

# ANNUAL REPORT

## 2022 - 2023



# SHIRE OF LAKE GRACE

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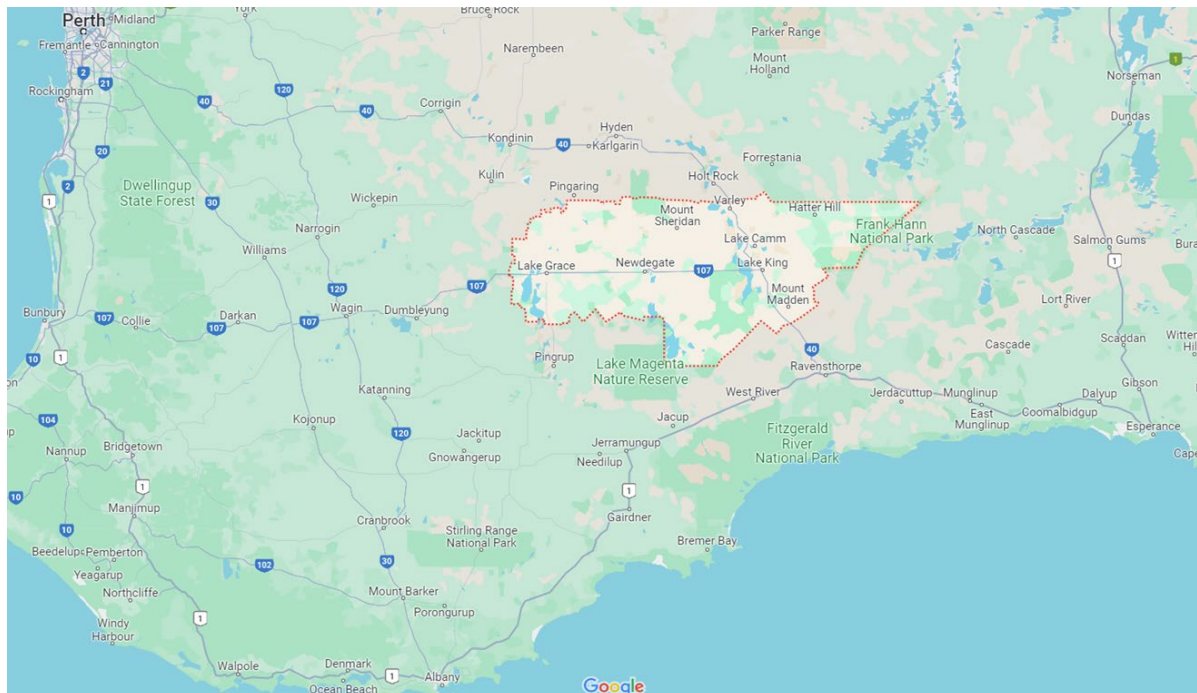


## INTRODUCTION



The Shire of Lake Grace is situated in the South-East of Western Australia and is one of the largest agricultural Shires in the State. It incorporates the communities of Lake Grace, Newdegate, Lake King, Varley and part of Pingaring and has 1,265 people inhabiting its 11,890km<sup>2</sup> area. The administration office is located in the town of Lake Grace.

Distance from Perth (kms)	345
Distance from Bunbury (kms)	297
Distance from Esperance (kms)	379
Area in km <sup>2</sup>	11 890
Length of sealed roads (kms)	286
Length of unsealed roads (kms)	2 140
Population (2021 census)	1 265
Number of electors	908
Number of dwellings (2021 census)	743
Levied rates 2022/23	\$ 4 993 932
Total revenue for 2022/23	\$11 546 990
Number of Shire employees	44



## PRESIDENT REPORT

It is with pleasure that I present to you the Shire of Lake Grace 2022/2023 Annual Report.

This year has been, from a Shire perspective, one of completing outstanding projects that had been impacted by the previous two years of covid-19 consequences brought about by the lack of materials, trades people and workforce personnel. The Newdegate Country Club renovations and refurbishment was one such infrastructure project that had taken a substantial period of time to be completed, and is now back in use by the community. The Aylmore road construction at the intersection of Edwards road was another project that was impacted by works personnel not being available; a substantial road works endeavor to bituminize the road through the salt lake environment which has now been completed.

Most Shire public buildings, halls, libraries, housing etc. have had major maintenance upgrades and all buildings requiring painting have had this work carried out. However, as always, building maintenance and road works are areas of operations which are ongoing year in and year out and this year has been no different from previous years with scheduled and emergency tasking taking place within the confines of budgetary consideration.

I would like to take this opportunity as the President to congratulate the hardworking staff, be it either internal administration or external personnel, on the way you fulfil your obligations to ensure that the Shire of Lake Grace is a great place to live, work and play and it is recognised that these outcomes at times did not come without challenges. So on behalf of all councillors and the ratepayers of Lake Grace, a big thank you.





The year 2022 also saw two major events unfold in the Newdegate community, these being the 100 year celebrations for the townsite of Newdegate and also recognition for the 50 years of the Newdegate Field Days operations. Well done on both these outstanding achievements and congratulations on the committees of both organisations for the recognition celebrations.

As per the last few years, there is still a shortage of gravel supply for maintenance of our road systems (2,140kms of gravel roads within the Shire) due to restrictions and environmental regulations. But thanks to staff and the farmers who offered, assisted, and indicated that gravel supplies from their properties could be utilised by the Shire to continue with road maintenance, re-sheeting programmes. Your assistance is greatly appreciated.

Finally, as always, a big thank you to my fellow councilors for your dedication and sound input over the year in your service to your communities.

LEN ARMSTRONG  
SHIRE PRESIDENT

## COUNCILLORS & EXECUTIVE TEAM

COUNCILLORS TERMS OF OFFICE AND CONTACT DETAILS		EXECUTIVE TEAM	
	Cr Len Armstrong End of term 2023 cramstrong@lakegrace.wa.gov.au 0429 843 785		Chief Executive Officer Alan George
	Cr Ross Chappell End of term 2025 crchappell@lakegrace.wa.gov.au 0428 654 058		Deputy Chief Executive Officer Chris Paget
	Cr Debrah Clarke End of term 2023 crclarke@lakegrace.wa.gov.au 0428 654 041		Manager Corporate Services - Tegan Hall (A/Manager Corporate Services – Kevin Wilson)
	Cr Stephen Hunt End of term 2025 crhunt@lakegrace.wa.gov.au 0427 651 585		Manager Infrastructure Services Craig Elefsen
	Cr Ben Hyde End of term 2025 crhyde@lakegrace.wa.gov.au 0428 752 042		
	Cr Anton Kuchling End of term 2025 crkuchling@lakegrace.wa.gov.au 0427 206 030		
	Cr Roz Lloyd End of term 2023 crlloyd@lakegrace.wa.gov.au 0428 711 534		
	Cr Jeff McKenzie End of term 2023 crmckenzie@lakegrace.wa.gov.au 0458 693 014		

*Please note there was an election held on 25 October 2023. Under the Local Government Reforms introduced in May 2023 the number of elected members for Shire of Lake Grace dropped to seven (7).*

## COMMITTEES OF COUNCIL

Audit Committee	Cr L Armstrong Cr Hunt Cr D Clarke
Bush Fire Advisory Committee	Cr R Chappell Cr A Kuchling
Local Emergency Management Committee	Cr L Armstrong Cr R Chappell
Lake Grace Library Resource and Community Resource Centre Management Committee	Cr D Clarke
Newdegate Library Resource and Community Resource Centre Management Committee	Cr R Lloyd
Newdegate Swimming Pool Management Committee	Cr L Armstrong Cr R Lloyd
Shire of Lake Grace Tourism Advisory Committee	Cr D Clarke
Shire of Lake Grace Planning and Asset Management Group	Cr L Armstrong Cr R Chappell Cr B Hyde Cr A Kuchling

## COUNCILLOR REMUNERATION 22/23

As per Local Government Act 1995 s5.96a and Local Government (Administration) Regulations 1996 . R29C(f) - Councillors remuneration for the year ending includes meeting fees, Presidential and Deputy Allowance, Travel Allowance and Information Technology (IT) Allowance.

Councillor	President	Deputy President	Meeting Fees	Travel	IT Allowance	Other
Len Armstrong	\$20 565	Nil	\$8 200	\$7 163.58	\$3 500	\$0
Ross Chappell	Nil	\$5 142	\$4 100	\$1 222.91	\$3 500	\$0
Debrah Clarke	Nil	Nil	\$4 100	\$0	\$3 500	\$0
Stephen Hunt	Nil	Nil	\$4 100	\$2 109.62	\$3 500	\$5
Ben Hyde	Nil	Nil	\$4 100	\$2 478.12	\$3 500	\$0
Anton Kuchling	Nil	Nil	\$4 100	\$611.46	\$3 500	\$0
Roz Lloyd	Nil	Nil	\$4 100	\$1 094.49	\$3 500	\$0
Jeff McKenzie	Nil	Nil	\$4 100	\$0	\$3 500	\$0



## CEO REPORT

Once again the Shire of Lake Grace has experienced a very busy and action-packed year with many projects completed as well as many more planned or underway. These coupled with ongoing road maintenance and upgrades have kept the staff and contractors busy.

Some of the projects completed during the year included, but were not limited to;

- Completion of the Newdegate Country Club renovations and refurbishment with major funding coming from the Newdegate Field Days Committee Inc, Newdegate Cropping Group, Shire of Lake Grace and federal funding from the Drought Communities Program and the Local Roads and Community Infrastructure Program.
- New lighting and upgrades at Newdegate and Lake Grace hockey fields and Lake Grace football oval
- Sealing of sports ground carparks at Lake Grace and Newdegate
- Playing surface improvements at sports ovals in Lake King, Newdegate and Lake Grace.

Without funding from the federal government's rounds of the Local Roads and Community Funding Program many of these would not have been possible to complete.

The town of Newdegate was the centre of attention in September 2022 with two big celebrations – the 50<sup>th</sup> anniversary of the Newdegate Field Days and the 100<sup>th</sup> year Centenary Celebrations. The organization of these events was a credit to the community.

Water supplies throughout the shire also remained a priority which saw several water tanks purchased to enhance supplies as well as a new dam sunk at the Lake King Airstrip. Investigations are ongoing regarding further water deficiency mitigation measures.

There have been several wireless communications towers erected between Lake Grace and east Newdegate by Crisp Wireless and Field Solutions Group to enhance internet connectivity for ratepayers in the shire.

Several functions were held throughout the year for our senior citizens and the youth of the shire, most of which were organised by Cheryl Chappell who retired at the end of the year after just over 11 years on the job.

There was a big movement in the supply of residential land in Lake Grace with all vacant blocks in the Quondong Court subdivision being sold. We have sought grant funding for headworks to develop further residential land on the east end of town. We have sought the expertise of Development WA to investigate the development and release of some light industrial lots in Dewar St Lake Grace. Negotiations are underway with WA Country Health Service to develop some housing for the hospital nursing staff.

