



ANNUAL REPORT 2021/2022

Shire of Lake Grace



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ACKNOWLEDGEMENT OF COUNTRY

The Shire of Lake Grace acknowledges the Ballardong people, Traditional Custodians of the land. We pay our respects to their Elders past, present and emerging.

The Shire of Lake Grace extends that respect to the Aboriginal and Torres Strait Islander people.



Electronic copy of the Annual Report is available for download from our website www.lakegrace.wa.gov.au or upon request by contacting the Shire of Lake Grace on (08) 9890-2500.

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INTRODUCTION

One of the largest agricultural shires in Western Australia is the Shire of Lake Grace situated in the South-East of the State. The communities of Lake Grace, Newdegate, Lake King, Varley and parts of Pingaring make up the total area of 11,890 km².

About Lake Grace:

- Distance from Perth is 324.2 kms, from Albany is 247.3 kms, from Bunbury is 297.1 kms, from Northam is 284.8 kms, and from Esperance is 379.4 kms.
- Town and localities include Lake Grace, Newdegate, Lake King, Varley and parts of Pingaring
- Area in square km is 11,890 km²
- There are three (3) places within Lake Grace that are listed in the State Register of Heritage Places e.g. Newdegate Hainsworth Building, Lake Grace Hospital and the Australian Inland Mission Hospital (AIM)
- Sealed roads in kms is 232 kms
- Unsealed roads in kms is 2,049 kms
- No of electors is 908
- No of dwellings is 745
- Levied Rates is \$4,614,439
- Revenue for the period 2021/2022 is \$9,890,605
- No of Employees is 45



PRESIDENT'S REPORT

As an annual requirement, it is with pleasure that I once again present to you the Shire of Lake Grace Annual Report 2021/22.

COVID-19 was still in the community as a pandemic therefore creating exceptionally difficult and challenging issues throughout the period. However, congratulations once again to the hardworking staff of our Council who continued to fulfil as many commitments as possible against a backdrop of dwindling materials, equipment and trades people even general labour shortages has had a ripple effect in getting a lot of "jobs" completed.

Water security will always be the forefront of the Council's long-term planning and thanks to the efforts of our Chief Executive Officer and relevant staff, we have a great working relationship with government water agencies and as indicated in the following, we have achieved further ownership of government dams.

As can be seen from the following List of Actions, the Shire has been involved throughout the year and although difficult conditions prevailed, a lot was achieved. A big thank you to our Councillors and the dedicated staff.

In closing, I would like to take the opportunity to thank all of the staff who collectively have achieved great outcomes across the whole shire area. So thank you one and all.

I would also like to recognise my fellow Councillors and thank them for their input throughout the year and also acknowledge their dedication.

As always, the Shire of Lake Grace is a great place to live, work and play.

Cr Len Armstrong
President



LIST OF ACTIONS

Dates	Action	NARRATIVE / NOTES
July 2021	AA Dam 190 James Dam, Lake Grace	Entered in the State Register of Heritage Places
	Mandatory training (Elected Members, Executives and Staff)	Cultural Awareness Training (Aboriginal and Torres Strait Islander)
	Employee Code of Conduct	Changes to the Local Government (Administration) Regulations requiring the development of separate Codes of Conduct for Council Members, Committee Members and Candidates, and employees of local governments in Western Australia
	Budget Adoption	3% increase on the Gross Rental Value (GRV) rates but 0% on Unimproved Values as per notification from Landgate that the property values on unimproved rated properties had increased by an average of 9.42% across the board
	Commonwealth Funding: Drought Communities' program = \$1,000,000 Local Roads & Community Prog Phase 1 = \$860,000 Local Roads & Community Prog Phase 2 = \$606,013	Projects within the capital program include: <ul style="list-style-type: none"> • Varley Town Hall Roof Restoration • Newdegate Country Club • Lighting for Lake Grace, Newdegate Hockey and Lake Grace Football Fields • Universal Access Toilets (UATs) at Newdegate, Lake King and Varley • Newdegate Jumping Pillow and land • Upgraded Lake Grace Sporting Complex entry
August 2021	Porridge Bikers visit to Lake Grace on 22 & 23 October	The Bikers gave \$5,000 contribution to the Lake Grace All Ages Playground
September	Shire of Lake Grace Tourism Advisory Committee	New committee formed under the Committees of Council
	Newdegate Town Hall	Building works to bring up to standards for the Centenary celebrations in 2022
	Southwest Native Title Settlement – 6 requisite Indigenous Land Use Agreements	Reserve 36444 - 422.26ha – far eastern end of Lake Magenta Nature reserve, north side of Mallee Road Reserve 19202 – 15.99ha – Biddy Cam Road, 500m west of Burngup South Road
	AA Dam 438 at Lake Magenta	Taken over by Shire of Lake Grace
October 2021	Council elections	Six (6) Councillors were sworn in (Councillors Chappell, Carruthers, Hyde, Hunt, Kuchling and McKenzie). Cr Len Armstrong declared Shire President by the Councillors Cr Ross Chappell declared Deputy Shire President by the Councillors
November 2021	New Telecoms Infrastructure to improve reception	Located Wilcocks Road, South Lake Grace
	CBH Emergency Storage	Council approved the development of emergency grain storage in Newdegate North Road

