

Shire of Pingelly Annual Report 2021/2022





Table of Contents

History of the Shire.....	3
Statistics.....	4
Vision & Mission.....	5
Values.....	6
Elected Members.....	7
Executive Staff.....	8
Organisational Restructure 2021-22.....	9
Shire President’s Report.....	10
Chief Executive Officers Report.....	11
Strategic Community Plan - Progress Report.....	12
Goal 1 - Economy.....	13
Goal 2 - Community.....	14
Goal 3 – Built Environment.....	18
Goal 4 – Natural Environment.....	20
Goal 5 – Innovation, Leadership & Governance	21
Statutory Disclosures.....	24
Disability, Access & Inclusion Plan.....	25
Recordkeeping Plan.....	26

Appendix A – 2021/2022 Annual Financial Report
Back Cover



History of the Shire

The Moorumbine Spring land was first surveyed in 1856 and a permanent settlement established around 1860. The first settler in the area was Mr Lewis John Bayley who was granted 4,000 acres for grazing in 1846. The expanding district joined forces to build a church, school, store and gaol. The Moorumbine Townsite was gazetted on 24th April 1884.

The Great Southern Railway in 1889 resulted in an economic boom for the district along the rail line. It passed just 10km west of Moorumbine and a small settlement was established at the railway siding located there. A spring of water east of the railway crossing was named "Pingeculling," an Aboriginal name for 'Watering Place.' From this, the present name of Pingelly was derived.

The Pingelly-Moorumbine Road Board Offices were built in Pingelly in 1909. Just a few years later in 1913 'Moorumbine' was dropped from the title. In 1961, the Pingelly Road Board became the Pingelly Shire Council and new Shire Offices were built on the site on which they still stand today.



Statistics

Location

Pingelly is strategically located in the heart of the State's Central South 158km south-east of Perth on the Great Southern Highway. The Shire of Pingelly covers an area of 1,294km², bounded by the Shires of Wandering, Brookton, Corrigin, Cuballing and Wickepin. The community appreciates a Mediterranean type climate. The average yearly rainfall is 453mm, which mainly falls in winter. The Shire of Pingelly's Council Chamber and Administration Centre is located at 17 Queen Street, Pingelly 6308. The website address is: www.pingelly.wa.gov.au.

Population

The Shire of Pingelly, with the townsites of Pingelly, Moorumbine and Dattening, has a total population of 1,037 (2021 Census). The Shire of Pingelly has 816 electors (2020 Roll), 605 dwellings and employs 27 people.

Roads and Area

The Shire of Pingelly has an area of 1,223km² and is responsible for 587km of roads, of which 211km are sealed.

Legislative Authority

The local government of the Shire of Pingelly is a body corporate with perpetual succession and a common seal. The Shire of Pingelly has the legal capacity of a natural person and has an elected Council as its governing body representing all electors within the Shire.

Federal & State Electoral Boundaries

The Shire of Pingelly is in the State electoral district of Central Wheatbelt, in the Agricultural Region and in the Federal electorate of O'Connor.



Vision

Growing - To achieve population and economic growth that enables the community we want, including a healthy economy, and the services and quality of life we desire.

Inclusive - To be a community designed for all

Resilient - To have a resilient and adaptable community and economy, with an asset base which is fit for purpose, now and for the future

Mission

To enhance the quality of life for the people of Pingelly through the provision of leadership, services and infrastructure.



Values

Accountable – being transparent and open, meeting commitments and expectations, being responsible for yourself, your actions and results.

Competence – consistent use of skills suitable for the role and task at hand, delivery on goals and commitments, making appropriate decisions and problem solving, maintaining high professional standards and skills.

Integrity – being honest, ethical, reliable, authentic in communication, actions and decision making.

Teamwork – complete our own tasks in a professional manner, willingly assist others, support the team and overall organisational team. Positive attitude and contributions to the workplace culture.

Respect – having care and due regard for all others, considering how your words and/or actions will impact them personally and professionally (including their reputation). Communication is open and civil, and conflict is addressed early and with empathy.

Adaptability – open, willing and able to adjust to change, learn new skills and approaches.

Elected Members 2021-22

*Elected Members following election in October 2021.

Row 1: Cr William Mulrone (President)

Row 2: Cr Jackie McBurney (Deputy President), Cr Karmvir Singh, Cr Anthony Oliveri

Row 3: Cr Peter Narducci, Cr Bryan Hotham, Cr Peter Wood



Executive Staff 2021-22

The Shire is led by a team of experienced executive staff with complementary skills.

Andrew Dover
Chief Executive Officer



Mike Hudson
Executive Manager Works

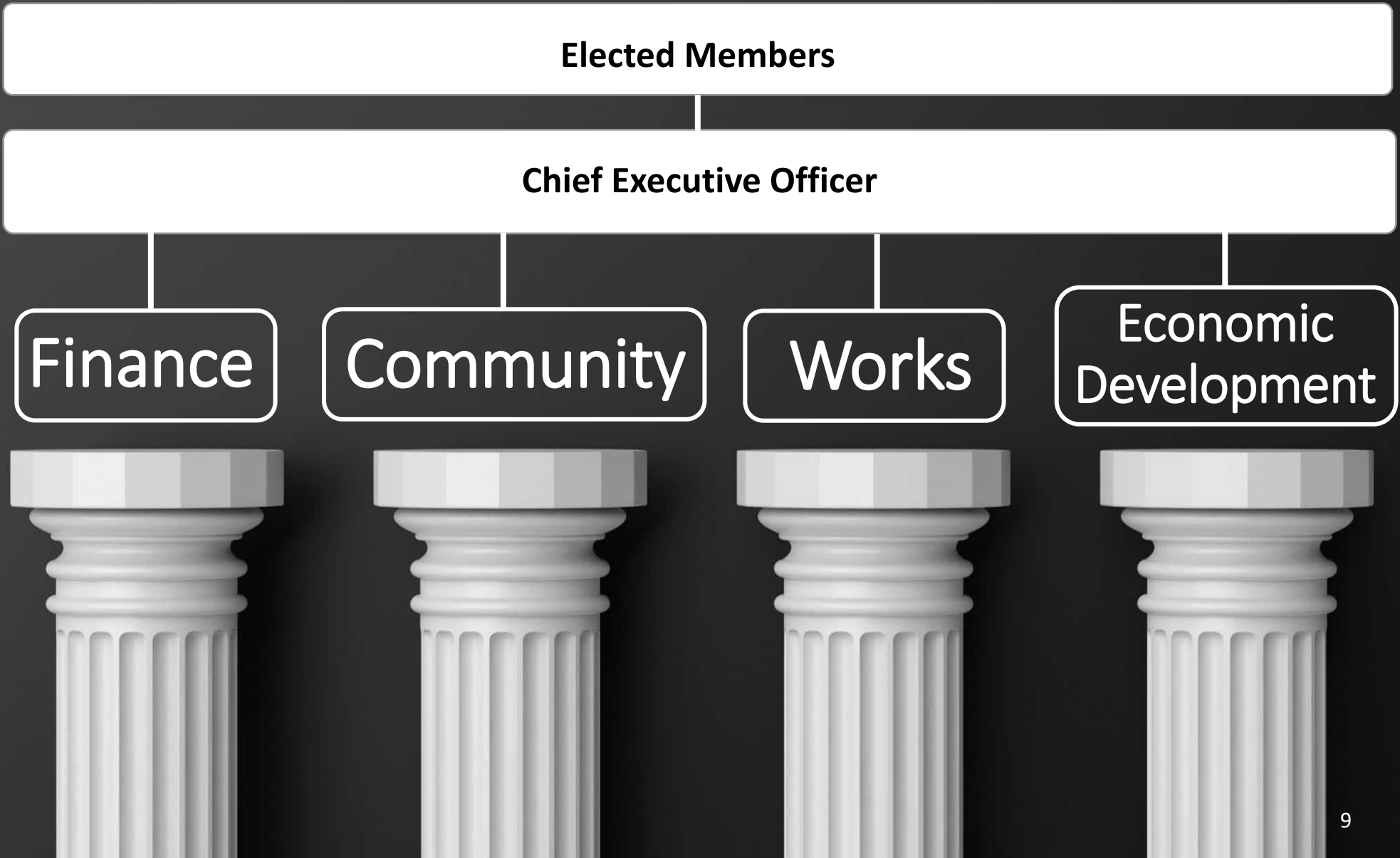


Zoe Macdonald
Executive Manager
Corporate Services



Organisational Restructure 2021-22

Structure was realigned to support the Shire's 4 strategic priorities with officers with responsibility for each reporting directly to the CEO .



Shire President's Report

It is with honour that I present the President's report for 2021/2022 as an overview of the Council activities. This report is a snapshot of how the Shire has performed over the financial year ending 30 June 2022.

Council recruited Mr Andrew Dover in the Chief Executive Officer role to replace the Acting Chief Executive Officer Mr Paul Sheedy in August 2021.

Mr Dover is a highly experienced Senior Officer in Development Services and Town Planning with experience in a number of diverse communities throughout Western Australia. Previously, Mr Dover had been Director Development Services at the Shire of Collie and Manager Development Services at the City of Kalgoorlie-Boulder.

The Council Elections were held this year and I would like to congratulate

Councillors Singh, McBurney, Wood and Hotham on their election for 4 years. It is a true honour to serve our community on Council with them. I would also like to congratulate Cr McBurney on her re-election as Deputy President.

Of note this year is the support that the Shire of Pingelly provided to our surrounding communities in opening our evacuation centre. I am proud of how our Shire and community stepped up to support these communities and welcomed over 50 evacuees to the centre.

I would like to thank our staff and Councillors for their hard work this year. It does not go unnoticed.

Cr W.V. (Bill) Mulroney ESM
Shire President



CEO's Report

The 2021/2022 financial year has been one of financial consolidation and recovery following the construction of the Pingelly Recreation and Cultural Centre (PRACC) – the Shire's largest investment to date. The historical lack of investment in our road network has put the Shire behind where we would like to be in terms of road and verge maintenance and upkeep. The Shire is redoubling efforts and focusing our attention on the 4 strategic pillars of:

- Finance
- Community
- Works (Roads & Bridges)
- Economic Development

There were a number of key staff changes, including at Executive Manager level resulting in a loss of knowledge to the organisation. However, recruitment has been successful and our highly

qualified staff have quickly come to grips with their new roles.

