Shire of Narrogin
Love the life

Annual Report
2022/2023

SHIRE OF NARROGIN
A leading regional economic driver and a socially interactive and inclusive community.

Acknowledgement of Noongar People

The Shire of Narrogin acknowledges the Noongar people as traditional custodians of this land and their continuing connection to land and community. We pay our respect to them, to their culture and to their Elders past and present.

Ngulla Wiilmen moort Noongars

(We are the Wiilmen Noongar people)

Wanjoo nidja

(Welcome to Gnarojin, place of water)

nguny unna moort nidja koora moort nidja boordja nidja borong kabarli moort.

(and pay respect to the Elders of this land, past and present.)

Electronic copies of documents are available for download from the Shire of Narrogin website www.narrogin.wa.gov.au.

Alternative formats are also available upon request, including large print, electronic format (disk or emailed), audio or Braille.

Cover Photo Shire of Narrogin's recently renovated Railway Station which is now the home of the Narrogin & Dryandra Visitor Centre.

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About the Shire of Narrogin

The progressive and thriving rural community of Narrogin is located in the Wheatbelt South region of Western Australia, 192 km (2 hours) south east of Perth. The greater township of Narrogin is set in the Narrogin Valley on the traditional land of the Noongar people of the Gnaala Karla Booja region. Sixteen kilometres to Narrogin's south is the historical township of Highbury providing a community hub to the local residents.

Narrogin is very accessible through its high standard of transport infrastructure including rail, sealed highway access and a two-strip airport with both strips sealed. Residents are serviced with excellent public utilities access; an abundant quality water supply; reliable power; a telecommunications connection to the optical cable network and connected to the NBN.

Narrogin offers extensive community services provided through the highly regarded Narrogin Regional Hospital and pro-active aged care services. The sporting fraternity is well catered for by the Shire's fully equipped recreation complex, the Narrogin Regional Leisure Centre (NRLC), with heated indoor pool, well maintained sports grounds, numerous sports clubs, an active Library and Heritage Museum. The Narrogin arts community is strongly represented through Arts Narrogin and the NEXIS Committee's facilitation of events, classes and community interaction.

Education is well provided for through the three Independent primary schools, a senior high school and agricultural college, a residential college and TAFE college.

In addition to all the facilities and services that are provided by the Shire of Narrogin there is also child care, kindergartens, various professional and medical services, all major banks, farm advisors, accountancy and legal firms, bakeries, butchers, fast food outlets, venues for hire, supermarkets, many specialty shops, cafes, hotels and restaurants and many service organisations, sporting groups, and personal interest and hobby groups.

Commerce & Industry

Local industry is based on agricultural services, education, health and aged care services, building and brickmaking, concrete, light engineering, car and machinery dealerships, cabinet-making and a host of professional services including all the major banks, financial and legal services and many more commercial entities.

Narrogin boasts an active Chamber of Commerce membership that assist local businesses.

Local Attractions (and events)

The Shire of Narrogin welcomes all tourists and visitors and new residents to the region. The Shire has many interesting attractions and offers a wide variety of activities and scenic destinations.

The Narrogin & Dryandra Visitor Centre is a regional hub, partly staffed by volunteers. The Centre offers information and advice on places to visit or stay in the region. Such places include the Highbury Townsite, Gnarojin Park, Railway Dam, Dryandra Woodlands National Park, Barna Mia, Foxes Lair, Lions Lookout, Yilliminning Rock, Nomans Lake, Heritage Walk, Old Courthouse Museum, and the Skate Park. The Visitor

Centre has only recently (November 2022) transitioned to being under the direct management of the Shire at the historic and lovingly restored Narrogin Railway Station.

Arts Narrogin is a volunteer, not for profit organisation which supports and facilitates innovative artistic and creative endeavours and promotes various art forms and culture in the Region.

The Narrogin Regional Leisure Centre is a successful recreational and sports facility offering a 25 metre indoor heated swimming pool for all year round enjoyment. Recently (October 2023) transitioned back to Shire management, the facility offers, fitness & swimming classes, a fully equipped gym and squash centre with adjoining basketball and netball courts. The facility also boasts a wet synthetic Olympic-grade hockey turf which, has, in the past, hosted international hockey matches. The other significant annual events important to the region include the Narrogin Agricultural Show, and the Revheads Weekends.

Message

From the Shire President

As we reflect upon the events and achievements of the past year, I am filled with immense gratitude for the dedication, hard work, and collaborative spirit that defines the Shire of Narrogin. It is with great pleasure and pride that I extend my heartfelt thanks to each and every one of you for your unwavering commitment to our community.

Our volunteers, the lifeblood of our Shire, have once again proven that their selfless contributions make Narrogin a truly special place. Your tireless efforts in community events, emergency response, and various initiatives have not only enriched the lives of our residents but have also showcased the strength of our community bonds.

I would like to express my deepest appreciation to our Chief Executive Officer, the Executive Team, and all employees for their exceptional professionalism, innovation, and resilience. In a year filled with challenges, your collective efforts have been instrumental in steering the Shire of Narrogin towards progress and success. Your commitment to service and your ability to adapt to changing circumstances have been nothing short of remarkable.

To my fellow Elected Members, including former Councillors Brian Seale, Jacqui Early and Tamara Alexander who left us at the October 2023 election, thank you all for your dedication to public service and your unwavering commitment to representing the interests of our community. Your diverse perspectives and collaborative approach have played a pivotal role in shaping policies that benefit our residents and contribute to the overall prosperity of Narrogin.

With the presentation of the Annual Report for 2022/23, let it stand as a testament to the unity, resilience, and strength of the Shire of Narrogin. It is through the collective efforts of volunteers, employees, and elected officials that we continue to build a vibrant, inclusive, and thriving community.

I look forward to another year of working together, achieving new milestones, and making Narrogin an even better place for all.

Narrogin, Love the Life!

Leigh Ballard
Shire President

Report

From the Chief Executive Officer

As we come together to reflect on the achievements and milestones of the past year, I am filled with gratitude and a deep sense of pride for the Shire of Narrogin community. It is with immense pleasure that I extend my heartfelt thanks to all employees, Elected Members, and their families for their unwavering commitment to our shared vision.

I would like to express my sincere appreciation to the Shire President and Deputy Shire President for their steadfast support and dedication. Your leadership has been instrumental in guiding our community towards progress and success. To all Elected Members and their families, your sacrifice and commitment to public service do not go unnoticed, and I extend my gratitude for your tireless efforts.

I am pleased to highlight some key achievements from the past year:

- Completions of the Shire's Town Planning Scheme (TPS) 3.
- Assisted in the Naturalisation of 14 New Australians.
- Sponsorship of Narrogin Agricultural Show, Revheads Weekends, ANZAC, and Remembrance Day.
- Continuation of the Aboriginal Youth Traineeship Program.
- Sealing of McKenzie Road.
- Sealing of 2km of Narrogin Valley Road.
- Sealing of the North-South gravel runway at Narrogin Airport.
- Upgrade to ablutions and camp kitchen at Narrogin Caravan Park.
- Construction of footpaths on Burns and Doney Street.
- Relocation of the Dryandra Country Visitor Centre to the Narrogin Railway Station to become the Narrogin & Dryandra Visitor Centre.
- Completion of the restoration of the Narrogin Railway Station.

These accomplishments stand as a testament to the dedication, collaboration, and hard work of everyone involved in the Shire of Narrogin. Together, we have built a community that is vibrant, inclusive, and thriving.

As we look forward to the coming year, I am excited about the possibilities and the continued progress we can achieve together. Your commitment to Narrogin is the driving force behind our success, and I am confident that the future holds even greater accomplishments.

Dale Stewart
Chief Executive Officer

Elected Members

The Shire of Narrogin is a corporate body consisting of nine (9) elected members including a publicly elected Shire President. The Elected Members shown below, reflects service from July 2022 to 30 June 2023 for all Elected Members bar Councillor Bartron who was elected in October 2023. In October 2023, the Council was reduced to seven (7) Elected Members by a decision of the Minister for Local Government as part of the Governments Reform Agenda.

Pictured above is the current Council withs the Executive Staff: Back Row L – R: Azhar Awang (Executive Manager Development & Regulatory Services), Torre Evans (Executive Manager Technical & Rural Services), Cr Clive Bartron, Cr Murray Fisher, Cr Josh Pomykala, Mark Furr (Executive Manager Corporate & Community Services)

Seated L -R: Cr Roxanne McNab, Cr Graham Broad (Deputy Shire President), Mr Leigh Ballard (Shire President), Dale Stewart (Chief Executive Officer)

Cr Brian Seale
(Term Expired 20 October 2023)

Cr Tamara Alexander
(Term Expired 20 October 2023)

Cr Jacqui Early
(Term Expired 20 October 2023)

Narrogin & Dryandra Visitor Centre at the Narrogin Railway Station

Community Strategic Plan / Corporate Business Plan Overview

This report is based on the Community Strategic Plan that was adopted in 2017 and reviewed in 2019 and the accompanying Corporate Business Plan that was updated in 2022.

Section 5.53 (e) of the Local Government Act 1995 states that in relation to the Annual Report "an overview of the Plan for the Future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or continue in the next financial year."

1. ECONOMIC OBJECTIVE

Support growth and progress, locally and regionally.

Key Performance Measures:

- Population statistics
- No. of development approvals
- Assessed vacancy rates (business and residential)
- No. of building approvals

Outcome 1.1 Growth in revenue opportunities

Whilst seeking grants and advocacy from government and non-government, grants continue to be a key focus of the Administration, this has been challenging at times as the opportunities for funding have been sparse in an environment that sees significant fiscal pressures during 2022/23 in both the National and State economies.

To balance this, the Shire continues to work with adjoining local governments to provide regional support and technical services on an as required or contracted basis. The Shire now works regularly with nine (9)

different local governments providing contracted services and /or resource sharing from time to time in the following areas: Town Planning, Building, Ranger, and Environmental Health Services.

In 2022/23 there has been a continued focus on new start-up businesses in the Shire and these have been appropriately recognised by the Shire President and Chamber of Commerce by acknowledging their commencement within the townsite and CBD; this is a positive and supportive measure that fosters and promotes business confidence.

1.1.1 Attract new industry, business, investment and encourage diversity whilst encouraging growth of local business

Buy Local

The Shire of Narrogin and Council encourages and supports purchasing and procurement from local businesses, where possible. Council's "Buy Local" policy has regard for the creation of local employment opportunities, economic growth within the local area, and the positive impacts of the procurement on local business.

Buy Local Purchasing Policy

The Shire of Narrogin is committed to buying local wherever practical and has adopted a Buy Local policy, entitled, '3.2 Purchasing – Regional Price Preference'. The Council Policy Manual is available in our Document Centre https://www.narrogin.wa.gov.au/documents/532/council-policy-manual.

The policy is applied pursuant to State Laws (the Local Government (Functions and General) Regulations 1996) that allows the Shire of Narrogin to positively discriminate (give preference) to local suppliers, subject to certain constraints.

The price preference will apply to suppliers who are based in and operate from the preference region i.e. Shires of Narrogin, Cuballing, Wickepin, Williams and Wagin in relation to all purchasing by the Shire of Narrogin for the supply of goods and services and construction (building) services, unless specifically stated otherwise, providing they are competitive in regard to specification, service, delivery and price.

The following levels of preference are applied to the whole of the contract for all purchasing under this provision:

- 10% for Goods or services (maximum reduction of $30,000); and
- 5% for Construction Services (including building and roadworks etc) - (maximum reduction of $50,000).

Narrogin & Districts Business Directory

Businesses are encouraged to provide their details on the Narrogin Chamber of Commerce business directory so that employees of the Shire, as well as other business and residents, are aware of their products and services when opportunities arise.

Local Purchasing

The following summarises the Shire's local purchasing undertaken during the financial year. Unfortunately, much of our annual purchases, including specialised contractors such as hot bitumen works, electricity and gas, cannot be sourced locally.

Payment Totals 2022/2023	
Local Suppliers $	2,767,977
Payroll $	3,825,025
Total Local $	**6,593,002**

Average % 2022/2023	
Local Suppliers %	21.93
Payroll %	30.62
Total Local %	**52.55**

1.1.2 Promote Narrogin and the Region

In November 2022 the Dryandra Country Visitor Centre (DCVC) transitioned to being under direct management of the Shire and it relocated to the newly refurbished Narrogin Railway Station. The Visitor's Centre was subsequently renamed the Narrogin and Dryandra Visitors Centre (NDVC).

Supported by the Community and Economic Development team, the NDVC has retained its vibrancy and appeal at the Railway station and hosts other attractions that would appeal to visitors passing through Narrogin including, Heritage rooms and an impressive historical Diorama of the railway precinct from the 1960's. This is an outstanding piece of craftmanship made by hand by one of our keen volunteers and took nearly two (2) years to make.

Outcome 1.2 Increased Tourism

The Shire in this financial year has boosted Narrogin's appeal to visitors and tourists alike with two key capital projects:

Since 2020, the Shire has been working to complete the refurbishment of the State registered Narrogin Railway Station and Goods Shed.

