



# Annual Report 2024



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## DISCLAIMER

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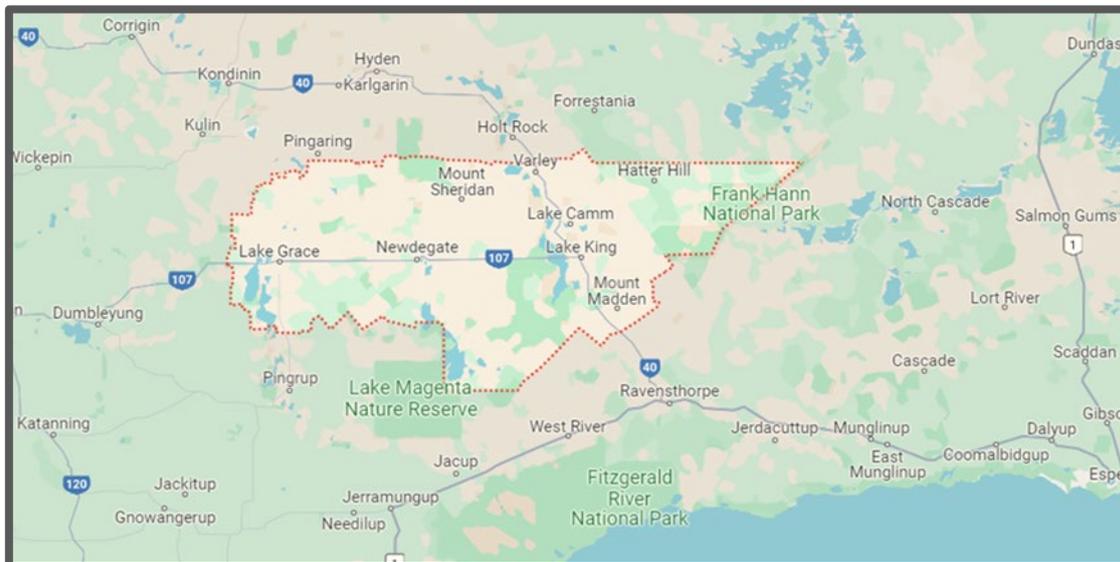
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## INTRODUCTION

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 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)	259
Length of unsealed roads (kms)	2 167
Population (2021 census)	1 265
Number of electors	908
Number of dwellings (2021 census)	743
Levied rates 2023/24	\$5 146 844
Total revenue for 2023/24	\$10 689 742
Number of Shire employees	42



## PRESIDENT REPORT

As in the past it is with pleasure that I present the President's report for the 2023/24 period.

This year has again been one of finishing off several infrastructure projects that grant funding had been allocated to but not completed. This was brought about by a number of factors in not enough tradespeople and/ or material supply. The All Abilities Playground is one such project that is 90% complete but a few minor details are to be finished off in the upcoming period.

It is pleasing to note that the Newdegate Country Club refurbishment that was completed in the 2022/23 reporting period is now one of the highest used buildings within the Shire. Not only used by the golfers and lawn bowlers but by a number of community organisations brought on by some extent in that the local hotel is not fit for purpose.

In all, some thirteen infrastructure projects have been built or had major refurbishment undertaken throughout the year. Whilst buildings, ovals, brick paving and lights throughout the shire have had works or rebuilds done on them, it hasn't meant that our road assets have been missing out. Bitumen works have been undertaken on Mallee Hill Road, North Lake Grace - Karlgarin Road, West Kuender Road, Bidy-Camm Road in two sections and finally Waddell Street. A reasonable amount of bitumen for the twelve-month period. As for our gravel roads, 60km has been resealed or reconstructed.

With the above mentioned outcomes that the Shire has achieved throughout the year it is only appropriate I should take the opportunity to congratulate the CEO and all his staff on a job well done and thank you all. It should be noted that I have addressed infrastructure and or roads however none of those projects would get off the ground without massive inputs from the internal staff that sort out finances, tenders, grant allocations, acquittals, audits, licensing, leases with individuals and community groups. So thank you goes out to all staff members and contractors.

For the farmers of our shire the grain sector is keeping their fingers crossed for finishing rains so that hopefully the season will mirror the 22/23 harvest which was a bountiful one. With the sheep industry "who knows" Keep the Sheep is foremost on that industry's minds.

So finally I would like to take this opportunity to once again thank my fellow councilors for your wise counsel in your input to service to your communities and thanks to the Deputy President for stepping up to the plate in my absence.

Thank you all – job "well done" and the Shire of Lake Grace is a great place to live, work and play.

LEN ARMSTRONG  
SHIRE PRESIDENT

## COUNCILLORS & EXECUTIVE TEAM

COUNCILLORS TERMS OF OFFICE AND CONTACT DETAILS		EXECUTIVE TEAM	
	Cr Len Armstrong End of term 2027 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 2027 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 2027 crlloyd@lakegrace.wa.gov.au 0428 711 534		

*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 from eight (8) to seven (7).*

## COMMITTEES OF COUNCIL

Audit Committee	Cr L Armstrong Cr S Hunt Cr B Hyde Cr R Lloyd
Bush Fire Advisory Committee	Cr A Kuchling Cr B Hyde
Local Emergency Management Committee	Cr L Armstrong Cr S Hunt
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 S Hunt Cr D Clarke Cr B Hyde

## COUNCILLOR REMUNERATION 23/24

As per Local Government (Administration) Regulations 1996 Regulation 19BD- 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	\$20 875	Nil	\$8 487	\$9 399.10	\$3 623	\$149.00
Ross Chappell	Nil	\$1 304.76	\$4 244	\$1 878.90	\$3 623	\$368.40
Debrah Clarke	Nil	Nil	\$4 244	\$0	\$3 623	\$0
Stephen Hunt	Nil	\$3 914.28	\$4 244	\$2 371.10	\$3 623	\$222.00
Ben Hyde	Nil	Nil	\$4 244	\$1 856.38	\$3 623	\$0
Anton Kuchling	Nil	Nil	\$4 244	\$710.81	\$3 623	\$97.00
Roz Lloyd	Nil	Nil	\$4 244	\$1 163.12	\$3 623	\$0

## CEO REPORT

I have pleasure in presenting my annual Report for 2023/2024.

The Shire of Lake Grace has, as in the past few years, again experienced another successful year which has seen several projects completed, some underway and planning commenced for more.

Major projects and events for the year included:

- The Lake Grace All Abilities Playground was completed and opened to the public in June 2024 to the delight of locals and travelers alike.
- A new hockey shed and viewing area was completed in Newdegate
- The Newdegate County Club was officially opened in November 2023 by Rick Wilson the Federal Member for O'Connor
- The Pingaring Centenary in September 2023 was a hive of activity both before and on the day.
- Negotiations continued with the WA Country Health Service for the provision of housing to help attract and retain nurses and allied health professionals. Suitable land was identified and plans for the housing commenced.
- Planning and grant sourcing commenced for the major development of the Lake King sports pavilion and is ongoing.
- A submission was put to Development WA and approved for them to develop 5 light industrial lots in Dewar St Lake Grace due to the absence of suitably zoned vacant land.
- Development of more residential land in Lake Grace became a priority and planning and rezoning of several areas of Shire owned land commenced and grants applied for to assist in the headworks required. This is ongoing.
- The Shire of Lake Grace Strategic Community Plan 'Aspire 2033' was adopted by Council in February 2024 after several months of public consultation
- Livingston Medical were contracted by Council to provide medical services to the towns of Lake Grace and Newdegate resulting in better service being provided to the hospital and residents.

Administration continued to work with members of 4WDL Regional Organisation of Councils (Wagin, West Arthur, Williams, Woodanilling, Dumbleyung and Lake Grace) towards the provision of Key Worker Housing within the Shires. Several submissions for funding were investigated and business cases prepared followed by funding applications. We still await results.