December 2021	Local Roads Community Infrastructure Prog (Phase 3) – allocation of \$1,721,138	<p>Projects being considered are:</p> <ul style="list-style-type: none"> • Lake Grace Sportsmans Club roof replacement • Lake Grace recreation precinct carpark upgrade & sealing • Newdegate recreation precinct carpark upgrade and sealing • Upgrade Aylemore Road (Stages 1,2,3) • Lake Grace All Abilities Playground • Upgrade Jam Patch camping facilities • Newdegate hockey shed upgrade
	Newdegate Memorial	Installation of RSL monument at the old Railway Station building
	Medical Centre Contract Renewal	Discussions initiated for a new contract to take effect in 2022 for the doctors to remain in Lake Grace and provide the community medical services
February 2022	Purchase of Land by Shire	Lot 45 North Newdegate Road, Newdegate (to be used as Depot)
	<p>Local government reform key areas:</p> <ul style="list-style-type: none"> • Elected member training • Treatment of gifts • New code of conduct • Changes to the standards panel • Best practice standards for CEO recruitment <p>Greater transparency through more information</p>	
April 2022	Resignation of Cr Carruthers	The Shire of Lake Grace has one (1) less Councillor due to the resignation of Cr Carruthers. With approval from the WAEC, the position remained vacant until the election in 2023.

COUNCILLORS AND THE EXECUTIVE TEAM (01 July 2021 to 30 June 2022)



Standing from left to right – MIS Craig Elefsen, Cr Anton Kuchling, Cr Roz Lloyd, Cr Steve Hunt, Cr Debrah Clarke, Cr Jeff McKenzie, Cr Shane Carruthers, Cr Ben Hyde
Seated from left to right – DCEO Chris Paget, Cr Ross Chappell, CEO Alan George, Cr Len Armstrong

COUNCILLORS TERMS OF OFFICE AND CONTACT DETAILS

Councillors	Email Address	Mobile No.	Until
Cr Len Armstrong	crarmstrong@lakegrace.wa.gov.au	0429 843 785	2023
Cr Debrah Clarke	crclarke@lakegrace.wa.gov.au	0428 654 041	2023
Cr Roz Lloyd	crllloyd@lakegrace.wa.gov.au	0428 711 534	2023
Cr Jeff McKenzie	crmckenzie@lakegrace.wa.gov.au	0458 694 014	2023
Cr Ross Chappell	crchappell@lakegrace.wa.gov.au	0428 654 058	2025
Cr Stephen Hunt	crhunt@lakegrace.wa.gov.au	0427 651 585	2025
Cr Anton Kuchling	crkuchling@lakegrace.wa.gov.au	0427 206 030	2025
Cr Ben Hyde	crhyde@lakegrace.wa.gov.au	0428 752 042	2025
Cr Shane Carruthers	rcarruthers@lakegrace.wa.gov.au	0408 396 432	2025

Please note that Cr Shane Carruthers resigned as a Councillor on 27 April 2021 and with permission from the WAEC, the position will remain vacant until the next Council election in October 2023.