Despite any disruption and staff vacancies, Shire business was carried on and processes improved.

The scheduled capital works program was delivered in addition to the storm repair and events and community programs were successfully held.

I would like to thank all Shire staff for their dedicated contributions throughout this year. It has been a challenging year, however, the organisation has continued to provide a high standard of service to the community with an increased customer service focus.

Andrew Dover
Chief Executive Officer



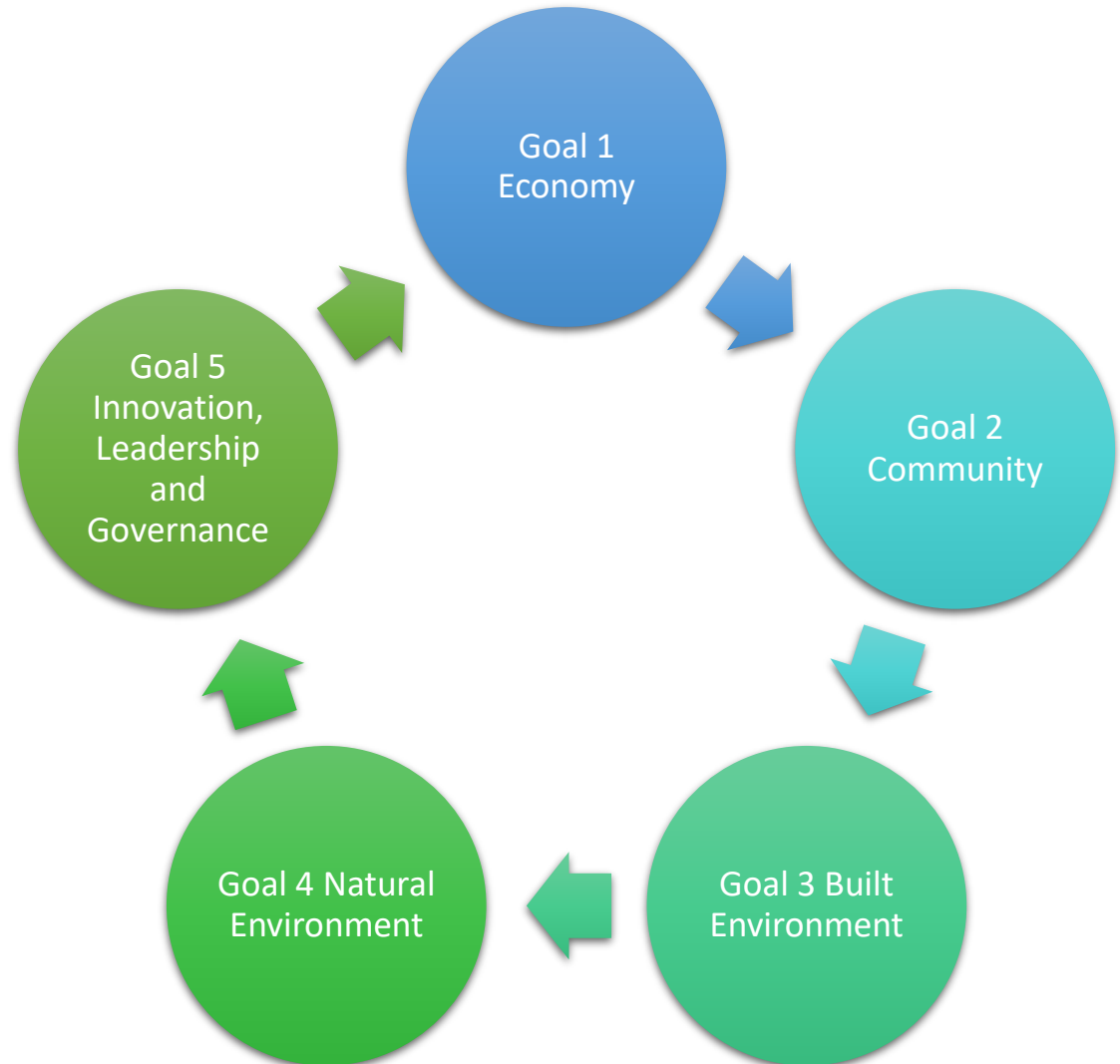
Strategic Community Plan - Progress Report

Council undertook considerable consultation with the local community and property owners with the formation of a Strategic Community Plan. Community members invested significant time and energy into contributing to various workshops, meetings and calls for submission that formed part of this process. The Shire of Pingelly Strategic Community Plan was adopted by Council in September 2019.

The Plan has been and will be used to:

- guide Council decision-making and priority setting
- engage local residents and ratepayers, local businesses, community groups, and other local stakeholders that contribute to the future of our community
- inform decision-making with respect to other partners and agencies, including the Federal and State Governments, regional bodies and other local governments in our region
- provide a clear avenue to pursue funding and grant opportunities by demonstrating how projects align with the aspirations and strategic direction of our community and Council
- inform future partners of our key priorities, and the ways in which we seek to grow and develop
- provide a framework for monitoring progress against the community's vision and aspirations

This Strategic Community Plan and the accompanying Corporate Business Plan set the direction for the Shire's future and the Council's service levels and projects. The following section outlines the significant achievements arising from this Plan over the past year.





Goal 1 – Economy

Business Network

A main street business network has been established through quarterly Business BBQs.

The purpose of these sundowners are to bring all shop front business owners along the Main Street together to socialise, raise concerns and support each other as well as put names to faces.

The networking has been heralded as a success and is a great communication tool across local businesses. Various venues have played host to the Business BBQ, including the motel which is currently being renovated and Loaded Nutrition.

Town Planning

The Shire has worked with various landowners and consultants to identify suitable land for industrial uses. Following this work, amendments to the Town Planning Scheme have been drafted to reduce red tape where appropriate.

Driver Reviver

To build on the success of the redeveloped Memorial Park, the Shire were successful in obtaining a grant for a permanent coffee and toilet 'driver reviver' stop at the Town Hall as well as the installation of long bay parking on Quadrant Street. This initiative encourages travellers to stop in Pingelly and have a break – while exploring our town. Many drivers have stopped to use these facilities and stayed for their children to play in the Memorial Park.



Goal 2 – Community

Receipt of the Gill Collection

Neil Gill has, over a period of 35 years, collected and restored carts, buggies, gigs, sulkies and horse drawn wagons. He originally made contact with the Shire in 2020 to determine if there was interest in the Shire obtaining the collection. This unique opportunity was considered by Council to align with the value of preserving history to shape unique visitor experiences in Pingelly. As a result, the Shire signed an MOU with Neil.

Neil Gill has donated a collection of historical items to the Shire of Pingelly. The Shire has provided a suitable public display location within the 2021-22 financial year. The majority of the collection are sulkies and buggies ranging from 1910 to 1925. This collection is now located in the Town Hall.

Youth Strategy 2021-25

The Youth Strategy was adopted by Council following engagement the young people in Pingelly and with the newly formed Pingelly Youth Network which includes youth services providers who are familiar with youth issues and the resources available.



Goal 2 – Community

Pingelly Perception Survey

An extensive survey of the community was undertaken online and through the mail with over 100 responses received. An analysis was conducted and the results workshopped with Localise, Councillors and staff. Following this workshopping process, Council provided information regarding 'what we heard' back to the community in the form of the below key priorities:

- Pingelly, the place to live, work, visit and invest
- Business growth
- High priority roads for local industry
- Housing & accommodation
- Inter-generational wellbeing

This survey will be used to develop the Pingelly Community Plan in 2023.

Converse with a Councillor

Following each Council Meeting there is now an opportunity to have a drink with the Councillors to provide feedback and discuss issues in an informal setting.



Goal 2 – Community

Various Events Delivered

The Shire delivered a long list of events throughout the year for our community. This include the major events of Party on the Oval; Australia Day; Pingelly Country Collective; Youth Week; Anzac Day; Mothers Day Markets; International Women’s Day; National Volunteer Week; National Reconciliation Week; National NAIDOC Week; and Tutanning Wildflower Day. Many of these events raise awareness of important issues and celebrate/commemorate different occasions. Each one brought the community together in a shared experience and provided an opportunity for networking.

People of Pingelly – Past & Present

This project recorded the stories from our local residents, many of whom have been resident in Pingelly for over half a century. These stories are a connection to our shared past; prevent our history from being lost; and demonstrate a resilience that can be a lesson for today. These stories have been shared over social media and have been exceptionally well received. These stories will be permanently displayed at the Town Hall.

Communications Plan

A Comms Plan and template have been created to provide guidance to staff and Council regarding communication with our community in relation to various projects. This is a one page, innovative plan which makes commitments to the community to keep them informed and assures them that if a decision impacts them, they will have an ability for input.

Goal 2 – Community

Culture & Arts Framework

The Shire successfully obtained funding from the State Government under their Leveraged Creative and Cultural Planning Program to prepare a 'Pingelly Arts and Culture Plan'. This plan aims to encourage artists to engage in their activities, promote arts engagement, attract tourists, develop business plans for community arts groups and create local employment opportunities by partnering with arts, crafts and cultural groups to form a cohesive vision that reflects the local community.

Pingelly has not had an Arts and Culture Plan before. There are several groups working in this space including the Community Resource Centre who have taken a lead role in obtaining artists in residence and organising an inclusive facilitated workshop with Peter Kenyan, a renowned workshop facilitator. There are several existing arts groups, and other groups have now started around their area of interest.

The facilitated workshop with Peter Kenyan highlighted the need for cooperation and all groups represented at the workshop recognised the need for unified planning for themselves and the town. A working group has been established to progress the outcomes of the workshop. A professional facilitator has been engaged to develop the plan, ensure genuine engagement, engage with the working group, limit duplication of efforts, provide agreed areas of responsibility for each stakeholder group and agree areas of focus for the town.

Reconciliation Action Plan (RAP)

The Shire in conjunction with Pingelly Primary School and Moorditj Youth have commenced the process of engaging with the local Aboriginal people to develop an agreed RAP for the town. This will be the first RAP for Pingelly.

An initial workshop was held to listen to the local community and hear their issues. These issues have been collated and will be presented back to the workshop participants to ensure that we have heard correctly and to develop agreed solutions. The Shire continues to engage with our local Aboriginal people and recognises their special connection to the land and their status as the first people in Australia.