Whilst the Goods Shed refurbishment is still in progress, the Railway station itself was completed by June 2023, and its official opening occurred in October 2023.

The Dryandra Woodlands, was officially recognised as a Western Australia's National Park and the Shire continues to work with government to increase and promote services to the Park.

The Shire has a Tourism Strategy has been adopted by the Council. It is a comprehensive strategic framework based on extensive tourism industry research and analysis and is a key document to support and direct the Shire's future tourism related initiatives and associated budgetary considerations.

1.2.1 Promote, develop tourism and maintain local attractions

By June 2023, the Shire completed the restoration of the railway station and relocated the Dryandra Country Visitors Centre to this location to reactivate the space and at the same time renamed the Centre to the Narrogin and Dryandra Visitors Centre (NDVC). The Shire formally opened the refurbished facility in October 2023.

The Shire commenced the building of three (3) more chalets for the Caravan Park; appropriately named "Contine," "Minigin" and "Marramucking", these Chalets will be online for bookings by the end of 2023.

The Shire has also collaborated with Astrotourism WA, who have held events within the Shire at Yilliminning Rock, the main stargazing site for the Shire.

Outcome 1.3 An effective well maintained transport network

The Shire's proactive approach to identifying and implementing road-related asset management plans marks a significant strategic leap forward in fostering a sustainable and thriving community. By meticulously outlining strategies for maintaining and enhancing its road network, footpaths, fleet, plant, and bridges, the Shire not only ensures the safety and accessibility of its infrastructure but also sets the stage for long-term economic growth and community well-being. This proactive stance demonstrates a

commitment to efficient resource allocation, minimising disruptions, and maximising the lifespan of critical assets. By systematically assessing and addressing maintenance needs, the Shire fosters a sense of reliability and trust within its community, bolstering connectivity, encouraging economic activity, and ultimately creating an environment where residents and businesses flourish. Furthermore, such forward-thinking initiatives position the Shire as a beacon of responsible governance, attracting potential investors, talents, and partnerships, consequently solidifying its status as a dynamic and forward-looking region.

The Technical and Rural Services team, who are responsible for operational service delivery for the Shire for road related assets, had a successful year again, completing 95% of their allocated capital works for road construction and maintenance.

The Shire's road asset network is one of the largest assets for the Shire to maintain, manage and preserve and includes roads both sealed and gravel pavements, footpaths, kerbing, drainage, rural and urban tree and vegetation management, signage, street sweeping, verge maintenance, weed management both urban and rural, bridges and drainage. For the financial year in review, there were many programmed roads reseals, reconstruction to repair road defects, plant purchases and other road-related asset maintenance requirements, all completed with excellent results due to a cohesive Shire team with dedicated and skilled road maintenance staff. The total road construction and maintenance expenditure was $6,198,592 which included Regional Road Group (State Government) and Roads to Recovery (Federal Government) grant funding, State Black Spot grant funding, Wheatbelt Secondary Freight Network grant funding and the Shire's municipal funding.

1.3.1 Maintain and improve road network in line with resource capacity

The Shire's commitment to enhancing its road network reflects a commendable blend of professionalism and sustainability. This approach is a testament to responsible resource utilisation and aligning developments and road projects within resource capacity. By prioritising prudent financial management, the Shire ensures that road infrastructure improvements not only meet the immediate needs but also stand as a testament to long-term viability. This strategic planning considers the community's evolving requirements while adhering to fiscal responsibility, showcasing a balanced and astute perspective. This approach not only fortifies the road network but also fosters a resilient foundation for continued growth and progress within the region, exemplifying a harmonious integration of professional acumen and sustainable foresight.

The 2022/23 financial year again provided significant funding for improvements to the Shire's road network asset as identified in the Shire's 10 Year Road Program.

Some highlights include:

- 2kms of McKenzie Road was constructed and received a new sealed pavement;
- Nomans Lake Siding Road had numerous defects correct and 2kms of reseal applied;
- Around 20kms of urban town streets received preservation bitumen reseals; and
- 18kms of the Shire's gravel road network was re-sheeted with new gravel inclusive of maintenance on culverts, guild posts, signage and vegetation management.

1.3.2 Review and implement the Airport Master Plan

The review of the Airport Master Plan has been earmarked for completion in the Corporate Business Plan in the financial year 2024/25. A highlight of the 2022/2023 financial year was the sealing of the North South gravel runway to the value of $201,390 being 100% grant funded. This project was well received by Council and users of the Airport including the Royal Flying Doctor Service, flying schools and local aerial contractors.

Outcome 1.4 Agriculture opportunities maintained and developed

The objective outlined in the Shire of Narrogin Local Planning Scheme is:

To protect and achieve ecologically sustainable use of all productive agricultural land in the Shire whilst providing diverse and compatible development opportunities in agricultural areas which promote the local economy.

The objective outlined in the Shire of Narrogin Local Planning Strategy is to ensure the preservation and sustainable utilisation of all productive agricultural land in the Shire. This involves fostering diverse and compatible development opportunities in agricultural areas that contribute to the local economy. To achieve this objective, several actions are outlined in the Local Planning Strategy:

- Identify and classify all existing agricultural lots in the Shire as ‘’Rural’’ zone in Local Planning Scheme No. 3
- Identify and protect priority agricultural land within the Shire.
- Prepare, adopt and regularly review local planning policies to help guide and control the development and use of all agricultural land in the Shire and minimise potential for land use conflict.

The Shire of Narrogin Local Planning Scheme No.3 (LPS 3) was officially endorsed by the Minister for Planning on 26 April 2023, and subsequently published in the Government Gazette on 3 May 2023. LPS3 replaces the former Shire of Narrogin – Local Planning Scheme No. 2 and former Town of Narrogin – Town Planning Scheme No. 2. Notably, LPS3 expands opportunities for "Rural" zoned land by permitting a broader range of land uses. New allowable uses include "Telecommunications Infrastructure," "Tourist Development," "Workforce Accommodation," and "Renewable Energy Facility."

1.4.1 Support development of agricultural services

- The Adopted Local Planning Strategy (LPS) stands as a pivotal guiding document for the Shire, actively engaging with and supporting potential businesses and investors exploring agricultural prospects within its jurisdiction. Key strategies delineated in the LPS include:
- Safeguarding rural assets, recognising their economic, natural resource, food production, environmental, and landscape values, with a focus on ensuring compatibility between diverse land uses.
- Upholding and fostering existing, expanded, and future primary production by protecting rural land, especially prioritising agricultural areas and land essential for animal premises and/or food production.
- Advocating for the ongoing utilisation of the Shire's agricultural zones for predominant grazing and cropping activities.
- Promoting economic diversification by encouraging intensive agriculture, diversified industries, and expanding tourism opportunities, including farm stay accommodations and ecotourism. This promotion is contingent upon maintaining an adequate buffer between such developments and surrounding broadacre agricultural activities to minimise potential land use conflicts.
- Throughout 2022/2023, the Shire collaborated closely with Future Energy Australia, actively supporting their plans for Australia's inaugural Renewable Diesel Plant situated south of the Narrogin townsite. Additionally, the Shire forged partnerships with other businesses keen on capitalising on Narrogin's rural services, natural resources, and opportunities facilitated by LPS3.

Opening of the newly constructed St John Patient Transfer Facility at the Narrogin Airport

2. SOCIAL OBJECTIVE

To provide community facilities and promote social interaction.

Key Performance Measures	- Social media activity - Community participation levels in recreation activities and events - Recreation Centre usage rates - Reduction in anti-social behaviour

Outcome 2.1

Provision of youth services

The Shire has continued to provision funding for local youth events throughout 2022/23 and with the Community Development team has been available to assist in the development and running of youth events. The Shire is keen to reinvigorate the Youth Strategy in 2023/24 and work towards the outcomes presented as part of this strategy, from more than 300 young people aged between nine (9) and 25 years of age.

2.1.1 Develop and implement a youth strategy

The Shire has encouraged the YMCA WA regarding Youth Engagement and the endorsed Strategy and Development Plan throughout 2022/23.

Since the development of the Youth Strategy, the Shire's Narrogin Regional Leisure Centre has delivered a range of successful events and programs for youth such as movies, fun days and sports carnivals; in partnership with the YMCA.

Outcome 2.2 Build a healthier and safer community

2.2.1 Support the provision of community security services and facilities

There is an extensive network of public CCTV in Narrogin linked into the local Police station. This enables the Police to monitor and follow in on appropriate activities. The Shire has also upgraded CCTV on its buildings in order to improve security and is seeking further funding in 2023/24 to extend this capability.

2.2.2 Advocate for mental health and social support services

The Shire maintained representation on the Regional Interagency Human Services Agency Group.

The Shire promotes the annual 'RU OK' day and provides the staff opportunities and avenues to have a conversation and to direct them to the Counselling Services.

The Shire has an adopted Public Health Plan, which is to protect, improve and promote public health and wellbeing for all residents and ratepayers in the Shire of Narrogin. The plan's intent is to support all members of the community, through various life stages to enable good health and wellbeing to be enjoyed across a range of identified health issues.

Through this process a list of five (5) priority health issues were identified and include:

- Environmental health protection;
- Alcohol and drugs;
- Access to fresh food and nutrition;
- Mental health; and
- A more active lifestyle.

2.2.3 Continue and improve provision of in-home care services

In 2022/23, Homecare staff continued to provide much needed support to community clients. Whilst there was easing of COVID restrictions, the Shire's Homecare team complied with all guidelines and standards to ensure the wellbeing of both our staff and those that the Shire supports, in home and in Jessie House.

More than 15,253 hours of Homecare services and support was provided as well as 1,787 meals through the Meals on Wheels program to clients in 2022/23; this was achieved in sometimes challenging circumstances due short staffing.

During this year the Homecare service was audited against the Aged Care Standards, a week long undertaking by two (2) service related auditors and to the credit of Homecare management and staff all standards 43 out of 43 were met. This is an outstanding achievement by the team.

Outcome 2.3 Existing strong community spirit and pride is fostered, promoted and encouraged

2.3.1 Develop and activate Sport and Recreation Master Plan

The Sport and Recreation Infrastructure Plan Feasibility Study Report was received by Council at the August 2020 Council Meeting, with Council incorporating a task to undertake a comprehensive business

case in the next review of the Corporate Business Plan in year four (4). This will include a needs analysis to assess the social, demographic and economic factors, as well as club membership numbers.

2.3.2 Engage and support community groups and volunteers

The Shire supports a wide range of community groups through the Community Chest Fund. Two (2) rounds are advertised each year for local community groups to apply for this funding.

The Shire provided support for volunteers of the Narrogin Art Group, the Old Courthouse Museum, and the Narrogin and Dryandra Visitors Centre (formerly Dryandra Country Visitors Centre).

The R.W. (Bob) Farr Memorial Library supports the community by providing online facilities that enables engagement with online service providers e.g. Commonwealth and State Government agencies.

The Local History collection is maintained by the Library enabling access to the district's history, from time to time volunteers participate in this area.

The library also provides a "Housebound delivery service" by bringing library books and other media to members of our community that physically can't come into the Library.

Other activities include "Online Storytime" on the Shire YouTube Channel https://www.youtube.com/channel/UCEhC_u6vHkFoAkONcAvbggw, Storytime and Rhyme Time for preschool children, Studiosity online academic assistance for students between Year 3 and 12. Also university tutors and supporting writing and music groups at the library.

The Library also participates in the "Better Beginnings" program by providing a library bag for each newborn baby, two (2) year old and pre-primary school student. The program works with the State Library, the health nurses and the schools.

2.3.3 Facilitate and support community events

The Shire continues to support community events through provision of free or subsidised venue hire, along with promotion via the website and social media. Major events sponsored or facilitated by the Shire included Australia Day, Anzac Remembrance Day, RevHeads, along with the Narrogin Agricultural Show and Astrotourism stargazing events

2.3.4. Provide improved community facilities

During the year a number of improvements were made to various facilities throughout the Shire, which included the Memorial Park, Old Courthouse Museum, Smith Street toilets, Narrogin Regional Leisure Centre, Narrogin Heritage Railway Station, as well as a naming project for parks walk trail project and subsequent installation of park signs.

2.3.5 Encourage and support continued development of arts and culture

The region is privileged to have Arts Narrogin providing energetic and skilful input to support and build the district's economic, cultural and social capital through innovative and creative approaches to art and culture which celebrate our community's unique identity. In the 2022/23 financial year, the Shire continued its arrangement with Arts Narrogin as a regional and peak arts organisation to offer a subsidised lease of commercial premises within Narrogin's Town Hall complex for administrative, workshop, gallery and arts related activities. In the latter part of 2022/23 the Shire facilitated a move of Arts Narrogin to its 'forever' home in the more larger and better suited Railway Institute Building on Park Street.