COMMITTEES OF COUNCIL

Audit Committee (AUC)	Cr S Hunt Cr L Armstrong Cr D Clarke
Bush Fire Advisory Committee (BFAC)	Cr R Chappell Cr A Kuchling
Local Emergency Management Committee	Cr L Armstrong Cr R Chappell
Lake Grace Library Resource and Community Resource Centre Management Committee (LGLRCRCMC)	Cr D Clarke
Newdegate Library Resource and Community Resource Centre Management Committee (NLRRCRCMC)	Cr R Lloyd
Newdegate Swimming Pool Management Committee (NSPMC)	Cr L Armstrong Cr R Lloyd
Shire of Lake Grace Tourism Advisory Committee (SoLGTAC)	Cr D Clarke
Shire of Lake Grace Planning and Asset Management Group (SoLGPAMG)	Cr L Armstrong Cr R Chappell Cr B Hyde Cr A Kuchling

COUNCILLORS REMUNERATION FOR 2021/22

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

FOR THE PERIOD 01 JULY 2021 TO 30 JUNE 2022						
Councillor	President	Deputy President	Meeting Fees	Travel	IT Allowance	Other
Armstrong, Len	\$20,063		\$8,000.00	\$7,824.20	\$2,000	
Chappell, Ross		\$5,016	\$4,000.00	\$1,358.56	\$2,000	
Clarke, Debrah	Nil	Nil	\$4,000.00	Nil	\$2,000	
Lloyd, Roz	Nil	Nil	\$4,000.00	\$1,184.23	\$2,000	
Marshall, Allan	Nil	Nil	\$1,268.80	\$57.32	\$600.08	
Stoffberg, Peter	Nil	Nil	\$1,268.80	Nil	\$634.42	
Carruthers, Shane	Nil	Nil	\$3,333.30	Nil	\$1,666.79	
Hyde, Ben	Nil	Nil	\$4,000.00	\$2,835.52	\$2,000.00	\$597.00
Kuchling, Anton	Nil	Nil	\$2,731.20	Nil	\$1,365.58	
Hunt, Steve	Nil	Nil	\$2,731.20	\$1,596.09	\$1,365.58	\$208.10
McKenzie, Jeff	Nil	Nil	\$2,731.20	\$689.89	\$1,365.58	

Please note that Cr Shane Carruthers resigned as a Councillor on 27 April 2021

CHIEF EXECUTIVE OFFICER

This past year continued to be impacted somewhat by the effects of COVID-19 coupled with the hostilities in the Ukraine, however, 2021/22 has been a busy year for everyone in the Shire of Lake Grace.

The lifting of travel restrictions saw the return of interstate and overseas visitors with Lake Grace becoming a stopping place on people's journeys. It was good to see the streets returning to normal with parking spaces being at a premium on some days.

The farming community remained upbeat with good prices and great weather conditions producing above average crops. These good crops saw Co-operative Bulk Handling (CBH) Ltd. seeking increased temporary storage in Lake Grace, Newdegate, Lake King and Varley. Unfortunately there was some downside to the good results which saw cropping inputs go through the roof.

We continued to take advantage of funding availability to desilt a number of strategic dams and install more tanks to store water and make it more accessible. Thanks goes to the Department of Water - Rural Water Planning for their assistance in making this happen.

Funding provided by the Federal Government through the first two (2) phases of the Local Roads and Community Infrastructure Program (LRCIP) saw us complete several projects including solar panels and batteries on council buildings, town hall painting in Newdegate and upgrading walk trails in Newdegate and Lake Grace. There was also some new toilets installed at the Jam Patch as well as some updates to toilets in Varley and Newdegate. Refurbishments and renovations to the Newdegate Country Club were commenced, as was installation of lights at the Lake Grace hockey field and planning for some new lights at the Newdegate hockey field.

Unfortunately due to COVID-19 restrictions and the resulting worldwide ramifications, some projects were delayed due to a shortage of materials which, coupled with a shortage of tradesmen to carry out the works, resulted in a huge increase in costs which has affected some projects and resulted in some delays including the Lake Grace All Abilities Playground and upgrades to the Lake Grace football oval lighting. Delayed, but not forgotten.

The Federal Government provided further funding by way of the LRCIP Phase 3 to the amount of \$1,721,128.00. These funds will be spent on extending the seal on Aylemore Road, sealing the Newdegate and Lake Grace sports pavilion carparks, replacing the Newdegate hockey shed and finishing some of the previous Phase 1 and 2 jobs that have been affected by the price increases and materials delays.