Staff numbers continue to remain fairly constant, as usual there were a few resignations during the year for personal reasons. These positions were filled and all staff remain keen and motivated. Staff training was carried out both in-person and online for both new and existing staff.

Thank you to all staff and Councilors for another solid year and we remain confident heading into the future.

ALAN GEORGE  
CHIEF EXECUTIVE OFFICER

# ORGANISATION CHART



## CORPORATE SERVICES REPORT

The 2023/24 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 2023/2024 budget was prepared with an increase of 3% on rate in the dollar for GRV properties (within town site) and 3% on rate revenue for UV properties. The UV valuations carried out by Landgate substantially increased the value of these properties which has had a bearing on the setting of rates. This has led to the rate increase being formulated off total revenue that was raised the previous year thus reducing the rate in the dollar.

There were no new borrowings for the 2023/24 budget.

The 2023/2024 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.

The Corporate Services team involves rates management, financial and payroll processing, financial reporting and investment management. ReadyTech are contracted to perform the rates processing with a staff member carrying out ongoing training. It is still the intention to bring rates management back in house. One team member continues to work remotely in Perth which is proving to be a very successful part of our finance function.

### 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.

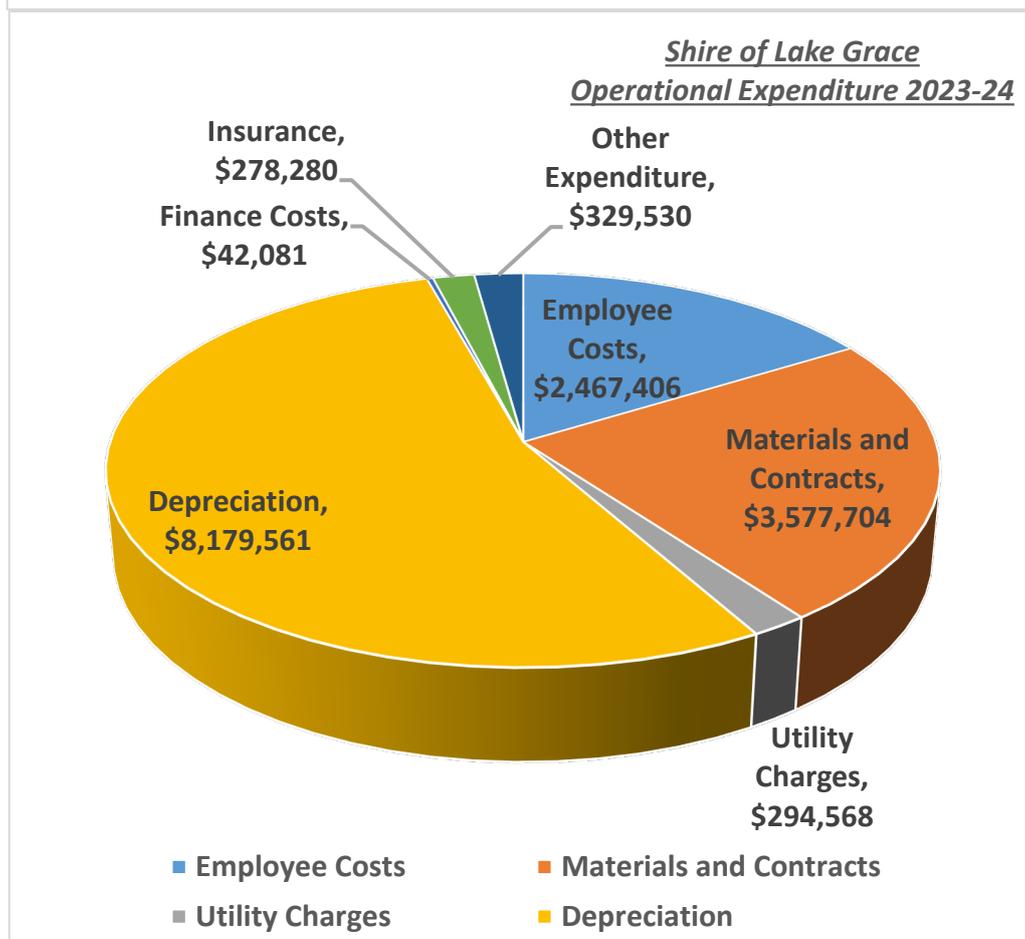
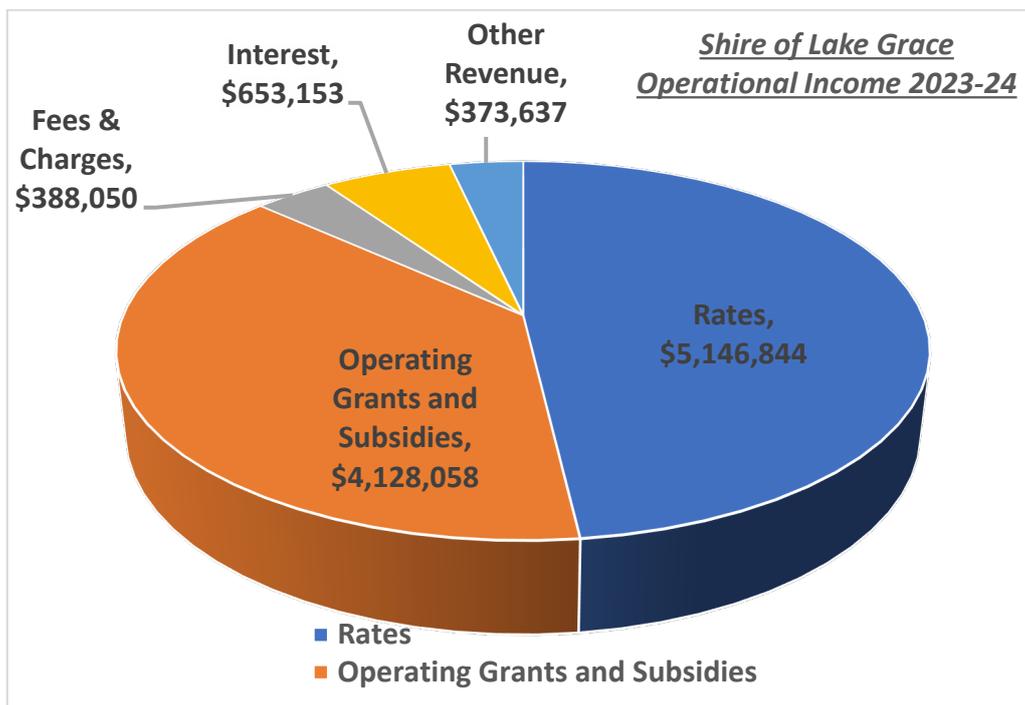
The Shire of Lake Grace acknowledges the importance of the Commonwealth's funding through the Financial Assistance Grants programme for the combined delivery of council services and infrastructure.

The Shire of Lake Grace received \$3,835,457 Commonwealth Financial Assistance Grant of which \$3,667,195 was prepaid in June 2023.

Roads to Recovery funding for the 2023/2024 financial year totalled \$858,924.

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.

## Operational Income and Expenditure



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 plus Operating Grants and Subsidies account for the majority of Council's income, which is predominantly derived to help fund the community's needs and infrastructure. Due to prudent financial management within the 2023/24 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.