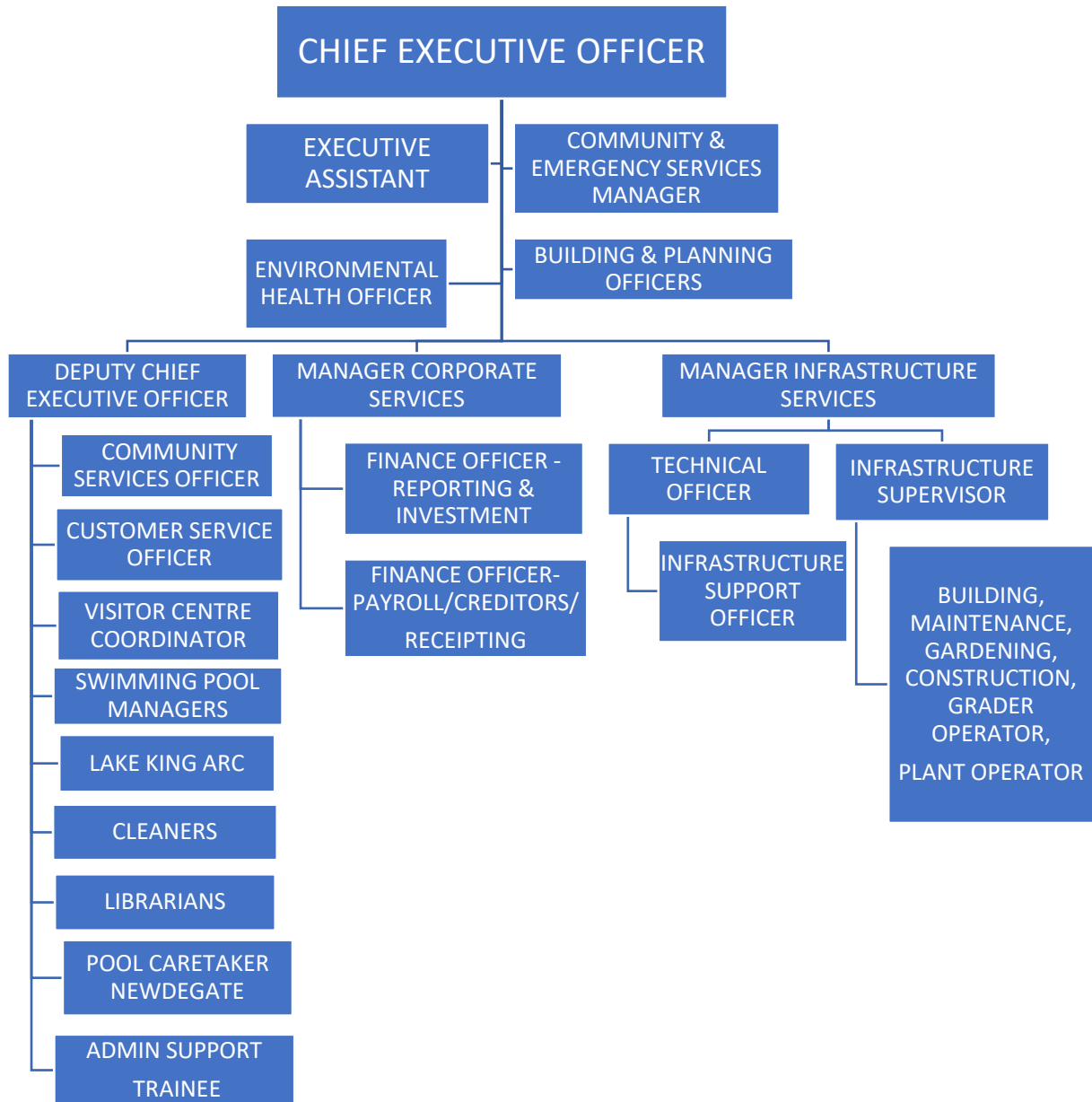
We have again received an excellent Audit report and many thanks goes to all the staff involved.

The administration staff of the shire continued to remain fairly stable over the past 12 months with only a few changes in the outside staff due mainly to personal reasons. All staff have a positive attitude and remain dedicated to servicing the needs of the shire and its residents.

The Council continues to work together for the benefit of the entire shire and their support and foresight has been of great assistance.

ALAN GEORGE - CHIEF EXECUTIVE OFFICER

# ORGANISATION CHART



## CORPORATE SERVICES REPORT

The 2022/23 Annual Financial Statements were audited by contract auditors through the Office of Auditor General and the statements received a clear audit opinion which provides Council and the Shire community that the Shire has sound financial internal controls and financial management processes.

The 2022/2023 budget was prepared with a three (3%) increase to Gross Rental Value (GRV) rates, the Unimproved Valuation (UV) rate was not increased by rate in the dollar as per previous practice as the Shire had received notification from Landgate that the property values on unimproved rated properties had increased by an average of 19.96% across the board. Instead the rate in the dollar has been reduced to allow for an overall increase of 10% so as to reduce the impact of the increase in valuations.

There was no new borrowings for the 2022/23 budget.

The 2022/2023 Budget provided, as normal, funds to meet the on-going operations of the Shire which includes shire building and facilities, parks and gardens, and recreational facilities maintained to acceptable standards, maintaining and upgrading the Shire's extensive road system which totals to some 2,500 kilometres.

### **Infrastructure – Roads, Footpaths, Drainage and Airstrip upgrades**

An amount of \$3,668,548 was set aside for road renewal and upgrades to cover works on:

- Kathleen Road, Mallee Hill Road, Old Ravensthorpe and North Lake- Karlgarin Road,
- Taylor Road, Fitzgerald Road, Newdegate – Pingrup Road, Aylmore Road;
- Witham Road resheet, Holt Rock and Waddell Road reseals;
- and some works on the Speed calming devices in Lake Grace and Backslopes and Shoulder renewal.

The following allocations totalling \$397,225 were also provided for, new footpaths in Newdegate, urban stormwater, Dykes Road drainage, Fuel storage upgrade at Lake Grace depot and Lake Grace Airstrip.

### **Infrastructure - Parks Gardens and Recreation Facilities**

Many of the projects initiated in 2021/22 being funded by Commonwealth programs, Drought Communities and Local Roads and Community Infrastructure were carried over into the 2022/23 budget due to shortage of contractors and resources to enable the projects to be either started or completed, some of these projects were:

- Lake Grace Sportsman Club Roof Replacement,
- Newdegate Hockey Shed replacement,
- Newdegate Country Club,
- Lighting for Lake Grace, Newdegate Hockey and Lake Grace Football Fields,
- Community All Ages Playground in Lake Grace,
- Unisex Toilets at all sporting precincts,
- Newdegate Jumping pillow and land,
- Community Walk Trails

An amount of \$1,075,000 was allocated to purchase replacement works plant and equipment which included Volvo Prime Movers, Multi Roller Spray Unit, mower for oval, Skid Steer and Plant trailer.

The Corporate Services team which now involves rates management, financial processing, payroll and reporting and investment management has been busy involved in the normal business as usual activities around these functions. The team however still has a team member working remotely in Perth which is proving to be a very successful part of our finance function.

During the year several staff members had the opportunity to attend training and development programs in Perth or other venues which included records management, OSH, financial reporting and finance upskill courses which is increasingly required to meet the compliance requirements of Local Government.

A new payroll package Definitiv was implemented late on in the 21/22 financial year. After a few teething issues the program is now operating smoothly and has been well received by all of the Shire staff. The new system has cut the processing time of payroll in half which has freed the payroll officer to take on other financial processes within the Corporate team.

### **Report of Employees Remuneration**

Administration Regulation 19B requires a local government to report details of the number of employees entitled to an annual salary of \$100,000 or more in bands of \$10,000 for each band over \$100,000. These are disclosed as follows:

Salary Range	2022	2023
\$100,000 - \$110,000		
\$110,001 - \$120,000	1	1
\$130,001 - \$150,000	2	2
\$200,001 - \$260,000	1	1

### **Commonwealth Funding**

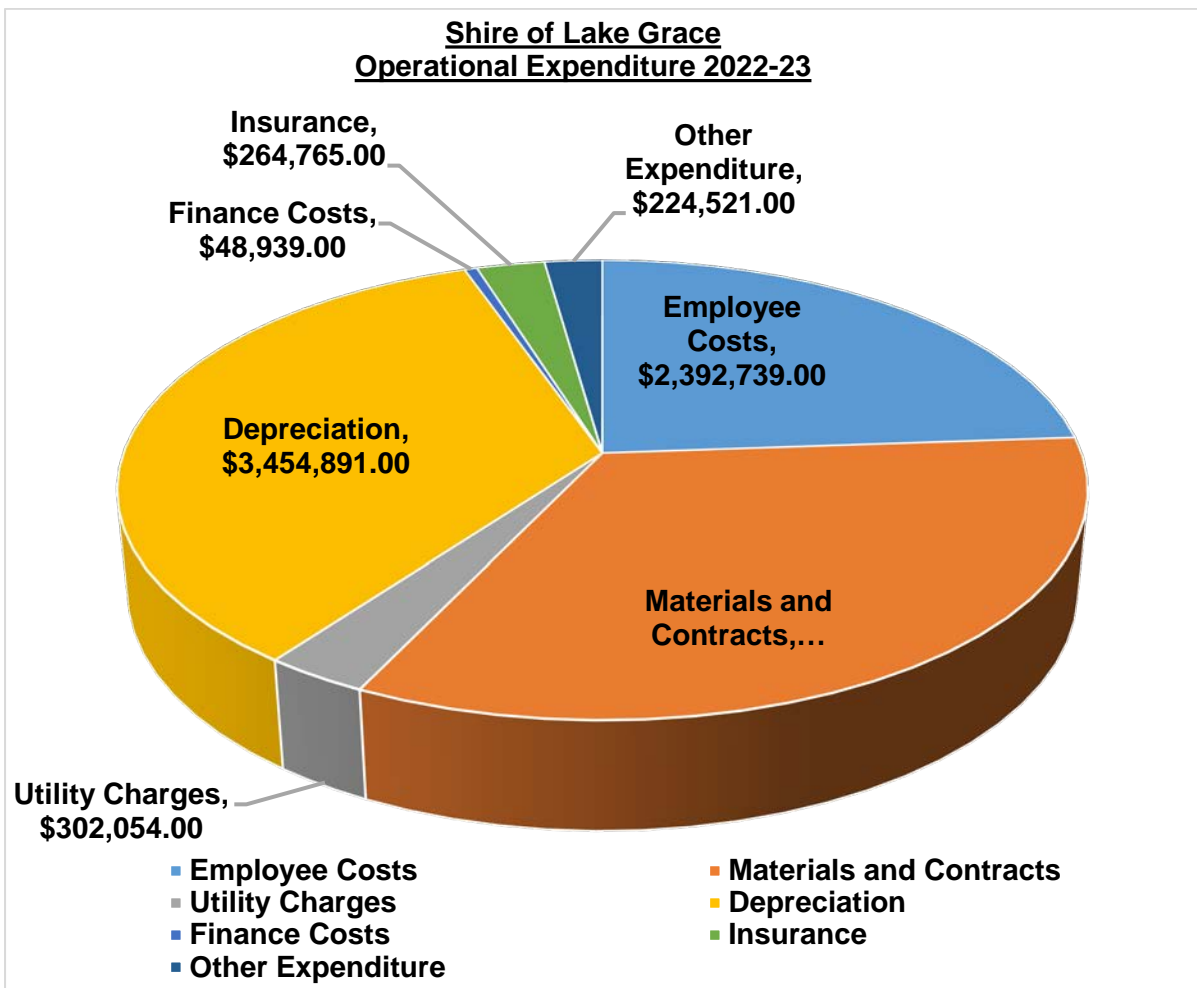
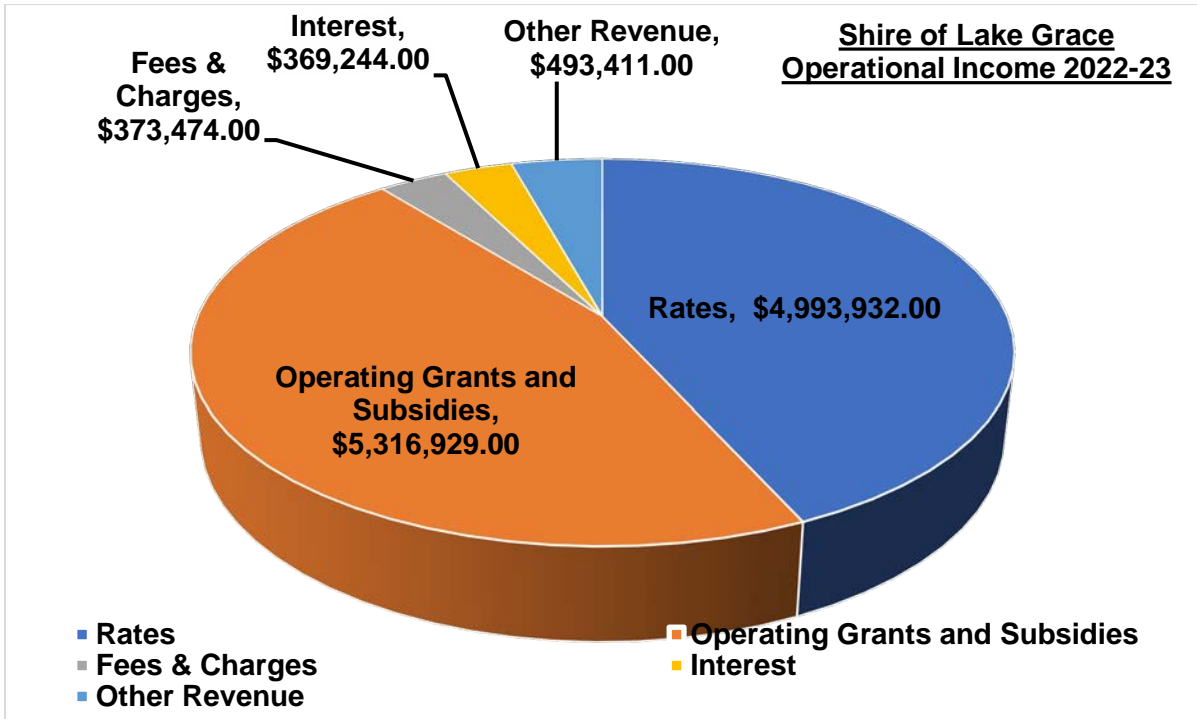
Financial Assistance grants are a vital part of the revenue base of all councils in essential community infrastructure and services ranging from local roads and parks to swimming pools and libraries.