The ongoing effects of COVID-19 has been felt in the Shire workforce in the administration and outside crew with both areas operating on reduced staffing levels. Advertising for staff has been a difficult process with little to show for the results. In recent months, we have been able to recruit a couple of competent outside workers which has been a bonus considering the majority of rural councils are in the same situation.

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This shortage of staff has been taxing at times with all staff pulling their weight and stepping up when required. There has been a bit of juggling of opening times particularly with licensing arrangements and we thank the public for their patience and understanding.

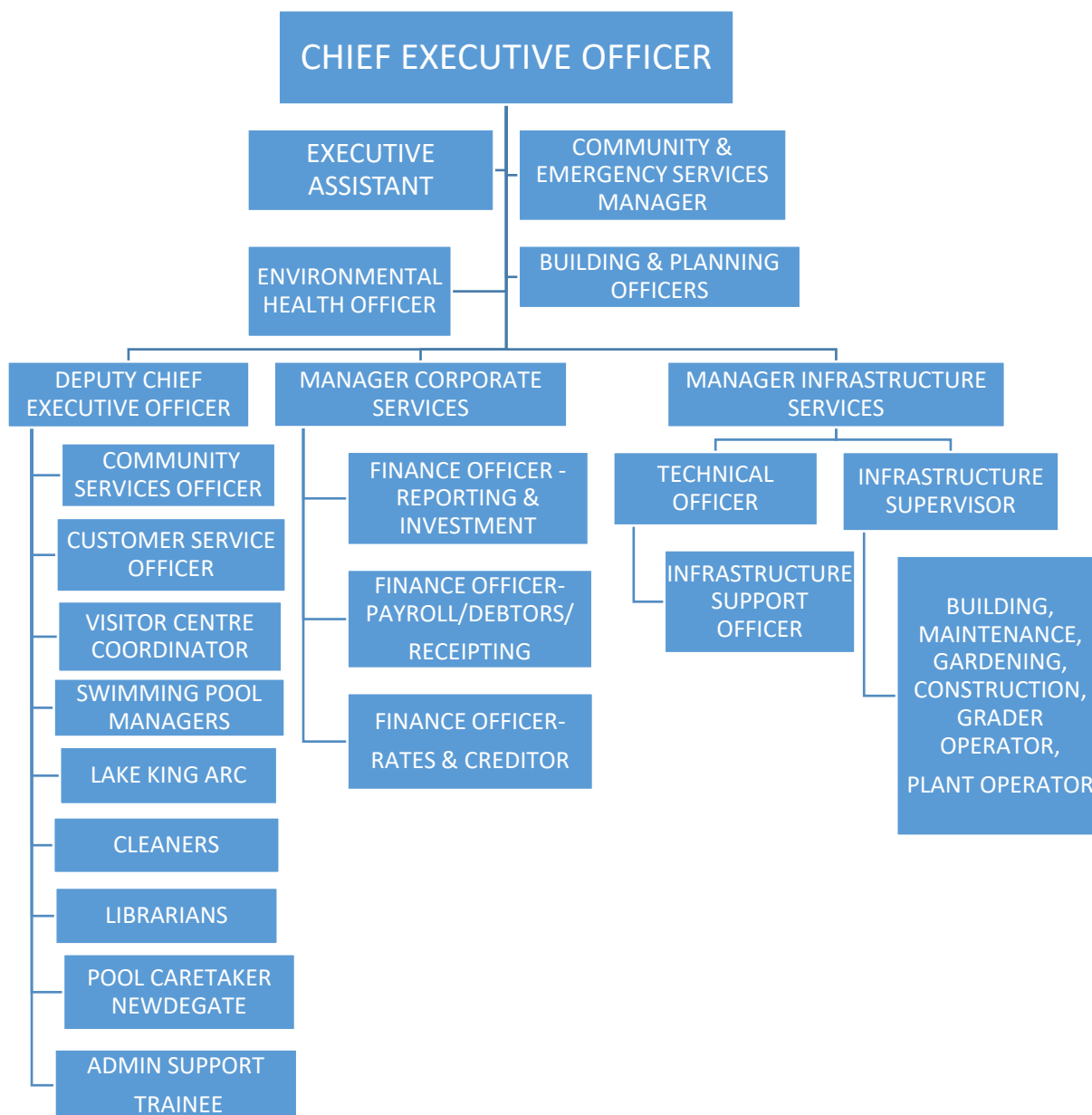
I would like to acknowledge the work of the Councillors through what has been a difficult year in some respects. It has been a steep learning curve for the new Councillors elected in 2021.