TEGAN HALL  
MANAGER CORPORATE SERVICES

## STRATEGIC COMMUNITY PLAN 2023 - 2033

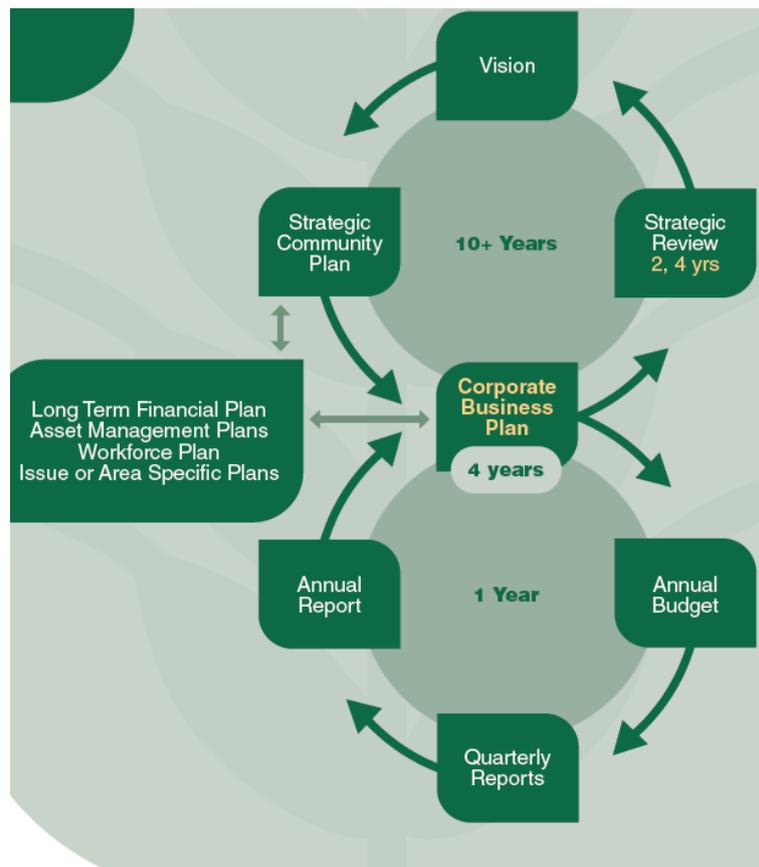
In accordance with Section 5.56(1) of the Local Government Act 1995, all local governments are required to prepare a Plan for the Future for their district. This Plan for the Future consists of the following two (2) key strategic documents as follows:

**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.

The Shire of Lake Grace conducted a major review of the Strategic Community Plan in the 2023/24 period. Extensive community consultation was undertaken in the development of the Plan which considers the communities aspirations and vision. The purpose of this document is to provide a clear strategic direction for our Shire.

**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

## 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 2024 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 2023/24 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 current DAIP is due for its 5 year revision at the end of 2024.

The Shire of Lake Grace is committed to ensuring that the community is accessible for and inclusive of people with disability, their families and carers. The Shire of Lake Grace interprets an accessible and inclusive community as one in which all Council functions, facilities and services (both in-house and contracted) are open, available and accessible to people with disability, providing them with the same opportunities, rights and responsibilities as other people in the community.

The Shire of Lake Grace:

- Recognises that people with disability are valued members of the community who make a variety of contributions to local social, economic and cultural life;
- Believes that a community that recognises its diversity and supports the participation and inclusion of all its members makes for a richer community life;
- Believes that people with disability, their families and carers should be supported to remain in the community;
- Is committed to consulting with people who have disability, their families and carers and disability organisations in addressing barriers to access and inclusion;
- Will ensure its agents and contractors work towards the desired outcomes in the DAIP;
- Is committed to supporting local community groups and businesses to provide access and inclusion of people with disability; and
- Is committed to achieving the seven desired outcomes of its DAIP.

The Shire of Lake Grace is pleased to report compliance with the seven desired (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 2023/24 financial year there was **one (1)** Freedom of Information application 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 2023/24 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 2023/24 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 2023 and a primary return within 3 months of their start date. In 2023/24, 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 2023/24.

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

In accordance with Section 8 of the State Records Act 2000 the Shire of Lake Grace is required to ensure that records are created, managed and maintained over time and disposed of in accordance with principles and standards issued by the SRC. SRC Standard 2 – *Recordkeeping Plans* comprises six recordkeeping principles each of which contains minimum compliance requirements.

To guide this process the Shire maintains a Record Keeping Plan (RKP) which is reviewed once every 5 years as required under the Act. The Shires RKP is due for its next review in 2025.

All staff are required to undergo records management training according to their roles and responsibilities as part of the induction process.

### **Statistical information**

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

A total of 30 meetings were held during the period 1 July 2023 to 30 June 2024

Ordinary Council meetings	11
Special Council meetings	2
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
Lake Grace Library Resource and Community Resource Management Committee	3
Newdegate Library Resource and Community Resource Management Committee	2
Newdegate Pool Management Committee	2

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

Cr Len Armstrong	19
Cr Ross Chappell	13
Cr Debrah Clarke	18
Cr Ben Hyde	12
Cr Roz Lloyd	17
Cr Steve Hunt	17
Cr Anton Kuchling	11
Cr Jeff McKenzie *	1

\* not re-elected at 25 October 2023

**Elected Member Demographics as follows:**

- Gender 2 Females and 5 Males
- Linguistic background 7 English
- Country of Birth 7 Australia
- Aboriginal Torres Strait Islander 0
- Ages
  - Between 18 and 24 years 0
  - Between 25 and 34 years 0
  - Between 35 and 44 years 1
  - Between 45 and 54 years 1
  - Between 55 and 64 years 2
  - Over 64 years 3

**Citizenship Ceremonies**

A total of two (2) Citizenship Ceremonies were held for the period 2023/24.

**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, and the remuneration paid or provided to the CEO during the financial year. These are disclosed as follows:

Salary Range	2023	2024
\$100,000 - \$110,000		
\$110,001 - \$120,000	1	
\$130,001 - \$150,000	2	2
\$200,001 - \$260,000	1	1

CEO Remuneration for 2023/24 \$213,302.

## INFRASTRUCTURE SERVICES

The 2023/24 financial year has established itself as a productive and prosperous year for the infrastructure services team after an exciting year of substantial development and planning of projects in the 2023/24 financial year.

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

### **Road Works and Maintenance**

The Shire completed numerous road work projects the financial year of 2023/24, seeing numerous roads graded, sealed or re-sheeted. Capital roadworks have been completed by the Shire's internal crew employees and through local earth moving contractors and other specialized WALGA preferred supplier contractors.

### **Maintenance Grading tally by zone:**

- Lake Grace section 405.90km
- Lake King/Varley section 1442.09km
- Newdegate section 834.49km
- *Totalling: 2682.48km of graded road*

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

- Jarring South Road SLK 0.00 – 2 & 13 - 16
- Magenta Road SLK 34.50 – 39.50
- Old Ravensthorpe Road SLK 22.10 – 27.00
- Rodger Road SLK 0.00 – 5.64
- Winchcombe Road SLK 5.00 – 10.80
- Jarring South Road SLK 1.67 – 5.96
- Hatter Hill Road SLK 22.10 – 27.10
- Burngup Road SLK 0.00 – 4.00
- Fitzgerald Road SLK 5.00 – 9.76

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

- Mallee Hill Road SLK 10.60 – 13.60
- North Lake Grace Karlgarin Road SLK 0.00 – 3.10
- Lake Grace cemetery bitumen area
- Section of Bennet Street Lake Grace

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

- Mallee Hill Road SLK 13.60 – 15.30
- West Kuender Road SLK 0.00 – 3.10
- Bidy Camm Road SLK 58.32 – 62.83
- Bidy Buniche Road SLK 2.75 – 5.71

### ***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 2023/24:**

- CAT 444E Backhoe
- Isuzu D Max space cab ute
- BCI Proma bus

### ***Completed Projects for the 2023/24 financial period***

Many projects were completed by shire staff or suitable contractors during the 23/24 financial year. Some of these projects were

- Installation of 6 New lights at Lake Grace Football oval
- Installation of New hockey change rooms at Newdegate along with seating area
- New park in main street of Lake Grace
- All abilities playground
- New shed at Lake King Tractor museum

### ***Culvert and Drainage upgrades***

During the 2023/24 financial year, throughout the Shire, 60 culverts were replaced along with numerous culverts and drains cleaned out and rock pitched where needed. The infrastructure team also carried out and audit and inspection of every culvert within the shire and a maintenance/replacement plan has been put in place in order of priority.