Goal 3 – Built Environment

Storm Repair

Due to the substantial storms in winter 2021, there was significant storm damage and therefore storm repair to be carried out, particularly on the rural roads. The roads are not constructed to withstand such events. As these events are set to become more frequent due to climate change, these roads should be constructed to a higher specification. The substantial road damage has been repaired to the same specifications as previously due to DRFAWA funding requirements. Additional funding is required to adapt this infrastructure to the effects of climate change.

Roads Maintenance/Upgrades

The Shire of Pingelly recognises that many local roads are currently in a poor condition. The Shire prioritised a number of capital improvement roadworks for the 21/22 Financial Year based on usage and condition. These include: Wickepin-Pingelly Road; Yenelling Road; Pemberton Street; York-Williams Road; and Hall Street. In addition, thanks to our dedicated and knowledgeable staff our rural roads have substantially improved, although much more is to be done.



Goal 3 – Built Environment

Pingelly Entrance Signs

The entrance signs have been refreshed after a long period of neglect. This has been a point of interest for the community. These signs have been renovated in house, demonstrating the diversity of skills of the Shire staff. This work has improved the appearance of the entrance to the town and have been welcomed by the community.

Town Hall Toilets

These public toilets have been renovated in house to reduce costs and to provide greater quality control to this historical building. This work has been completed to a high standard which reflects the overall appearance of the Town Hall without damaging the fabric of the building.



Goal 4 – Natural Environment

Bushfire Risk Management Plan

The BRMP has been adopted by Council and the Office of Bushfire Risk Management (OBRM). This Plan is a strategic document that identifies bushfire risks and priorities treatment to ensure that bushfires are controlled appropriately rather than causing widespread devastation including to the natural environment.

Treatment under this Plan involves the installation of firebreaks, parkland clearing and mosaic controlled burning of leaf litter and undergrowth. This controlled burning is carried out in a way which preserves the flora and fauna through cool burns which do not impact on the tree canopy and stimulates new growth. Fire is an integral part of the native ecosystem. The BRMP incorporates this without risk to assets and without undue damage to the natural environment.



Goal 5 – Innovation, Leadership & Governance

Council Elections

Elections were held in October 2021 with 4 vacancies. 5 candidates stood for election, 3 of which were incumbents. The election of Councillors were completed successfully with no issues and the following Councillors have been elected:

- Karmvir Singh (new)
- Jackie McBurney (returned)
- Peter Wood (returned)
- Bryan Hotham (returned)

These results present a mix of experienced Councillors and new ideas. These Councillors joined the 4 sitting Councillors and will be sworn into office prior to the Council Meeting at 12:30 on 20th October 2021 to serve their 4 year term. There were 179 votes cast in election.

Councilor Resignation

Cr Kasey Camilleri formally resigned from her position as Councillor of the Shire of Pingelly in July 2022 due to work commitments. The Shire of Pingelly thanks Cr Camilleri for her contribution and dedication to her role as Councillor over the past four years. The Shire successfully applied to the Electoral Commission to allow the vacancy to remain unfilled until the next ordinary election to avoid the need and cost of an extraordinary election.

Goal 5 – Innovation, Leadership & Governance

Evacuation Centre – Opened

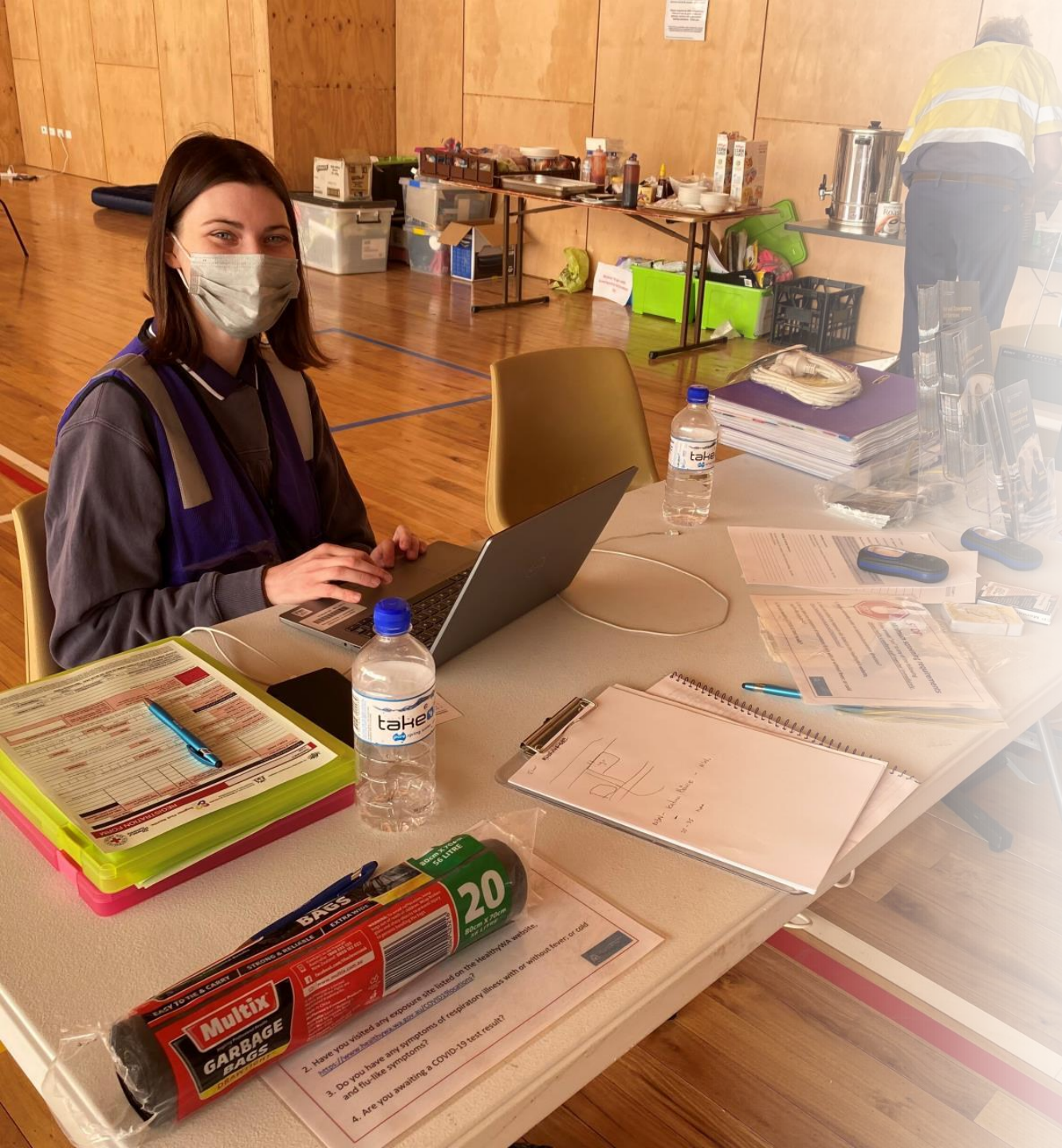
Due to the simultaneous bushfires at Wickepin and Corrigin in February 2022, the Shire of Pingelly was asked to open our Evacuation Centre. This was a challenge due to the power outages which impacted the region and further afield. However, the Shire and PRACC opened the facility and made the necessary arrangements to accommodate several displaced families. The Shire would like to thank all those that assisted with this effort.

The Evacuation Centre was closed Monday afternoon as the Incident Controllers from both fires have notified us that the fire conditions had eased and the facility was longer required.

Recovery Arrangements Reviewed

The Shire along with a consultant reviewed and updated our Recovery Arrangements and conducted training on recovery protocols within the Shire.

Funding has been obtained to review and update the Shire's Emergency Management Arrangements in 2023.





Goal 5 – Innovation, Leadership & Governance

Student Transport Inquiry

The Shire of Pingelly has long been extremely concerned regarding the Department of Transport's Student Transport Policy in relation to student transport as it has significant impacts for the Shire and residents in relation to student outcomes, equity and economic development. As a result, the Shire presented a detailed submission to the Student Transport Inquiry advocating for the students and families in Pingelly. This submission resulted in a verbal presentation to the Public Accounts Committee and recommendations arising from this Committee which reflected the Shire's advocacy position.

The current Student Transport Policy does not make logical sense when applied to Pingelly, considering that under this policy a bus service operates from Pingelly to both Brookton and Narrogin. Simply a larger bus to Narrogin on the existing service and a change of this policy to one which provides for suitable transport for all students to attend the school of their choice is required. There is a social, moral and financial need for change as a result of student outcomes; current inequity; and impact on economic development respectively. This change must include modification of the current Student Transport Policy and an adequate bus service to be provided, which guarantees a seat for all Pingelly students to travel to attend the Brookton District High School or Narrogin Senior High School according to their choice.

Statutory Disclosures

Employee Remuneration

In accordance with section 5.53(2) (g) of the *Local Government Act 1995* and Section 19B of the *Local Government (Administration) Regulations 1996*, the following information is provided with respect to employees annual salary entitlement. Set out below, in bands of \$10,000 is the number of employees of the Shire of Pingelly remuneration with an annual salary of \$100,000 or more.

Salary Range \$	Number of Employees
110,000 - 119,999	1
120,000 - 129,999	
130,000- 139,999	1

Council Meetings

Council continued with a monthly ordinary council meeting schedule, except January. A total of 10 Ordinary Council Meetings (OCM), 3 Special Council Meetings (SCM) and 2 Audit Committee Meetings (ACM) were held. The following table shows the Councillor attendance at these meetings. Cr Freebairn did not contest the election, Cr Camilleri resigned and Cr Singh were elected in October 2021.

	OCM	SCM	ACM
Cr W Mulroney	10	3	2
Cr J McBurney	8	2	1
Cr D Freebairn	3	-	1
Cr P Wood	9	2	2
Cr K Camilleri	9	2	2
Cr B Hotham	10	3	2
Cr A Oliveri	8	2	1
Cr P Narducci	10	3	2
Cr K Singh	5	1	1

Freedom of Information

During the 2021/22 financial year, Council received no requests for information under *Freedom of Information Act 1992*. Council prides itself on being both accountable and accessible to electors and unless containing certain matters, such as personal information etc. is generally able to satisfy all requests for information on any Council related matter outside of the requirements of this Act.

Public Interest Disclosures

As a public authority, the Shire has an obligation to provide information under the Public Interest Disclosure Act 2003. No public interest disclosure requests were received during 2021-22.