To all the staff, I would like to congratulate you in the way in which you have handled the ups and downs of the past year and thank you for being part of a dedicated team keen to uphold the values of the Shire of Lake Grace and providing excellent facilities for our residents.



Alan George
Chief Executive Officer

SHIRE OF LAKE GRACE – ORGANISATION CHART



I

CORPORATE SERVICES

The 2021/22 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 2021/22 budget was prepared with a three percent (3%) increase to Gross Rental Value (GRV) rates, but a zero percent (0%) increase on rural Unimproved Value (UV) rates due to the fact that property values on unimproved rated properties had increased by an average of 9.42% across the board.

The 2021/22 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 around 2,500 kilometres.

Infrastructure – Roads, Footpaths, Drainage and Airstrip upgrades

An amount of \$3,366,079 was set aside for road renewal and upgrades to cover works on:

- Old Ravensthorpe Road upgrade,
- Biddy Camm, Elliot Road, Slarke Street, Purnta, Mallee Hill, Magenta Roads;
- North Lake-Karlgarin and Taylor Roads ;

Infrastructure - Parks Gardens and Recreation Facilities

The budget was again impacted substantially in this area with the injection of \$1,932,800 for the Commonwealth Programs, Drought Communities and Local Roads & Community.

Some of the projects to be funded, if approved by the Commonwealth are:

- Varley Town Hall Roof Restoration
- Refurbishment of Newdegate Hall
- Newdegate Country Club
- Lighting for Lake Grace, Newdegate Hockey and Lake Grace Football Fields
- Community All Ages Playground in Lake Grace
- Unisex Toilets at all sporting precincts
- Newdegate Jumping pillow
- Community Walk Trails
- Upgraded Lake Grace Sporting Complex entry

The Corporate Services team which now involves rates management, financial processing, payroll, reporting and investment management has been busy involved in the normal business as usual activities around these functions. The team maintained the rates management process and financial reporting in house rather than being contracted out to external parties. The team however still has a team member working remotely in Perth which is proving to be a very successful part of our team.

During the year several staff members had the opportunity to attend training and development programs in Perth or other venues which included records management, WHS, financial

reporting and finance upskill courses which is increasingly required to meet the compliance requirements of Local Government.

The team implemented the payroll package through its corporate systems provider being Altus. This solution has improved the efficiency of payroll processes and released our Payroll Officer to undertake several other duties.

The Shire also implemented EFTSure which is a cloud-based check of creditor bank and ABN details to ensure that the creditors we are paying are legitimate and not scammers.

Some staff left the team during the year and it has been very difficult finding replacements. Although a lot of effort went into the recruitment process, the team is still a staff member down and we had to once again contract out the rates management process to an external party.

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.