The Shire of Lake Grace acknowledges the importance of the Commonwealth's funding through the Financial Assistance Grants programme for the combined delivery of council services and infrastructure.

The Shire of Lake Grace received \$3,439,236 Commonwealth Financial Assistance Grant of which \$2,522,868 was prepaid in April 2022. Of this Grant, \$1,937,368 was for general operations and \$1,501,867 was for local roads.

The Shire of Lake Grace received \$884,370 in Roads to Recovery funding from the Commonwealth.

The Shire of Lake Grace ensures that this Commonwealth funding and any other funding provided by the Commonwealth Government under relevant grant programs, is appropriately identified as Commonwealth grant funding in Council's publications including annual reports.





#### NOTES TO ACCOMPANY GRAPHS:

The key element in understanding financial performance is to view its operations, excluding capital expenditure, over time. Regular reports to Council on the Shire's financial performance demonstrate a good level of budgetary control; the Shire continues to receive unmodified audit reports.

The Shire's operating position reflects the revenues earned from rates and other income, such as fees and charges, and the expenses incurred in providing a wide range of services such as supporting the recreational facilities and sports grounds, roads, building and parks maintenance, as well as environmental and Fire Prevention Services.

The Shires revenue is largely reliant upon operating grants and subsidies from Commonwealth, State and other funding bodies and fees and charges. Rates contribute 43.25% of Council's total income and operating grants and subsidies account for 46.05% of Council's income, which is predominantly derived to help fund the community's needs and infrastructure.

Due to prudent financial management within the 2022-23 budget period, Council is in the position to allocate funds to Shire reserves for the future preservation of assets and to invest in community infrastructure projects and recycling & waste.

KEVIN WILSON  
A/MANAGER CORPORATE SERVICES

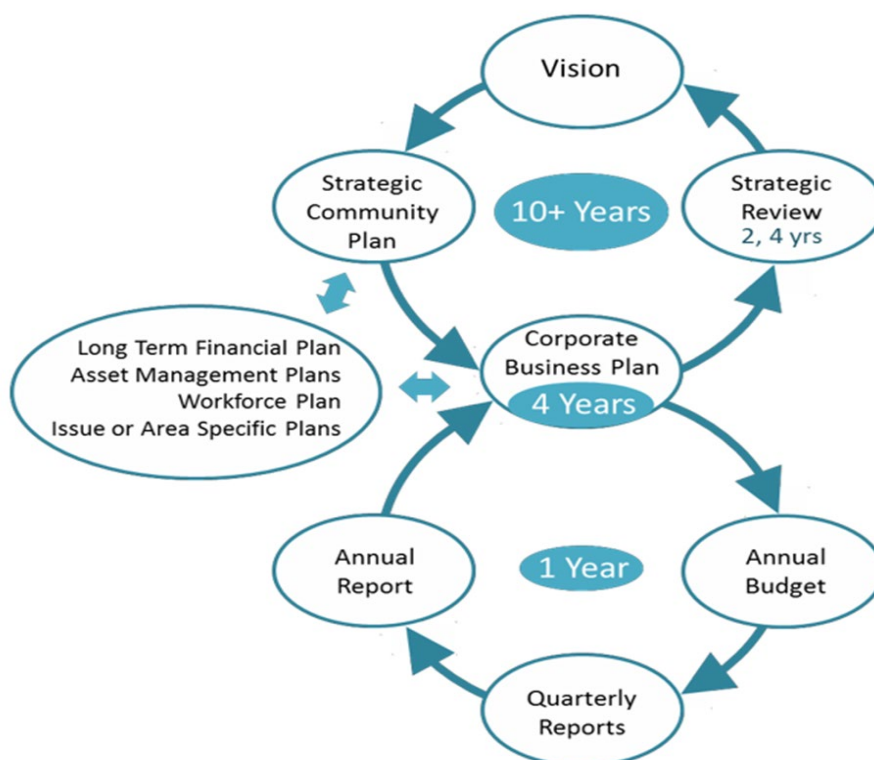
## STRATEGIC COMMUNITY PLAN 2017 - 2027

In accordance with Section 5.56(1) of the Local Government Act 1995, all local governments are required to prepare a Plan for the Future for their district. This Plan for the Future consists of the following two (2) key strategic documents as follows:

**Strategic Community Plan** is the Shire's 10-year strategy and planning tool. It is the principal guiding document for the remainder of the Shire's strategic planning as community engagement is central to this Plan.

**Corporate Business Plan** is the Shire's 4-year planning document. The core components of this Plan include a four-year delivery program aligned to the Strategic Community Plan and accompanied by four-year financial projections.

It is important that the Strategic Plan and Corporate Business Plan are informed by several other key strategy documents and processes as shown in the diagram below:



### Objectives and Outcomes:

**Our Vision:** A safe, inclusive and growing community embracing opportunity

**Our Aspirations:** Rich in spirit, surrounded by nature and valuing our heritage

<b>Economic Objective</b>	<b>Social</b>	<b>Environment</b>	<b>Leadership</b>
<b>A prosperous agricultural based economy, supporting diversification of industry</b>	<b>A valued, healthy and inclusive community and life style</b>	<b>Protect and enhance our natural and built environment</b>	<b>Strong governance and leadership, demonstrating fair and equitable community values</b>
<b>Outcome 1.1</b> An innovative, productive agriculture industry	<b>Outcome 2.1</b> An engaged, supportive and inclusive community	<b>Outcome 3.1</b> A well maintained attractive built environment servicing the needs of the community	<b>Outcome 4.1</b> A strategically focused, unified Council functioning efficiently
<b>Strategies:</b> 1.1.1 – Enhance and maintain transport network 1.1.2 – Improve flood mitigation for transport infrastructure 1.1.3 – Support and promote the agricultural productivity of the district 1.1.4 – Maintain and provide water infrastructure ad lobby to support drought proofing and water harvesting initiatives 1.1.5 – Liaise with key stakeholders for the improvement of the agricultural industry	<b>Strategies:</b> 2.1.1 – Community services and infrastructure meeting the needs of the district 2.1.1 – Maintain and support the growth of education, childcare, youth and aged services 2.1.3 – Actively promote and support community events and activities within the district	<b>Strategies:</b> 3.1.1 – Maintain, rationalise, improve or renew buildings and community infrastructure 3.1.2 – Maintain the integrity of heritage buildings and places	<b>Strategies:</b> 4.1.1 – Provide informed leadership on behalf of the community 4.1.2 – Promote and advocate for the community and district 4.1.3 – Provide strategic leadership and governance
<b>Outcome 1.2</b> A diverse and prosperous economy	<b>Outcome 2.2</b> A healthy and safe community	<b>Outcome 3.2</b> A natural environment for the benefit and enjoyment of current and future generations	<b>Outcome 4.2</b> An efficient and effective organisation
<b>Strategies:</b> 1.2.1 – Advocate for improved communications and support infrastructure 1.2.2 – Support local business and promote further investment in the district	<b>Strategies:</b> 2.2.1 – Maintain and enhance sport and recreation facilities 2.2.2 – Provide and advocate for medical and health services 2.2.3 – Support provision of emergency services and encourage community volunteers	<b>Strategies:</b> 3.2.1 – Manage and preserve the natural environment 3.2.2 – Support pest and weed control within the district 3.2.3 – Provide an effective waste management service	<b>Strategies:</b> 4.2.1 – Maintain accountability and financial responsibility through effective planning 4.2.2 – Comply with statutory and legislative requirements 4.2.3 – Provide a positive and safe workplace
<b>Outcome 1.3</b> An attractive destination for visitors			
<b>Strategies:</b> 1.3.1 – Promote and develop tourism as part of a regional approach 1.3.2 – Maintain and enhance local iconic attractions and infrastructure 1.3.3 – Continue to provide and maintain visitor support services			

## STATUTORY REPORTS

### Complaints of Minor Breaches – Elected Members

The Shire maintains a register of complaints which records all complaints that result in an action under the Local Government Act 1995 s5.121 (6)(b) or (c). The register of complaints is to include for each recorded complaint:

- Name of Council Member about whom the complaint is made;
- Name of the person who makes the complaint;
- A description of the minor breach that the Standards Panel finds has occurred; and
- Details of the action taken.

In the financial year ending 30 June 2023 there were no reportable complaints entered into the Register under Section 5.121 of the Local Government Act 1995.

### Complaints to the Ombudsman WA

During 2022/23 no complaints regarding actions or operations of the Shire Lake Grace were made to the Ombudsman of Western Australia.

### Disability Access and Inclusion Plan

The Disability Services Act 1993 requires all local governments to develop and implement a Disability Access and Inclusion Plan (DAIP) which aims not only to address the desired outcomes of the Disability Services Commission (DSC); but must be reviewed annually and reported to the Disability Services Commission by 31 July each year.

The Shire of Lake Grace is pleased to report that compliance with the seven (7) Outcomes stipulated by DSC.

## Freedom of Information

In accordance with Section 96 and 97 of the Freedom of Information Act 1992, the Shire is required to publish an Information Statement which details the process of applying for information under the Act as well as information that the Shire provides outside the Act. This Information Statement is available on the Shire of Lake Grace website.

The Freedom of Information Act 1992 and associated regulations can be found on the State Law Publisher website at [www.slp.wa.gov.au](http://www.slp.wa.gov.au) where a full copy of all State legislation is available. Further information about Freedom of Information can also be found on the Freedom of Information Commissioner's website <http://foi.wa.gov.au/>.

During the 2022/23 financial year there were no Freedom of Information applications received or processed by the Shire.

## National Competition Policy Statement

The Federal and State governments have a Competition Principles Agreement in place which is binding on local government. The Agreement requires the Shire to carry out a number of procedures and include a report on the matter in each year's Annual Report. The three (3) areas that affect local government are:

1. Competitive neutrality - to remove benefits (and costs) which accrue to government business as a result of their public ownership.
2. Structural reform - local government is required to reform the structure of publicly owned monopoly businesses where it is proposed to introduce competition.
3. Legislation review - to review any applicable legislation that may restrict competition.

The full requirements of the package are contained in a statement issued by the Department of Local Government, Sport and Cultural Industries.

### *Competitive neutrality*

Local Governments are required to apply the principle of competitive neutrality to all business activities generating user-pays income. The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage or disadvantage simply as a result of their public sector ownership. Annual Reports must show that a public benefit test has been conducted for all significant business activities (over \$200,000) to determine if competitive neutrality is in the public interest.