Register of Complaints

Section 5.53 (2)(hb) of the *Local Government Act 1995* requires that a local government's Annual Report is to contain details of entries made under Section 5.121 of the Act during the financial year, in the register of complaints. There were no complaints of this nature received and recorded in the Register for the 2021-22 reporting period.

National Competition Policy

In respect to Council's responsibilities in relation to National Competition Policy the Shire of Pingelly reports as follows:

- No business enterprise of the Shire has been classified by the Australian Bureau of statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not applied to any activities undertaken by the Shire in this reporting period.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private entity.

Disability Access & Inclusion Plan

The Disability Access Inclusion Plan 2020-25 is a strategic document for the Shire of Pingelly required by the Government of Western Australia and registered with the Department of Communities. This document is reported on annually to improve quality of life outcomes for people who live with a disability.

The Shire has achieved the following objectives:

- Incorporate the objectives of the DAIP into Council's Corporate Business Plan
- Ensure Shire staff, agents and contractors are aware of the DAIP and the requirements for providing access and inclusion to services and events
- Ensure that information from the Shire website is accessible
- The recently renovated public toilets at the Town Hall have been updated to include the latest disability standards.
- Improve Executive Management's awareness of the importance of the DAIP as an instrument for improving access and inclusion within the Shire

The Shire of Pingelly has taken significant strides forward to make our community more accessible, however much more must be done to provide equal access and opportunity for all.



Recordkeeping Plan

Section 19 of the *State Records Act 2000* requires every government organisation to have a Recordkeeping Plan (RKP) that has been approved by the State Records Commission.

The RKP sets out the matters about which records are to be created by the organisation and how it is to be kept. This document provides an accurate reflection of the RKP program within the Shire of Pingelly. The inclusion of such documentation will constitute evidence of compliance.

Staff members responsible for records management have been trained in the basic retention and disposal methods for Local Government and have attended RKP training at the Office of State Records.

In house training sessions for staff are conducted on an as needs basis, for example, when an aspect of the recordkeeping systems changes, or if responsibilities change.

In accordance with Section 28 of the *State Records Act 2000*, the RKP for the Shire of Pingelly was reviewed and approved by the State Records Commission in 2021 with the next review of the plan to be completed in 2025/26.



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

Certification of Financial Report	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Rate Setting Statement	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	52

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

Pingelly, a sustainable community, where natural beauty and economic diversity provide opportunities for all.

Principal place of business:
17 Queen Street
PINGELLY WA 6308

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

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

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

Signed on the 13th day of December 2022



Chief Executive Officer

Andrew Dover



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

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Revenue				
Rates	24(a),2(a)	2,234,270	2,229,216	2,092,830
Operating grants, subsidies and contributions	2(a)	2,096,725	1,197,984	1,535,199
Fees and charges	23(c),2(a)	401,567	346,754	369,815
Interest earnings	2(a)	31,963	31,391	33,294
Other revenue	2(a)	469,421	77,284	167,846
		5,233,946	3,882,629	4,198,984
Expenses				
Employee costs		(1,784,211)	(1,850,889)	(1,303,159)
Materials and contracts		(1,467,829)	(1,614,137)	(1,118,087)
Utility charges		(172,613)	(164,138)	(160,012)
Depreciation	10(a)	(2,582,058)	(2,608,552)	(2,592,567)
Finance costs	2(b)	(109,307)	(117,916)	(107,033)
Insurance		(193,974)	(191,769)	(167,200)
Other expenditure	2(b)	(91,411)	(108,833)	(94,522)
		(6,401,403)	(6,656,234)	(5,542,580)
		(1,167,457)	(2,773,605)	(1,343,596)
Non-operating grants, subsidies and contributions	2(a)	1,629,175	1,394,658	2,556,752
Profit on asset disposals	10(c)	24,760	25,050	24,162
Loss on asset disposals	10(c)	(2,690)	(5,000)	(13,968)
Fair value adjustments to financial assets at fair value through profit or loss		2,998	0	1,940
		1,654,243	1,414,708	2,568,886
Net result for the period	23(b)	486,786	(1,358,897)	1,225,290
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	3,602,720	0	0
Total other comprehensive income for the period		3,602,720	0	0
Total comprehensive income for the period		4,089,506	(1,358,897)	1,225,290

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



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

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	2,594,332	1,321,736
Trade and other receivables	5	540,433	678,635
Other financial assets	4(a)	871,449	218,782
Inventories	6	19,694	13,378
Other assets	7	4,644	9,662
TOTAL CURRENT ASSETS		4,030,552	2,242,193
NON-CURRENT ASSETS			
Trade and other receivables	5	74,442	76,541
Other financial assets	4(b)	152,022	168,944
Property, plant and equipment	8	23,088,519	19,204,961
Infrastructure	9	66,075,823	67,173,997
Right-of-use assets	11(a)	462,458	430,265
TOTAL NON-CURRENT ASSETS		89,853,264	87,054,708
TOTAL ASSETS		93,883,816	89,296,901
CURRENT LIABILITIES			
Trade and other payables	12	481,113	309,130
Other liabilities	13	934,594	394,718
Lease liabilities	11(b)	107,688	95,007
Borrowings	14	1,226,872	175,091
Employee related provisions	15	335,757	417,295
TOTAL CURRENT LIABILITIES		3,086,024	1,391,241
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	284,306	305,424
Borrowings	14	1,833,427	3,060,299
Employee related provisions	15	60,922	10,306
TOTAL NON-CURRENT LIABILITIES		2,178,655	3,376,029
TOTAL LIABILITIES		5,264,679	4,767,270
NET ASSETS		88,619,137	84,529,631
EQUITY			
Retained surplus		32,552,083	32,716,734
Reserve accounts	27	846,528	195,089
Revaluation surplus	16	55,220,526	51,617,808
TOTAL EQUITY		88,619,137	84,529,631

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

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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		31,523,716	162,817	51,617,808	83,304,341
Comprehensive income for the period					
Net result for the period		1,225,290	0	0	1,225,290
Total comprehensive income for the period		1,225,290	0	0	1,225,290
Transfers from reserves	27	141,005	(141,005)	0	0
Transfers to reserves	27	(173,277)	173,277	0	0
Balance as at 30 June 2021		32,716,734	195,089	51,617,808	84,529,631
Comprehensive income for the period					
Net result for the period		486,786	0	0	486,786
Other comprehensive income for the period	16	0	0	3,602,720	3,602,720
Total comprehensive income for the period		486,786	0	3,602,720	4,089,506
Transfers from reserves	27	197,640	(197,640)	0	0
Transfers to reserves	27	(849,079)	849,079	0	0
Balance as at 30 June 2022		32,552,083	846,528	55,220,526	88,619,137

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

SHIRE OF PINGELLY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		2,197,239	2,234,216	2,088,603
Operating grants, subsidies and contributions		2,325,828	1,123,266	1,182,752
Fees and charges		401,567	346,754	550,260
Interest received		31,963	31,391	33,294
Goods and services tax received		221,625	393,698	417,705
Other revenue		469,421	77,284	167,846
		5,647,643	4,206,609	4,440,460
Payments				
Employee costs		(1,824,319)	(1,852,934)	(1,313,985)
Materials and contracts		(1,301,098)	(1,507,092)	(973,758)
Utility charges		(172,613)	(164,138)	(160,012)
Finance costs		(109,307)	(117,916)	(107,033)
Insurance paid		(193,974)	(191,769)	(167,200)
Goods and services tax paid		(209,391)	(393,698)	(399,353)
Other expenditure		(91,411)	(108,833)	(94,522)
		(3,902,113)	(4,336,380)	(3,215,863)
Net cash provided by (used in) operating activities	17(b)	1,745,530	(129,771)	1,224,597
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost		0	0	(32,272)
Payments for purchase of property, plant & equipment	8(a)	(833,942)	(630,016)	(617,720)
Payments for construction of infrastructure	9(a)	(911,660)	(1,169,138)	(2,485,536)
Non-operating grants, subsidies and contributions		2,118,186	1,394,658	2,556,752
Proceeds from financial assets at amortised cost		(651,439)	(511,105)	0
Proceeds from financial assets at amortised cost - self supporting loans		18,692	18,692	17,538
Proceeds from sale of property, plant & equipment	10(c)	57,327	62,000	170,457
Net cash provided by (used in) investing activities		(202,836)	(834,909)	(390,781)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	26(a)	(175,091)	(175,091)	(169,319)
Payments for principal portion of lease liabilities	26(b)	(95,007)	(144,508)	(47,878)
Net cash provided by (used in) financing activities		(270,098)	(319,599)	(217,197)
Net increase (decrease) in cash held		1,272,596	(1,284,279)	616,619
Cash at beginning of year		1,321,736	1,321,737	705,117
Cash and cash equivalents at the end of the year	17(a)	2,594,332	37,458	1,321,736

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	25(b)	1,319,563	1,319,560	718,733
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	24(b)	217	0	630
Operating grants, subsidies and contributions		2,096,725	1,197,984	1,535,199
Fees and charges		401,567	346,754	369,815
Interest earnings		31,963	31,391	33,294
Other revenue		469,421	77,284	167,846
Profit on asset disposals	10(c)	24,760	25,050	24,162
Fair value adjustments to financial assets at fair value through profit or loss		2,998	0	1,940
		3,027,651	1,678,463	2,132,886
Expenditure from operating activities				
Employee costs		(1,784,211)	(1,850,889)	(1,303,159)
Materials and contracts		(1,467,829)	(1,614,137)	(1,118,087)
Utility charges		(172,613)	(164,138)	(160,012)
Depreciation		(2,582,058)	(2,608,552)	(2,592,567)
Finance costs		(109,307)	(117,916)	(107,033)
Insurance		(193,974)	(191,769)	(167,200)
Other expenditure		(91,411)	(108,833)	(94,522)
Loss on asset disposals	10(c)	(2,690)	(5,000)	(13,968)
		(6,404,093)	(6,661,234)	(5,556,548)
Non-cash amounts excluded from operating activities	25(a)	2,528,168	2,588,502	2,540,270
Amount attributable to operating activities		(848,274)	(2,394,269)	(883,392)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,629,175	1,394,658	2,556,752
Proceeds from disposal of assets	10(c)	57,327	62,000	170,457
Proceeds from financial assets at amortised cost - self supporting loans	26(a)	18,692	18,692	17,538
Purchase of property, plant and equipment	8(a)	(833,942)	(630,016)	(617,720)
Purchase and construction of infrastructure	9(a)	(911,660)	(1,169,138)	(2,485,536)
Amount attributable to investing activities		(40,408)	(323,804)	(358,509)
FINANCING ACTIVITIES				
Repayment of borrowings	26(a)	(175,091)	(175,091)	(169,319)
Payments for principal portion of lease liabilities	26(b)	(95,007)	(144,508)	(47,878)
Transfers to reserves (restricted assets)	27	(849,079)	(540,804)	(173,277)
Transfers from reserves (restricted assets)	27	197,640	29,700	141,005
Amount attributable to financing activities		(921,537)	(830,703)	(249,469)
Surplus/(deficit) before imposition of general rates		(490,656)	(2,229,216)	(772,637)
Total amount raised from general rates	24(a)	2,234,053	2,229,216	2,092,200
Surplus/(deficit) after imposition of general rates	25(b)	1,743,397	0	1,319,563