The 2022/23 budget allocated to Arts Narrogin $58,000 in cash for administration and gallery support and to attract a range of exhibitions and performing shows. The Shire also provided subsidies on outgoings (rates, water and power). The Shire works closely with Arts Narrogin offering in-kind support in the way of assisting with administrative enquiries and general liaison work.

Outcome 2.4 Cultural and heritage diversity is recognised

The Shire boasts a walking trail for Gnarojin Park, which highlights five significant Willman Noongar sites from which the artwork for these panels was commissioned from a local Willman Noongar artist. There are an additional two (2) indigenous sites on the Foxes Lair walk trails which are also identified through panels.

Work commenced on the development of a historical railway display for the Narrogin Heritage Railway Station, with past and present residents donating a range of railway memorabilia. Creative Spaces have been contracted to develop a display. An “N” scale model train display, showcasing Narrogin in the 1960s has been constructed by a local model train enthusiast.

The Shire of Narrogin continues to recognise the Noongar people with a greeting and acknowledgement of country that could be used across the organisation’s various media platforms. The Shire uses an Acknowledgement of Country in some of its publications, which is translated into Noongar. Local Noongar Elder Basil Kickett, who is affectionately known as “Pop Basil” by many in the community assisted the Shire and translated the English words into Noongar.

Since 2016 the Shire of Narrogin has conferred 165 Australian Citizenships.

Year	Number of Citizenships
2016	18
2017	15
2018	8
2019	14
2020	33
2021	39
2022	24
2023	14

2.4.1 Maintain and enhance heritage assets

The Shire's Local Heritage Survey remains an ongoing influence on planning applications, subject to annual updates.

Progress has begun on the restoration of the notable cultural landmark, the historic Narrogin Railway Station, aligning with the approved Conservation Plan and Adaptative Reuse Study.

Simultaneously, efforts have been dedicated to the refurbishment of the War Memorial and the Museum to safeguard their structural integrity. Local expertise, including a structural engineer and builder, has been engaged to ensure the protection and preservation of these Heritage-listed buildings.

2.4.2 Support our Narrogin cultural and indigenous community

The Council and the Shire recognise the importance of Noongar culture to the community, and works with the local indigenous community, to promote it whenever possible. A formal Welcome to Country is undertaken at Shire events.

The Shire supported events for NAIDOC week and Reconciliation Week, and it is now standard practice by the Shire to consult Local elders during the development of relevant projects that may be on or adjacent to Indigenous sites.

Outcome 2.5 A broad range of quality education services and facilities servicing the region

2.5.1 Advocate for increased education facilities for the region

The Shire continues to work with key education providers, including each of the five (5) schools and regional educators to understand their needs and also to understand and assist with advocacy in addressing any gaps.

2.5.2 Advocate for and support increased education services

During the year, the Shire and its staff have interacted with each of the Schools and continues to work with the Great Southern TAFE (Campus) and the Human Service's Interagency Group. In advocating for increased services the Shire has continued to support work placements and traineeships in the past year, with a trainee undertaking her certified qualification with the offer of full time employment with the Shire upon completion in December 2023.

Remembrance Day at Memorial Park

Mural in Memorial Park

3. ENVIRONMENT OBJECTIVE

Conserve, protect and enhance our natural and built environment.

Key Performance Measures	- Statutory asset management ratios - Compliance with statutory reviews required by the Local Planning Framework - Compliance with statutory requirements for the review of the Municipal Heritage Inventory

Outcome 3.1 A preserved natural environment

3.1.1 Conserve, enhance, promote and rehabilitate the natural environment

Council adopted a Shire of Narrogin Walk Trails Master Plan in April 2019. This key document presents a range of long and short-term strategies to ensure walk trails in Foxes Lair, Railway Dam and Gnarojin Park can be an enjoyable experience for the user and easy to find, navigate and explore.

The Master Plan will guide the Shire in showcasing its natural assets into the future. Trail development will inform and educate tourists, visitors and locals alike about the history and value of the Shire's reserves, promote interest in the area and encourage tourists to 'stay longer'. It will assist in controlling the impact of users in sensitive, or fragile environments. The trails include five (5) in Foxes Lair, two (2) at Railway Dam and a possible circuit trail at Gnarojin Park. All proposed trails are based on existing

trails. Funding applications for upgrades to these trails were submitted in April 2021, and work has been undertaken in 2022/23 which is nearing completion.

Outcome 3.2 Effective waste services

3.2.1 Support the provision of waste services

The Shire operates a weekly domestic putrescible and a fortnightly recyclable waste kerbside collection service to the town of Narrogin and the closer settled areas of the Shire. The kerbside collection services the residential, rural residential areas on the periphery of the town as well as designated rural areas, on request and as agreed by the contractor.

In addition, the Shire operates a Transfer Station at the Narrogin Waste Management Facility, on White Road, Narrogin. The Transfer Station enables more efficient management of waste materials received and restricts public access to the tip face. This has the effect of improving safety at the tip face by restricting or limiting unsupervised people and preventing scavenging. Limiting public access has also had the benefit of reducing hoarding in residential and other areas of the town. The Transfer Station has also made the management of the landfill more effective.

Currently the landfill is licenced to accept 7,500 tonnes of waste annually. The facility is staffed at all times while open for waste acceptance and is fenced and locked after hours to prevent unauthorised access.

The Shire of Narrogin continues to have an agreement with the Shire of Cuballing to accept their household and skip bin waste at the Narrogin Waste Management Facility, at an agreed price.

Great Southern Waste Disposal (GSWD) is currently contracted with the Shire of Narrogin to collect the weekly domestic putrescible and the fortnightly recyclable waste kerbside collections. GSWD is also contracted to maintain and bury waste at the landfill.

Great Southern Waste Disposal operates a Material Recycling Facility (MRF), one of only fifteen (15) in Western Australia, at their property on Graham Road in the Narrogin Industrial Estate. This facility processes recycled waste generated within this Shire, as well as from surrounding shires, that have kerbside recycling waste collection services.

Outcome 3.3 Efficient use of resources

3.3.1 Increase resource usage efficiency

Internally, the Administration produced and promoted the Reuse, Reduce and Recycle program by developing a document to assist staff become aware of the importance of such actions and its impact on the environment and climate change.

Externally, the Shire continued with the promotion, through Facebook and the website, highlighting the need to Reuse, Reduce and Recycle. The Containers for Change program commenced in October 2020 and after a slow start the number of containers being exchanged for cash has grown from about 20,000 a week to over 100,000 a week. The Shire has continued to work actively with the Containers for Change and local contractor to promote this program as every container exchanged for cash is one less container landfilled.

Outcome 3.4 A well maintained built environment

3.4.1 Improve and maintain built environment

The Shire maintains a Building Asset Management Plan (BAMP), which identifies all the building assets owned by the Shire. The BAMP is a ten year program for all Council's building assets to ensure these assets are maintained and kept to an appropriate standard. Furthermore, the Shire has adopted the Local Heritage Survey which takes into consideration buildings of heritage significance that need to be preserved and maintained.

Asset Management Plans for Council assets are frequently reviewed are essential in informing the Shire's Long Term Financial Plan. This provides Council with a strategic view for managing an organisation's infrastructure and other assets to deliver an agreed and acceptable standard of service and of which is an area of continuing development.

The Shire's adopted footpath program was implemented as specified for the year in review. Sections of new concrete footpaths were installed at Burns Street from Kipling to Doney Streets and Doney Street from Butler to Gray Streets to the value of $51,000.

Parks, sporting ovals and streetscape assets are widely used by the community for sporting and recreational activities. Such assets include – lighting, fencing, irrigated turf, playground equipment and soft fall, tree maintenance, park and street furniture, barbeques, picnic shelters, trees, irrigation infrastructure, skate park and outdoor gymnasium, which are all assets maintained by Shire staff for the benefit of the community and region and are funded annually by Council. It is worth noting that the Shire was successful with grant funding for the construction of an 18 Mega Litre storm water harvesting dam at the rear of Clayton Oval with grant funding of $100,000 and Council contribution of $69,000. This dam will capture a very valuable free water resource for the purpose of sustaining turf assets and reduce the need to use scheme water.

Sealing of the Wagin Wickepin Road

Participants at an Australian Citizenship Ceremony

4. CIVIC LEADERSHIP OBJECTIVE

Continually enhance the Shire's organisational capacity to service the needs of a growing community.

Key Performance Measures	- Statutory financial ratios - Employee retention rates - Volunteer levels

Outcome 4.1 An efficient and effective organisation

During the year under review, the Shire continued to develop strong foundations since the merger of the former entities, with all but a few of the desired asset management plans and long term financial plans in place. The merger continues to enable economies of scale not seen before with systems and processes and the ability to choose the best system from the previous entity.

Further expansion occurred with regional service delivery (shared services), with adjoining and nearby local governments, as far away as Lake Grace, with the introduction and marketing of the *LG2LG* suite of services, ranging from Homecare, environmental health, building surveying, ranger and road services.

Communication channels heavily used included regular media releases, updates and posts through Facebook, the Shire's website, the Shire's official notice boards, televisions in prominent Shire foyers at the Library, Office, and Homecare and through publication and advertisements in the Narrogin Observer.

4.1.1 Continually improve operational efficiencies and provide effective services

The completion of the Compliance Calendar, Lease and Agreement Registers and the continous review of processes and proceedures ensures that the right allocation of resource are made at the right time.

Monthly tracking of projects and financial statements highlights issues and enables corrective action.

4.1.2 Continue to enhance communication and transparency

The Council, continues to provide for the monthly publication in the Narrogin Observer, entitled the Narrogin Narrative. This is replicated on the Shire's website and Facebook page.

During the year under review, over 300 Facebook, website advertisements, invitations to comment and Media Releases were issued.

Outcome 4.2 An employer of choice

The Shire of Narrogin provides a competative benefits package to all its employees, all listed on the Shires web page https://www.narrogin.wa.gov.au/benefits-of-working-for-the-shire.aspx. This maximises the opportunity for a broader range and quality of suitable applications to be attracted to our advertised positons.

4.2.1 Provide a positive, desirable workplace

The Shire continues to develop a strong safety culture and is working towards achieving a silver recognition with our Insurance Broker, Local Government Insurance Services. All staff meetings continue to have a permanent agenda item for WHS matters.

We have also developed a strong culture of acknowledging employee efforts by incorporating this as a permanent agenda item for all staff meetings and on our Intranet, we call SoNIC (the Shire of Narrogin Information Centre).

As a result of COVID post Council meeting debriefs are conducted via video conferencing, which enables officers from different sites, to participate in these sessions, increasing team building and the sense of inclusion.

Display at the Shire Administration Office with Artwork created by local Artist Ross Storey

Statutory Statements

Legislative Review

During the 2021/22 financial year a review of all local laws was undertaken, and the Shire of Narrogin Public Health Plan was adopted in 2022.

The purpose of the Shire of Narrogin Public Health Plan (the Plan) is to protect, improve and promote public health and wellbeing for all residents and ratepayers in the Shire of Narrogin. The Plan's intent is to support all members of the community, through various life stages to enable good health and wellbeing to be enjoyed across a range of identified health issues.

For a list of the new Local Laws please refer to the Shire of Narrogin website or the Department of Local Government website.

Responsible Officer: Executive Manager Corporate and Community Services.

Structural Reform

The new merged entity officially commenced on 1 July 2016 under the direction of three Commissioners. They ceased their tenure when the new Council was elected on 15 October 2016. Coinciding with that election, a referendum supported the direct election of the Shire President by electors.

To align with the normal election cycle, the term of the President and two Rural and two Urban Ward Councillors concluded in October 2017. The terms of the other elected members concluded in October 2019. From the 2019 Ordinary Local Government elections, the current two Wards (Rural and Urban) were abolished.

In October 2023, following further reforms by the State Government, the number of Councillors was reduced to six (6) plus the popularly elected role of Shire President.

Public Interest Disclosure Act 2003

In accordance with this legislation, procedures have been implemented to facilitate reporting and action on public interest disclosures. During the 2022/23 reporting period, no public interest disclosures were lodged.

Responsible Officer: Executive Manager Corporate and Community Services.

Disability Access and Inclusion Plan (DAIP) Report

The Shire of Narrogin is committed to an accessible, inclusive Shire that values all people including those with disability. The Shire, through its Disability Access and Inclusion Plan 2018-2023 (DAIP), plans to ensure that people with a disability have equal opportunities of access and community including to Council services, products, facilities and information and are consulted in a meaningful and appropriate way to facilitate participation with the Shire and the Narrogin and Districts community. The DAIP is a requirement under the Disability Services Act 1993 and each year the Shire is required to report on the achievements and outcomes arising from the Disability Access & Inclusion Plan (DAIP).

The achievements for the year ended 30 June 2023 are listed below and grouped into the outcome areas addressed in the Shire of Narrogin's DAIP. The Shire intends to present a revised DAIP in January 2024 for the following five (5) years and community consultations are planned to assist in the composition of this revised plan.

DAIP Outcome 1: People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.