CRAIG ELEFSEN  
MANAGER INFRASTRUCTURE SERVICES

## PLANNING SERVICES

During the period 1 July 2023 to 30 June 2024 the Shire considered and granted conditional development approval for eleven (11) development applications received for various works to the total value of \$4,430,346 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 and privately owned land on Mather Road, 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 2025 regarding the likely costs for consideration of inclusion in the budget for the 2025/26 financial year.

**JOE DOUGLAS**  
TOWN PLANNER

## ENVIRONMENTAL HEALTH SERVICES

Roe Regional Environmental Health Services' Principal Environmental Health Officer, Brendon Gerrard was employed from 28 October 2019 and has undertaken Environmental Health work in accordance with Operational Guidelines during the 2023/24 period. The work has generally been based on a 3 day, or 23 hours per fortnight schedule.

### 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
- EHO inspected 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.
- Implementation of WA Legislation Waste Avoidance and Resource Recovery (e-waste) Regulations 2024

### WASTEWATER

- Conducted assessments and approval of onsite effluent disposal systems.
- Received approval from the Department of Health for the Lake Grace Recycled Water Scheme which will provide irrigation of the Lake Grace Sports Pavilion oval, and eliminate potential of wastewater overflows from wastewater ponds



### SWIMMING POOLS – WATER QUALITY

Lake Grace and Newdegate Pools were sampled monthly from October 2023 to March 2024 as per the Code of Practice for Aquatic Facilities and the Health (Aquatic Facilities) Regulations 2007. Major resurfacing works are scheduled at the Newdegate Pool in 2025 (to be undertaken by the Department of Education).

### 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
- Implementation of new Food Standard 3.2.2A requirement for all Food Premises to complete Food Safety Supervisor Training

- 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 Unit



### **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
- Drafting new policy framework in accordance with recent changes to the Caravan Parks and Camping Grounds Regulations which allow Local Government's to approve temporary accommodation applications for up to 24 months
- 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.
- Supporting staff with event compliance requirements for the Harvest Festival to be held at the new playground

### **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
- Dealing with a number of noise complaints in both Lake Grace and Newdegate, and other complaints
- Regular meetings with the Community Development Team staff regarding the Shire of Lake Grace Public Health Plan
- Implementation of Orders and Requisitions process to check Health, Building and Planning issues during the sale of properties in the Shire
- Completed Building Surveyor qualification and delegation

**BRENDON GERRARD**  
PRINCIPAL ENVIRONMENTAL HEALTH OFFICER

**SHIRE OF LAKE GRACE**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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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  
Shire of Lake Grace

**SHIRE OF LAKE GRACE  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

*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 2024 and the financial position as at 30 June 2024.

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

Signed on the 28<sup>th</sup> day of NOVEMBER 2024

  
\_\_\_\_\_  
CEO

ALAN GEORGE  
\_\_\_\_\_  
Name of CEO



**SHIRE OF LAKE GRACE  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>Revenue</b>				
Rates	2(a),21	5,146,844	5,141,182	4,993,932
Grants, subsidies and contributions	2(a)	4,128,058	657,915	5,316,926
Fees and charges	2(a)	388,050	390,615	373,474
Interest revenue	2(a)	653,153	374,884	369,244
Other revenue	2(a)	373,637	324,896	493,411
		<b>10,689,742</b>	<b>6,889,492</b>	<b>11,546,987</b>
<b>Expenses</b>				
Employee costs	2(b)	(2,467,406)	(2,465,070)	(2,392,739)
Materials and contracts		(3,577,704)	(4,987,200)	(3,331,204)
Utility charges		(294,568)	(314,818)	(302,054)
Depreciation		(8,179,561)	(3,746,374)	(3,454,891)
Finance costs		(42,081)	(39,474)	(48,939)
Insurance		(278,280)	(286,174)	(264,765)
Other expenditure	2(b)	(329,530)	(322,436)	(224,521)
		<b>(15,169,130)</b>	<b>(12,161,546)</b>	<b>(10,019,113)</b>
		<b>(4,479,388)</b>	<b>(5,272,054)</b>	<b>1,527,874</b>
Capital grants, subsidies and contributions	2(a)	2,573,335	4,315,687	2,805,764
Profit on asset disposals		122,233	155,866	171,327
Loss on asset disposals		(95,167)	(62,959)	(63,198)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,102	0	4,608
		<b>2,602,503</b>	<b>4,408,594</b>	<b>2,918,501</b>
<b>Net result for the period</b>		<b>(1,876,885)</b>	<b>(863,460)</b>	<b>4,446,375</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	0	0	92,172,689
<b>Total other comprehensive income for the period</b>	14	<b>0</b>	<b>0</b>	<b>92,172,689</b>
<b>Total comprehensive income for the period</b>		<b>(1,876,885)</b>	<b>(863,460)</b>	<b>96,619,064</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 2024**

	NOTE	2024 \$	2023 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	13,636,877	12,688,737
Trade and other receivables	5	179,743	320,521
Inventories	6	17,796	6,545
<b>TOTAL CURRENT ASSETS</b>		<b>13,834,416</b>	<b>13,015,803</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	3,030	3,030
Other financial assets	4(b)	103,964	101,862
Property, plant and equipment	7	46,013,080	46,359,823
Infrastructure	8	249,875,048	252,284,169
<b>TOTAL NON-CURRENT ASSETS</b>		<b>295,995,122</b>	<b>298,748,884</b>
<b>TOTAL ASSETS</b>		<b>309,829,538</b>	<b>311,764,687</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	374,153	312,738
Other liabilities	11	4,043	0
Borrowings	12	169,214	177,282
Employee related provisions	13	443,553	391,037
<b>TOTAL CURRENT LIABILITIES</b>		<b>990,963</b>	<b>881,057</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	12	867,248	1,036,462
Employee related provisions	13	63,032	61,988
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>930,280</b>	<b>1,098,450</b>
<b>TOTAL LIABILITIES</b>		<b>1,921,243</b>	<b>1,979,507</b>
<b>NET ASSETS</b>		<b>307,908,295</b>	<b>309,785,180</b>
<b>EQUITY</b>			
Retained surplus		159,082,436	162,323,460
Reserve accounts	24	6,636,232	5,272,093
Revaluation surplus	14	142,189,627	142,189,627
<b>TOTAL EQUITY</b>		<b>307,908,295</b>	<b>309,785,180</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 2024**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 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>
Comprehensive income for the period					
Net result for the period		(1,876,885)	0	0	(1,876,885)
Total comprehensive income for the period		(1,876,885)	0	0	(1,876,885)
Transfers to reserve accounts	24	(1,364,139)	1,364,139	0	0
<b>Balance as at 30 June 2024</b>		<b>159,082,436</b>	<b>6,636,232</b>	<b>142,189,627</b>	<b>307,908,295</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 2024**