Within these criteria the Shire had no disclosures for the reporting period with respect to competitive neutrality:

- The Shire does not operate a business enterprise that has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or Public Financial Enterprise;
- During the reporting period the Shire did not receive any complaints or did not become aware of any allegations of non-compliance with the competitive neutrality principles made by a private entity against the Shire; and
- The Shire continues to monitor Council policies and local laws for anti-competitive practices.

### *Structural reform*

Before local governments privatise a monopoly, business activity or introduce competition into a sector dominated by a monopoly or near monopoly the regulatory and commercial activities must be separated and a review undertaken. Where applicable all local governments in Australia must report their adherence to the structural reform principles. At present this requirement has a very limited impact on local government in Western Australia and most will not need to provide this information.

The Shire of Lake Grace did not privatise any activities in 2022/23 and hence, there were no obligations for the Council with respect to structural reform under the NCP.

### *Legislation review*

The Shire holds a portfolio of local laws (previously known as by-laws) which may or may not conflict with the Competition Principles Agreement. Section 3.16 of the Local Government Act 1995 requires that all of the local laws of a Local Government must be reviewed within an eight-year period after their commencement to determine if they should remain unchanged or be repealed or amended.

The Annual Report is to include a statement of which Local Laws that have been reviewed, the conclusions of those reviews, and a forward strategy for all Local Laws still to be reviewed. Local governments are required to review local laws to ensure they do not restrict competition unless:

- The benefits of the restriction to the community as a whole outweigh the costs; and
- The objectives of the legislation can only be achieved by restricting competition.
- Where necessary clause 7 legislation review principles have been complied with and the Shire of Lake Grace remains committed to reviewing its existing local laws as well as proposed local laws.

No new local laws were created in 2022/23 nor were any existing local laws due for review.

### **Primary and Annual Returns**

In accordance with Section 5.75 and 5.76 of the Local Government Act 1995 all relevant persons lodged an Annual Return by the due date of 31 August 2021 and a primary return within 3 months of their start date. In 2022/23, there was 100% compliance in this area.

### **Procurement of Goods and Services**

Procurement for the Shire of Lake Grace is conducted in compliance with the requirements of the Local Government Act 1995, the Local Government (Functions and General) Regulations 1996 and in accordance with the Shire's Purchasing Policy and Code of Conduct.

### **Public Interest Disclosure**

The Public Interest Disclosure Act 2003 facilitates the disclosure of public interest information, and provides for the protection of those making such disclosure and those who are subject of the disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken. Council has complied with all obligations under the Act including:

- a. Appointing the Chief Executive Officer and the Deputy Chief Executive Officer as the PID Officers for the organisation and publishing an internal procedure relating to the Shire's obligations.
- b. Providing protection from detrimental action or the threat of detrimental action for any employee of the Shire who makes an appropriate disclosure of public interest information.



There were no Public Interest Disclosures made to the Chief Executive Officer and the Deputy Chief Executive Officer in the year 2022/23.

### **Record Keeping Plan (State Records Act 2000)**

The Shire of Lake Grace is required to maintain and dispose all records as prescribed in the State Records Act 2000.

In 14 August 2020, the Shire of Lake Grace received from the State Records Commission an approval for the continuation of the review of the Record Keeping Plan up to 7 August 2025. The Disaster Recovery Plan is currently under review and once completed, will be submitted to the State Records Commission before 2025.

### **Statistical information**

#### **Council and Committee meetings**

There were a total of 20 meetings held within the period of 1 July 2022 to 30 June 2023

Ordinary Council meetings	11
Special Council meetings	1
Audit Committee meetings	2
Local Emergency Management Committee meetings	4
Bush Fire Advisory Committee meetings	2
Shire of Lake Grace Tourism Advisory Committee meetings	2

#### **Attendance to these meetings by Councillors as follows:**

Cr Len Armstrong	14
Cr Ross Chappell	18
Cr Debrah Clarke	10
Cr Ben Hyde	12
Cr Roz Lloyd	12
Cr Steve Hunt	12
Cr Anton Kuchling	13
Cr Jeff McKenzie	10

#### **Elected Member Demographics as follows:**

- Gender 2 Females and 6 Males
- Linguistic background 8 English
- Country of Birth 8 Australia
- Aboriginal Torres Strait Islander 0
- Ages
  - Between 18 and 24 years 0
  - Between 25 and 34 years 0
  - Between 35 and 44 years 2
  - Between 45 and 54 years 1
  - Between 55 and 64 years 2
  - Over 64 years 3

#### **Citizenship Ceremonies**

A total of one (1) Citizenship Ceremony was held for the period 2022/23.

## INFRASTRUCTURE SERVICES

The 2022/23 financial year has established itself as a productive and prosperous year for the infrastructure services department after an exciting year of substantial development and planning of projects in 2021/22.

The Shire has seen a recent growth within the infrastructure department that has allowed for new forms of collaboration, which in turn has produced successful project management and efficient completion of developments. The infrastructure department work collectively and collaboratively with contractors both local and external, an outside team of tradesmen, gardeners and cleaners. All of who, have operated proficiently within their fields.

### ***Road Works and Maintenance***

The Shire completed numerous road work projects during the financial year of 2022/23, seeing numerous roads graded, sealed or re-sheeted. Capital roadworks have been completed by the Shire's internal crew and through local earthmoving contractors and companies. With the exception, of re-sealing works, completed by specialized external contractors.

#### **The roads that underwent Maintenance Grading included:**

- Lake Grace section 730.46km
- Lake King/Varley section 1381.31km
- Newdegate section 992.82km
- *Totalling: 3104.45km of graded road*

#### **The roads re-sheeted included:**

- Kathleen Road SLK 0.00 – 7.70
- Magenta Road SLK 27.60 – 33.50
- Old Ravensthorpe Road SLK 14.40 – 22.10
- Fitzgerald Road SLK 0.00 – 5.00
- Witham Road SLK 10.20 – 13.20
- Jarring South Road SLK 1.67 – 5.96

#### **The roads bitumen re-sealed included:**

- Mallee Hill Road SLK 0.00 – 4.66
- North Lake Grace Karlgarin Road SLK 19.69 – 25.73
- Newdegate Pingrup Road SLK 34.00 – 35.48
- Newdegate Pingrup Road SLK 37.02 – 37.14
- Holt Rock South Road SLK 25.37 – 29.46

#### **The roads converted from Gravel to Sealed included:**

- Mallee Hill Road SLK 10.60 – 13.60
- Aylemore Road SLK 4.45 – 8.80

### ***Plant Replacement Program***

The Shire has also had the opportunity to re-vitalize some more of the aging fleet. The plant replacement program has proven to be very beneficial in both the short and long-term, generating with it increased productivity and work quality.

### **New Plant acquired in the FY 2022/23:**

- CAT CW34 Rubber Tyre roller
- CAT Wheeled Skid Steer Loader 236D3
- John Deere D120 Ride on Mower
- 2022 Isuzu MU – X 4x4 SUV x 2
- 2023 Toyota Prado Landcruiser
- 2022 Mitsubishi Pajero Sport GLX 2.4L
- 2022 Volvo 3-axle Prime Movers x 2

### **Completed Projects for the 2022/23 financial period**

The Shire workforce has performed exceptionally during this financial period, with the successful management of numerous discrete and grant-funded projects. The Shire has seen the:

- Installation of 4 New hockey light towers and lights at Lake Grace Hockey Oval
- Installation of 1 New Hockey Light tower and Lights at Newdegate Hockey Oval
- Installation of 2 new light poles and lights at the Lake Grace football oval
- Installation of Shade sails at the Lake Grace Daycare Centre
- Roof replacement on staff house on Banksia Place Lake Grace
- Roof replacement on Lake Grace RSL Building
- Ceiling and roof replacement on the Projector room at Varley Hall
- Roof replacement on Lake Grace sportsman club
- Sealing of the Lake Grace and Newdegate recreational centre car parks
- Interpretation plan for Australian Inland Mission hospital
- Footpath installation Maley Street and Witham Street Newdegate

### **Water Management – Grants and Projects**

In addition to the multitude of maintenance works of roads and buildings, this financial period, the Shire was awarded two Community Water Supply (CWS) grants to upgrade the dam and install water tanks at Dempster Rock Dam and Buniche underground tanks. These grants allow the Shire to secure a reliable water source to the area.

#### **Projects established from these Grant awards:**

- *Buniche Project*

The CWS grant allows for the installation of a 250KL steel tank and associated solar pump. The grant also ensures the inlet channel is cleaned and some minor catchment repairs can be performed.

- *Dempster Rock Project*

The CWS grant also for the installation of 2 x250KL steel water tanks, one on the Varley cross roads and one on Dempster Rock road, and the installation of solar pumps to allow water flow from Dempster rock dam. The grant also ensures the dempster rock dam and inlet can be cleaned and the capacity of the dam can be increased.

- *Culvert and Drainage upgrades*

During the FY2022/23, throughout the Shire, 48 culverts were replaced along with numerous culverts and drains cleaned out and rock pitched where needed.

As a condition to receive a grant award, projects submitted must be entirely new and innovative, not prospective or pre-planned. This process entails, scoping the project accurately and precisely, enlisting quotes, development of schedules for various works, creation of risk management plans and progress reports.

### **Waste Management**

Another facet of the infrastructure department is in the management of the Shire's waste. The Shire manages and maintains the Lake Grace, Newdegate, Lake King & Varley Rubbish disposal sites.

CRAIG ELEFSEN

MANAGER INFRASTRUCTURE SERVICES

## PLANNING SERVICES

During the period 1 July 2022 to 30 June 2023 the Lake Grace Shire Council considered and granted conditional development approval for twelve (12) development applications received for works to the total value of \$1,959,942 excluding GST.

It is significant to note no development applications were refused by Council and no development applications approved were the subject of an appeal to the State Administrative Tribunal or the Supreme Court of Western Australia challenging Council's decision or any conditions imposed.

The Shire also responded to the Western Australian Planning Commission's request for comment regarding a number of subdivision applications in the Shire, all of which were supported by the Shire and ultimately approved by the Commission due to their consistency with the Shire's local planning framework.

The Shire has also been progressing plans for the proposed subdivision of additional residential land in the eastern part of the Lake Grace townsite to accommodate demand as well as the proposed subdivision of Crown land on Dewar Street, Lake Grace for light industrial purposes.

The Shire's local planning framework is due for review and will be the subject of discussion with Council in 2024 regarding the likely costs for consideration of inclusion in the budget for the 2024/25 financial year.

The Shire is also monitoring the implications of the new *Short Term Rental Accommodation Bill 2023* and Short Term Rental Accommodation Register proposed by the State Government as well as various proposed amendments to the *Planning and Development (Local Planning Schemes) Regulations 2015* as part of the nation-wide planning reform agenda.

JOE DOUGLAS  
TOWN PLANNER



## ENVIRONMENTAL HEALTH SERVICES

The Principal Environmental Health Officer commenced in 28 October 2019 and has undertaken environmental health work within the Roe Regional Environmental Health Services in accordance with its operational guidelines. The work has generally been based on a three-day or 23 hours per fortnight. The following tasks were undertaken during the 2022/23 period.

### WASTE MANAGEMENT

- Lake Grace Landfill - submission of Annual Environmental Report, Annual Audit Compliance Report, and the Annual Return under regulation 18C of the Waste Avoidance and Resource Recovery Regulations 2008 to the Department of Water and Environmental Regulation
- Inspection of the Waste Facility sites in Lake Grace, Newdegate, Lake King and Varley on various occasions to ensure compliance with environmental licenses in liaison with the Manager Infrastructure Services.

### WASTE WATER

- Conducted assessments and approval of onsite effluent disposal systems.
- Lake Grace Recycled Water Scheme Annual Report to the Department of Health submitted.

### SWIMMING POOLS – WATER QUALITY

- Lake Grace and Newdegate Pools were sampled monthly from October 2022 to March 2023 as per the Code of Practice for Aquatic Facilities and the Health (Aquatic Facilities) Regulations 2007.
- Ongoing project with the Department of Education to have the Newdegate pool resurfaced.