In 2022/23, the Shire supported Organisation's and promoted the International Day of People with Disability on the 3 December 2022 via social media and other communications to profile this important event. All events undertaken by the Shire were inclusive ensuring accessibility at events such as Australia Day 2023, including the free community activities which included aquatic "fun and games", inflatables and movies. The Shire has an appropriate electronic hoist (sponsored by the Lions Club of Narrogin and community members), that enabled persons living with a disability to access the pool safely and with the appropriate dignity, enabling them to participate in the events and activities and have fun too.

The Shire requires all staff to complete online inclusion training modules as part of their mandatory training requirements and all staff completed this in the 2022/23 financial year.

DAIP Outcome 2: People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority.

The Narrogin Railway Station conservation and recreation project saw the inclusion of an accessible ramp from the main carpark to the station's platform. The restored building is fully accessible. ACROD parking is available in the public car park. The restoration included two unisex Accessible WCs. Approximately 400m of concrete footpath has been installed on Ensign St, inclusive of two kerb ramps with two handrails. This allows pedestrians to connect with the hospital, medical facilities, schools and the CBD.

Additional seating was placed around town, with eight public seats and one accessible picnic table.

DAIP Outcome 3: People with disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.

Council meetings are open to members of the public, and the building is fully accessible. The Shire responds to an individual's request, so far as reasonably practicable, to accommodate the individual's needs. The Shire of Narrogin do not currently offer the public high quality audio recordings of the outcomes from Council Meetings, however Council is currently reviewing this with a view to implementing in 2024/2025.

DAIP Outcome 4: People with disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority.

This outcome area is about enhancing and ensuring that the quality and range of your services and processes are consistent, inclusive, or readily adjust to people's needs.

All Customer Service Officers at the Shire receive regular in-house training to ensure a high level of customer service across a wide range of services. All Homecare staff receive regular appropriate training to assist them to deliver services to clients, who are frail, elderly and disabled. These residents are enabled to stay within their homes and community comfortably and longer.

DAIP Outcome 5: People with disability have the same opportunities as other people to make complaints to a public authority. This outcome area is about enhancing and ensuring that complaints mechanisms effectively receive and address complaints from any members of the community, staff or customers.

All customer service staff receive regular training in customer service, including responding to complaints by people with disability.

DAIP Outcome 6: People with disability have the same opportunities as other people to participate in any public consultation by a public authority.

All Shire public consultation complies with the Shire's Community Engagement Policy and the Shire's DAIP. Public consultation conducted by the Shire at any time considers methods and ways to enable community members with disability, to have their say regarding a range of Shire matters.

DAIP Outcome 7: People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

The Shire of Narrogin is an equal opportunity employer. The Shire has a Memorandum of Understanding with Forrest Personnel to identify opportunities for employment with the Shire for people with disabilities.

Freedom of Information Act 1992

In complying with the Freedom of Information Act 1992, the Shire of Narrogin is required to prepare and publish an Information Statement. The Shire of Narrogin's Information Statement is reviewed annually and is available to download from the Shire of Narrogin website:

www.narrogin.wa.gov.au/documents/500/freedom-of-information-information-statement

A printed copy can be viewed at the Shire Administration Office. The information statement contains information on the type of documents available to the public and how to access those documents. During the 2022/23 year, Council received two non-personal requests for information under the Freedom of Information Act.

Responsible Officer: Executive Manager Corporate and Community Services.

State Records Act 2000

The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed manner. The State Records Act 2000 also requires all local authorities to produce a Record Keeping Plan to be endorsed by the State Records Commission. This Plan was reviewed in 2017/18 and was adopted by State Records Commission in March 2018 and approved by Council in April 2018.

Principle 6 – Compliance with the State Records Commission Standard 2. requires that government organisations ensure their employees comply with the Record Keeping Plan and include within its Annual Report a section that addresses points 1-4 of the Principle.

Specifically, the Record Keeping Plan is to provide evidence to cite that:

1. The efficiency and effectiveness of the organisation's record keeping systems is evaluated not less than once in every 5 years.
    - The Shire is reviewing its records keeping methods on a continual basis after implementing new procedures.
2. The organisation conducts a record keeping training program.
    - The Shire has performed this on several occasions for management and staff who deal with records.
3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time.
    - The record keeping procedures are under constant review after new procedures have been implemented.
4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.

- The induction program for new elected members and employees includes an overview of the responsibilities regarding records management.

Responsible Officer: Executive Manager Corporate and Community Services.

National Strategic Plan (NSP) for Asbestos Awareness and Management 2019-2023

The NSP 2019-2023 is consistent with the Western Australian Government policy on Workplace Health and Safety.

On 9 November 2020, the Western Australian Government endorsed targets one to seven (targets eight and nine are Federal targets) of the NSP 2019-2023 which aims to eliminate asbestos-related diseases in Australia by preventing exposure to asbestos fibres.

Each State and Western Australian local government department, agency, authority and government enterprise, is required to report on its progress in achieving the relevant targets of the NSP 2019-2023.

As an overview of activities during the year the Shire:

- Reviewed its Register of Asbestos identifying and assessing the risks associated with asbestos containing material within local government owned and controlled buildings, land and infrastructure;
- Assisted the Gnarojin Community Gardens develop plans for the risk-based management of asbestos containing materials, which includes removal where required;
- Provided guidance to residents and local businesses with respect to asbestos compliance and enforcement (such as improvement notice, prohibition notice, prosecution action etc.); and
- The Shire have commenced a further upgrade of the Asbestos register with new photographs and location plans. The information will be recorded in the main register and a QR code placed in the meter box of all properties on the Shire's Register that contain asbestos product. The QR code will supply information, photographs, and location plans.
- Conditional notes are placed on all Demolition Permits that contains the Legislative requirements.

For further information on the National Strategic Plan for Asbestos Awareness and Management 2019-2023 targets, visit the Asbestos Safety and Eradication Agency website at https://www.asbestossafety.gov.au/ .

Register of Complaints - Conduct of Council Members

There were no complaints that resulted in action against Elected Members under section 5.121 of the *Local Government Act 1995* for the 2022/23 financial year.

Responsible Officer: Executive Manager Corporate and Community Services.

Employees Remuneration

Set out below, in bands of $10,000, is the number of employees of the Shire entitled to an annual salary of $130,000 or more (regulation 19B(2)(a) &(b) Local Government (Administration) Regulations 1996.

Salary Range	2021/22	2022/23
$130,001 - $140,000		
$150,001 - $160,000		
$160,001 - $170,000		
$170,001 - $180,000		
$180,001 - $190,000	1	1

Responsible Officer: Executive Manager Corporate and Community Services.

Elected Member Demographics

Elected member demographics of those elected in 2021 is detailed below (regulation 19B(2)(h) Local Government (Administration) Regulations 1996).

Gender	6 Male 3 Female
Linguistic background	9 English
Country of Birth	9 Australia
Identifying as Aboriginal or Torres Strait Islander	Nil
Ages	
between 18 years and 24 years: and	Nil
between 25 years and 34 years: and	1
between 35 years and 44 years; and	1
between 45 years and 54 years; and	3
between 55 years and 64 years; and	3
over the age of 64 years	1

Remuneration provided to the CEO

The total remuneration provided to the CEO during financial year 2022/23 pursuant to (regulation 19B(2)(e) Local Government (Administration) Regulations 1996 including all benefits such housing, vehicle provision and superannuation was $250,731.

Attendance at Council and Committee meetings

The Council of the Shire of Narrogin meets monthly for information sessions and workshops on a variety of topics. In the fourth week of the month, Council convenes an Ordinary Council Meeting, where

decisions are made on all report items in the best interest of the community (Regulation 19B(2)(f) Local Government (Administration) Regulations 1996).

Below is a table outlining individual Elected Members' attendance, for the financial year, on various Council Committees as a member in their capacity as an Elected Member.

	Council	**Audit Advisory Committee**	**Airport Advisory Committee**	**Local Emergency Management Committee**	**Australia Day and Honours Advisory Committee**	**Bush Fire Advisory Committee**	**Townscape Advisory Committee**
Number of meetings held	11	2	1	4	3	2	6
Elected Member							
Shire President Mr L Ballard	10	1	1	2	3	2	
Deputy Shire President Cr G Broad	8	2		3			
Cr T Wiese	11	2	1				
Cr J Early	10	2	1		3		6
Cr M Fisher	11	2	1				
Cr B Seale	10	1		3			
Cr R McNab	11	2			3		
Cr J Pomykala	9	2					5
Cr T Alexander	10	2					

Acronyms Used Within This Document

ACROD	Australian Council for Rehabilitation of Disabled
AGRN	Australian Government Registration Number
CBD	Central Business District
CBP	Corporate Business Plan
CEO	Chief Executive Officer
CHSP	Commonwealth Home Support Programme
CHCP	Community Home Care Packages
CSRFF	Community Sporting and Recreation Facilities Fund
DAIP	Disability Access and Inclusion Plan
DSR	Department of Sport and Recreation
EMCCS	Executive Manager Corporate and Community Services
EMDRS	Executive Manager Development and Regulatory Services
EMTRS	Executive Manager Technical and Environmental Services
FAG	Financial Assistance Grants
HACC	Home And Community Care
KEEDAC	Kaata-Koorliny Employment and Enterprise Development Aboriginal Network
KM	Kilometre
MLC	Manager Leisure and Culture
MLS	Manager Library Services
MOU	Memorandum of Understanding
MO	Manager Operations
NAIDOC	National Aborigines and Islanders Day Observance Committee
NBN	National Broadband Network
NRLC	Narrogin Regional Leisure Centre
OEM	Office of Emergency Management
OSH	Occupational Safety and Health
RAP	Reconciliation Action Plan
RFQ	Request for Quote
TAFE	Tertiary and Further Education
WDC	Wheatbelt Development Commission
YMCA	Young Men’s Christian Association

SHIRE OF NARROGIN

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

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COMMUNITY VISION

"A leading regional economic driver and a socially interactive and inclusive community"

Principal place of business:
89 Earl Street
Narrogin
WA 6390

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Narrogin for the financial year ended 30 June 2023 is based on proper accounts and records to present fairly the financial position of the Shire of Narrogin at 30 June 2023 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 Seventh day of December 2023

Chief Executive Officer

Dale Stewart
Name of Chief Executive Officer

OAG AUDITED

SHIRE OF NARROGIN
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual $	2023 Budget $	2022 Actual $
Revenue				
Rates	23(a)	5,446,704	5,440,371	5,126,013
Operating grants, subsidies and contributions	2(a)	5,572,569	2,816,586	4,900,695
Fees and charges	2(a)	2,041,722	2,209,558	2,110,252
Interest earnings	2(a)	322,344	136,845	70,183
Other revenue	2(a)	281,887	370,144	450,451
		13,665,226	10,973,504	12,657,594
Expenses				
Employee costs		(5,861,069)	(5,902,680)	(5,526,672)
Materials and contracts		(2,712,800)	(3,214,925)	(2,570,323)
Utility charges		(830,480)	(767,970)	(748,824)
Depreciation on non-current assets	11(b)	(3,423,751)	(2,947,189)	(2,991,674)
Interest expenses	2(b)	(51,467)	(57,002)	(33,314)
Insurance expenses		(336,466)	(332,975)	(311,490)
Other expenditure	2(b)	(420,828)	(406,104)	(368,263)
		(13,636,861)	(13,628,845)	(12,550,560)
		28,365	(2,655,341)	107,034
Non-operating grants, subsidies and contributions	2(a)	1,304,388	4,504,873	1,833,692
Profit on asset disposals	11(a)	25,623	31,500	65,948
(Loss) on asset disposals	11(a)	(26,628)	(98,976)	(19,406)
Fair value adjustments to financial assets at fair value through profit or loss		5,528	0	5,996
		1,308,911	4,437,397	1,886,230
Net result for the period		**1,337,276**	**1,782,056**	**1,993,264**
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	13	(36,802,883)	0	19,257,263
Total other comprehensive income for the period		**(36,802,883)**	**0**	**19,257,263**
Total comprehensive income for the period		**(35,465,607)**	**1,782,056**	**21,250,527**