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

SHIRE OF PINGELLY
FOR THE YEAR ENDED 30 JUNE 2022
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	13
Note 7	Other Assets	14
Note 8	Property, Plant and Equipment	15
Note 9	Infrastructure	17
Note 10	Fixed Assets	19
Note 11	Leases	22
Note 12	Trade and Other Payables	23
Note 13	Other Liabilities	24
Note 14	Borrowings	25
Note 15	Employee Related Provisions	26
Note 16	Revaluation Surplus	27
Note 17	Notes to the Statement of Cash Flows	28
Note 18	Contingent Liabilities	29
Note 19	Related Party Transactions	30
Note 20	Financial Risk Management	32
Note 21	Events Occurring After the End of the Reporting Period	36
Note 22	Other Significant Accounting Policies	37
Note 23	Function and Activity	38
Information required by legislation		
Note 24	Rating Information	41
Note 25	Rate Setting Statement Information	44
Note 26	Borrowing and Lease Liabilities	45
Note 27	Reserve accounts	47

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

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is 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
- estimation of fair values of land and buildings, and infrastructure.
- estimation uncertainties made in relation to lease accounting

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates - general rates	General rates	Over time	Payment dates adopted by council during the year	None	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Grants,subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Grants,subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	No refunds
Fees and charges - pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	After inspection complete based on a 4 year cycle
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Fees and charges - waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Fees and charges - memberships	Pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Output method over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services,library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	When fine notice is issued
Other revenue - commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Other revenue - reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

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

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

2. REVENUE AND EXPENSES (Continued)

Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with customers \$	Capital grant/contributions \$	Statutory Requirements \$	Other \$	Total \$
Rates	0	0	2,234,270	0	2,234,270
Operating grants, subsidies and contributions	2,096,725	0	0	0	2,096,725
Fees and charges	401,567	0	0	0	401,567
Interest earnings	0	0	20,381	11,582	31,963
Other revenue	228,343	0	241,078	0	469,421
Non-operating grants, subsidies and contributions	0	1,629,175	0	0	1,629,175
Total	2,726,635	1,629,175	2,495,729	11,582	6,863,121

For the year ended 30 June 2021

Nature or type	Contracts with customers \$	Capital grant/contributions \$	Statutory Requirements \$	Other \$	Total \$
Rates	0	0	2,092,830	0	2,092,830
Operating grants, subsidies and contributions	1,535,199	0	0	0	1,535,199
Fees and charges	369,815	0	0	0	369,815
Interest earnings	0	0	20,507	12,787	33,294
Other revenue	0	0	167,846	0	167,846
Non-operating grants, subsidies and contributions	0	2,556,752	0	0	2,556,752
Total	1,905,014	2,556,752	2,281,183	12,787	6,755,736

Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings			
Financial assets at amortised cost - self supporting loans	8,254	8,261	9,414
Interest on reserve funds	2,197	1,000	1,183
Rates instalment and penalty interest (refer Note 24(d))	20,381	20,130	21,124
Other interest earnings	1,131	2,000	1,573
	31,963	31,391	33,294
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report	23,500	24,000	23,500
- Other services	5,835	3,300	17,510
	29,335	27,300	41,010
Finance costs			
Borrowings 26(a)	96,838	96,862	102,610
Lease liabilities 26(b)	12,469	21,054	4,424
	109,307	117,916	107,034
Other expenditure			
Sundry expenses	91,411	108,833	94,522
	91,411	108,833	94,522

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

3. CASH AND CASH EQUIVALENTS

Note	2022	2021
	\$	\$
Cash at bank and on hand	2,594,332	1,321,736
Total cash and cash equivalents	2,594,332	1,321,736
Held as		
- Unrestricted cash and cash equivalents	2,594,332	1,321,736
	2,594,332	1,321,736

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

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

Details of restrictions on financial assets can be found at Note 17.

4. OTHER FINANCIAL ASSETS

(a) Current assets

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

Other financial assets at amortised cost

Self supporting loans receivable
 Term deposits

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss - Bank Shares

Held as

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

(b) Non-current assets

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

Financial assets at amortised cost

Self supporting loans receivable

Financial assets at fair value through profit and loss

Units in Local Government House Trust

	2022	2021
	\$	\$
Financial assets at amortised cost	866,449	213,782
Financial assets at fair value through profit and loss	5,000	5,000
	871,449	218,782
Other financial assets at amortised cost		
Self supporting loans receivable	19,920	18,692
Term deposits	846,529	195,090
	866,449	213,782
Financial assets at fair value through profit and loss		
Financial assets at fair value through profit and loss - Bank Shares	5,000	5,000
	5,000	5,000
Held as		
- Unrestricted other financial assets at amortised cost	24,921	23,693
- Restricted other financial assets at amortised cost	846,528	195,089
	871,449	218,782
Financial assets at amortised cost		
Financial assets at fair value through profit and loss	93,669	113,589
	58,353	55,355
	152,022	168,944
Financial assets at amortised cost		
Self supporting loans receivable	93,669	113,589
	93,669	113,589
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	58,353	55,355
	58,353	55,355

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 26(a) as self supporting loans

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 22 (i)) due to the observable market rates.

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

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

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

5. TRADE AND OTHER RECEIVABLES

Current

Rates receivable			
Trade and other receivables			
Receivables for employee related provisions	15		
Allowance for credit losses of trade and other receivables	20(b)		

Note	2022	2021
	\$	\$
	238,145	198,109
	265,022	480,526
	37,266	0
	0	(5,142)
	540,433	673,493
	74,442	76,541
	74,442	76,541

Non-current

Pensioner's rates and ESL deferred			
------------------------------------	--	--	--

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

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

Classification and subsequent measurement

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

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

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

6. INVENTORIES

Current

Fuel and materials			
--------------------	--	--	--

Note	2022	2021
	\$	\$
	19,694	13,378
	19,694	13,378

The following movements in inventories occurred during the year:

Balance at beginning of year

Additions to inventory

Balance at end of year

	13,378	3,704
	6,316	9,674
	19,694	13,378

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

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

7. OTHER ASSETS

Other assets - current

Prepayments
Accrued income

	2022	2021
	\$	\$
	4,644	1,525
	0	8,137
	4,644	9,662

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Note	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		633,000	3,469,283	13,647,412	17,749,695	16,006	1,546,563	19,312,264
Additions		26,275	0	325,422	351,697	25,068	240,955	617,720
Disposals		(26,275)	0	0	(26,275)	(100)	(133,888)	(160,263)
Depreciation	10(a)	0	(59,913)	(331,498)	(391,411)	(3,919)	(169,430)	(564,760)
Transfers		0	4,965	(4,965)	0	0	0	0
Balance at 30 June 2021		633,000	3,414,335	13,636,371	17,683,706	37,055	1,484,200	19,204,961
Comprises:								
Gross balance amount at 30 June 2021		633,000	3,604,281	14,545,368	18,782,649	58,987	2,251,765	21,093,401
Accumulated depreciation at 30 June 2021		0	(189,946)	(908,997)	(1,098,943)	(21,932)	(767,565)	(1,888,440)
Balance at 30 June 2021		633,000	3,414,335	13,636,371	17,683,706	37,055	1,484,200	19,204,961
Additions		0	0	776,585	776,585	9,385	47,972	833,942
Disposals		0	0	(2,690)	(2,690)	0	(32,567)	(35,257)
Revaluation increments / (decrements) transferred to revaluation surplus		(195,000)	(35,881)	3,833,601	3,602,720	0	0	3,602,720
Depreciation	10(a)	0	(13,051)	(333,580)	(346,631)	(12,214)	(159,002)	(517,847)
Transfers		0	(2,613,454)	2,613,454	0	0	0	0
Balance at 30 June 2022		438,000	751,949	20,523,741	21,713,690	34,226	1,340,603	23,088,519
Comprises:								
Gross balance amount at 30 June 2022		438,000	765,000	20,857,321	22,060,321	68,372	2,250,901	24,379,594
Accumulated depreciation at 30 June 2022		0	(13,051)	(333,580)	(346,631)	(34,146)	(910,298)	(1,291,075)
Balance at 30 June 2022		438,000	751,949	20,523,741	21,713,690	34,226	1,340,603	23,088,519

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	July 2021	price per hectare
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuers	July 2021	price per square metre
Buildings - specialised	3	Improvements to land valued using cost approach using current replacement cost	Independent registered valuers	July 2021	Improvements to land using construction costs and current condition, residual values and remaining life assessments inputs
<p>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.</p> <p>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.</p>					
(ii) Cost					
Furniture and equipment		Cost	Cost	June 2016	Purchase cost
Plant and equipment		Cost	Cost	June 2016	Purchase cost

