Shire of Narembeen

**To the Council of the Shire of Narembeen**

#### Opinion

I have audited the financial report of the Shire of Narembeen (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. 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](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 Narembeen 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.

Mark Ambrose  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
5 December 2023