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

SHIRE OF NARROGIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTE	2023	2022
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	9,659,065	6,038,926
Trade and other receivables	6	805,374	703,300
Other financial assets	5(a)	0	2,000,000
Inventories	7	19,832	26,579
Other assets	8	188,944	226,179
TOTAL CURRENT ASSETS		10,673,215	8,994,985
NON-CURRENT ASSETS			
Trade and other receivables	6	238,569	263,913
Other financial assets	5(b)	122,234	116,706
Property, plant and equipment	9	70,730,280	70,293,164
Infrastructure	10	88,169,698	125,131,602
Right of use assets	12(a)	74,341	75,015
TOTAL NON-CURRENT ASSETS		159,335,122	195,880,399
TOTAL ASSETS		170,008,337	204,875,384
CURRENT LIABILITIES			
Trade and other payables	14	749,866	857,237
Other liabilities	16	787,467	392,000
Lease liabilities	16(a)	33,271	36,042
Borrowings	17(a)	137,392	214,581
Employee related provisions	18	733,283	695,827
TOTAL CURRENT LIABILITIES		2,441,279	2,195,687
NON-CURRENT LIABILITIES			
Trade and other payables	14	47,940	21,654
Lease liabilities	16(a)	34,640	39,442
Borrowings	17(a)	1,381,926	1,069,442
Employee related provisions	18	137,838	118,838
TOTAL NON-CURRENT LIABILITIES		1,602,344	1,249,376
TOTAL LIABILITIES		4,043,623	3,445,063
NET ASSETS		165,964,714	201,430,321
EQUITY			
Retained surplus		53,651,645	52,773,068
Reserves - cash/financial asset backed	4	5,330,161	4,871,462
Revaluation surplus	13	106,982,908	143,785,791
TOTAL EQUITY		165,964,714	201,430,321

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

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

	NOTE	RETAINED SURPLUS	RESERVES CASH/FINANCIAL ASSET BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		$	$	$	$
Balance as at 1 July 2021		**50,974,225**	**4,677,042**	**124,528,529**	**180,179,796**
Comprehensive income					
Net result for the period		1,993,263	0	0	1,993,263
Other Comprehensive Income	13	0	0	19,257,263	19,257,263
Total comprehensive income		1,993,263	0	19,257,263	21,250,526
Transfers from reserves	4	2,586,939	(2,586,939)	0	0
Transfers to reserves	4	(2,781,360)	2,781,360	0	0
Balance as at 30 June 2022		**52,773,068**	**4,871,462**	**143,785,791**	**201,430,321**
Comprehensive income					
Net result for the period		1,337,276	0	0	1,337,276
Other comprehensive income	13	0	0	(36,802,883)	(36,802,883)
Total comprehensive income		1,337,276	0	(36,802,883)	(35,465,607)
Transfers from reserves	4	2,152,137	(2,152,137)	0	0
Transfers to reserves	4	(2,610,836)	2,610,836	0	0
Balance as at 30 June 2023		**53,651,645**	**5,330,161**	**106,982,908**	**165,964,714**

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

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

	NOTE	2023 Actual $	2023 Budget $	2022 Actual $
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		5,399,145	5,327,915	5,227,455
Operating grants, subsidies and contributions		5,572,569	2,904,042	4,900,695
Fees and charges		2,164,340	2,209,558	1,866,508
Interest received		322,344	136,845	70,183
Goods and services tax received		789,618	434,284	746,140
Other revenue		281,887	370,144	450,451
		14,529,903	11,382,788	13,261,432
Payments				
Employee costs		(5,911,982)	(5,890,141)	(5,633,653)
Materials and contracts		(2,401,534)	(3,075,465)	(2,799,412)
Utility charges		(830,480)	(767,970)	(748,824)
Interest expenses		(51,467)	(57,002)	(33,314)
Insurance paid		(336,466)	(332,975)	(311,490)
Goods and services tax paid		(786,941)	(434,284)	(737,023)
Other expenditure		(420,828)	(406,104)	(368,263)
		(10,739,698)	(10,963,941)	(10,631,979)
Net cash provided by (used in) operating activities	19	3,790,205	418,847	2,629,453
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost	5	0	0	(2,000,000)
Payments for purchase of property, plant & equipment	9	(1,529,184)	(6,120,656)	(2,356,954)
Payments for construction of infrastructure	10	(2,361,194)	(3,618,077)	(2,409,705)
Non-operating grants, subsidies and contributions		1,304,388	4,504,873	1,833,692
Proceeds from financial assets at amortised cost - term deposits		2,000,000	0	0
Proceeds from sale of property, plant & equipment	11(a)	223,552	232,000	435,489
Net cash provided by (used in) investing activities		(362,438)	(5,001,860)	(4,497,478)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(214,705)	(214,581)	(197,336)
Payments for principal portion of lease liabilities	16(b)	(42,923)	(7,568)	(43,865)
Proceeds from new borrowings	17(b)	450,000	450,000	500,000
Net cash provided by (used in) financing activities		192,372	227,851	258,799
Net increase (decrease) in cash held		3,620,139	(4,355,162)	(1,609,226)
Cash at beginning of year		6,038,926	8,153,885	7,648,153
Cash and cash equivalents at the end of the year	19	9,659,065	3,798,723	6,038,926

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

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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		$	$	$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	24(b)	2,539,663	2,550,000	1,981,851
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	23(a)	11,525	11,104	10,626
Operating grants, subsidies and contributions		5,572,569	2,816,586	4,900,695
Fees and charges		2,041,722	2,209,558	2,110,252
Interest earnings		322,344	136,845	70,183
Other revenue		281,887	370,144	450,451
Profit on asset disposals	11(a)	25,623	31,500	65,948
Fair value adjustments to financial assets at fair value through profit or loss		5,528	0	5,996
		8,261,198	5,575,737	7,614,151
Expenditure from operating activities				
Employee costs		(5,861,069)	(5,902,680)	(5,526,672)
Materials and contracts		(2,712,802)	(3,214,925)	(2,570,323)
Utility charges		(830,480)	(767,970)	(748,824)
Depreciation		(3,423,751)	(2,947,189)	(2,991,674)
Finance costs		(51,467)	(57,002)	(33,314)
Insurance		(336,466)	(332,975)	(311,490)
Other expenditure		(420,829)	(406,104)	(368,263)
Loss on asset disposals	11(a)	(26,628)	(98,976)	(19,406)
		(13,663,491)	(13,727,821)	(12,569,966)
Non-cash amounts excluded from operating activities	24(a)	3,500,364	3,019,135	2,831,341
Amount attributable to operating activities		637,734	(2,582,949)	(142,625)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,304,388	4,504,873	1,833,692
Proceeds from disposal of assets	11(a)	223,552	232,000	435,489
Payments for financial assets at amortised cost		0	5,128	0
Purchase of property, plant and equipment	9(a)	(1,529,184)	(6,120,656)	(2,356,954)
Purchase and construction of infrastructure	10(a)	(2,361,194)	(3,618,077)	(2,409,705)
Amount attributable to investing activities		(2,362,438)	(4,996,732)	(2,497,478)
FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(214,705)	(214,581)	(197,336)
Proceeds from borrowings	17(b)	450,000	450,000	500,000
Payments for principal portion of lease liabilities	16(b)	(42,923)	0	(43,865)
Transfers to reserves (restricted assets)	4	(2,610,836)	(2,635,964)	(2,781,360)
Transfers from reserves (restricted assets)	4	2,152,137	4,550,959	2,586,939
Amount attributable to financing activities		(266,327)	2,150,414	64,379
Surplus/(deficit) before imposition of general rates		(1,991,031)	(5,429,267)	(2,575,724)
Total amount raised from general rates	23(a)	5,435,179	5,429,267	5,115,387
Surplus/(deficit) after imposition of general rates	24(b)	**3,444,148**	**0**	**2,539,663**

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

SHIRE OF NARROGIN
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FOR THE YEAR ENDED 30 JUNE 2023

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1. BASIS OF PREPARATION

The financial report of the Shire of Narrogin, which is Band 3 Local Government, comprises general purpose financial statements which have been prepared in accordance with the Local Government 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 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 except for disclosure requirements of:
•AASB 7 Financial Instruments Disclosure
•AASB 16 Leases paragraph 58
•AASB 101 Presentation of Financial Statements paragraph 61
•AASB 107 Statement of Cash Flows paragraphs 43 and 45
•AASB 116 Property, Pland and Equipment paragraph 79
•AASB 137 Provisions, Contigent Liabilities and Contigent Assets paragraph
•AASB 140 Investment Property paragraph 75(f)
•AASB 1052 Disaggregated Disclosures paragraph 11
•AASB 1054 Australian Additional Disclosures paragraph 16

The Local Government (Financial Management) Regulations 1996 specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.
Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 of the financial report.

Judgements and estimates
The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:
• estimated fair value of certain financial assets
• impairment of financial assets
• estimation of fair values of land and buildings, infrastructure and investment property.
• estimation uncertainties made in relation to lease accounting.
• estimated useful lives of intangible assets

Initial application of accounting standards
During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.
• *AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
• *AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective date*
• *AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (general editorials)*
• *AASB 2022-3 Amendments to Australian Accounting Standards Illustrative Examples for Not-for-Profit Entities accompanying AASB15*
These amendments have no material impact on the current annual financial report.
New accounting standards for application in future years
The following new accounting standards will have application to local government in future years:
• *AASB 2014-10 Amendments to Australian Accounting Standards -Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
• *AASB 2020-1 Amendments to Australian Accounting Standards Classification of Liabilities as Current or Non-current*
• *AASB 2021-2 Amendments to Australian Accounting Standards Disclosure of Accounting Policies or Definition of Accounting This standard will result in a terminology change for significant accounting policies.*
• *AASB 2021-7c Amendments to Australian Accounting Standards Effective Date of Amendments to AASB 10 and AASB 128 and vested Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
• *AASB 2022-5 Amendments to Australian Accounting Standards Lease Liability in a Sale and Leaseback*
• *AASB 2022-6 Amendments to Australian Accounting Standards Non-current Liabilities with Covenants*
• *AASB 2022-7 Editorial Corrections to Australian Accounting and Repeal of Superseded and Redundant Standards*
• *AASB 2022-10 Amendments to Australian Accounting Standards Fair Value Measurement of Non-Financial Assets of Not-for Profit Public Sector Entities*
The amendment may result in changes to the fair value of non financial assets. The impact is yet to be quantified.
Except as described above, these amendments are not expected to have any material impact on the financial report on initial aplication.

2. REVENUE AND EXPENSES

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/ Warranties	Timing of revenue recognition
Grants, subsidies or contributions with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, 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	On payment and issue of the licence, registration or approval
Fees and Charges- Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and Charges- Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Other revenue- Private Works	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Fees and Charges- Sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2023 Actual $	2023 Budget $	2022 Actual $
Contracts with customers and transfers for recognisable non-financial assets			
Revenue from contracts with customers was recognised during the year for the following nature or types of goods or services:			
Operating grants, subsidies and contributions	168,831	165,276	142,483
Fees and charges	785,508	1,000,847	894,214
Other revenue	113,392	153,712	172,602
	1,067,731	1,319,835	1,209,299
Capital Grants/ Contributions			
Revenue from capital grant/contributions recognised as non operating grants contributions and reimbursements	1,304,388	4,504,873	1,833,692
Revenue from statutory requirements			
Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:			
Sanitation charges	1,160,964	1,134,678	1,129,188
General rates	5,435,179	5,429,267	5,115,387
Ex gratia rates	11,525	11,104	10,626
Statutory permits and licences	88,119	69,458	79,121
Fines	7,127	4,575	7,729
	6,702,914	6,649,082	6,342,051
Other revenue			
Operating Grants, subsidies and contributions	5,403,738	2,651,310	4,758,212
Other Revenue	168,495	216,432	277,849
	5,572,233	2,867,742	5,036,061
Interest earnings			
Interest on reserve funds	142,949	60,000	8,869
Rates instalment and penalty interest (refer Note 23(b))	51,158	46,845	45,388
Other interest earnings	128,237	30,000	15,926
	322,344	136,845	70,183

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings
Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset 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).

Interest earnings (continued)
Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	Note	2023 Actual $	2023 Budget $	2022 Actual $
Auditors remuneration				
- Audit of the Annual Financial Report		78,570	55,000	65,400
- Other services		6,500	0	4,206
		85,070	55,000	69,606
Interest expenses				
Borrowings	17(b)	50,192	57,002	31,911
Lease liabilities	16(b)	1,275	0	1,403
		51,467	57,002	33,314
Other expenditure				
Impairment loss on trade and other receivables from contracts with customers		14,282	1,000	61,413
Members fees		132,061	132,060	126,973
Donations, Subsidies & Assistance to Community Groups		46,724	118,950	46,370
Statutory Fees and Taxes		15,076	11,030	15,076
Sundry expenses		212,685	142,984	118,431
		420,828	406,024	368,263
Employee Costs				
Employee benefit costs		5,591,385	5,902,680	5,263,372
Other Employee costs		269,684	0	263,300
Total		5,861,069	5,902,680	5,526,672

3. CASH AND CASH EQUIVALENTS

	NOTE	2023	2022
		$	$
Cash at bank and on hand		9,639,045	6,025,147
Bonds and deposits held		20,020	13,779
Total cash and cash equivalents		9,659,065	6,038,926

Restrictions

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

Held as			
- Unrestricted cash and cash equivalents		4,308,884	3,152,220
- Restricted cash and cash equivalents		5,350,181	2,886,706
		9,659,065	6,038,926

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

Reserves - cash/financial asset backed	4	5,330,161	4,871,461
Bonds and deposits held		20,020	13,779
Total restricted assets		5,350,181	4,885,240

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 4.