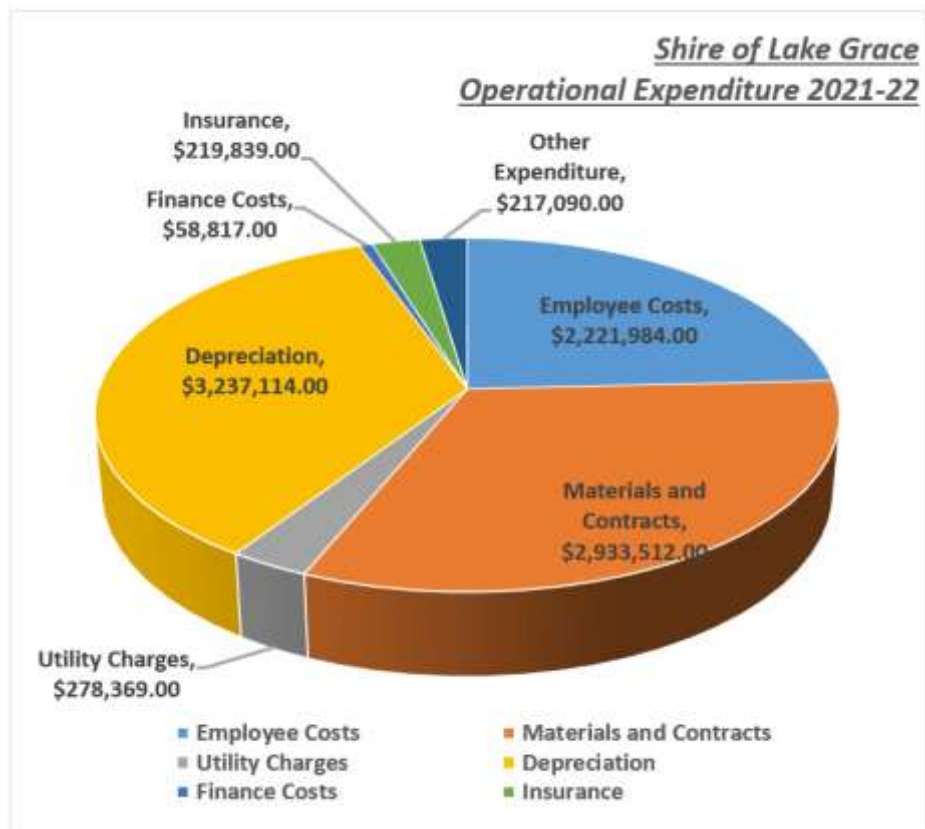
The Shire of Lake Grace acknowledges the importance of the Commonwealth's funding through the Financial Assistance Grants programme for the combined delivery of council services and infrastructure.

The Shire of Lake Grace received \$3,101,912 Commonwealth Financial Assistance Grant of which \$1,574,851 was prepaid in 2020/21.

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.

Financial Performance

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 the supporting the recreational facilities and sports grounds, roads, building and parks maintenance as well as environmental and Fire Prevention Services. The Shire's revenue is largely reliant upon operating grants and subsidies from Commonwealth, State and other funding bodies and fees and charges. Rates contribute 46.5% of Council's total income and operating grants and subsidies account for 47.6% of Council's income, which is predominantly derived to help fund the communities needs and infrastructure. Due to prudent financial management within the 2021/22 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, recycling and waste.