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - roads	Other infrastructure - footpaths	Other infrastructure - kerbs and drains	Other infrastructure - other	Other infrastructure - bridges	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	52,071,538	897,458	5,008,558	4,472,541	4,242,504	66,692,599
Additions	1,416,960	188,766	0	879,810	0	2,485,536
Depreciation	(1,162,572)	(38,180)	(216,942)	(312,429)	(274,015)	(2,004,138)
Balance at 30 June 2021	52,325,926	1,048,044	4,791,616	5,039,922	3,968,489	67,173,997
Comprises:						
Gross balance at 30 June 2021	70,032,419	1,700,475	9,122,848	9,805,576	16,603,588	107,264,906
Accumulated depreciation at 30 June 2021	(17,706,493)	(652,431)	(4,331,232)	(4,765,654)	(12,635,099)	(40,090,909)
Balance at 30 June 2021	52,325,926	1,048,044	4,791,616	5,039,922	3,968,489	67,173,997
Additions	647,536	0	0	190,896	73,228	911,660
Depreciation	(1,187,186)	(42,789)	(216,941)	(328,454)	(234,464)	(2,009,834)
Balance at 30 June 2022	51,786,276	1,005,255	4,574,675	4,902,364	3,807,253	66,075,823
Comprises:						
Gross balance at 30 June 2022	70,679,955	1,700,475	9,122,849	9,996,472	16,676,816	108,176,567
Accumulated depreciation at 30 June 2022	(18,893,679)	(695,220)	(4,548,174)	(5,094,108)	(12,869,563)	(42,100,744)
Balance at 30 June 2022	51,786,276	1,005,255	4,574,675	4,902,364	3,807,253	66,075,823

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - footpaths	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - kerbs and drains	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - other	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure - bridges	3	Cost approach using current replacement cost	Independent Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments inputs

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

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

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

10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	8(a)	13,051	60,000	59,913
Buildings - specialised	8(a)	333,580	335,000	331,498
Furniture and equipment	8(a)	12,214	4,000	3,919
Plant and equipment	8(a)	159,002	170,000	169,430
Infrastructure - roads	9(a)	1,187,186	1,156,552	1,162,572
Other infrastructure - footpaths	9(a)	42,789	40,000	38,180
Other infrastructure - kerbs and drains	9(a)	216,941	220,000	216,942
Other infrastructure - other	9(a)	328,454	301,500	312,429
Other infrastructure - bridges	9(a)	234,464	275,000	274,015
Right-of-use assets - furniture and equipment	11(a)	30,495	20,000	20,269
Right-of-use assets - land and buildings	11(a)	3,475	6,000	1,723
Right-of-use assets - plant and equipment	11(a)	20,407	20,500	1,677
		2,582,058	2,608,552	2,592,567
		2,582,058	2,608,552	2,592,567

Depreciation rates

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

Asset Class	Useful life
Buildings - non-specialised	5 to 60 years
Buildings - specialised	5 to 50 years
Furniture and equipment	1 to 10 years
Plant and equipment	2 to 50 years
Infrastructure - roads	15 to 80 years
Infrastructure - footpaths	20 to 80 years
Other infrastructure - kerbs and drains	8 to 100 years
Other Infrastructure	up to 75 years
Other infrastructure - bridges	10 to 65 Years
Right of use - buildings	Remaining lease
Right of use - plant and equipment	Remaining lease
Right of use - furniture and fittings	Remaining lease

(b) Fully Depreciated Assets in Use

	2022 \$	2021 \$
The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.		
Plant and equipment	61,211	12,085
Other infrastructure - other	37,000	0
Other infrastructure - bridges	2,002,000	2,002,000
	2,100,211	2,014,085

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

10. FIXED ASSETS (Continued)

(c) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	0	0	0	0	26,275	26,275	0	0
Buildings - specialised	2,690	0	0	(2,690)	0	0	0	0	0	0	0	0
Furniture and equipment	0	0	0	0	0	0	0	0	100	0	0	(100)
Plant and equipment	32,567	57,327	24,760	0	41,950	62,000	25,050	(5,000)	133,888	144,182	24,162	(13,868)
	35,257	57,327	24,760	(2,690)	41,950	62,000	25,050	(5,000)	160,263	170,457	24,162	(13,968)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Governance				
PCE020 Holden Trailblazer	24,787	38,738	13,951	0
Transport				
PL7 CAT Skid Steer Loader	7,780	18,589	10,809	0
	32,567	57,327	24,760	0
Other Asset class				
Program				
Dept Archive Sea Container	2,690	0	0	(2,690)
	2,690	0	0	(2,690)
	35,257	57,327	24,760	(2,690)

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

The fair value of land, buildings 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. This process is considered to be in accordance with *Local Government (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 assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. 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.

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

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

Depreciation on revaluation

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

- (i) 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 10(a).

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

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - furniture and	Right-of-use assets - land and buildings	Right-of-use assets - plant and equipment	Right-of-use assets Total
		\$	\$	\$	\$
Balance at 1 July 2020		63,128	0	0	63,128
Additions		66,906	13,900	310,000	390,806
Depreciation		(20,269)	(1,723)	(1,677)	(23,669)
Balance at 30 June 2021		109,765	12,177	308,323	430,265
Additions		0	0	86,570	86,570
Depreciation	10(a)	(30,495)	(3,475)	(20,407)	(54,377)
Balance at 30 June 2022		79,270	8,702	374,486	462,458

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

		2022 Actual	2021 Actual
		\$	\$
Depreciation on right-of-use assets	10(a)	(54,377)	(23,669)
Interest expense on lease liabilities	26(b)	(12,469)	(4,424)
Total amount recognised in the statement of comprehensive income		(66,846)	(28,093)
Total cash outflow from leases		(107,476)	(52,302)
(b) Lease Liabilities			
Current		107,688	95,007
Non-current	26(b)	284,306	305,424
		391,994	400,431

The Shire has six leases, three for furniture and equipment and three for plant and equipment. All leases for furniture and equipment are for five years. Two leases for plant and equipment are five years, and one is for four years. The measurement of lease liabilities does not include any future cash outflows associated with leases not yet commenced to which the Shire is committed.

Secured liabilities and assets pledged as security

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

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 26(b).

Right-of-use assets - valuation measurement

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

Refer to Note 10 under revaluation for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

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

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued payroll liabilities
 ATO liabilities
 Bonds and deposits held
 Accrued Interest long term borrowings
 Accrued expenses

	2022	2021
	\$	\$
	309,376	190,104
	31,549	30,643
	54,117	63,303
	12,234	0
	14,385	13,143
	369	393
	59,083	11,544
	481,113	309,130

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

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

Prepaid rates

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

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

13. OTHER LIABILITIES

Current

Contract liabilities
 Capital grant/contributions 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

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

Reconciliation of changes in capital grant/contribution liabilities

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

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year

	2022	2021
	\$	\$
Contract liabilities	127,359	76,494
Capital grant/contributions liabilities	807,235	318,224
	<u>934,594</u>	<u>394,718</u>
Opening balance	76,494	0
Additions	127,359	76,494
Revenue from contracts with customers included as a contract liability at the start of the period	(76,494)	0
	<u>127,359</u>	<u>76,494</u>
Opening balance	318,224	331,831
Additions	807,235	(13,607)
Revenue from capital grant/contributions held as a liability at the start of the period	(318,224)	0
	<u>807,235</u>	<u>318,224</u>
Less than 1 year	807,235	318,224
	<u>807,235</u>	<u>318,224</u>

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

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

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

14. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		1,226,872	1,833,427	3,060,299	175,091	3,060,299	3,235,390
Total secured borrowings	26(a)	1,226,872	1,833,427	3,060,299	175,091	3,060,299	3,235,390

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 Pingelly.

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

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

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

Risk

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

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

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

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave

Long Service Leave

Personal leave

Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
	140,083	118,892
	170,387	272,660
	25,287	25,743
	335,757	417,295
	60,922	10,306
	60,922	10,306
	396,679	427,601

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

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

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
	335,757	417,295
	60,922	10,306
	396,679	427,601
5	(37,266)	0

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

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

16. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and buildings	4,791,663	3,833,601	(230,881)	3,602,720	8,394,383	4,791,665	4,791,665
Revaluation surplus - Infrastructure - roads	31,459,160	0	0	0	31,459,160	31,459,160	31,459,160
Revaluation surplus - Other infrastructure - kerbs and drains	3,772,178	0	0	0	3,772,178	3,772,178	3,772,178
Revaluation surplus - Other infrastructure - other	7,049,925	0	0	0	7,049,925	7,049,925	7,049,925
Revaluation surplus - Other infrastructure - bridges	4,544,880	0	0	0	4,544,880	4,544,880	4,544,880
	51,617,806	3,833,601	(230,881)	3,602,720	55,220,526	51,617,808	51,617,808

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by clas

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

17. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	2,594,332	37,458	1,321,736

Restrictions

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	3	0	511,104	0
- Financial assets at amortised cost	4	846,528	195,089	195,089
		846,528	706,193	195,089

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

Restricted reserve accounts	27	846,528	706,193	195,089
Total restricted financial assets		846,528	706,193	195,089

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

Net result		486,786	(1,358,897)	1,225,290
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(2,998)	0	(1,940)
Depreciation/amortisation		2,582,058	2,608,552	2,592,567
(Profit)/loss on sale of asset		(22,070)	(20,050)	(10,194)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		140,301	325,000	(402,022)
(Increase)/decrease in other assets		5,018	0	182,272
(Increase)/decrease in inventories		(6,316)	10,000	(9,674)
Increase/(decrease) in trade and other payables		171,983	95,000	172,017
Increase/(decrease) in employee related provisions		(30,922)	0	(29,854)
Increase/(decrease) in other liabilities		539,876	(394,718)	62,887
Non-operating grants, subsidies and contributions		(2,118,186)	(1,394,658)	(2,556,752)
Net cash provided by/(used in) operating activities		1,745,530	(129,771)	1,224,597

**(c) Undrawn Borrowing Facilities
Credit Standby Arrangements**

Bank overdraft limit		500,000		500,000
Credit card limit		20,000		20,000
Credit card balance at balance date		(2,289)		(17)
Total amount of credit unused		517,711		519,983

Loan facilities

Loan facilities - current		1,226,872		175,091
Loan facilities - non-current		1,833,427		3,060,299
Total facilities in use at balance date		3,060,299		3,235,390

Unused loan facilities at balance date

0

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

18 CONTINGENT LIABILITIES

There are no contingent liabilities that require disclosure at the end of the reporting period.