4. RESERVES - CASH/FINANCIAL ASSET

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	$	$	$	$	$	$	$	$	$	$	$	$
(a) Employee Entitlement Reserve	361,204	10,506	0	371,710	361,204	4,470	0	365,674	360,972	232	0	361,204
(b) Building Reserve	181,118	5,268	(32,041)	154,345	181,118	2,240	(150,355)	33,003	371,259	310	(190,451)	181,118
(c) Refuse Site Reserve	757,720	73,038	(15,035)	815,723	757,719	47390	(35,000)	770,109	575,868	181,852	0	757,720
(d) Community Assisted Transport (CAT) Reserve	5,869	8,171	0	14,040	5,869	8,070	0	13,939	8,492	8,003	(10,626)	5,869
(e) Narrogin Regional Recreation Centre Reserve	302,714	58,804	(94,129)	267,389	302,714	53,750	(351,000)	5,464	242,044	100,170	(39,500)	302,714
(f) Plant, Vehicle & Equipment Reserve	619,492	443,018	(395,069)	667,441	619,492	432,680	(833,000)	219,172	472,848	425,236	(278,592)	619,492
(g) Economic Development Reserve	77,403	2,251	0	79,654	77,403	950	(40,000)	38,353	227,267	136	(150,000)	77,403
(h) IT & Office Equipment Reserve	26,449	769	0	27,218	26,449	320	0	26,769	26,396	53	0	26,449
(i) Tourism & Area Promotion Reserve	78,654	2,288	0	80,942	78,654	970	0	79,624	78,606	48	0	78,654
(j) Unspent Grants & Contribution Reserve	132	4	0	136	132	0	0	132	279,296	132	(279,296)	132
(k) HACC Reserve	447,241	13,008	0	460,249	447,241	5,454	(447,241)	5,454	452,086	314	(5,159)	447,241
(l) CHCP Reserve	671,570	763,826	(598,428)	836,968	671,570	759,083	(906,578)	524,075	581,385	762,781	(672,596)	671,570
(m) CHSP Reserve	734,562	1,131,720	(990,379)	875,903	734,562	1,232,801	(1,532,194)	435,169	460,966	1,221,291	(947,695)	734,562
(n) Road Construction Reserve	335,587	9,761	0	345,348	335,587	4,160	(200,000)	139,747	335,365	222	0	335,587
(o) Asset Valuation Reserve	31,898	928	0	32,826	31,898	390	0	32,288	31,879	19	0	31,898
(p) Landcare Reserve	89,218	2,595	0	91,813	89,218	886	(5,000)	85,104	92,469	58	(3,309)	89,218
(q) Narrogin Airport Reserve	55,198	16,605	0	71,803	55,198	15,680	0	70,878	40,198	15,000	0	55,198
(r) Bridges Reserve	60,432	49,758	(12,056)	98,134	60,430	48,740	(35,591)	73,579	22,145	48,002	(9,715)	60,432
(s) Water Reuse Scheme Reserve	35,000	18,518	(15,000)	38,518	35,000	17,930	(15,000)	37,930	17,500	17,500	0	35,000
	4,871,462	2,610,836	(2,152,137)	5,330,161	4,871,458	2,635,964	(4,550,959)	2,956,463	4,677,041	2,781,360	(2,586,939)	4,871,462

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) Employee Entitlement Reserve	Ongoing	To fund current and past employee's leave entitlements and redundancy payouts.
(b) Building Reserve	Ongoing	To support the acquisition, upgrade or enhancements of buildings within the district.
(c) Refuse Site Reserve	Ongoing	To fund infrastructure development and rehabilitation costs associates with the Shire's tip site as well the purchase and development a regional waste facility.
(d) Community Assisted Transport (CAT) Reserve	Ongoing	To fund the replacement/change over of the CATS vehicle.
(e) Narrogin Regional Recreation Centre Reserve	Ongoing	To fund YMCA additional maintenance works as well as acquisitions, upgrades and enhancement of the building, major plant & equipment items.
(f) Plant, Vehicle & Equipment Reserve	Ongoing	To support the purchase/replacement of motor vehicles, and heavy plant and equipment.
(g) Economic Development Reserve	Ongoing	To fund economic development projects that will benefit the district.
(h) IT & Office Equipment Reserve	Ongoing	To fund the purchase and upgrade of computer equipment, software and office equipment.
(i) Tourism & Area Promotion Reserve	Ongoing	For the purpose of tourism & district promotion activities, significant events and festivals which includes banner poles, entry statements and outdoor digital screens.
(j) Unspent Grants & Contribution Reserve	Ongoing	To store unspent grants and contributions. Funds can only be expended on items that have been approved by the relevant grant agreement/funding body.
(k) HACC Reserve	Ongoing	To store unspent H.A.C.C grant funds that can fund the purchase of assets, payout of Homecare employee entitlements and other projects that have been approved by the Funding Body.
(l) CHCP Reserve	Ongoing	To store unspent C.H.C.P grant funds that can fund the purchase of assets, payout of Homecare employee entitlements and other projects that have been approved by the Funding Body.
(m) CHSP Reserve	Ongoing	To store unspent C.H.S.P grant funds that can fund the purchase of assets, payout of Homecare employee entitlements and other projects that have been approved by the Funding Body.
(n) Road Construction Reserve	Ongoing	To be used on road construction projects.
(o) Asset Valuation Reserve	Ongoing	To fund asset valuations.
(p) Landcare Reserve	Ongoing	To fund future natural resource management activities aligned with the principles established in the former NLCDC letter dated 6/6/17 (ICR1712270).
(q) Narrogin Airport Reserve	Ongoing	For the purpose of supporting and funding infrastructure development, maintenance, acquisition, upgrade or enhancements and grant funding to the Narrogin Airport.
(r) Bridges Reserve	Ongoing	For the purpose of supporting and funding infrastructure development, maintenance, acquisition, upgrade or enhancements and grant funding for bridges within the Shire.
(s) Water Reuse Scheme Reserve	Ongoing	For the purpose of supporting and funding infrastructure development, maintenance, acquisition, upgrade or enhancements and grant funding for infrastructure enabling the re-use of water resources.

5. OTHER FINANCIAL ASSETS

	2023 $	2022 $
(a) Current assets		
Other financial assets at amortised cost		
Term deposits	0	2,000,000
	0	2,000,000
(b) Non-current assets		
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	122,234	116,706
	122,234	110,710

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

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts since the interest receivable on those assets are 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 cashflows using current market rates.

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

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

6. TRADE AND OTHER RECEIVABLES

	2023	2022
	$	$
Current		
Rates receivable	470,064	389,393
Allowance for impairment of Rates receivables	(150,000)	(136,225)
Sundry receivables	223,901	346,519
ATO Receivables	261,409	103,614
	805,374	703,300
Non-current		
Pensioner's rates and ESL deferred	205,569	204,096
Contributions receivable	33,000	44,000
Long service leave due from other LGS	0	15,817
	238,569	263,913

Disclosure of opening and closing balances related to contracts with customers

	Note	30 June 2023 Actual	30 June 2022 Actual	1 July 2021 Actual
		$	$	$
Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:				
Trade and other receivables from contracts with customers		256,901	390,519	102,775
Allowance for credit losses of trade receivables	6	0	0	0
Total trade and other receivables from contracts with customers		256,901	390,519	102,775

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 goods sold and services performed in the ordinary course of business.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Long Service Leave due from other LGs

Long service leave accrued whilst staff worked for other LGs is collected by the Shire from the other LGs when it falls due. The portion expected to fall due within twelve months is shown as current asset whilst the portion expected to fall due after twelve months is shown as non-current asset.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade 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.

7. INVENTORIES

	2023	2022
	$	$
Current		
Fuel and materials	19,832	26,579
	19,832	26,579
The following movements in inventories occurred during the year:		
Carrying amount at beginning of period	26,579	9,960
Inventories expensed during the year	(267,471)	(228,556)
Additions to inventory	260,723	245,175
Carrying amount at end of period	19,832	26,579

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.

8. OTHER ASSETS

	2023	2022
	$	$
Other assets - current		
Accrued income	188,944	226,179
	188,944	226,179

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other current assets include income received subsequent to the year, but accrued back to the year 2022/23 where it was earned.

9 PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Total land	Buildings - non-specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Artwork	Library Stock Transfered From State Govt.	Capital Work in Progress	Total property, plant and equipment
	$	$	$	$	$	$	$	$	$	$	$	$
Balance at 1 July 2021	9,482,526	9,482,526	2,915,984	41,406,513	44,322,497	53,805,023	389,478	4,283,575	350,315	142,156	318,579	59,289,126
Additions	0	0	933,323	177,843	1,111,166	1,111,166	11,359	804,798	0	0	429,631	2,356,954
(Disposals)	0	0	0	0	0	0	0	(505,161)	0	0	0	(505,161)
Revaluation increments / (decrements) transferred to revaluation surplus	(186,526)	(186,526)	125,683	10,396,912	10,522,595	10,336,069	0	0	0	0	0	10,336,069
Depreciation eliminated on disposal	0	0	0	0	0	0	0	116,214				116,214
Depreciation (expense)	0	0	(200,362)	(672,184)	(872,546)	(872,546)	(39,592)	(352,360)	0	(35,539)	0	(1,300,037)
Carrying amount at 30 June 2022	**9,296,000**	**9,296,000**	**3,774,628**	**51,309,084**	**55,083,712**	**64,379,712**	**361,245**	**4,347,066**	**350,315**	**106,617**	**748,210**	**70,293,164**
Gross carrying amount at 30 June 2022	9,296,000	9,296,000	4,495,404	55,068,185	59,563,589	68,859,590	469,637	5,195,529	350,315	177,695	748,210	75,800,975
Accumulated depreciation at 30 June 2022	0	0	(720,776)	(3,759,101)	(4,479,877)	(4,479,877)	(108,392)	(848,463)	0	(71,078)	0	(5,507,811)
Carrying amount at 30 June 2022	**9,296,000**	**9,296,000**	**3,774,628**	**51,309,084**	**55,083,712**	**64,379,713**	**361,245**	**4,347,066**	**350,315**	**106,617**	**748,210**	**70,293,164**
Additions	0	0	32,535	361,098	393,633	393,633	117,569	732,689	0	0	285,293	1,529,184
(Disposals)	0	0	0	0	0	0	0	(292,642)	0	0	0	(292,642)
Revaluation increments / (decrements) transferred to revaluation surplus	(459,400)	(459,400)	(1,279,158)	2,456,878	1,177,720	718,320	0	0	0	0	0	718,320
Depreciation eliminated on disposal	0	0	0	0	0	0	0	68,083	0	0	0	68,083
Transfer from Capital Work in Progress	0	0	0	0	0	0	8,326	0	0	0	(8,326)	0
Depreciation (expense)	0	0	(205,595)	(842,008)	(1,047,603)	(1,047,603)	(40,523)	(462,164)	0	(35,539)	0	(1,585,829)
Carrying amount at 30 June 2023	**8,836,600**	**8,836,600**	**2,322,410**	**53,285,052**	**55,607,462**	**64,444,063**	**446,617**	**4,393,032**	**350,315**	**71,078**	**1,025,176**	**70,730,280**
Gross carrying amount at 30 June 2023	8,836,600	8,836,600	3,248,781	57,886,161	61,134,942	69,971,543	595,532	5,635,576	350,315	177,695	1,025,176	77,755,837
Accumulated depreciation at 30 June 2023	0	0	(926,371)	(4,601,109)	(5,527,480)	(5,527,480)	(148,915)	(1,242,544)	0	(106,617)	0	(7,025,556)
Carrying amount at 30 June 2023	**8,836,600**	**8,836,600**	**2,322,410**	**53,285,052**	**55,607,462**	**64,444,063**	**446,617**	**4,393,032**	**350,315**	**71,078**	**1,025,176**	**70,730,280**

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair 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 - freehold land	2	Market approach using recent observable market data for similar assets.	Independent Valuer	June 2023	Price per hectare.
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties.	Independent Valuer	June 2023	Price per square metre / market borrowing rate, adjusted for restrictions in use.
Buildings - specialised	3	Cost approach and depreciated replacement cost.	Independent Valuer	June 2023	Construction costs and current condition (level 2), residual values and remaining useful life assessments (level 3) inputs.