### SWIMMING POOLS – FENCING

Submission of annual report to Department of Mining and Industry Regulation.

### FOOD

- 32 inspections of registered Food Businesses in Lake Grace, Newdegate, Lake King and Varley
- Two Mobile Food Van Registrations and associated Street Trading Permits
- Maintained Food Business Register
- Memorandum of Understanding with Department of Health for central register of Mobile Food Vans
- Compilation of the Food Act 2008 and the Public Health Act 2016 reports required annually by the Department of Health Food

### ACCOMMODATION

- The Lake Grace Caravan Park, Newdegate Caravan Park and the Lake King Caravan Park were inspected for compliance with the Caravan Parks and Camping Grounds Regulations

- 10 lodging houses were inspected throughout the Shire of Lake Grace including the CBH accommodation facilities at various locations, and the Spencer Shearing accommodation facilities

#### **PUBLIC BUILDINGS**

- 20 inspections of public buildings located in Lake Grace, Newdegate, Lake King and Varley
- Event Application processed for the Newdegate Machinery Field Days Event.

#### **MISCELLANEOUS**

- Advice or comments given to residents of the Shire of Lake Grace in relation to Environmental Health issues
- Survey from the Department of Primary Industries and Regional Development regarding local egg producers
- Department of Health survey regarding mosquito surveillance for Japanese encephalitis
- Dealt with complaints from the public ranging from food complaints to unauthorised trade waste disposal in residential areas
- Completed Shire of Lake Grace Public Health Plan, formed a new Working Group with neighbouring Roe Health Services for facilitate implementation of the Public Health Plans.

BRENDON GERRARD  
PRINCIPAL ENVIRONMENTAL HEALTH OFFICER

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

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

A safe, inclusive and growing community embracing opportunity

Principal place of business:

1 Bishop Street  
Lake Grace WA 6353

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


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

**STATEMENT BY CEO**

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

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

Signed on the 14<sup>th</sup> day of DECEMBER 2023

  
\_\_\_\_\_  
Chief Executive Officer  
  
\_\_\_\_\_  
Name of Chief Executive Officer



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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	2(a),21	4,993,932	4,988,506	4,607,901
Grants, subsidies and contributions	2(a)	5,316,926	1,519,044	4,707,942
Fees and charges	2(a)	373,474	367,680	314,882
Interest revenue	2(a)	369,244	168,955	38,809
Other revenue	2(a)	493,411	277,050	221,071
		11,546,987	7,321,235	9,890,605
<b>Expenses</b>				
Employee costs	2(b)	(2,392,739)	(2,599,381)	(2,221,984)
Materials and contracts		(3,331,204)	(4,951,535)	(2,933,512)
Utility charges		(302,054)	(259,682)	(278,369)
Depreciation		(3,454,891)	(3,003,905)	(3,237,114)
Finance costs	2(b)	(48,939)	(50,478)	(58,817)
Insurance		(264,765)	(241,256)	(219,839)
Other expenditure	2(b)	(224,521)	(234,790)	(217,090)
		(10,019,113)	(11,341,027)	(9,166,725)
		1,527,874	(4,019,792)	723,880
Capital grants, subsidies and contributions	2(a)	2,805,764	3,464,518	4,085,581
Profit on asset disposals		171,327	80,864	1,586
Loss on asset disposals		(63,198)	(49,856)	(35,014)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	4,608	0	4,995
		2,918,501	3,495,526	4,057,148
<b>Net result for the period</b>	20(b)	<b>4,446,375</b>	<b>(524,266)</b>	<b>4,781,028</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	14	92,172,689	0	0
<b>Total other comprehensive income for the period</b>	14	<b>92,172,689</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>96,619,064</b>	<b>(524,266)</b>	<b>4,781,028</b>

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





**SHIRE OF LAKE GRACE  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

	NOTE	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	12,699,875	12,900,849
Trade and other receivables	5	320,521	269,603
Inventories	6	6,545	19,008
<b>TOTAL CURRENT ASSETS</b>		<b>13,026,941</b>	<b>13,189,460</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	3,030	3,030
Other financial assets	4(b)	101,862	97,254
Inventories	6	0	728,108
Property, plant and equipment	7	46,359,823	44,400,044
Infrastructure	8	252,284,169	158,337,428
<b>TOTAL NON-CURRENT ASSETS</b>		<b>298,748,884</b>	<b>203,565,864</b>
<b>TOTAL ASSETS</b>		<b>311,775,825</b>	<b>216,755,324</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	323,876	1,270,993
Other liabilities	11	0	416,885
Borrowings	12	177,282	246,468
Employee related provisions	13	391,037	390,075
<b>TOTAL CURRENT LIABILITIES</b>		<b>892,195</b>	<b>2,324,421</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	12	1,036,462	1,213,744
Employee related provisions	13	61,988	51,043
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,098,450</b>	<b>1,264,787</b>
<b>TOTAL LIABILITIES</b>		<b>1,990,645</b>	<b>3,589,208</b>
<b>NET ASSETS</b>		<b>309,785,180</b>	<b>213,166,116</b>
<b>EQUITY</b>			
Retained surplus		162,323,460	156,762,478
Reserve accounts	24	5,272,093	5,108,720
Revaluation surplus	14	142,189,627	51,294,918
<b>TOTAL EQUITY</b>		<b>309,785,180</b>	<b>213,166,116</b>

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2021</b>		<b>152,641,348</b>	<b>4,443,827</b>	<b>51,294,918</b>	<b>208,380,093</b>
Comprehensive income for the period					
Net result for the period		4,781,028	0	0	4,781,028
Other comprehensive income for the period	4(b)	4,995	0	0	4,995
Total comprehensive income for the period		4,786,023	0	0	4,786,023
Transfers from reserve accounts	24	122,065	(122,065)	0	0
Transfers to reserve accounts	24	(786,957)	786,957	0	0
<b>Balance as at 30 June 2022</b>		<b>156,762,478</b>	<b>5,108,720</b>	<b>51,294,918</b>	<b>213,166,116</b>
Comprehensive income for the period					
Net result for the period		4,446,375	0	0	4,446,375
Other comprehensive income for the period	14	0	0	92,172,689	92,172,689
Total comprehensive income for the period		4,446,375	0	92,172,689	96,619,064
Transfers from revaluation surplus		1,277,980	0	(1,277,980)	0
Transfers from reserve accounts	24	782,986	(782,986)	0	0
Transfers to reserve accounts	24	(946,359)	946,359	0	0
<b>Balance as at 30 June 2023</b>		<b>162,323,460</b>	<b>5,272,093</b>	<b>142,189,627</b>	<b>309,785,180</b>

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

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

<b>NOTE</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Rates	4,945,688	4,610,229
Grants, subsidies and contributions	4,881,853	3,148,881
Fees and charges	373,474	314,882
Interest revenue	369,244	38,809
Other revenue	493,411	221,071
	<b>11,063,670</b>	<b>8,333,872</b>
<b>Payments</b>		
Employee costs	(2,366,360)	(2,176,858)
Materials and contracts	(4,264,816)	(2,197,040)
Utility charges	(302,054)	(278,369)
Finance costs	(48,939)	(60,419)
Insurance paid	(264,765)	(219,839)
Other expenditure	503,588	(217,090)
	<b>(6,743,346)</b>	<b>(5,149,615)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>14(b) 4,320,324</b>	<b>3,184,257</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for purchase of property, plant & equipment	(2,008,048)	(2,699,870)
Payments for construction of infrastructure	(4,225,443)	(3,913,434)
Capital grants, subsidies and contributions	1,601,522	4,085,581
Proceeds for financial assets at amortised cost	(97,255)	0
Proceeds from sale of property, plant & equipment	454,395	114,545
<b>Net cash provided by (used in) investing activities</b>	<b>(4,274,829)</b>	<b>(2,413,178)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	23(a) (246,468)	(253,822)
<b>Net cash provided by (used In) financing activities</b>	<b>(246,468)</b>	<b>(253,822)</b>
<b>Net increase (decrease) in cash held</b>	<b>(200,974)</b>	<b>517,257</b>
Cash at beginning of year	12,900,849	12,383,592
<b>Cash and cash equivalents at the end of the year</b>	<b>14(a) 12,699,875</b>	<b>12,900,849</b>

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

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

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates	21	4,784,438	4,781,678	4,407,038
Rates excluding general rates	21	209,494	206,828	200,863
Grants, subsidies and contributions		5,316,926	1,519,044	4,707,942
Fees and charges		373,474	367,680	314,882
Interest revenue		369,244	168,955	38,809
Other revenue		493,411	277,050	221,071
Profit on asset disposals		171,327	80,864	1,586
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	4,608	0	0
		<u>11,722,922</u>	<u>7,402,099</u>	<u>9,892,191</u>
<b>Expenditure from operating activities</b>				
Employee costs		(2,392,739)	(2,599,381)	(2,221,984)
Materials and contracts		(3,331,204)	(4,951,535)	(2,933,512)
Utility charges		(302,054)	(259,682)	(278,369)
Depreciation		(3,454,891)	(3,003,905)	(3,237,114)
Finance costs		(48,939)	(50,478)	(58,817)
Insurance		(264,765)	(241,256)	(219,839)
Other expenditure		(224,521)	(234,790)	(217,090)
Loss on asset disposals		(63,198)	(49,856)	(35,014)
		<u>(10,082,311)</u>	<u>(11,390,883)</u>	<u>(9,201,739)</u>
Non-cash amounts excluded from operating activities	22(a)	3,824,622	2,972,897	3,237,713
<b>Amount attributable to operating activities</b>		<u>5,465,233</u>	<u>(1,015,887)</u>	<u>3,928,165</u>
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		2,805,764	3,464,518	4,085,581
Proceeds from disposal of assets		454,395	526,954	114,545
		<u>3,260,159</u>	<u>3,991,472</u>	<u>4,200,126</u>
<b>Outflows from investing activities</b>				
Purchase of property, plant and equipment	7(a)	(2,551,088)	(2,924,316)	(2,699,870)
Purchase and construction of infrastructure	8(a)	(4,255,793)	(6,345,222)	(3,913,434)
		<u>(6,806,881)</u>	<u>(9,269,538)</u>	<u>(6,613,304)</u>
Non-cash amounts excluded from investing activities	22(b)	0	0	4,995
<b>Amount attributable to investing activities</b>		<u>(3,546,722)</u>	<u>(5,278,066)</u>	<u>(2,408,183)</u>
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Transfers from reserve accounts	24	782,986	782,986	122,065
		<u>782,986</u>	<u>782,986</u>	<u>122,065</u>
<b>Outflows from financing activities</b>				
Repayment of borrowings	23(a)	(246,468)	(246,468)	(253,822)
Transfers to reserve accounts	24	(946,359)	(291,955)	(786,957)
		<u>(1,192,827)</u>	<u>(538,423)</u>	<u>(1,040,779)</u>
<b>Amount attributable to financing activities</b>		<u>(409,841)</u>	<u>244,563</u>	<u>(918,714)</u>
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	22(c)	6,190,254	6,049,390	5,588,986
Amount attributable to operating activities		5,465,233	(1,015,887)	3,928,165
Amount attributable to investing activities		(3,546,722)	(5,278,066)	(2,408,183)
Amount attributable to financing activities		(409,841)	244,563	(918,714)
<b>Surplus or deficit after imposition of general rates</b>	22(c)	<u><b>7,698,924</b></u>	<u><b>0</b></u>	<u><b>6,190,254</b></u>

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

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

**1. BASIS OF PREPARATION**

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

**Local Government Act 1995 requirements**

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

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

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

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**The local government reporting entity**

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 25 of the financial report.

**Judgements and estimates**

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

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

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.