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

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Councillor 1 W Mulroney			
President's annual allowance	1,200	1,200	1,200
Meeting attendance fees	10,000	10,000	10,000
Annual allowance for travel and accommodation expenses	0	100	0
	11,200	11,300	11,200
Councillor 2 J McBurney			
Deputy President's annual allowance	300	300	300
Meeting attendance fees	4,400	4,400	4,400
	4,700	4,700	4,700
Councillor 3 D Freebairn			
Meeting attendance fees	1,333	4,000	4,000
	1,333	4,000	4,000
Councillor 4 B Hotham			
Meeting attendance fees	4,000	4,000	4,000
	4,000	4,000	4,000
Councillor 5 P Wood			
Meeting attendance fees	4,000	4,000	4,000
	4,000	4,000	4,000
Councillor 6 K Camilleri			
Meeting attendance fees	3,667	4,000	4,000
	3,667	4,000	4,000
Councillor 7 A Oliveri			
Meeting attendance fees	4,000	4,000	4,000
	4,000	4,000	4,000
Councillor 8 P Narducci			
Meeting attendance fees	4,000	4,000	4,000
	4,000	4,000	4,000
Councillor 9 K Singh			
Meeting attendance fees	2,667	0	0
	2,667	0	0
	39,567	40,000	39,900

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

	2022 Actual \$	2022 Budget \$	2021 Actual \$
President's annual allowance	1,200	1,200	1,200
Deputy President's annual allowance	300	300	300
Meeting attendance fees	38,067	38,400	38,400
19(b)	39,567	40,000	39,900

(b) Key Management Personnel (KMP) Compensation

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

	2022 Actual \$	2021 Actual \$
Short-term employee benefits	444,428	469,231
Post-employment benefits	52,234	58,938
Employee - other long-term benefits	39,047	53,601
Employee - termination benefits	24,622	0
Council member costs	39,567	39,900
19(a)	599,898	621,670

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.

Termination benefits

These amounts represent termination benefits paid to KMP.

Council member costs

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

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

19. RELATED PARTY TRANSACTIONS

(c) Transactions with related parties

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

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

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

	2022 Actual	2021 Actual
	\$	\$
Sale of goods and services	0	14,032
Purchase of goods and services	8,954	1,398
Short term employee benefits - other related parties	0	18,618
Amounts outstanding from related parties:		
Trade and other receivables	4,183	28,009
Loans to associated entities	0	132,281

(d) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

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

20. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.15%	2,594,332	0	2,594,332	0
Financial assets at amortised cost - term deposits	0.16%	846,529	846,529	0	0
2021					
Cash and cash equivalents	0.12%	1,321,736	0	437,814	883,922
Financial assets at amortised cost - term deposits	0.61%	195,090	195,090	0	0

Sensitivity

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

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	25,943	4,378

* Holding all other variables constant

Borrowings

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

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

20. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	96,060	46,245	31,100	139,182	312,587	
Loss allowance	0	0	0	0	0	5
30 June 2021						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	85,645	46,475	28,904	113,626	274,650	
Loss allowance	0	0	0	0	0	5

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

	Less than 1 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	239,786	585	1,500	23,151	265,022	
Loss allowance	0	0	0	0	0	5
30 June 2021						
Trade and other receivables						
Expected credit loss	1.07%	1.07%	1.07%	1.07%		
Gross carrying amount	437,001	36,363	59	7,104	480,527	
Loss allowance	(4,676)	(389)	(1)	(76)	(5,142)	5

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

20. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Rates receivable		Trade and other receivables	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual
	\$	\$	\$	\$
Opening loss allowance as at 1 July	0	0	5,142	0
Unused amount reversed	0	0	(5,142)	5,142
Closing loss allowance at 30 June	0	0	0	5,142

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

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

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

20. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 17(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2022</u>					
Trade and other payables	481,113	0	0	481,113	481,113
Borrowings	1,226,872	714,852	1,118,575	3,655,947	3,060,299
Lease liabilities	107,687	284,306	0	429,895	391,994
	<u>1,815,672</u>	<u>999,158</u>	<u>1,118,575</u>	<u>4,566,955</u>	<u>3,933,406</u>
<u>2021</u>					
Trade and other payables	309,131	0	0	309,131	309,130
Borrowings	271,953	2,012,383	1,915,518	4,199,854	3,235,390
Lease liabilities	52,301	379,669	53,336	485,306	400,431
	<u>633,385</u>	<u>2,392,052</u>	<u>1,968,854</u>	<u>4,994,291</u>	<u>3,944,951</u>

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

21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no events after the end of the reporting period that required disclosure in the financial report.

22. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

k) Initial application of accounting standards

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

New accounting standards for application in future years

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

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

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

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

23. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective

Description

Governance

To provide a decision making process for the efficient allocation of scarce resources.

Includes the activities of members of Council and the administration support available to Council for the provision of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific local government services.

General purpose funding

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

Law, order, public safety

To provide services to help ensure a safer and environmentally conscious community.

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

Health

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, meat inspection services, noise control, waste disposal compliance and provision of Doctor services.

Education and welfare

To provide services to disadvantaged persons, the elderly, children and youth.

Maintenance of a day care centre and assistance to the provision of aged care accommodation.

Community amenities

To provide services required by the community.

Rubbish and recyclables collection services, operation of rubbish disposal site, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

Recreation and culture

To establish and effectively manage infrastructure and resources which will help the social well being of the community.

Maintenance of the Town Hall, Pingelly Recreation and Cultural Centre, recreation ground, swimming pool complex and reserves. Provision and maintenance of parks, gardens and playgrounds. Operations of library together with support for cultural events.

Transport

To provide safe, effective and efficient transport infrastructure to the community.

Construction and maintenance of streets, roads, bridges, footpaths and depots. Cleaning of streets and providing street lights.

Economic services

To help promote the local government and it's economic well being.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building control.

Other property and services

To monitor and control operating accounts.

Private works operations, plant repairs and operations costs.

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

23. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	119,335	58,025	68,660
General purpose funding	2,282,271	2,276,282	2,151,129
Law, order, public safety	238,364	6,525	7,560
Health	2,423	1,900	992
Education and welfare	14,676	17,270	22,872
Community amenities	212,823	211,250	207,969
Recreation and culture	80,423	26,116	59,740
Transport	10,809	27,050	24,161
Economic services	57,254	45,050	43,389
Other property and services	146,601	40,227	103,415
	3,164,979	2,709,695	2,689,887
Grants, subsidies and contributions			
Governance	0	0	25
General purpose funding	1,802,880	613,745	1,278,537
Law, order, public safety	91,165	312,564	69,579
Education and welfare	0	1,000	1,000
Recreation and culture	918,496	470,496	841,003
Transport	894,359	1,194,837	1,896,707
Economic services	19,000	0	5,100
	3,725,900	2,592,642	4,091,951
Total Income	6,890,879	5,302,337	6,781,838
Expenses			
Governance	(443,219)	(425,457)	(506,955)
General purpose funding	(197,522)	(207,821)	(160,139)
Law, order, public safety	(484,666)	(497,159)	(230,095)
Health	(170,240)	(176,477)	(140,383)
Education and welfare	(102,878)	(113,328)	(68,026)
Community amenities	(356,483)	(398,447)	(371,738)
Recreation and culture	(1,405,558)	(1,509,842)	(1,432,631)
Transport	(2,805,134)	(2,902,952)	(2,310,563)
Economic services	(397,576)	(410,577)	(256,025)
Other property and services	(40,817)	(19,174)	(79,993)
Total expenses	(6,404,093)	(6,661,234)	(5,556,548)
Net result for the period	486,786	(1,358,897)	1,225,290

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

23. FUNCTION AND ACTIVITY (Continued)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
(c) Fees and Charges			
Governance	46,763	35,600	35,700
General purpose funding	4,460	9,000	9,540
Law, order, public safety	10,022	6,525	7,560
Health	2,423	1,900	1,991
Education and welfare	651	2,000	2,273
Community amenities	212,054	211,250	207,969
Recreation and culture	20,913	15,202	19,752
Economic services	57,254	45,050	43,389
Other property and services	47,027	20,227	41,641
	401,567	346,754	369,815
(d) Total Assets			
Governance	2,962,120	2,387,544	
General purpose funding	314,452	274,650	
Law, order, public safety	351,310	284,050	
Health	18,130	23,000	
Education and welfare	2,053,246	1,604,783	
Housing	0	23,962	
Community amenities	1,102,953	1,283,935	
Recreation and culture	18,686,735	16,302,383	
Transport	63,875,644	64,241,840	
Economic services	970,381	892,799	
Other property and services	7,365	70,903	
Unallocated	3,541,480	1,907,052	
	93,883,816	89,296,901	

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

24. RATING INFORMATION

(a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Differential general rate/ general rate								0				0	
Residential	Gross rental valuation	0.12895	317	3,608,332	465,294	2,214	412	467,920	465,294	0	0	465,294	437,491
Rural Residential	Gross rental valuation	0.12895	65	808,184	104,215	0	0	104,215	104,215	0	0	104,215	100,282
Commercial/Industrial	Gross rental valuation	0.12895	28	396,080	51,075	0	0	51,075	51,075	0	0	51,075	49,194
Townsites	Gross rental valuation	0.12895	12	144,560	18,641	0	0	18,641	18,641	0	0	18,641	17,548
Broadacre Rural	Unimproved valuation	0.00947	221	149,640,000	1,417,600	2,136	76	1,419,812	1,417,091	0	0	1,417,091	1,340,715
Sub-Total			643	154,597,156	2,056,825	4,350	488	2,061,663	2,056,316	0	0	2,056,316	1,945,230
Minimum payment													
		\$											
Residential	Gross rental valuation	950	62	85,646	58,900	0	0	58,900	58,900	0	0	58,900	55,800
Rural Residential	Gross rental valuation	950	23	55,170	21,850	0	0	21,850	21,850	0	0	21,850	21,600
Commercial/Industrial	Gross rental valuation	950	14	58,080	13,300	0	0	13,300	13,300	0	0	13,300	9,900
Townsites	Gross rental valuation	950	8	17,185	7,600	0	0	7,600	7,600	0	0	7,600	7,200
Broadacre Rural	Unimproved valuation	950	75	5,167,140	71,250	0	0	71,250	71,250	0	0	71,250	53,100
Sub-Total			182	5,383,221	172,900	0	0	172,900	172,900	0	0	172,900	147,600
Exempt properties													
Gross rental valuations													
Residential	Gross rental valuation		11	235,788	0	0	0	0	0	0	0	0	0
Rural Residential	Gross rental valuation		3	42,310	0	0	0	0	0	0	0	0	0
Commercial/Industrial	Gross rental valuation		4	12,750	0	0	0	0	0	0	0	0	0
Sub-Total			18	290,848	0	0	0	0	0	0	0	0	0
			843	160,271,225	2,229,725	4,350	488	2,234,563	2,229,216	0	0	2,229,216	2,092,830
Concessions on general rates (Refer note 24(c))								(510)				0	(630)
Total amount raised from general rates								2,234,053				2,229,216	2,092,200
(b) Rates (excluding general rates)													
* Rateable value is based on the value of properties at the time the rate is raised.													
Ex-gratia Rates													
Ex Gratia Rates			0	0	217	0	0	217	0	0	0	0	217
Sub-Total			0	0	217	0	0	217	0	0	0	0	217
Total amount raised from rates (excluding general rates)								217				0	217
(c) Total Rates								2,234,270				2,229,216	2,092,417