Kevin Wilson
Manager Corporate Services

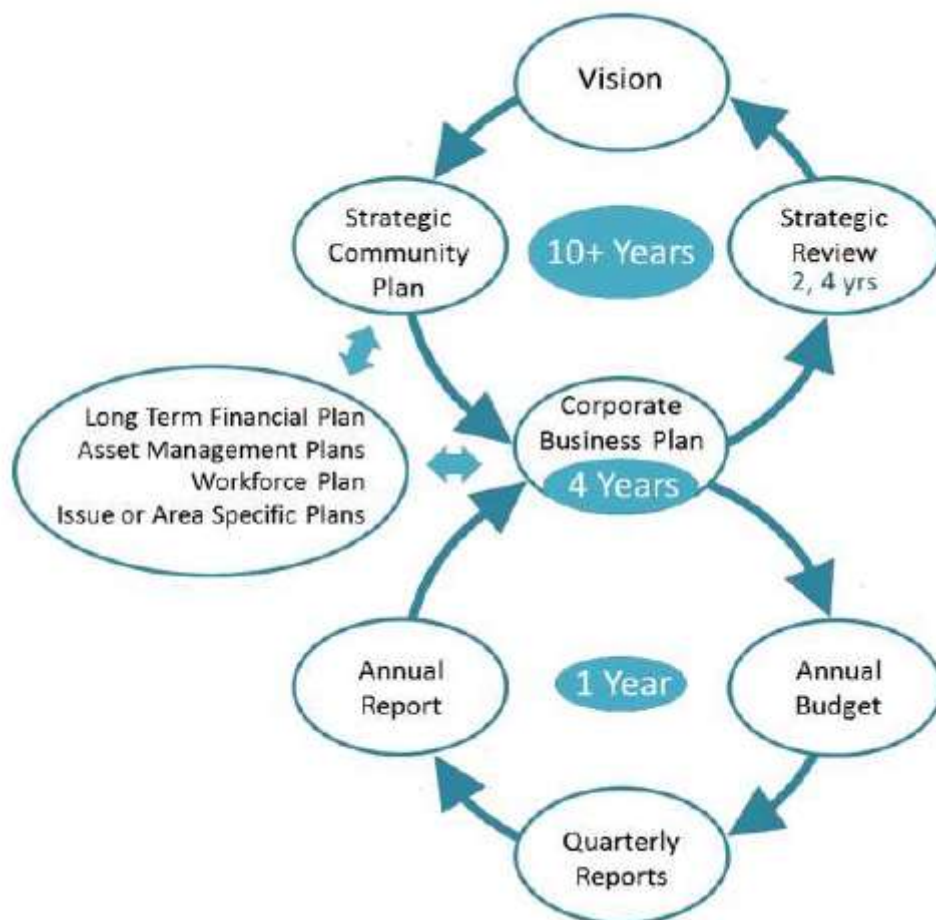
STRATEGIC COMMUNITY PLAN 2017-2027

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

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

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

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



Objectives and Outcomes:

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

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

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

STATUTORY REPORTS

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 \$130,000 or more in bands of \$10,000 for each band over \$130,000. These are disclosed as follows:

Salary Range	2022	2021
\$130,000 - \$140,000	-	-
\$140,001 - \$150,000	-	-
\$160,001 - \$170,000	2	1
\$170,001 - \$180,000	-	-

Remuneration provided to the Chief Executive Officer

Local Government (Administration) Regulation 19B(2)(e) requires the local government to report on the value of the total remuneration package provided to the Chief Executive Officer and during the 2021-2022 this amounted to \$228,097.

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 2022 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 2021/22 no complaints regarding actions or operations of the Shire Lake Grace were made to the Ombudsman of Western Australia.

Disability Access and Inclusion Plan

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

The Shire of Lake Grace is pleased to report that compliance with the seven (7) Outcomes stipulated by DSC to be reviewed and following are the results

DAIP Outcome 1: People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority. Ensuring all people can access your organisations public events and general services is fundamental to good customer service.

1. Matt Hale – Thursday 15 July 2021 - Joyful. Crazy. Fun!. The unmissable hypnosis show with a party vibe! Enjoyed from offstage close to the audience. Event held at Newdegate Sports Pavilion an all access facility.
2. GRUG – Friday 26 November 2021 - is an Australian fictional character appearing in a series of children's books by author Ted Prior, by Windmill Theatre Co. Show was on the main floor of the Lake Grace Shire Hall, mats were placed on the floor for a close access for all children.
3. Face painting –Thursday 10 December 2021 - Late night shopping night all children can have their face painted.
4. Seniors Morning Tea – Wednesday 15 June 2021 Lake Grace – Seniors morning tea, a chance for Seniors in the community to get together held at Walker's Hill Winery an all access facility.
5. Australia Day Events – Wednesday 26 January 2022 – held at Lake Grace Swimming Pool, Newdegate Pioneer Park and Varley Sports Centre all venues are all access facilities.
6. Evan Ayes – Friday 25 February 2022, held at Walker's Hill Winery an all access facility.
7. Strings — Wednesday 23 March 2022 - a Quartet Gone Rogue concert held at the Lake Grace Sporting Precinct an all access facility.
8. Movie Night – Friday 25 March 2022 - Family movie night outside on the oval lawn an all access facility
9. Over 55's Morning Tea – Wednesday 6 April 2022 held at Walker's Hill Winery an all access facility.
10. Seniors movie afternoon – Friday 8 April 2022 held at the Lakes Village Hall an all access facility.

DAIP Outcome 2: People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority. This outcome area is about how your organisation has ensured and safeguarded access in the planning, design and improvement of built infrastructure.

- New all abilities public toilets available to the public at all times
- Lights at Lake Grace Airstrip upgraded – better and safer access for the Royal Flying Doctors at night.
- Pedestrian crossing over railway line 2022 – provides a safe access over the railway line from Clark Avenue to Stubbs Street.
- Shelters installed at the Newdegate Silo Trail which provides protection from the sun while stopping for a break at the silos.
- All access Jumping pillow installed at Newdegate Sporting Precinct
- Softfall at Adult Gym area at Newdegate Sporting Precinct will become more accessible in the future as project progresses.
- Footpaths around the Lake Grace townsite.