**Initial application of accounting standards**

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

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

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

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

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

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

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

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



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

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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

**Revenue Recognition**

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

**For the year ended 30 June 2023**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	4,993,932	0	4,993,932
Grants, subsidies and contributions	733,363	0	0	4,583,563	5,316,926
Fees and charges	195,093	0	178,381	0	373,474
Interest revenue	351,324	0	17,920	0	369,244
Other revenue	493,411	0	0	0	493,411
Capital grants, subsidies and contributions	0	2,232,374	0	573,390	2,805,764
<b>Total</b>	<b>1,773,191</b>	<b>2,232,374</b>	<b>5,190,233</b>	<b>5,156,953</b>	<b>14,352,751</b>

**For the year ended 30 June 2022**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	4,538,036	69,865	4,607,901
Grants, subsidies and contributions	0	0	0	4,707,942	4,707,942
Fees and charges	295,198	0	19,684	0	314,882
Interest revenue	0	0	12,257	26,552	38,809
Other revenue	0	0	0	221,071	221,071
Capital grants, subsidies and contributions	0	4,085,581	0	0	4,085,581
<b>Total</b>	<b>295,198</b>	<b>4,085,581</b>	<b>4,569,977</b>	<b>5,025,430</b>	<b>13,976,186</b>

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

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

**(a) Revenue (Continued)**

Note	2023 Actual \$	2022 Actual \$
<b>Assets and services acquired below fair value</b>		
Contributed assets	573,390	0
	573,390	0
<b>Interest revenue</b>		
Interest on reserve account funds	166,359	11,103
Trade and other receivables overdue interest	17,920	12,257
Other interest revenue	184,965	15,449
	369,244	38,809
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$0.		
<b>Fees and charges relating to rates receivable</b>		
Charges on instalment plan	4,367	5,027
The 2023 original budget estimate in relation to: Charges on instalment plan was \$6,000.		
<b>(b) Expenses</b>		
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	32,000	31,800
- Other services – grant acquittals	2,660	4,260
	34,660	36,060
<b>Employee Costs</b>		
Employee benefit costs	2,530,163	2,432,436
Other employee costs	(137,424)	(210,452)
	2,392,739	2,221,984
<b>Finance costs</b>		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	48,939	58,817
	48,939	58,817
Sundry expenses	(503,587)	217,090
	224,521	217,090

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

**3. CASH AND CASH EQUIVALENTS**

Note	2023	2022
	\$	\$
Cash at bank and on hand	12,699,875	12,900,849
<b>Total cash and cash equivalents</b>	<b>12,699,875</b>	<b>12,900,849</b>
Held as		
- Unrestricted cash and cash equivalents	7,427,782	7,792,129
- Restricted cash and cash equivalents	15 5,272,093	5,108,720
	12,699,875	12,900,849

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

**Restricted financial assets**

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

**4. OTHER FINANCIAL ASSETS**

**(b) Non-current assets**

Financial assets at fair value through profit and loss

2023	2022
\$	\$
101,862	97,254
101,862	97,254
97,254	92,259
4,608	4,995
101,862	97,254

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

Units in Local Government House Trust - opening balance

Movement attributable to fair value increment

Units in Local Government House Trust - closing balance

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 23(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 20 (i)) due to the observable market rates).

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

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

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

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

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

**5. TRADE AND OTHER RECEIVABLES**

Note	2023	2022
	\$	\$
<b>Current</b>		
Rates and statutory receivables	75,681	42,951
Trade receivables	244,840	226,652
	<u>320,521</u>	<u>269,603</u>
<b>Non-current</b>		
Rates and statutory receivables	3,030	3,030
	<u>3,030</u>	<u>3,030</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates and statutory receivables**

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

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

**Trade receivables**

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

**Other receivables**

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

**Measurement**

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

**Classification and subsequent measurement**

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

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

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

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

**6. INVENTORIES**

<b>Note</b>	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Current</b>		
Fuel and materials	6,545	19,008
	6,545	19,008
<b>Non-current</b>		
Land held for resale		
Cost of acquisition	0	728,108
	0	728,108
The following movements in inventories occurred during the year:		
<b>Balance at beginning of year</b>	747,116	726,408
Inventories expensed during the year	(161,508)	0
Completed land transferred to Property, Plant & Equipment	(728,108)	0
Additions to inventory	149,045	20,708
<b>Balance at end of year</b>	6,545	747,116

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

**Land held for resale**

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

**Land held for resale (Continued)**

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

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

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

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

**7. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Capital Works in Progress	Total property, plant and equipment
	\$	\$	\$		\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	2,008,000	3,602,561	33,522,546	39,133,107	165,641	3,215,302	194,404	42,708,454
Additions	0	15,209	845,162	860,371	49,122	818,664	971,713	2,699,870
Disposals	(45,000)	0	0	(45,000)	0	(102,973)	0	(147,973)
Depreciation	0	(53,452)	(471,702)	(525,154)	(26,420)	(308,733)	0	(860,307)
<b>Balance at 30 June 2022</b>	1,963,000	3,564,318	33,896,006	39,423,324	188,343	3,622,260	1,166,117	44,400,044
<b>Comprises:</b>								
Gross balance amount at 30 June 2022	1,963,000	3,617,770	34,367,708	39,948,478	278,978	4,860,859	1,166,117	46,254,432
Accumulated depreciation at 30 June 2022	0	(53,452)	(471,702)	(525,154)	(90,635)	(1,238,599)	0	(1,854,388)
<b>Balance at 30 June 2022</b>	1,963,000	3,564,318	33,896,006	39,423,324	188,343	3,622,260	1,166,117	44,400,044
Additions*	52,681	69,300	1,680,452	1,802,433	0	1,819,124	(1,070,469)	2,551,088
Disposals	0	0	0	0	0	(346,267)	0	(346,267)
Depreciation	0	(53,809)	(503,491)	(557,300)	(26,573)	(389,277)	0	(973,150)
Transfers	728,108	0	0	728,108	0	0	0	728,108
<b>Balance at 30 June 2023</b>	2,743,789	3,579,809	35,072,967	41,396,565	161,770	4,705,840	95,648	46,359,823
<b>Comprises:</b>								
Gross balance amount at 30 June 2023	2,743,789	3,687,070	36,048,160	42,479,019	261,148	5,920,239	95,648	48,756,054
Accumulated depreciation at 30 June 2023	0	(107,261)	(975,193)	(1,082,454)	(99,378)	(1,214,399)	0	(2,396,231)
<b>Balance at 30 June 2023</b>	2,743,789	3,579,809	35,072,967	41,396,565	161,770	4,705,840	95,648	46,359,823

\* Asset additions included additions received at substantially less than fair value:

During the year ended 30 June 2023	0	0	0	0	0	543,040	0	543,040
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**SHIRE OF LAKE GRACE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

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

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2021	Price per hectare
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2021	Price per square metre, design & construction, average cost of construction, dates of acquisition
Buildings - specialised	3	Improvements to land valued using depreciated replacement cost	Independent registered valuers	June 2021	Improvements to land using construction costs and current condition residual values and remaining useful life assessments inputs
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
<b>(ii) Cost</b>					
<b>Furniture and equipment</b>		N/A	Cost	Not Applicable	N/A
<b>Plant and equipment</b>		N/A	Cost	Not Applicable	N/A



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

**8. INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Infrastructure - roads	Other infrastructure - parks, gardens & recreational	Other infrastructure - sewerage	Other infrastructure - urban infrastructure	Capital Works in Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	141,367,737	6,577,663	2,494,524	6,301,545	59,332	156,800,801
Additions	2,574,307	1,064,228	71,361	177,638	25,900	3,913,434
Depreciation	(1,570,190)	(532,304)	(73,454)	(200,859)	0	(2,376,807)
<b>Balance at 30 June 2022</b>	142,371,854	7,109,587	2,492,431	6,278,324	85,232	158,337,428
<b>Comprises:</b>						
Gross balance at 30 June 2022	148,592,373	9,867,815	2,720,236	7,002,959	85,232	168,268,615
Accumulated depreciation at 30 June 2022	(6,220,519)	(2,758,228)	(227,805)	(724,635)	0	(9,931,187)
<b>Balance at 30 June 2022</b>	142,371,854	7,109,587	2,492,431	6,278,324	85,232	158,337,428
Additions*	3,241,342	432,611	29,694	237,154	314,992	4,255,793
Revaluation increments / (decrements) transferred to revaluation surplus	92,023,039	1,850,287	(865,162)	(835,475)	0	92,172,689
Depreciation	(1,621,674)	(575,216)	(76,815)	(208,036)	0	(2,481,741)
<b>Balance at 30 June 2023</b>	236,014,561	8,817,269	1,580,148	5,471,967	400,224	252,284,169
<b>Comprises:</b>						
Gross balance at 30 June 2023	236,014,561	8,820,503	1,580,148	5,471,967	400,224	252,287,403
Accumulated depreciation at 30 June 2023	0	(3,234)	0	0	0	(3,234)
<b>Balance at 30 June 2023</b>	236,014,561	8,817,269	1,580,148	5,471,967	400,224	252,284,169

\* Asset additions included additions received at substantially less than fair value:

During the year ended 30 June 2023	0	30,350	0	0	0	30,350
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**SHIRE OF LAKE GRACE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**8. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Infrastructure - roads</b>	3	Cost approach using depreciated replacement costs	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments
<b>Other infrastructure - parks, gardens &amp;</b>	3	Cost approach using depreciated replacement costs	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments
<b>Other infrastructure - sewerage</b>	3	Cost approach using depreciated replacement costs	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments
<b>Other infrastructure - urban infrastru</b>	3	Cost approach using depreciated replacement costs	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments

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

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

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

**9. FIXED ASSETS**

**(a) Depreciation**

**Depreciation rates**

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

<b>Asset Class</b>	<b>Useful life</b>
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 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
Parks, Gardens and Recreation facilities	4-50 years
Urban Infrastructure	5 - 50 years
Sewerage piping	20-50 years
Water supply piping and drainage systems	75 years

**Revision of useful lives of plant and equipment**

Plant & Equipment and Furniture & Equipment were assessed in house by Senior Management and adjustments were made on 30.06.23

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

**9. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

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

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

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

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

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

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

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

**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 consistent with *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 asset classes are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

**Depreciation**

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

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

**Depreciation on revaluation**

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

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

**Amortisation**

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

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

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

**Impairment**

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

**Gains or losses on disposal**

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

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

**10. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
Prepaid rates  
Accrued payroll liabilities  
Bonds and deposits held  
Other payables - Accrued interest on long term borrowings

	2023	2022
	\$	\$
	220,046	1,120,596
	18,382	33,896
	59,831	45,359
	17,991	61,977
	7,626	9,165
	323,876	1,270,993

**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 Financial liabilities are derecognised where the related profit or loss.

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise payments in respect of the purchase of these goods and services. The amounts are unsecured, amounts of trade and other payables are occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the Shire recognises income for the prepaid rates that have not been refunded.

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

**11. OTHER LIABILITIES**

**Current**

Contract liabilities

**Reconciliation of changes in contract liabilities**

Opening balance

Additions

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

	2023	2022
	\$	\$
Contract liabilities	0	416,885
	0	416,885
Opening balance	416,885	0
Additions	0	416,885
Revenue from contracts with customers included as a contract liability at the start of the period	(416,885)	0
	0	416,885

The Shire has satisfied all performance obligations associated with contract liabilities that existed at the beginning of the period. No further contract liabilities remain at 30 June 2023

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 20(i)) due to the unobservable inputs, including own credit risk.

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

**12. BORROWINGS**

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		177,282	1,036,462	1,213,744	246,468	1,213,744	1,460,212
<b>Total secured borrowings</b>	23(a)	177,282	1,036,462	1,213,744	246,468	1,213,744	1,460,212

**Secured liabilities and assets pledged as security**

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Lake Grace.

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 20(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Details of individual borrowings required by regulations are provided at Note 23(a).

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

**13. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	214,445	219,293
Long service leave	176,592	170,782
	<b>391,037</b>	<b>390,075</b>
<b>Total current employee related provisions</b>	<b>391,037</b>	<b>390,075</b>
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	61,988	51,043
	<b>61,988</b>	<b>51,043</b>
<b>Total non-current employee related provisions</b>	<b>61,988</b>	<b>51,043</b>
<b>Total employee related provisions</b>	<b>453,025</b>	<b>441,118</b>

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.