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

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

(ii) Cost					
Furniture and equipment		Cost	Cost	N/A	Cost
Plant and Equipment		Cost	Cost	N/A	Cost
Artwork		Cost	Cost	N/A	Cost
Library Stock Transfered From State Govt.		Cost	Cost	N/A	Cost

10 INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks, ovals and other	Infrastructure - bridges	Capital Work in Progress	Total Infrastructure
	$	$	$		$	$	$
Balance at 1 July 2021	98,863,539	2,819,934	6,574,996	5,257,632	1,788,798	144,588	115,449,487
Additions	1,534,806	54,350	0	500,244	0	320,305	2,409,705
Revaluation (loss) / reversals transferred to profit or loss	3,469,199	5,859	4,544,146	414,810	487,182		8,921,196
Depreciation (expense)	(986,291)	(73,144)	(139,878)	(348,693)	(100,780)		(1,648,786)
Carrying amount at 30 June 2022	102,881,253	2,806,999	10,979,264	5,823,993	2,175,200	464,893	125,131,602
Comprises:							
Gross carrying amount at 30 June 2022	107,575,790	3,096,531	11,538,067	7,446,145	2,576,602	464,893	132,698,028
Accumulated depreciation at 30 June 2022	(4,694,537)	(289,532)	(558,803)	(1,622,152)	(401,402)	0	(7,566,426)
Carrying amount at 30 June 2022	**102,881,253**	**2,806,999**	**10,979,264**	**5,823,993**	**2,175,200**	**464,893**	**125,131,602**
Additions	1,706,732	0	0	768,663	0	(114,201)	2,361,194
Revaluation increments / (decrements) transferred to revaluation surplus	(39,730,897)	(355,663)	(256,414)	2,105,052	716,719	0	(37,521,203)
Depreciation (expense)	(986,291)	(73,254)	(157,322)	(468,109)	(116,919)	0	(1,801,895)
Carrying amount at 30 June 2023	**63,870,797**	**2,378,082**	**10,565,528**	**8,229,599**	**2,775,000**	**350,692**	**88,169,698**
Comprises:							
Gross carrying amount at 30 June 2023	69,551,625	2,740,868	11,281,653	10,319,860	3,293,321	350,692	97,538,019
Accumulated depreciation at 30 June 2023	(5,680,828)	(362,786)	(716,125)	(2,090,261)	(518,321)	0	(9,368,321)
Carrying amount at 30 June 2023	**63,870,797**	**2,378,082**	**10,565,528**	**8,229,599**	**2,775,000**	**350,692**	**88,169,698**

10 INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i)Fair value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost.	Independent Valuer	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost.	Independent Valuer	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - drainage	3	Cost approach using depreciated replacement cost.	Independent Valuer	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - parks and ovals	3	Cost approach using depreciated replacement cost.	Independent Valuer	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - bridges	3	Cost approach using depreciated replacement cost.	Independent Valuer	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - other	3	Cost approach using depreciated replacement cost.	Independent Valuer	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

11 FIXED ASSETS SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

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

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 one of the following ways:

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

(ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

11. FIXED ASSETS

(a) Disposals of Assets

	2023 Actual Net Book Value	2023 Actual Sale Proceeds	2023 Actual Profit	2023 Actual Loss	2023 Budget Net Book Value	2023 Budget Sale Proceeds	2023 Budget Profit	2023 Budget Loss	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
	$	$	$	$	$	$	$	$	$	$	$	$
Plant and equipment	224,557	223,552	25,623	(26,628)	299,476	232,000	31,500	(98,976)	388,948	435,489	65,948	(19,407)
	224,557	223,552	25,623	(26,628)	299,476	232,000	31,500	(98,976)	388,948	435,489	65,948	(19,407)

The following assets were disposed of during the year.

Plant and Equipment	2023 Actual Net Book Value	2023 Actual Sale Proceeds	2023 Actual Profit	2023 Actual Loss
Health				
Mazda CX3 MAxx Sport	24,493	20,091	0	(4,402)
Education and welfare				
009NGN TOYOTA COROLLA HATCH 2020	24,063	17,273	0	(6,790)
Transport				
NGN93 2020 ISUZU D-MAX SINGLE CAB	16,188	19,864	3,676	0
NO4792 Dynapac Pad Foot Roller	73,677	67,174	0	(6,503)
NGN339 TCM Front End Loader	10,366	27,174	16,808	0
1EUF156 HINO ROAD SWEEPER 2004	44,363	35,430	0	(8,933)
Other property and services				
NGN0 Mitsubishi ASX 2020	12,499	16,455	3,956	0
002NGN 2020 MITSUBISHI ASX	18,908	20,091	1,183	0
	224,557	223,552	25,623	(26,628)

11. FIXED ASSETS

(b) Depreciation

	2023 Actual	2023 Budget	2022 Actual
	$	$	$
Buildings - non-specialised	205,595	139,300	200,362
Buildings - specialised	842,009	585,200	672,184
Furniture and equipment	40,523	53,250	39,592
Plant and equipment	462,165	411,200	352,360
Library Stock Transfered From State Govt.	35,539	0	35,539
Infrastructure - roads	986,292	1,061,689	986,291
Infrastructure - footpaths	73,254	71,200	73,144
Infrastructure - drainage	157,322	0	139,879
Infrastructure - parks, ovals and other	468,110	528,800	348,693
Infrastructure - bridges	116,920	96,550	100,780
Right of use assets - buildings	28,276	0	32,161
Right of use assets - plant and equipment	7,748	0	10,690
	3,423,751	2,947,189	2,991,675

Revision of useful lives of assets

Useful lives of fixed assets were reviewed during the year. There was nothing to warrant changes to useful lives currently associated with fixed assets.

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, 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 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	5 to 100 years
Furniture and equipment	5 to 10 years
Plant and equipment	5 to 20 years
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Formed roads (unsealed)	
formation	not depreciated
pavement	50 years
Footpaths - slab	50 years
Sewerage piping	40 years
Water supply piping and drainage systems	50 to 75 years
Bridges	12 to 22 years
Other Infrastructure	8 to 20 years
Right of use	Based on the remaining lease
Library books	5 years
Parks and ovals	10 to 25 years

Depreciation on revaluation

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

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

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

12. LEASES

(a) Right of Use Assets

Movement in the carrying amounts of each class of right of use asset between the beginning and the end of the current financial year.

	Right of use assets - buildings	Right of use assets - plant and equipment	Right of use assets Total
	$	$	$
Carrying amount at 30 June 2021	0	13,385	13,385
Additions	104,481	0	104,481
Depreciation (expense)	(32,161)	(10,690)	(42,851)
Carrying amount at 30 June 2022	72,320	2,695	75,015
Additions	30,297	5,053	35,350
Depreciation (expense)	(28,276)	(7,748)	(36,024)
	74,341	0	74,341
(b) Cash outflow from leases			
Interest expense on lease liabilities	1,142	133	1,275
Lease principal expense	33,590	9,333	42,923
Total cash outflow from leases	34,732	9,466	44,198

The measurement of lease liabilities does not include any future cash outflows associated with leases not yet commenced to which the Shire is committed. The Shire has two leases relating to residential properties with lease terms of 3 years and 5 years.

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 remaining 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 16(b).

Right-of-use assets - valuation

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 11 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 shortest. 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.

(c) Operating leases

Operating Lease receivable details	**2023**	**2022**
	$	**$**
Less than 1 year	97,115	82,732
Longer than 1 year and not longer than 2 years	69,538	71,385
Longer than 2 years and not longer than 5 years	69,624	99,160
Longer than 5 years	12,863	19,183
Total	**249,140**	**272,459**

The Shire also has peppercorn leases with 25 various not-for-profit entities.

Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease		
Rental Income	**88,635**	**82,857**

The Shire leases properties to staff and other tenants with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.
These properties are not considered investment property as they are leased for use in the supply of services to the commnity.

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

The Shire as Lessor

Upon entering into each contract as lessor, the Shire assesses if the lease is a finance or operating lease.The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within the definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease(e.g legal cost, cost to set up) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term. When a contract is determined to include lease and non lease components, the Entity applies AASB15 to allocate the consideration under the contract to each component.

13. REVALUATION SURPLUS

	2023 Opening Balance	2023 Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	2022 Movement on Revaluation	2022 Closing Balance
	$	$	$	$	$	$
Revaluation surplus - Land	42,610,225	(459,400)	42,150,825	42,796,751	(186,526)	42,610,225
Revaluation surplus - Buildings - non-specialised	320,045	(1,279,158)	(959,113)	194,362	125,683	320,045
Revaluation surplus - Buildings - specialised	12,127,473	2,456,878	14,584,351	1,730,561	10,396,912	12,127,473
Revaluation surplus - Furniture and equipment	24,329	0	24,329	24,329	0	24,329
Revaluation surplus - Plant and equipment	762,474	0	762,474	762,474	0	762,474
Revaluation surplus - Artwork	350,315	0	350,315	350,315	0	350,315
Revaluation surplus - Infrastructure - roads	69,686,134	(39,730,897)	29,955,237	66,216,935	3,469,199	69,686,134
Revaluation surplus - Infrastructure - footpaths	1,831,654	(355,663)	1,475,991	1,825,795	5,859	1,831,654
Revaluation surplus - Infrastructure - drainage	10,924,983	(256,414)	10,668,569	6,380,837	4,544,146	10,924,983
Revaluation surplus - Infrastructure - parks, ovals and other	4,593,824	2,105,052	6,698,876	4,179,015	414,809	4,593,824
Revaluation surplus - Infrastructure - bridges	554,336	716,719	1,271,055	67,155	487,181	554,336
	143,785,792	(36,802,883)	106,982,909	124,528,529	19,257,263	143,785,792

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

14 TRADE AND OTHER PAYABLES

	2023	2022
	$	$
Current		
Sundry creditors	14,562	305,791
Prepaid rates	174,218	153,408
Accrued payroll liabilities	247,674	164,729
Bonds and deposits held	14,605	15,501
Other creditors	53,358	(7,787)
Accrued expenses	245,450	225,595
	749,866	857,237
Non-current		
Long service leave due to other LGS	47,940	21,654
	47,940	21,654

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.

Long service leave due to other LGs
Long service leave accrued for staff who no longer work for this Shire but remain employed in Local government, is payable by this Shire when it falls due.The portion expected to fall due within twelve months is shown as current liability whilst the portion expected to fall due after twelve months is shown as non-current liability.

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.

15 OTHER LIABILITIES

	2023	2022
	$	$
Current		
Capital grant/contributions liabilities	787,467	392,000
	787,467	392,000

Reconciliation of changes in contract liabilities

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	392,000	283,935
Additions	395,467	392,000
Revenue from capital grant/contributions held as a liability at the start of the period	0	(283,935)
	787,467	392,000

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 City's obligation to transfer goods or services to a customer for which the City 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.

16 LEASE LIABILITIES

(a) Lease Liabilities

	2023	2022
	$	$
Current	33,271	36,042
Non-current	34,640	39,442
	67,911	75,484

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual Lease Principal 1 July 2022	30 June 2023 Actual New Leases	30 June 2023 Actual Lease Principal Repayments	30 June 2023 Actual Lease Principal Outstanding	30 June 2023 Actual Lease Interest Repayments	Budget Lease Principal 1 July 2022	30 June 2023 Budget New Leases	30 June 2023 Budget Lease Principal Repayments	30 June 2023 Budget Lease Principal Outstanding	30 June 2023 Budget Lease Interest Repayments	Actual Lease Principal 1 July 2021	30 June 2022 Actual New Loans	30 June 2022 Actual Lease Principal Repayments	30 June 2022 Actual Lease Principal Outstanding	30 June 2022 Actual Lease Interest Repayments
					$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Law, order, public safety																			
Holden Colorado	1	Easifleet	1.70%	36 Months	4,280	5,053	9,333	0	133	7,568	0	7,568	0	74	14,868	0	10,588	4,280	172
Housing																			
8 Parry Court, Narrogin	1	Elders	1.30%	36 Months	16,682	25,634	18,055	24,261	487	0	0	0	0	0	0	33,149	16,467	16,682	333
68 Williams Rd, Narrogin	1	Private Individual	1.30%	60 Months	54,522	4,663	15,535	43,650	655	0	0	0	0	0	0	71,332	16,810	54,522	898
					75,484	35,350	42,923	67,911	1,275	7,568	0	7,568	0	74	14,868	104,481	43,865	75,484	1,403

17. INFORMATION ON BORROWINGS

(a) Borrowings

	2023	2022
	$	$
Current	137,392	214,581
Non-current	1,381,926	1,069,442
	1,519,318	1,284,023

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual Principal 1 July 2022	30 June 2023 Actual New Loans	30 June 2023 Actual Principal repayments	30 June 2023 Actual Interest repayments	30 June 2023 Actual Principal outstanding	Budget Principal 1 July 2022	30 June 2023 Budget New Loans	30 June 2023 Budget Principal repayments	30 June 2023 Budget Interest repayments	30 June 2023 Budget Principal outstanding	Actual Principal 1 July 2021	30 June 2022 Actual New Loans	30 June 2022 Actual Principal repayments	30 June 2022 Actual Interest repayments	30 June 2022 Actual Principal outstanding
				$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Governance																		
Administration Building Extension	128	WATC *	2.69% p.a	194,537	0	46,703	6,334	147,834	194,537	0	46,703	6,052	147,834	240,008	0	45,471	7,883	194,537
Housing																		
Staff Housing	132	WATC *	4.83% p.a	500,000	0	15,303	26,184	484,697	500,000	0	15,304	30,440	484,696	0	500,000	0	0	500,000
Community amenities																		
Sewerage	130	WATC *	1.47% p.a	163,039	0	17,211	3,381	145,828	163,039	0	17,085	2,956	145,954	180,000	0	16,961	3,116	163,039
Recreation and culture																		
Narrogin Regional Leisure Centre	121B	WATC *	5.51% p.a	55,691	0	55,691	1,937	0	55,691	0	55,691	1,948	0	113,272	0	57,581	5,595	55,691
Town Hall renovations	126	WATC *	3.86% p.a	33,221	0	33,221	1,352	0	33,221	0	33,221	1,206	0	65,195	0	31,974	2,789	33,221
Economic services																		
Accommodation Units	133	WATC *	4.52% p.a		450,000			450,000		450,000	0	1,954	450,000					
Industrial Land	127	WATC *	4.48% p.a	85,218	0	12,678	4,250	72,540	85,218	0	12,678	4,596	72,540	97,346	0	12,128	4,865	85,218
Accommodation Units	129	WATC *	5.51% p.a	252,318	0	33,898	6,754	218,420	252,318	0	33,899	7,850	218,419	285,538	0	33,221	7,663	252,318
				1,284,024	450,000	214,705	50,192	1,519,319	1,284,024	450,000	214,581	57,002	1,519,443	981,359	500,000	197,336	31,911	1,284,024
				1,284,024	450,000	214,705	50,192	1,519,319	1,284,024	450,000	214,581	57,002	1,519,443	981,359	500,000	197,336	31,911	1,284,024

* WA Treasury Corporation

All loan repayments were financed by general purpose revenue.