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

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

24. RATING INFORMATION (Continued)

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/Concession	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$
Rates Assessment	Rate	Concession	0.00%	0	510	0	497
Rates Assessment	Rate	Waiver	0.00%	0	0	200	133
					510	200	630
Total discounts/concessions (Note 24)					510	200	630

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Rates Assessment	A101 upon application	Assist Rural Property Owner	Minumum rate assessments on Shire Boundaries 5.12
Rates Assessment	Review of various rate debtors	Write off small balances	Write off small bad debts under 1.13 Register of Delegation

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

24. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	15/09/2021	0		
Option Two				
First instalment	15/09/2021			
Second instalment	24/01/2022	10	5.50%	7.00%
Option Three				
First instalment	15/09/2021	10	5.50%	7.00%
Second instalment	19/11/2021	10	5.50%	7.00%
Third instalment	24/01/2022	10	5.50%	7.00%
Fourth instalment	4/04/2022	10	5.50%	7.00%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	11,989	12,380	12,712
Interest on instalment plan	8,392	7,750	7,795
Charges on instalment plan	4,460	4,500	4,470
ESL Penalty Interest	587	800	617
	25,428	25,430	25,594

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

25. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(30 June 2021 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(c) (24,760)	(25,050)	(24,162)
Less: Fair value adjustments to financial assets at fair value through profit and loss	(2,998)	0	(1,940)
Add: Loss on disposal of assets	10(c) 2,690	5,000	13,968
Add: Depreciation	10(a) 2,582,058	2,608,552	2,592,567
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	2,099	0	(10,309)
Employee benefit provisions	(30,921)	0	(29,854)
Non-cash amounts excluded from operating activities	2,528,168	2,588,502	2,540,270
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	27 (846,528)	(706,193)	(195,089)
Less: Financial assets at amortised cost - self supporting loans	4(a) (19,920)	0	(18,692)
Less: Investments current	(5,000)	(5,000)	(5,000)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14 1,226,872	0	175,091
- Current portion of lease liabilities	11(b) 107,688	280,499	95,007
- Employee benefit provisions	335,757	417,350	417,294
Total adjustments to net current assets	798,869	(13,344)	468,611
Net current assets used in the Rate Setting Statement			
Total current assets	4,030,552	1,115,328	2,242,193
Less: Total current liabilities	(3,086,024)	(1,101,984)	(1,391,241)
Less: Total adjustments to net current assets	798,869	(13,344)	468,611
Net current assets used in the Rate Setting Statement	1,743,397	0	1,319,563

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

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget					
		New Loans		Principal	Principal at 30 June 2021	Principal		Principal at 1 July 2021	New Loans	Principal	Principal at 30 June 2022		
		Principal at 1 July 2020	During 2020-21	Repayments During 2020-21		During 2021-22	Repayments During 2021-22						
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$				
Recreation and Cultural Centre		2,054,890	0	(100,699)	1,954,191	0	(104,983)	1,849,208		1,954,191	0	(104,983)	1,849,208
Recreation and Cultural Centre		1,200,000	0	(51,082)	1,148,918	0	(51,416)	1,097,502		1,148,918	0	(51,416)	1,097,502
Total		3,254,890	0	(151,781)	3,103,109	0	(156,399)	2,946,710		3,103,109	0	(156,399)	2,946,710
Self Supporting Loans													
SSL Pingelly Cottage Homes		149,819	0	(17,538)	132,281	0	(18,692)	113,589		132,281	0	(18,692)	113,589
Total Self Supporting Loans		149,819	0	(17,538)	132,281	0	(18,692)	113,589		132,281	0	(18,692)	113,589
Total Borrowings	14	3,404,709	0	(169,319)	3,235,390	0	(175,091)	3,060,299		3,235,390	0	(175,091)	3,060,299

* WA Treasury Corporation

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 Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
						\$	\$	\$
Recreation and Cultural Centre		Recreation and culture	123	WATC	4.20%	(81,166)	(81,178)	(85,450)
Recreation and Cultural Centre		Recreation and culture	124	WATC	0.70%	(7,418)	(7,423)	(7,752)
Total						(88,584)	(88,601)	(93,202)
Self Supporting Loans Interest Repayments								
SSL Pingelly Cottage Homes		Education and welfare	120	WATC	6.47%	(8,254)	(8,261)	(9,408)
Total Self Supporting Loans Interest Repayments						(8,254)	(8,261)	(9,408)
Total Interest Repayments	2(b)					(96,838)	(96,862)	(102,610)

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

26. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal at 1 July 2020	New Leases During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
Photocopier Lease		\$ 57,503	\$ 0	\$ (20,366)	\$ 37,137	\$ 0	\$ (20,985)	\$ 16,152	\$ 37,136	\$ 0	\$ (20,983)	\$ 16,153
Computer Server		0	45,749	(4,595)	41,154	0	(8,355)	32,799	41,154	0	(8,355)	32,799
Solar System - Admin		0	13,900	(1,743)	12,157	0	(3,243)	8,914	12,157	0	(3,244)	8,913
CCTV Server		0	21,157	(1,215)	19,942	0	(3,740)	16,202	19,942	0	(3,741)	16,201
Motor Grader		0	310,000	(19,959)	290,041	0	(58,684)	231,357	290,041	0	(58,685)	231,356
Skid Steer Loader		0	0	0	0	86,570	0	86,570	0	100,000	(15,000)	85,000
Tip Truck		0	0	0	0	0	0	0	0	230,000	(34,500)	195,500
Total Lease Liabilities	11(b)	57,503	390,806	(47,878)	400,431	86,570	(95,007)	391,994	400,430	330,000	(144,508)	585,922

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021	Lease Term
						\$	\$	\$	
Photocopier Lease		Governance	1	Classic Funding Group	3.00%	(824)	(825)	(1,617)	5 years
Computer Server		Governance	2	Vestone Capital	5.40%	(1,933)	(1,933)	(548)	5 years
Solar System - Admin		Governance	3	Vestone Capital	5.40%	(592)	(593)	(154)	4 years
CCTV Server		Governance	4	Vestone Capital	6.00%	(1,119)	(1,119)	0	5 years
Motor Grader		Other property and services	5	Komatsu Finance	3.10%	(8,001)	(8,136)	(2,104)	5 years
Skid Steer Loader		Other property and services	6	Vestone Capital	7.07%	0	(2,560)	0	5 years
Tip Truck		Other property and services	7			0	(5,888)	0	5 years
Total Interest Repayments	2(b)					(12,469)	(21,054)	(4,424)	

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

27. RESERVE ACCOUNTS

	2022 Actual Opening Balance \$	2022 Actual Transfer to \$	2022 Actual Transfer (from) \$	2022 Actual Closing Balance \$	2022 Budget Opening Balance \$	2022 Budget Transfer to \$	2022 Budget Transfer (from) \$	2022 Budget Closing Balance \$	2021 Actual Opening Balance \$	2021 Actual Transfer to \$	2021 Actual Transfer (from) \$	2021 Actual Closing Balance \$
Restricted by council												
(a) Reserve cash backed - Leave reserve	36,295	170,100	(10,000)	196,395	36,295	186	(10,000)	26,481	36,062	233	0	36,295
(b) Reserves cash backed -Plant reserve	33,295	51,830	0	85,125	33,295	13,171	0	46,466	48,977	119,318	(135,000)	33,295
(c) Reserve cash backed - Building reserve	23,962	520,970	(170,000)	374,932	23,962	421,027	0	444,989	23,808	154	0	23,962
(d) Reserve cash backed - Electronic equipment reserve	32,344	40,089	(17,640)	54,793	32,344	40,166	(19,700)	52,810	3,242	35,107	(6,005)	32,344
(e) Reserve cash backed - Community bus reserve	23,914	20,065	0	43,979	23,914	20,123	0	44,037	11,807	12,107	0	23,914
(f) Reserve cash backed - Swimming Pool reserve	27,995	5,077	0	33,072	27,995	5,143	0	33,138	22,835	5,160	0	27,995
(g) Reserve cash backed - Refuse Site Rehabilitation reserve	16,190	45	0	16,235	16,190	83	0	16,273	16,086	104	0	16,190
(h) Reserve cash backed - Tutanning Nature reserve	1,094	903	0	1,997	1,094	905	0	1,999	0	1,094	0	1,094
(i) Reserve cash backed - Wheatbelt Freight Network	0	40,000	0	40,000	0	40,000	0	40,000	0	0	0	0
	195,089	849,079	(197,640)	846,528	195,089	540,804	(29,700)	706,193	162,817	173,277	(141,005)	195,089

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Reserve cash backed - Leave reserve	Ongoing	to fund annual and long service leave requirements.
(b) Reserves cash backed -Plant reserve	Ongoing	for the purchase of major plant.
(c) Reserve cash backed - Building reserve	Ongoing	to fund the renovation/purchase of Shire of Pingelly buildings and Recreation Infrastructure.
(d) Reserve cash backed - Electronic equipment reserve	Ongoing	to fund the purchase of information technology hardware and software equipment.
(e) Reserve cash backed - Community bus reserve	Ongoing	to fund the change-over of the community bus.
(f) Reserve cash backed - Swimming Pool reserve	Ongoing	to fund the upgrading of the swimming pool complex
(g) Reserve cash backed - Refuse Site Rehabilitation reserve	Ongoing	to facilitate the rehabilitation/closure of the town refuse site.
(h) Reserve cash backed - Tutanning Nature reserve	Ongoing	for the operations, improvements and promotion of the Tutanning Nature Reserve
(i) Reserve cash backed - Wheatbelt Freight Network	Ongoing	to be used for the future construction of the Wheatbelt Freight Network road.



Shire of Pingelly Annual Report 2021-22