<b>NOTE</b>	<b>2024 Actual</b>	<b>2023 Actual</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Rates	5,148,615	4,945,688
Grants, subsidies and contributions	4,249,642	4,881,853
Fees and charges	388,050	373,474
Interest revenue	653,153	369,244
Other revenue	373,637	493,411
	<b>10,813,097</b>	<b>11,063,670</b>
<b>Payments</b>		
Employee costs	(2,412,862)	(2,366,360)
Materials and contracts	(3,511,101)	(4,264,816)
Utility charges	(294,568)	(302,054)
Finance costs	(42,081)	(48,939)
Insurance paid	(278,280)	(264,765)
Other expenditure	(329,530)	503,588
	<b>(6,868,422)</b>	<b>(6,743,346)</b>
<b>Net cash provided by operating activities</b>	<b>3,944,675</b>	<b>4,320,324</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for purchase of property, plant & equipment	(1,515,509)	(2,008,048)
Payments for construction of infrastructure	(4,733,308)	(4,225,443)
Capital grants, subsidies and contributions	2,577,378	1,601,522
Proceeds for financial assets at amortised cost	0	(97,255)
Proceeds from sale of property, plant & equipment	852,186	454,395
<b>Net cash (used in) investing activities</b>	<b>(2,819,253)</b>	<b>(4,274,829)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	23(a) (177,282)	(246,468)
<b>Net cash (used in) financing activities</b>	<b>(177,282)</b>	<b>(246,468)</b>
<b>Net increase (decrease) in cash held</b>	<b>948,140</b>	<b>(200,973)</b>
Cash at beginning of year	12,688,737	12,889,710
<b>Cash and cash equivalents at the end of the year</b>	<b>13,636,877</b>	<b>12,688,737</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 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates	21	4,914,184	4,909,768	4,784,438
Rates excluding general rates	21	232,660	231,414	209,494
Grants, subsidies and contributions		4,128,058	657,915	5,316,926
Fees and charges		388,050	390,615	373,474
Interest revenue		653,153	374,884	369,244
Other revenue		373,637	324,896	493,411
Profit on asset disposals		122,233	155,866	171,327
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,102	0	4,608
		<u>10,814,077</u>	<u>7,045,358</u>	<u>11,722,922</u>
<b>Expenditure from operating activities</b>				
Employee costs		(2,467,406)	(2,465,070)	(2,392,739)
Materials and contracts		(3,577,704)	(4,987,200)	(3,331,204)
Utility charges		(294,568)	(314,818)	(302,054)
Depreciation		(8,179,561)	(3,746,374)	(3,454,891)
Finance costs		(42,081)	(39,474)	(48,939)
Insurance		(278,280)	(286,174)	(264,765)
Other expenditure		(329,530)	(322,436)	(224,521)
Loss on asset disposals		(95,167)	(62,959)	(63,198)
		<u>(15,264,297)</u>	<u>(12,224,505)</u>	<u>(10,082,311)</u>
Non cash amounts excluded from operating activities	22(a)	8,151,437	3,653,467	3,824,622
<b>Amount attributable to operating activities</b>		<u>3,701,217</u>	<u>(1,525,680)</u>	<u>5,465,233</u>
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		2,573,335	4,315,687	2,805,764
Proceeds from disposal of assets		852,186	686,909	454,395
		<u>3,425,521</u>	<u>5,002,596</u>	<u>3,260,159</u>
<b>Outflows from investing activities</b>				
Purchase of property, plant and equipment	7(a)	(1,515,509)	(2,727,308)	(2,551,088)
Purchase and construction of infrastructure	8(a)	(4,733,308)	(6,491,104)	(4,255,793)
		<u>(6,248,817)</u>	<u>(9,218,412)</u>	<u>(6,806,881)</u>
<b>Amount attributable to investing activities</b>		<u>(2,823,296)</u>	<u>(4,215,816)</u>	<u>(3,546,722)</u>
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Transfers from reserve accounts	24	0	0	782,986
		<u>0</u>	<u>0</u>	<u>782,986</u>
<b>Outflows from financing activities</b>				
Repayment of borrowings	23(a)	(177,282)	(177,282)	(246,468)
Transfers to reserve accounts	24	(1,364,139)	(1,321,718)	(946,359)
		<u>(1,541,421)</u>	<u>(1,499,000)</u>	<u>(1,192,827)</u>
<b>Amount attributable to financing activities</b>		<u>(1,541,421)</u>	<u>(1,499,000)</u>	<u>(409,841)</u>
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	22(b)	7,698,924	7,240,496	6,190,254
Amount attributable to operating activities		3,701,217	(1,525,680)	5,465,233
Amount attributable to investing activities		(2,823,296)	(4,215,816)	(3,546,722)
Amount attributable to financing activities		(1,541,421)	(1,499,000)	(409,841)
<b>Surplus or deficit after imposition of general rates</b>	22(b)	<u><b>7,035,424</b></u>	<u><b>0</b></u>	<u><b>7,698,924</b></u>

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

**SHIRE OF LAKE GRACE  
FOR THE YEAR ENDED 30 JUNE 2024  
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# SHIRE OF LAKE GRACE

## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

### 1. BASIS OF PREPARATION

The financial report of the Shire of Lake Grace which is a Class 4 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

#### Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the *Local Government Act 1995*, the Australian Accounting Standards.

The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied except for disclosure requirements of:

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

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

The Local Government (Financial Management) Regulations 1996 provide that:

- Land and buildings classified as property, plant and equipment; or
  - Infrastructure; or
  - Vested improvements that local government controls;
- and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116: Property, Plant and Equipment, which would have required the Shire to assessed at each reporting date whether the carrying amount of the above mentioned non-financial assets materiality differs from their fair value and, if so, revalue the class of non-financial asset.

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.

#### Critical accounting estimates and judgements

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 amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
  - Property, plant and equipment - note 7
  - Infrastructure - note 8
- Measurement of employee benefits - note 13

Fair value hierarchy information can be found in note 20

#### 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.

#### 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 2021-2 Amendments to Australian Accounting Standards - *Disclosure of Accounting Policies or Definition of Accounting Estimates*

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

#### 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 2021-7c 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*

These amendments are not expected to have any material impact on the financial report on initial application.

- AASB 2022-10 Amendments to Australian Accounting Standards - *Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

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

- AASB 2023-1 Amendments to Australian Accounting Standards - *Supplier Finance Arrangements*

These amendments may result in additional disclosures in the case of applicable finance arrangements.

**SHIRE OF LAKE GRACE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**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:

<b>Revenue Category</b>	<b>Nature of goods and services</b>	<b>When obligations typically satisfied</b>	<b>Payment terms</b>	<b>Returns/Refunds/Warranties</b>	<b>Timing of revenue recognition</b>
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 2024**

<b>Nature</b>	<b>Contracts with customers</b>	<b>Capital grant/contributions</b>	<b>Statutory Requirements</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Rates	0	0	5,057,089	89,755	5,146,844
Grants, subsidies and contributions	661,914	0	0	3,466,144	4,128,058
Fees and charges	361,760	0	26,290	0	388,050
Interest revenue	633,511	0	19,642	0	653,153
Other revenue	373,637	0	0	0	373,637
Capital grants, subsidies and contributions	0	2,573,335	0	0	2,573,335
<b>Total</b>	<b>2,030,822</b>	<b>2,573,335</b>	<b>5,103,021</b>	<b>3,555,899</b>	<b>13,263,077</b>

**For the year ended 30 June 2023**

<b>Nature</b>	<b>Contracts with customers</b>	<b>Capital grant/contributions</b>	<b>Statutory Requirements</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
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>

**SHIRE OF LAKE GRACE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

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

**(a) Revenue (Continued)**

Note	2024 Actual \$	2023 Actual \$
<b>Assets and services acquired below fair value</b>		
Contributed assets	0	573,390
	0	573,390
<b>Interest revenue</b>		
Interest on reserve account	253,305	166,359
Trade and other receivables overdue interest	19,642	17,920
Other interest revenue	380,206	184,965
	653,153	369,244
The 2024 original budget estimate in relation to: Trade and other receivables overdue interest was \$19,000.		
<b>Fees and charges relating to rates receivable</b>		
Charges on instalment plan	3,267	4,367
The 2024 original budget estimate in relation to: Charges on instalment plan was \$5,800.		
<b>(b) Expenses</b>		
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	37,700	32,000
- Other services – grant acquittals	4,550	2,660
	42,250	34,660
<b>Employee Costs</b>		
Employee benefit costs	2,640,486	2,530,163
Other employee costs	(173,080)	(137,424)
	2,467,406	2,392,739
<b>Other expenditure</b>		
Write down of inventories to net realisable value	0	728,108
Sundry expenses	329,530	(503,587)
	329,530	224,521