17. INFORMATION ON BORROWINGS (Continued)

(c) Undrawn Borrowing Facilities	2023 $	2022 $
Credit Standby Arrangements		
Bank overdraft limit	400,000	400,000
Bank overdraft at balance date	0	0
Credit card limit	15,000	27,500
Credit card balance at balance date	(7,701)	(4,234)
Total amount of credit unused	407,299	423,266
Loan facilities		
Loan facilities - current	137,392	214,581
Loan facilities - non-current	1,381,926	1,069,442
Total facilities in use at balance date	1,519,318	1,284,023
Unused loan facilities at balance date	0	0

SIGNIFICANT ACCOUNTING POLICIES

Borrowing Costs

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate.

18. EMPLOYEE PROVISIONS

(a) Employee Related Provisions

	Provision for Employment on-costs	Provision for Annual Leave	Provision for Long Service Leave	Total
	$	$	$	$
Balance at 30 June 2022				
Current provisions	74,685	409,160	211,982	695,827
Non-current provisions	14,594	0	104,244	118,838
	89,279	409,160	316,226	814,665
Balance at 30 June 2023				
Current provisions	90,052	377,198	266,033	733,283
Non-current provisions	16,927	0	120,911	137,838
	106,979	377,198	386,944	871,121

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

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

	2023	2022
Amounts are expected to be settled on the following basis:	$	$
Less than 12 months after the reporting date	524,827	484,164
More than 12 months from reporting date	346,294	330,501
	871,121	814,665
Expected reimbursements from other WA local governments (note 6)	0	(15,817)

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits 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.

Other long-term employee benefits (Continued)

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.

Provisions

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

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

19. NOTES TO THE STATEMENT OF CASH FLOWS

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:

	2023 Actual $	2023 Budget $	2022 Actual $
Cash and cash equivalents	9,659,065	3,798,723	6,038,926
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	1,337,276	1,782,056	1,993,263
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(5,528)	0	(5,996)
Depreciation on non-current assets	3,423,750	2,947,189	2,991,674
(Profit)/loss on sale of asset	1,005	67,476	(46,541)
Changes in assets and liabilities:	0	0	0
(Increase)/decrease in receivables	(76,729)	(25,000)	(104,363)
(Increase)/decrease in other assets	37,234	0	(172,554)
(Increase)/decrease in inventories	6,748	(2,540)	(16,619)
Increase/(decrease) in payables	(107,370)	116,838	(157,571)
Increase/(decrease) in provisions	82,741	37,701	(126,212)
Increase/(decrease) in other liabilities	395,466	0	108,065
Non-operating grants, subsidies and contributions	(1,304,388)	(4,504,873)	(1,833,692)
Net cash from operating activities	3,790,205	418,847	2,629,453

20. CONTINGENT ASSETS AND LIABILITIES

The Department of Water and Environmental Regulation (DWER) issued Category 61, 62 and 64 licenses for the Shire of Narrogin Waste Management Facility for a term of 20 years from 30 June 2011 to 29 June 2031.

Independent experts, engaged by the Shire, determined on 16 December 2019 that the site is anticipated to have an operating life of at least 68 years and that an active post closure period of approximately 5 years will be sufficient to determine the effectiveness of the post closure measures implemented.

A Landfill Closure Management Plan is required to be prepared as part of the license conditions. This plan will only be prepared closer to landfill closure date as assessed and confirmed by DWER.

The Shire is not aware of any contingent assets as at 30 June 2023.

21. CAPITAL COMMITMENTS

	2023	2022
	$	$
(a) Capital Expenditure Commitments		
Contracted for:		
- capital expenditure projects	554,483	701,153
	554,483	701,153
Payable:		
- not later than one year	554,483	701,153

The capital expenditure projects outstanding at the end of the current reporting period and previous represent outstanding orders issued for capital projects prior to 30.06.2023 and 30.06.2022, respectively.

22. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

	2023 Actual $	2023 Budget $	2022 Actual $
Summary			
Meeting fees	94,500	94,500	92,126
President's allowance	24,100	24,100	23,500
Deputy President's allowance	6,025	6,025	5,875
Travelling expenses	0	1,025	0
Telecommunications allowance	7,436	6,410	5,472
	132,061	**132,060**	**126,973**

Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid and payable to KMP of the Shire during the year are as follows:	2023 Actual $	2022 Actual $
Short-term employee benefits	1,056,041	1,027,071
Post-employment benefits	136,828	128,502
Other long-term benefits	114,622	127,579
Council member costs (note 22(a))	132,061	126,973
	1,439,551	1,410,125

Short-term employee benefits
These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found above.

Post-employment benefits
These amounts are the current-year's estimated cost of providing for the Shire's superannuation contributions made during the year.

Other long-term benefits
These amounts represent annual leave and long service benefits accruing during the year.

Termination benefits
These amounts represent termination benefits paid to KMP (Note: may or may not be *applicable in any given year).*

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

22. RELATED PARTY TRANSACTIONS (Continued)

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 guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:		2023 Actual $	2022 Actual $
Sale of goods and services		0	0
Purchase of goods and services	*	220,443	142,510
Council member costs(note 22(a))		132,061	126,973
Amounts outstanding from related parties:			
Trade and Other receivables		Nil	Nil
Amounts outstanding to related parties:			
Trade and other payables		Nil	45,600

* Purchases to the value of $220,443 were made to the following during the year 2022-23.

Ground Up Building & Construction	With the related party being a member of the Council
Narrogin Earthmoving & Concrete Pty Ltd Atf The Mcnab Family Trust	With the related party being a member of the Council
Crisp Wireless	With the related party being a member of the Council
Regional Communication Solutions	With the related party being a member of the Council

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 elected member, are considered key management personnel.

ii. Other Related Parties

During the year, companies controlled by a related party of a council member, were awarded contracts under the selective tender process on terms and conditions equivalent for those that prevail in arm's length transactions under the Shire's procurement process.

iii. Entities subject to significant influence by the Shire

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

23. RATING INFORMATION

(a) Rates

RATE TYPE Differential general rate / general rate	Rate in $	Number of Properties	2022/2023 Actual Rateable Value $	2022/2023 Actual Rate Revenue $	2022/2023 Actual Interim Rates $	2022/2023 Actual Back Rates $	2022/2023 Actual Total Revenue $	2022/2023 Budget Rate Revenue $	2022/2023 Budget Interim Rate $	2022/2023 Budget Back Rate $	2022/2023 Budget Total Revenue $	2021/2022 Actual Total Revenue $
Gross rental valuations												
Urban	0.1216420	1,618	27,092,650	3,295,604	6,604	6,299	3,308,507	3,295,552	10,997	0	3,306,549	3,133,489
Rural	0.0866400	49	915,802	79,345	120	0	79,465	79,525	0	0	79,525	71,020
Rural - Highbury	0.0866400	28	376,710	32,638	0	0	32,638	33,416	0	0	33,416	29,119
Unimproved valuations												
General UV	0.0051830	253	218,964,113	1,134,891	4,243	549	1,139,683	1,134,891	0	0	1,134,891	1,066,690
Sub-Total		1,948	247,349,275	4,542,478	10,967	6,848	4,560,293	4,543,384	10,997	0	4,554,381	4,300,318
Minimum payment	Minimum $											
Gross rental valuations												
Urban	1,190	526	3,936,860	625,940	0	0	625,940	625,940	0	0	625,940	594,825
Rural	953	16	90,145	15,248	0	0	15,248	15,248	0	0	15,248	13,808
Rural - Highbury	805	5	39,776	4,025	0	0	4,025	4,025	0	0	4,025	4,494
Unimproved valuations												
General UV	953	241	26,827,189	229,673	0	0	229,673	229,673	0	0	229,673	201,942
Sub-Total		788	30,893,970	874,886	0	0	874,886	874,886	0	0	874,886	815,069
		2,736	278,243,245	5,417,364	10,967	6,848	5,435,179	5,418,270	10,997	0	5,429,267	5,115,387
Total amount raised from general rate							5,435,179				5,429,267	5,115,387
Ex-gratia rates							11,525				11,104	10,626
Totals							5,446,704				5,440,371	5,126,013

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period.

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.

23. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		$	%	%
Option One				
One instalment	20/09/2022	0.00	0.00%	7.00%
Option Two				
1st instalment	20/09/2022	0.00	5.50%	7.00%
2nd instalment	21/11/2022	18.00	5.50%	7.00%
3rd instalment	24/01/2023	18.00	5.50%	7.00%
4th instalment	28/03/2023	18.00	5.50%	7.00%

	2023 Actual	2023 Budget	2022 Actual
	$	$	$
Interest on unpaid rates	38,383	34,845	32,501
Interest on instalment plan	12,775	12,000	12,887
Charges on instalment plan	33,275	33,000	33,104
	84,433	79,845	78,491

24. DETERMINATION OF SURPLUS OR DEFICIT

	Note	2022/2023 (30 June 2023 Carried Forward)	2022/2023 Budget (30 June 2023 Carried Forward)	2022/2023 (1 July 2022 Brought Forward)	2021/2022 (30 June 2022 Carried Forward
		$	$	$	$
(a) Non-cash amounts excluded from operating activities					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32.*					
Adjustments to operating activities					
Less: Profit on asset disposals	11(a)	(25,623)	(31,500)	(65,948)	(65,948)
Less: Movement in liabilities associated with restricted cash		10,506	4,470	232	232
Less: Fair value adjustments to financial assets at fair value through profit and loss		(5,528)	0	(5,996)	(5,996)
Movement in pensioner deferred rates (non-current)		(1,473)	0	(15,136)	(15,136)
Movement in other receivables (non-current)		26,817	0	(34,863)	(34,863)
Movement in employee benefit provisions (non-current)		45,286	0	(58,029)	(58,029)
Add: Loss on disposal of assets	11(a)	26,628	98,976	19,407	19,407
Add: Depreciation on non-current assets	11(b)	3,423,751	2,947,189	2,991,674	2,991,674
Non cash amounts excluded from operating activities		3,500,364	3,019,135	2,831,341	2,831,341
(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 *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.					
Adjustments to net current assets					
Less: Reserves - cash/financial asset backed	4	(5,330,161)	(2,956,463)	(4,871,461)	(4,871,461)
- Current portion of borrowings	17(a)	137,392	221,257	214,581	214,581
- Current portion of lease liabilities		33,271	9,269	36,042	36,042
- Employee benefit provisions		371,710	365,674	361,204	361,204
Total adjustments to net current assets		(4,787,788)	(2,360,263)	(4,259,634)	(4,259,634)
Net current assets used in the Statement of Financial Activity					
Total current assets		10,673,215	4,566,146	8,994,984	8,994,984
Less: Total current liabilities		(2,441,279)	(2,205,884)	(2,195,687)	(2,195,687)
Less: Total adjustments to net current assets		(4,787,788)	(2,360,262)	(4,259,634)	(4,259,634)
Net current assets used in the Statement of Financial Activity		3,444,148	0	2,539,663	2,539,663

25. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no events occurring after balance date that have a significant effect on the financial statements.

26. TRUST FUNDS

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

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	$	$	$	$
BSL Levy	7,818	0	3,154	4,664
BCITF Levy	8,731	2,730	350	11,111
	16,549	2,730	3,504	15,775

27. 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) 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.

i) 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 regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

Auditor General

INDEPENDENT AUDITOR'S REPORT
2023
Shire of Narrogin

To the Council of the Shire of Narrogin

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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

Mark Ambrose

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

SHIRE OF NARROGIN

A leading regional economic driver
and a socially interactive and inclusive community.

Shire of Narrogin
Love the life

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