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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



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

**14. REVALUATION SURPLUS**

	<b>2023 Opening Balance</b>	<b>2023 Transfer to Retained Earnings</b>	<b>Total Movement on Revaluation</b>	<b>2023 Closing Balance</b>	<b>2022 Opening Balance</b>	<b>2022 Closing Balance</b>
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Buildings	26,197,283	0	0	26,197,283	26,197,284	26,197,284
Revaluation surplus - Furniture and equipment	0	0	0	0	0	0
Revaluation surplus - Plant and equipment	1,277,980	(1,277,980)	0	0	1,277,980	1,277,980
Revaluation surplus - Infrastructure - roads	13,125,443	0	92,023,039	105,148,482	13,125,443	13,125,443
Revaluation surplus - Other infrastructure - parks, gardens & recreational facilities	2,933,123	0	1,850,287	4,783,410	2,933,123	2,933,123
Revaluation surplus - Other infrastructure - sewerage	2,654,023	0	(865,162)	1,788,861	2,654,023	2,654,023
Revaluation surplus - Other infrastructure - urban infrastructure	5,107,066	0	(835,475)	4,271,591	5,107,066	5,107,066
	<b>51,294,918</b>	<b>(1,277,980)</b>	<b>92,172,689</b>	<b>142,189,627</b>	<b>51,294,919</b>	<b>51,294,919</b>

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

**15. RESTRICTIONS OVER FINANCIAL ASSETS**

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

- Cash and cash equivalents

Note	2023 Actual \$	2022 Actual \$
3	5,272,093	5,108,720
	5,272,093	5,108,720
24	5,272,093	5,108,720
	5,272,093	5,108,720

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

Restricted reserve accounts

**Total restricted financial assets**

**16. UNDRAWN BORROWING FACILITIES AND CREDIT  
STANDBY ARRANGEMENTS**

Bank overdraft limit

Bank overdraft at balance date

Credit card limit

Credit card balance at balance date

**Total amount of credit unused**

**Loan facilities**

Loan facilities - current

Loan facilities - non-current

**Total facilities in use at balance date**

**Unused loan facilities at balance date**

100,000	100,000
0	0
15,000	15,000
(5,731)	(4,343)
109,269	110,657
177,282	246,468
1,036,462	1,213,744
1,213,744	1,460,212
0	0

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

**17. CAPITAL COMMITMENTS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Contracted for:		
- capital expenditure projects	148,057	337,825
	148,057	337,825
Payable:		
- not later than one year	148,057	337,825

The capital expenditure project outstanding at the end of the current reporting period represents several projects moved to 23/24 FY

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

**18. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

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

Note	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
President's annual allowance	20,565	20,565	20,063
President's meeting attendance fees	8,200	8,200	8,000
President's annual allowance for ICT expenses	3,500	2,000	2,000
President's travel and accommodation expenses	7,164	8,000	7,824
	39,429	38,765	37,887
Deputy President's annual allowance	5,016	5,142	5,016
Deputy President's meeting attendance fees	4,092	4,100	4,000
Deputy President's annual ICT expenses	3,500	2,000	2,000
Deputy President's travel and accommodation expenses	1,223	2,000	1,359
	13,831	13,242	12,375
All other council member's meeting attendance fees	24,600	27,700	26,065
All other council member's ICT expenses	21,000	14,000	12,998
All other council member's travel and accommodation expenses	6,396	7,000	7,168
	51,996	48,700	46,232
18(b)	105,256	100,707	96,493

**(b) Key Management Personnel (KMP) Compensation**

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

Note	2023 Actual	2022 Actual
	\$	\$
Short-term employee benefits	605,078	523,893
Post-employment benefits	76,020	55,490
Employee - other long-term benefits	37,640	65,086
Council member costs	105,256	96,493
18(a)	823,994	740,962

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

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

*Council member costs*

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

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

**18. RELATED PARTY TRANSACTIONS**

**Transactions with related parties**

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

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

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

	<b>2023 Actual</b>	<b>2022 Actual</b>
	\$	\$
<b>Amounts payable to related parties:</b>		
Trade and other payables	423,852	149,617

**Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 18(a) and 18(b)

*ii. Other Related Parties*

During the previous year, a company controlled by a related party of a council member, was awarded a contract 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.

The contract involved concrete works in the Shire, and amounted to \$284,783 in the current year (\$149,617 in the prior year).

Short-term employee benefits related to an associate person of the CEO who was employed by the Shire under normal employment terms and conditions.

Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

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

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

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

**19. JOINT ARRANGEMENTS**

**Share of joint operations**

The Shire together with the Shires of Corrigin, Narembeen, Kondinin and Kulin form the Roe Regional Organisation of Council (RoeROC). The (RoeROC) was formed to manage the provision of environmental health service

	<b>2023 Actual</b>	<b>2022 Actual</b>
<b>Statement of Financial Position</b>	<b>\$</b>	<b>\$</b>
<b>Statement of Comprehensive Income</b>		
<b>Statement of Cash Flows</b>		
Contribution to Roe EHS	(44,012)	(46,225)
<b>Net cash provided by (used in) operating activities</b>	<b>(44,012)</b>	<b>(46,225)</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Joint operations**

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

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

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

**20. OTHER SIGNIFICANT ACCOUNTING POLICIES**

**a) Goods and services tax (GST)**

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

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

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

**b) Current and non-current classification**

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

**g) Fair value of assets and liabilities**

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

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

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

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

**h) Interest revenue**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

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

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

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



**SHIRE OF LAKE GRACE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**21. RATING INFORMATION**

**(a) General Rates**

<b>RATE TYPE</b>	<b>Basis of valuation</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>2022/23 Actual Rateable Value*</b>	<b>2022/23 Actual Rate Revenue</b>	<b>2022/23 Actual Interim Rates</b>	<b>2022/23 Actual Total Revenue</b>	<b>2022/23 Budget Rate Revenue</b>	<b>2022/23 Budget Interim Rate</b>	<b>2022/23 Budget Total Revenue</b>	<b>2021/22 Actual Total Revenue</b>
Gross rental valuations	Gross rental valuation	0.14053	388	4,468,791	628,000	345	628,345	627,999	500	628,499	661,679
Unimproved valuations	Unimproved valuation	0.01032	568	396,418,537	4,091,039	3,414	4,094,453	4,091,039	500	4,091,539	3,690,089
<b>Total general rates</b>			956	400,887,328	4,719,039	3,759	4,722,798	4,719,038	1,000	4,720,038	4,351,768
<b>Minimum payment</b>											
<b>Minimum payment</b>											
Gross rental valuations	Gross rental valuation	520	37	39,417	19,240	0	19,240	19,240	0	19,240	17,675
Unimproved valuations	Unimproved valuation	530	80	1,048,006	42,400	0	42,400	42,400	0	42,400	37,595
<b>Total minimum payments</b>			117	1,087,423	61,640	0	61,640	61,640	0	61,640	55,270
<b>Total general rates and minimum payments</b>			1,073	401,974,751	4,780,679	3,759	4,784,438	4,780,678	1,000	4,781,678	4,407,038
<b>Specified Area Rates</b>											
Specified Area Rate	Gross rental valuation	0.0475	1,380	0	137,533	0	137,533	134,866	0	134,866	130,998
<b>Ex-gratia Rates</b>											
Ex-gratia rates	Gross rental valuation	-	-	-	71,961	0	71,961	71,961	0	71,961	69,865
<b>Total amount raised from rates (excluding general rates)</b>			1,380	0	209,494	0	209,494	206,827	0	206,827	200,863
<b>Total Rates</b>							4,993,932			4,988,505	4,607,901

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

\*Rateable Value at time of raising of rate.

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

**22. DETERMINATION OF SURPLUS OR DEFICIT**

	2022/23 (30 June 2023 Carried Forward)	2022/23 Budget (30 June 2023 Carried Forward)	2021/22 (30 June 2022 Carried Forward)
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	(171,327)	(80,864)	(1,586)
Less: Non-cash grants and contributions for assets	471,523	0	3,238
Less: Movement in liabilities associated with restricted cash	0	0	(102)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(4,608)	0	0
Add: Loss on disposal of assets	63,198	49,856	35,014
Add: Depreciation	3,454,891	3,003,905	3,237,114
Non-cash movements in non-current assets and liabilities:			
Land	728,108	0	0
Employee benefit provisions	10,945	0	(13,525)
Inventory	(728,108)	0	(22,440)
<b>Non-cash amounts excluded from operating activities</b>	<b>3,824,622</b>	<b>2,972,897</b>	<b>3,237,713</b>
<b>(b) Non-cash amounts excluded from investing activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to investing activities</b>			
Movement in non-current Units in Local Government House	0	0	4,995
<b>Non-cash amounts excluded from investing activities</b>	<b>0</b>	<b>0</b>	<b>4,995</b>
<b>(c) Surplus or deficit after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	24 (5,272,093)	(4,617,689)	(5,108,720)
Less: Current assets not expected to be received at end of year			
Less: Municipal - restricted cash	(50,072)	0	(50,072)
Less: Trust - Restricted Cash	0	0	(10,475)
Less: Capital grants In-kind contribution	573,390	0	0
Less: Units in Local Government House Trust	(97,255)	0	0
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	12 177,282	(90,634)	246,468
- Current portion of contract liability held in reserve	0	0	248,014
- Employee benefit provisions	232,926	262,528	0
<b>Total adjustments to net current assets</b>	<b>(4,435,822)</b>	<b>(4,445,795)</b>	<b>(4,674,785)</b>
<b>Net current assets used in the Statement of Financial Activity</b>			
Total current assets	13,026,941	6,588,490	13,189,460
Less: Total current liabilities	(892,195)	(2,142,695)	(2,324,421)
Less: Total adjustments to net current assets	(4,435,822)	(4,445,795)	(4,674,785)
<b>Surplus or deficit after imposition of general rates</b>	<b>7,698,924</b>	<b>0</b>	<b>6,190,254</b>

SHIRE OF LAKE GRACE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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23. BORROWING

(a) Borrowings

Purpose	Note	Actual						Budget				
		Principal			Principal at 30 June 2022	Principal		Principal at 30 June 2023	Principal			
		Principal at 1 July 2021	New Loans During 2021-22	Repayments During 2021-22		New Loans During 2022-23	Repayments During 2022-23		Principal at 1 July 2022	New Loans During 2022-23	Repayments During 2022-23	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$			
L181 - Office Redevelopment		234,521	0	(17,907)	216,614	0	(18,957)	197,657	216,614	0	(18,957)	197,657
L 204 - CEO& Staff House		476,044	0	(48,234)	427,810	0	(48,666)	379,144	427,810	0	(48,666)	379,144
L173 - Lake Grace Pool		31,586	0	(15,347)	16,239	0	(16,239)	0	16,241	0	(16,241)	0
L182 - Lake Grace Sports Precinct		122,156	0	(17,324)	104,832	0	(18,438)	86,394	104,832	0	(18,438)	86,394
L193 - Newdegate Bowling Club		5,758	0	(5,758)	0	0	0	0	0	0	0	0
L198 - Lake Grace Precinct		69,547	0	(22,164)	47,383	0	(23,167)	24,216	47,384	0	(23,167)	24,217
L202 - Lake Grace Court Resurface		9,519	0	(9,519)	0	0	0	0	0	0	0	0
L196 - Roadworks & Plant		102,916	0	(50,487)	52,429	0	(52,429)	0	52,429	0	(52,429)	0
L189 - LG Residential Land		118,008	0	(10,214)	107,794	0	(10,840)	96,954	107,794	0	(10,840)	96,954
L203 - Land Development		543,979	0	(56,868)	487,111	0	(57,732)	429,379	487,109	0	(57,732)	429,378
<b>Total</b>		<b>1,714,034</b>	<b>0</b>	<b>(253,822)</b>	<b>1,460,212</b>	<b>0</b>	<b>(246,468)</b>	<b>1,213,744</b>	<b>1,460,214</b>	<b>0</b>	<b>(246,468)</b>	<b>1,213,746</b>