**SHIRE OF LAKE GRACE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**3. CASH AND CASH EQUIVALENTS**

Note	2024	2023
	\$	\$
Cash at bank and on hand	13,636,877	12,688,737
<b>Total cash and cash equivalents</b>	<b>13,636,877</b>	<b>12,688,737</b>
Held as		
- Unrestricted cash and cash equivalents	6,996,602	7,416,644
- Restricted cash and cash equivalents	15 6,640,275	5,272,093
	<b>13,636,877</b>	<b>12,688,737</b>

**MATERIAL 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.

**4. OTHER FINANCIAL ASSETS**

**(b) Non-current assets**

Financial assets at fair value through profit or loss

Note	2024	2023
	\$	\$
	103,964	101,862
	<b>103,964</b>	<b>101,862</b>
<b>Financial assets at fair value through profit or loss</b>		
Units in Local Government House Trust - opening balance	101,862	97,254
Movement attributable to fair value increment	2,102	4,608
Units in Local Government House Trust - closing balance	<b>103,964</b>	<b>101,862</b>

**MATERIAL ACCOUNTING POLICIES**

**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 2024**

**5. TRADE AND OTHER RECEIVABLES**

Note	2024	2023
	\$	\$
<b>Current</b>		
Rates and statutory receivables	56,487	75,681
Trade receivables	123,256	244,840
	179,743	320,521
<b>Non-current</b>		
Rates and statutory receivables	3,030	3,030
	3,030	3,030

**MATERIAL 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 or for the construction of recognisable non financial assets as part of the ordinary course of business.

**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  
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**6. INVENTORIES**

Note	2024	2023
	\$	\$
<b>Current</b>		
Fuel and materials	17,796	6,545
	17,796	6,545
The following movements in inventories occurred during the year:		
<b>Balance at beginning of year</b>	6,545	747,116
Inventories expensed during the year	0	(161,508)
Completed land transferred to Property, Plant & Equipment	0	(728,108)
Additions to inventory	11,251	149,045
<b>Balance at end of year</b>	17,796	6,545

**MATERIAL ACCOUNTING POLICIES**

**General**

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

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

**SHIRE OF LAKE GRACE  
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**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.

	<b>Total Property</b>				<b>Plant and equipment</b>			<b>Total property, plant and equipment</b>
	<b>Land</b>	<b>Buildings - non-specialised</b>	<b>Buildings - specialised</b>	<b>Total Property</b>	<b>Furniture and equipment</b>	<b>Plant and equipment</b>	<b>Work in progress</b>	
<b>Balance at 1 July 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>	<b>2,743,789</b>	<b>3,579,809</b>	<b>35,072,967</b>	<b>41,396,565</b>	<b>161,770</b>	<b>4,705,840</b>	<b>95,648</b>	<b>46,359,823</b>
<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>	<b>2,743,789</b>	<b>3,579,809</b>	<b>35,072,967</b>	<b>41,396,565</b>	<b>161,770</b>	<b>4,705,840</b>	<b>95,648</b>	<b>46,359,823</b>
Additions	32,550	37,454	364,568	434,572	57,010	773,546	326,617	1,591,745
Disposals	(529,546)	0	(14,465)	(544,011)	0	(281,109)	0	(825,120)
Reduction in WIP	0	0	0	0	0	0	(112,029)	(112,029)
Depreciation	0	(55,112)	(520,407)	(575,519)	(26,909)	(434,704)	0	(1,037,132)
Transfers	0	0	0	0	0	0	35,793	35,793
<b>Balance at 30 June 2024</b>	<b>2,246,793</b>	<b>3,562,151</b>	<b>34,902,663</b>	<b>40,711,607</b>	<b>191,871</b>	<b>4,763,573</b>	<b>346,029</b>	<b>46,013,080</b>
<b>Comprises:</b>								
Gross balance amount at 30 June 2024	2,246,793	3,724,523	36,397,595	42,368,911	318,158	6,246,434	346,029	49,279,532
Accumulated depreciation at 30 June 2024	0	(162,372)	(1,494,932)	(1,657,304)	(126,287)	(1,482,861)	0	(3,266,452)
<b>Balance at 30 June 2024</b>	<b>2,246,793</b>	<b>3,562,151</b>	<b>34,902,663</b>	<b>40,711,607</b>	<b>191,871</b>	<b>4,763,573</b>	<b>346,029</b>	<b>46,013,080</b>

**SHIRE OF LAKE GRACE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

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

**(b) Carrying Amount 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 - as determined at the last valuation date</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 2024**

**8. INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Infrastructure - roads	Infrastructure - parks, gardens & recreational facilities	Infrastructure - sewerage	Infrastructure - urban infrastructure	Infrastructure - work in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 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
Additions	3,535,155	1,268,643	0	162,030	62,854	5,028,682
Reduction in WIP	0	0	0	0	(259,581)	(259,581)
Depreciation	(6,407,669)	(527,532)	(40,340)	(166,888)	0	(7,142,429)
Transfers	0	0	0	0	(35,793)	(35,793)
<b>Balance at 30 June 2024</b>	233,142,047	9,558,380	1,539,808	5,467,109	167,704	249,875,048
<b>Comprises:</b>						
Gross balance at 30 June 2024	239,549,716	10,089,146	1,580,148	5,633,997	167,704	257,020,711
Accumulated depreciation at 30 June 2024	(6,407,669)	(530,766)	(40,340)	(166,888)	0	(7,145,663)
<b>Balance at 30 June 2024</b>	233,142,047	9,558,380	1,539,808	5,467,109	167,704	249,875,048

**SHIRE OF LAKE GRACE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**8. INFRASTRUCTURE (Continued)**

**(b) Carrying Amount 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 - as determined at the last valuation date</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 2024**

**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 no changes have been made from the review performed on 30.06.24

**SHIRE OF LAKE GRACE  
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**9. FIXED ASSETS (Continued)**

**MATERIAL ACCOUNTING POLICIES**

**Initial recognition**

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the 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. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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 *Local Government (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.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at reportable value.

**Measurement after recognition**

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

**Reportable Value**

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are *land and buildings classified as property, plant and equipment*, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

**Revaluation**

Land and buildings classified as property, plant and equipment, *infrastructure or vested improvements that the local government controls* and measured at reportable value, are only required to be revalued 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 land vested in the Shire.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Shire to revalue earlier if it chooses to do so.

For land, buildings 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.

**Impairment**

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the Shire is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the 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 2024**

**10. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors	
Prepaid rates	
Accrued payroll liabilities	
Other payables - Accrued interest on long term borrowings	

2024	2023
\$	\$
296,293	220,046
7,812	25,235
60,815	59,831
9,233	7,626
374,153	312,738

**MATERIAL ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**Prepaid rates**

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

**SHIRE OF LAKE GRACE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**11. OTHER LIABILITIES**

**Current**

Capital grant/contributions liabilities

**Reconciliation of changes in contract liabilities**

Opening balance

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

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

Opening balance

Additions

The aggregate amount of the performance obligations partially unsatisfied in relation to these Capital grant liabilities was \$4,043. The Shire expects to satisfy the performance obligations within the next 12 months.

	2024	2023
	\$	\$
Capital grant/contributions liabilities	4,043	0
	4,043	0
Opening balance	0	416,885
Revenue from contracts with customers included as a contract liability at the start of the period	0	(416,885)
Opening balance	0	
Additions	4,043	0
	4,043	0

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.

**MATERIAL 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.

**SHIRE OF LAKE GRACE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**12. BORROWINGS**

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		169,214	867,248	1,036,462	177,282	1,036,462	1,213,744
<b>Total secured borrowings</b>	23(a)	169,214	867,248	1,036,462	177,282	1,036,462	1,213,744

**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 2024 and 2023 years.

**MATERIAL 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 2024**

**13. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	227,910	214,445
Long service leave	215,643	176,592
	<b>443,553</b>	<b>391,037</b>
<b>Total current employee related provisions</b>	<b>443,553</b>	<b>391,037</b>
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	63,032	61,988
	<b>63,032</b>	<b>61,988</b>
<b>Total non-current employee related provisions</b>	<b>63,032</b>	<b>61,988</b>
<b>Total employee related provisions</b>	<b>506,585</b>	<b>453,025</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.

**MATERIAL 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 2024**

**14. REVALUATION SURPLUS**

	2024 Opening Balance \$	2024 Closing Balance \$	2023 Opening Balance \$	2023 Transfer to Retained Earnings \$	Total Movement on Revaluation \$	2023 Closing Balance \$
Revaluation surplus - Buildings	26,197,283	26,197,283	26,197,283	0	0	26,197,283
Revaluation surplus - Plant and equipment	0	0	1,277,980	(1,277,980)	0	0
Revaluation surplus - Infrastructure - roads	105,148,482	105,148,482	13,125,443	0	92,023,039	105,148,482
Revaluation surplus - Infrastructure - parks, gardens & recreational facilities	4,783,410	4,783,410	2,933,123	0	1,850,287	4,783,410
Revaluation surplus - Infrastructure - sewerage	1,788,861	1,788,861	2,654,023	0	(865,162)	1,788,861
Revaluation surplus - Infrastructure - urban infrastructure	4,271,591	4,271,591	5,107,066	0	(835,475)	4,271,591
	<u>142,189,627</u>	<u>142,189,627</u>	<u>51,294,918</u>	<u>(1,277,980)</u>	<u>92,172,689</u>	<u>142,189,627</u>

**SHIRE OF LAKE GRACE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**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	2024 Actual \$	2023 Actual \$
3	6,640,275	5,272,093
	6,640,275	5,272,093

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

Restricted reserve accounts

Capital grant liabilities

**Total restricted financial assets**

24	6,636,232	5,272,093
11	4,043	0
	6,640,275	5,272,093

**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**

100,000	100,000
0	0
15,000	15,000
(4,355)	(5,731)
110,645	109,269

**Loan facilities**

Loan facilities - current

Loan facilities - non-current

**Total facilities in use at balance date**

169,214	177,282
867,248	1,036,462
1,036,462	1,213,744

**Unused loan facilities at balance date**

NIL	NIL
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**SHIRE OF LAKE GRACE  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2024**

**17. CAPITAL COMMITMENTS**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Contracted for:		
- capital expenditure projects	15,252	148,057
	<b>15,252</b>	<b>148,057</b>
Payable:		
- not later than one year	15,252	148,057

The capital expenditure projects outstanding at the end of the current reporting period represents several projects moved to 24/25 FY

**SHIRE OF LAKE GRACE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**18. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

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

Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
President's annual allowance	20,875	20,875	20,565
President's meeting attendance fees	8,487	8,487	8,200
President's annual allowance for ICT expenses	3,623	3,623	3,500
President's travel and accommodation expenses	9,548	9,000	7,164
	<u>42,533</u>	<u>41,985</u>	<u>39,429</u>
Deputy President's annual allowance	5,219	5,219	5,016
Deputy President's meeting attendance fees	4,244	4,244	4,092
Deputy President's annual allowance for ICT expenses	3,623	3,623	3,500
Deputy President's travel and accommodation expenses	2,593	2,000	1,223
	<u>15,679</u>	<u>15,086</u>	<u>13,831</u>
All other council member's meeting attendance fees	22,289	29,708	24,600
All other council member's annual allowance for ICT expenses	19,021	25,361	21,000
All other council member's travel and accommodation expenses	6,067	6,000	6,396
	<u>47,377</u>	<u>61,069</u>	<u>51,996</u>
18(b)	<u>105,589</u>	<u>118,140</u>	<u>105,256</u>

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

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

Short-term employee benefits	594,731	605,078
Post-employment benefits	74,355	76,020
Employee - other long-term benefits	45,792	37,640
Council member costs	105,589	105,256
18(a)	<u>820,467</u>	<u>823,994</u>

*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 2024**

**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:

**Amounts outstanding from related parties:**

Trade and other receivables

	<b>2024 Actual</b>	<b>2023 Actual</b>
	\$	\$
	116,419	423,852

**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 Shire, 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 financial year, transactions were made at arm's length under the Shire's procurement policy for companies that three Council Members have a vested interest in. These transactions were for gravel, IT repairs and concrete supplies totalling \$35,518.

Short-term employee benefits of \$80,901 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 2024**

**20. OTHER MATERIAL 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 *Fair Value Measurement* 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 except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 9.

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 *Property, Plant and Equipment*) 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>2023/24 Actual Rateable Value*</b>	<b>2023/24 Actual Rate Revenue</b>	<b>2023/24 Actual Interim Rates</b>	<b>2023/24 Actual Total Revenue</b>	<b>2023/24 Budget Rate Revenue</b>	<b>2023/24 Budget Interim Rate</b>	<b>2023/24 Budget Total Revenue</b>	<b>2022/23 Actual Total Revenue</b>
Gross rental valuations	Gross rental valuation	14.4746	388	4,468,791	646,840	5,554	652,394	646,840	1,000	647,840	628,345
Unimproved valuations	Unimproved valuation	0.8599	567	487,526,507	4,192,062	2,608	4,194,670	4,192,728	1,000	4,193,728	4,094,453
<b>Total general rates</b>			955	491,995,298	4,838,902	8,162	4,847,064	4,839,568	2,000	4,841,568	4,722,798
<b>Minimum payment</b>											
<b>Minimum payment</b>											
Gross rental valuations	Gross rental valuation	530	38	39,564	20,140	0	20,140	20,140	0	20,140	19,240
Unimproved valuations	Unimproved valuation	540	89	1,367,316	48,060	(1,080)	46,980	48,060	0	48,060	42,400
<b>Total minimum payments</b>			127	1,406,880	68,200	(1,080)	67,120	68,200	0	68,200	61,640
<b>Total general rates and minimum payments</b>			1,082	493,402,178	4,907,102	7,082	4,914,184	4,907,768	2,000	4,909,768	4,784,438
<b>Specified Area Rates</b>											
Specified Area Rate	Gross rental valuation	4.8925	267	2,895,425	141,659	1,246	142,905	141,659	0	141,659	137,533
<b>Ex-gratia Rates</b>											
Ex-gratia rates	Gross rental valuation	5.7370	0	1,564,494	89,755	0	89,755	89,755	0	89,755	71,961
<b>Total amount raised from rates (excluding general rates)</b>			267	4,459,919	231,414	1,246	232,660	231,414	0	231,414	209,494
<b>Total Rates</b>							5,146,844			5,141,182	4,993,932

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 2024**

**22. DETERMINATION OF SURPLUS OR DEFICIT**

	2023/24 (30 June 2024 Carried Forward)	2023/24 Budget (30 June 2024 Carried Forward)	2022/23 (30 June 2023 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	(122,233)	(155,866)	(171,327)
Less: Non-cash grants and contributions for assets	0	0	471,523
Less: Fair value adjustments to financial assets at fair value through profit or loss	(2,102)	0	(4,608)
Add: Loss on disposal of assets	95,167	62,959	63,198
Add: Depreciation	8,179,561	3,746,374	3,454,891
Non-cash movements in non-current assets and liabilities:			
Land	0	0	728,108
Employee benefit provisions	1,044	0	10,945
Inventory	0	0	(728,108)
<b>Non-cash amounts excluded from operating activities</b>	<b>8,151,437</b>	<b>3,653,467</b>	<b>3,824,622</b>
<b>(b) Surplus or deficit after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	24 (6,636,232)	(6,593,811)	(5,272,093)
Less: Financial assets at amortised cost			
Less: Current assets not expected to be received at end of year			
Less: Movement in provisions	(112,752)	(194,229)	0
Less: Municipal - restricted cash	(50,072)	0	(50,072)
Less: Capital grants In-kind contribution	573,390	0	573,390
Less: Units in Local Government House Trust	(97,255)	0	(97,255)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	12 169,214	0	177,282
- Employee benefit provisions	345,678	381,697	232,926
<b>Total adjustments to net current assets</b>	<b>(5,808,029)</b>	<b>(6,406,343)</b>	<b>(4,435,822)</b>
<b>Net current assets used in the Statement of Financial Activity</b>			
Total current assets	13,834,416	7,108,163	13,015,803
Less: Total current liabilities	(990,963)	(701,820)	(881,057)
Less: Total adjustments to net current assets	(5,808,029)	(6,406,343)	(4,435,822)
<b>Surplus or deficit after imposition of general rates</b>	<b>7,035,424</b>	<b>0</b>	<b>7,698,924</b>