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
						\$	\$	\$
L181 - Office Redevelopment		181	WATC	5.78%	1/03/2031	(13,433)	(13,796)	(14,611)
L 204 - CEO& Staff House		204	WATC	0.89%	4/11/2030	(6,563)	(6,634)	(7,333)
L173 - Lake Grace Pool		173	WATC	5.64%	15/03/2023	(529)	(798)	(1,530)
L182 - Lake Grace Sports Precinct		182	WATC	6.33%	1/03/2027	(6,752)	(7,139)	(7,994)
L193 - Newdegate Bowling Club		193	WATC	4.77%	27/01/2022	(3)	(3)	(144)
L198 - Lake Grace Precinct		198	WATC	4.48%	30/05/2024	(2,194)	(2,284)	(3,334)
L202 - Lake Grace Court Resurface		202	WATC	2.29%	2/06/2022	(14)	(14)	(224)
L196 - Roadworks & Plant		196	WATC	3.81%	30/05/2023	(1,940)	(2,114)	(4,190)
L189 - LG Residential Land		189	WATC	6.04%	30/06/2030	(7,129)	(7,131)	(7,815)
L203 - Land Development		203	WATC	1.51%	15/04/2030	(10,382)	(10,565)	(11,642)
<b>Total</b>						<b>(48,939)</b>	<b>(50,478)</b>	<b>(58,817)</b>
<b>Total Finance Cost Payments</b>						<b>(48,939)</b>	<b>(50,478)</b>	<b>(58,817)</b>

\* WA Treasury Corporation

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

24. RESERVE ACCOUNTS	2023	2023	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022
	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by legislation/agreement</b>												
(a) Lake Grace Sewerage Reserve	1,168,225	240,914	0	1,409,139	1,168,225	121,028	0	1,289,253	1,105,466	62,759	0	1,168,225
	1,168,225	240,914	0	1,409,139	1,168,225	121,028	0	1,289,253	1,105,466	62,759	0	1,168,225
<b>Restricted by council</b>												
(b) Leave Reserve	334,771	10,904	0	345,678	334,773	6,026	0	340,799	224,211	110,560	0	334,771
(c) Emergency Services Reserve	27,363	891	0	28,254	27,363	493	0	27,856	27,295	68	0	27,363
(d) Housing Reserve	590,462	171,380	0	761,841	590,462	60,628	0	651,090	389,490	200,972	0	590,462
(e) Swimming Pool Reserve	228,666	261,026	0	489,693	228,666	54,116	0	282,782	178,221	50,445	0	228,666
(f) Land Development Reserve	123,802	4,032	0	127,834	123,802	2,228	0	126,030	123,494	308	0	123,802
(g) Plant Reserve	1,095,153	129,946	(500,000)	725,099	1,095,153	19,713	(500,000)	614,866	743,298	351,855	0	1,095,153
(h) Recreation Reserve	220,525	7,183	0	227,708	220,525	3,969	0	224,494	219,976	549	0	220,525
(i) Works & Services Reserve	597,553	46,315	(250,000)	393,868	597,553	10,756	(250,000)	358,309	596,065	1,488	0	597,553
(j) Newdegate Hall Reserve	56,193	1,830	0	58,023	56,193	1,011	0	57,204	125,879	314	(70,000)	56,193
(k) Lake Grace TV Reserve	30,349	989	0	31,337	30,349	546	0	30,895	30,273	76	0	30,349
(l) Varley Sullage Reserve	1,679	55	0	1,733	1,679	30	0	1,709	1,675	4	0	1,679
(m) Newdegate Sports Dam Reserve	26,963	878	0	27,841	26,963	485	0	27,448	26,896	67	0	26,963
(n) Newdegate Stadium Floor Reserve	24,327	792	0	25,120	24,327	438	0	24,765	24,266	61	0	24,327
(o) Community Water Supplies Reserve	12,074	393	0	12,467	12,074	217	0	12,291	12,044	30	0	12,074
(p) Office Furniture & Equipment Reserve	13,414	437	0	13,851	13,414	241	0	13,655	13,381	33	0	13,414
(q) Newdegate Centenary Reserve	32,403	583	(32,986)	0	32,403	583	(32,986)	0	32,322	81	0	32,403
(r) Essential Medical Reserve	508,389	67,275	0	575,664	508,389	9,151	0	517,540	559,059	1,395	(52,065)	508,389
(s) History Book Reserve	10,543	343	0	10,886	10,543	190	0	10,733	10,517	26	0	10,543
(t) AIM Hospital Museum Reserve	5,866	191	0	6,057	5,866	106	0	5,972	0	5,866	0	5,866
	3,940,495	705,445	(782,986)	3,862,954	3,940,495	170,927	(782,986)	3,328,436	3,338,362	724,198	(122,065)	3,940,495
	5,108,720	946,359	(782,986)	5,272,093	5,108,720	291,955	(782,986)	4,617,689	4,443,828	786,957	(122,065)	5,108,720

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

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

<b>Name of reserve account</b>	<b>Purpose of the reserve account</b>
<b>Restricted by legislation/agreement</b>	
(a) Lake Grace Sewerage Reserve	to fund maintenance, addition and improvements to the Lake Grace sewerage system.
<b>Restricted by council</b>	
(b) Leave Reserve	to fund employee leave liability entitlements.
(c) Emergency Services Reserve	to fund volunteer bush fire brigades and other emergency services.
(d) Housing Reserve	to fund the acquisition, construction, renovation or maintenance of shire staff housing.
(e) Swimming Pool Reserve	to fund maintenance and improvement of the Lake Grace swimming pool and associated infrastructure.
(f) Land Development Reserve	to fund the development of new residential, commercial and industrial land.
(g) Plant Reserve	to fund acquisition or replacement of plant and equipment in accordance with the plant replacement program.
(h) Recreation Reserve	to fund the development of sport and recreation facilities.
(i) Works & Services Reserve	to fund expenditure associated with road and street works, including drainage and rehabilitation works.
(j) Newdegate Hall Reserve	to fund maintenance, renovation, extension or improvements of the Newdegate Town Hall.
(k) Lake Grace TV Reserve	to fund maintenance and upgrades of television and radio services in the Lake Grace town site.
(l) Varley Sullage Reserve	to fund expenses associated with the operations of the Varley Sullage Scheme.
(m) Newdegate Sports Dam Reserve	to fund upgrade works for the Newdegate sports dam.
(n) Newdegate Stadium Floor Reserve	to fund upgrade works for the Newdegate stadium floor.
(o) Community Water Supplies Reserve	to fund future commitments with the construction and maintenance of community water supplies.
(p) Office Furniture & Equipment Reserve	to fund replacement of furniture, office, electrical and computer equipment at the Lake Grace administration centre.
(q) Newdegate Centenary Reserve	to fund the 100 year centenary of the Newdegate town site.
(r) Essential Medical Reserve	to fund the provision of essential medical services and associated legal expenses.
(s) History Book Reserve	to fund expenditure associated with producing local history books.
(t) AIM Hospital Museum Reserve	to fund expenditure associated with AIM Hospital Museum.

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

**25. 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:

	<b>1 July 2022</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2023</b>
	\$	\$	\$	\$
Standpipe bonds	10,475	765	(102)	11,138
	10,475	765	(102)	11,138

## SHIRE OF LAKE GRACE

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Fair value of Land and Building Assets	No		✓		
2. Business Continuity Plan and IT Consultants	No		✓		

**KEY TO RATINGS**

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.



## SHIRE OF LAKE GRACE

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

**1. Fair Value of Land and Building Assets****Finding**

The Shire's assessment of Land and Building assets last revalued in March 2021 lacked sufficient detail and consideration of market conditions and other factors (such as increases in building and construction indices) to adequately assess if the carrying amounts of these balances still represent fair value.

**Update to the FM Regulations:**

We acknowledge that the FM Regulations were updated on 18 October 2023 and the fair value amendment, which applies from 2023-24, now requires Local Government entities to revalue land, building and infrastructure assets every 5 years since the asset's last valuation date (Regulations 17A(4A)). The Shire may also revalue earlier if it chooses to do so (Regulation 17A(4B)).

**Rating:** Moderate

**Implication**

Without a robust assessment of fair value of the Shire's Land and Building Assets there is a risk that the fair value of these assets may not have been assessed adequately and in compliance with AASB 13 Fair Value Measurement.

**Recommendation**

We recommend that the City comply with the fair value requirements of the updated FM Regulations for the 2023-24 period and onwards.

**Management comment**

*The Shire had an independent valuation of its Land and Building assets in 2021 (APV Valuers and Asset Management) which did consider all external cost factors and market movements which concluded with a Fair Value at that time. Since then the Shire has reviewed its Land & Building assets each year and have considered that they represent Fair Value. The Shire have and will implement a Asset Valuer Pro tool to manage its asset management in 23/24 which will enable a desktop valuation of its assets and is targeting a comprehensive valuation of all assets in 25/26*

**Responsible person:** Tegan Hall/Craig Elefsen  
**Completion date:** 30 June 2024

## SHIRE OF LAKE GRACE

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

**2. Business Continuity Plan and IT Consultants****Finding**

We identified the draft Business Continuity Plan (“BCP”) dated March 2022 has not yet been finalised and adopted. As a result, no testing on the effectiveness of the Shire’s incident response capabilities has been undertaken.

**Rating: Moderate****Implication**

If the Shire’s does not have a BCP in place and if it is not tested on a regular basis, there is a risk of significant delays and business interruption in the event of unforeseen circumstances in respect to the Shire’s business.

**Recommendation**

The Shire should finalise and adopt the draft BCP ensuring the plan has been based on an evaluation of risks which may disrupt critical business functions. The evaluation should identify critical systems and processes, minimum resources and response times needed to assure/resume operations.

An incident response plan - containing the information needed to respond to an incident (e.g. emergency contact lists, responsibilities) and a disaster recovery plan - detailing the steps to be taken to recover operations, should be developed based on the BCP.

Plans should be communicated to staff and tested on a periodic basis to ensure that staff are familiar with their responsibilities. This should also include testing of IT system backups.

**Management Comment**

*Agree. The draft Business Continuity Plan as reviewed was created by the Shire’s former Community Emergency Services Manager; when re-examined by the current Executive team the document doesn’t contain sufficient specific content around ICT management, disaster recovery planning or cybersecurity incident response as recommended in the OAG Report 19 2022-23 on Information Systems Audit for Local Governments 21-22. A new BCP is being drafted and will contain these elements as recommended for Local Government best practice. It is anticipated that this will be completed for the review of the Shire’s Audit & Risk Committee and Council by the end of December 2023 – incident testing will occur on a 6-monthly basis thereafter.*

**Responsible Person:** Deputy CEO  
**Completion Date:** December 2023



# Auditor General

## INDEPENDENT AUDITOR'S REPORT 2023 Shire of Lake Grace

To the Council of the Shire of Lake Grace

### Opinion

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

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

In my opinion, the financial report is:

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

### Basis for opinion

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

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

### Other information

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

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

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

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

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

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

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

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

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

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

## **Auditor's responsibilities for the audit of the financial report**

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

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

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

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

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

## **Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the Shire of Lake Grace 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.

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



Our Ref: 8332

7th Floor, Albert Facey House  
469 Wellington Street, Perth

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Chief Executive Officer  
Shire of Lake Grace  
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Dear Mr George

### **ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023**

The Office has completed the audit of the annual financial report for your Shire. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the President and the Minister for Local Government, as required by the Act. You are required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

#### **Management control issues**

While the result of the audit was generally satisfactory, I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachment.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

The date that entities provided their annual financial report to the Office has been recorded for purposes of reporting to Parliament. The date recorded for the receipt of your financial statements was 20 September 2023.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Feel free to contact me on 6557 7534 if you would like to discuss these matters further.

Yours faithfully

Mikey Fiorucci  
Director  
Financial Audit  
5 December 2023

Attach