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

(a) Borrowings

Purpose	Note	Actual				Budget						
		Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	New Loans During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	Principal at 1 July 2023	New Loans During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024
L181 - Office Redevelopment		\$ 216,614	\$ 0	\$ (18,957)	\$ 197,657	\$ 0	\$ (20,069)	\$ 177,588	\$ 197,657	\$ 0	\$ (20,069)	\$ 177,588
L 204 - CEO& Staff House		427,810	0	(48,666)	379,144	0	(49,101)	330,043	379,144	0	(49,101)	330,043
L173 - Lake Grace Pool		16,239	0	(16,239)	0	0	0	0	0	0	0	0
L182 - Lake Grace Sports Precinct		104,832	0	(18,438)	86,394	0	(19,623)	66,771	86,394	0	(19,623)	66,771
L198 - Lake Grace Precinct		47,383	0	(23,167)	24,216	0	(24,216)	0	24,216	0	(24,216)	0
L196 - Roadworks & Plant		52,429	0	(52,429)	0	0	0	0	0	0	0	0
L189 - LG Residential Land		107,794	0	(10,840)	96,954	0	(5,667)	91,287	96,954	0	(5,667)	91,287
L203 - Land Development		487,111	0	(57,732)	429,379	0	(58,606)	370,773	429,379	0	(58,606)	370,773
<b>Total</b>		<b>1,460,212</b>	<b>0</b>	<b>(246,468)</b>	<b>1,213,744</b>	<b>0</b>	<b>(177,282)</b>	<b>1,036,462</b>	<b>1,213,744</b>	<b>0</b>	<b>(177,282)</b>	<b>1,036,462</b>

Borrowing Finance Cost Payments

Purpose	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023
L181 - Office Redevelopment	181	WATC	5.78%	1/03/2031	\$ (12,186)	\$ (12,570)	\$ (13,433)
L 204 - CEO& Staff House	204	WATC	0.89%	4/11/2030	(5,786)	(5,857)	(6,563)
L173 - Lake Grace Pool	173	WATC	5.64%	15/03/2023	(12)	(12)	(529)
L182 - Lake Grace Sports Precinct	182	WATC	6.33%	1/03/2027	(5,430)	(5,842)	(6,752)
L193 - Newdegate Bowling Club	193	WATC	4.77%	27/01/2022	0	0	(3)
L198 - Lake Grace Precinct	198	WATC	4.48%	30/05/2024	(1,002)	(1,097)	(2,194)
L202 - Lake Grace Court Resurface	202	WATC	2.29%	2/06/2022	0	0	(14)
L196 - Roadworks & Plant	196	WATC	3.81%	30/05/2023	(166)	(166)	(1,940)
L189 - LG Residential Land	189	WATC	6.04%	30/06/2030	(6,400)	(3,645)	(7,129)
L203 - Land Development	203	WATC	1.51%	15/04/2030	(9,098)	(9,285)	(10,382)
<b>Total</b>					<b>(40,080)</b>	<b>(38,474)</b>	<b>(48,939)</b>
<b>Total Finance Cost Payments</b>					<b>(40,080)</b>	<b>(38,474)</b>	<b>(48,939)</b>

\* WA Treasury Corporation

**SHIRE OF LAKE GRACE  
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24. RESERVE ACCOUNTS	2024	2024	2024	2024	2024	2024	2024	2024	2023	2023	2023	2023
	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	1,409,139	167,174	0	1,576,313	1,409,139	156,366	0	1,565,505	1,168,225	240,914	0	1,409,139
	1,409,139	167,174	0	1,576,313	1,409,139	156,366	0	1,565,505	1,168,225	240,914	0	1,409,139
<b>Restricted by council</b>												
(b) Leave Reserve	345,678	16,412	0	362,090	345,678	13,827	0	359,505	334,771	10,904	0	345,678
(c) Emergency Services Reserve	28,254	1,342	0	29,596	28,254	1,130	0	29,384	27,363	891	0	28,254
(d) Housing Reserve	761,841	437,249	0	1,199,090	761,841	430,474	0	1,192,315	590,462	171,380	0	761,841
(e) Swimming Pool Reserve	489,693	199,557	0	689,250	489,693	195,422	0	685,115	228,666	261,026	0	489,693
(f) Land Development Reserve	127,834	141,433	0	269,267	127,834	140,113	0	267,947	123,802	4,032	0	127,834
(g) Plant Reserve	725,099	234,965	0	960,064	725,099	229,004	0	954,103	1,095,153	129,946	(500,000)	725,099
(h) Recreation Reserve	227,708	10,811	0	238,519	227,708	9,108	0	236,816	220,525	7,183	0	227,708
(i) Works & Services Reserve	393,868	18,700	0	412,568	393,868	15,755	0	409,623	597,553	46,315	(250,000)	393,868
(j) Newdegate Hall Reserve	58,023	2,755	0	60,778	58,023	2,321	0	60,344	56,193	1,830	0	58,023
(k) Lake Grace Radio Reserve	31,337	1,488	0	32,825	31,337	1,253	0	32,590	30,349	989	0	31,337
(l) Varley Sullage Reserve	1,733	83	0	1,816	1,733	69	0	1,802	1,679	55	0	1,733
(m) Newdegate Sports Dam Reserve	27,841	1,322	0	29,163	27,841	1,114	0	28,955	26,963	878	0	27,841
(n) Newdegate Stadium Floor Reserve	25,120	101,462	0	126,582	25,120	101,005	0	126,125	24,327	792	0	25,120
(o) Community Water Supplies Reserve	12,467	592	0	13,059	12,467	499	0	12,966	12,074	393	0	12,467
(p) Office Furniture & Equipment Reserve	13,851	657	0	14,508	13,851	554	0	14,405	13,414	437	0	13,851
(q) Newdegate Centenary Reserve	0	0	0	0	0	0	0	0	32,403	583	(32,986)	0
(r) Essential Medical Reserve	575,664	27,332	0	602,996	575,664	23,027	0	598,691	508,389	67,275	0	575,664
(s) History Book Reserve	10,886	517	0	11,403	10,886	435	0	11,321	10,543	343	0	10,886
(t) AIM Hospital Museum Reserve	6,057	288	0	6,345	6,057	242	0	6,299	5,866	191	0	6,057
	3,862,954	1,196,965	0	5,059,919	3,862,954	1,165,352	0	5,028,306	3,940,495	705,445	(782,986)	3,862,954
	5,272,093	1,364,139	0	6,636,232	5,272,093	1,321,718	0	6,593,811	5,108,720	946,359	(782,986)	5,272,093

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

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

Name of reserve account Restricted by legislation/agreement	Purpose of the reserve account
(a) Lake Grace Sewerage Reserve Restricted by council	to fund maintenance, addition and improvements to the Lake Grace sewerage system.
(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 Radio Reserve	to fund maintenance and upgrades of 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 2024**

**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 2023</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2024</b>
	\$	\$	\$	\$
Standpipe bonds	11,138	1,122	(153)	12,107
	11,138	1,122	(153)	12,107



# Auditor General

## INDEPENDENT AUDITOR'S REPORT

2024

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 2024, 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 material 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 2024 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, 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 2024, 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, the Regulations and 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 2024 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  
2 December 2024