DAIP Outcome 3: People with disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it. Good practice in this area involves considering your target audience's language and terminology, format; location and sensory access for physical signage, technology and customer service delivery.

- Continually review website and social media posts to ensure compliance with the contemporary good practice guidelines.
- Publications and forms are available in alternative formats. Website has an A+ function to increase size of live pages for ease of viewing.

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

This outcome area involves the safeguards and initiatives which ensure that your services and processes are consistent, inclusive or readily adjust to people's needs.

- Updated the 2019-2024 Disability Access and Inclusion Plan (DAIP) available on the Shire website
- Links to the Shire website under Council>Disability Access & Inclusion Plan
 - Link to the Disability Services WA website
 - Link to the People with Disabilities WA website
 - Link to the Developmental Disability WA (DDWA) website

DAIP Outcome 5: People with disability have the same opportunities as other people to make complaints to a public authority. Equitable complaints mechanisms can effectively receive and address complaints from all members of the community and play a fundamental role in making sure that services meet the needs of intended consumers.

- Ongoing suitable access to Shire Administration building and other public buildings within the shire is available and maintained as required.
- Notifications of community events, forums, meetings are advertised widely on social media and in written form to the wider community and are available in alternative formats.

DAIP Outcome 6: People with disability have the same opportunities as other people to participate in any public consultation by a public authority. Good consultation and engagement strategies consider the ways in which all people are encouraged and supported to engage or participate with information, strategies or decision-making processes of an organisation. This in turn can provide public authorities with more inclusive outcomes and potentially awareness of different perspectives.

- Information on any developments, financial or tendering process or any action affecting the Shire is promoted through either public consultation or advertising to the community including the availability of accessing them through alternative formats.
- Notifications of community events, forums, meetings are advertised widely on social media, in written form to the wider community and are available in alternative formats.

DAIP Outcome 7: People with disability have the same opportunities as other people to obtain and maintain employment with a public authority. This outcome is focused on your organisation's activity in directly employing people with disability including considering the environment, culture and processes which support the maintenance of employment.

a. Describe your activities below:

- The shire continues to advertise all vacancies stating "*The Shire of Lake Grace is an equal opportunity employer*".
- Position advertisements are printed in a simple language and available on the website, local newspapers and in alternative formats.
- Position descriptions have reference to the Shire's Equal Employment Opportunity Plan. Information on any developments, financial or tendering process or any action affecting the Shire is promoted through either public consultation or advertising to the community including the availability of accessing them through alternative formats.

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 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 2021/22 financial year there were no Freedom of Information applications received or processed by the Shire.

National Competition Policy Statement

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

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

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

Competitive neutrality

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

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

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

Structural reform

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

The Shire of Lake Grace did not privatise any activities in 2021/22 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 2021/22 nor were any existing local laws due for review.

Primary and Annual Returns

In accordance with Section 5.75 and 5.76 of the Local Government Act 1995 all relevant persons lodged an Annual Return by the due date of 31 August 2021 and a primary return within 3 months of their start date. In 2021/22, 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 2021/22.

Record Keeping Plan (State Records Act 2000)

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

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

In accordance with Principle 6 – COMPLIANCE, all employees, contractors, and elected members of the Shire of Lake Grace must ensure awareness and compliance with their responsibilities of the record keeping plan. The following are minimum compliance requirements of the record keeping plan:

- In order to measure the efficiency and effectiveness of the Shire of Lake Grace record keeping system, it must be evaluated at least once every five years e.g. 2025

- The Shire of Lake Grace must conduct a record keeping training program to all staff, elected members and contractors about their roles and responsibilities of keeping records according to the record keeping plan
- In keeping with the training program, the Shire of Lake Grace must regularly review its efficiency and effectiveness within the record keeping process
- The Shire of Lake Grace must inform all employees, contractors and elected members their roles and responsibilities regarding the compliance with the record keeping plan

The Shire of Lake Grace has complied with the four items mentioned above and with approval from the State Records Commission, the new Record Keeping Plan will be submitted on 7 August 2025.

Statistical information

Council and Committee meetings

There were a total of 32 meetings held within the period of 1 July 2021 to 30 June 2022

Ordinary Council meetings	11
Special Council meetings	2
Audit Committee meetings	2
Local Emergency Management Committee meetings	4
Bush Fire Advisory Committee meetings	3
Lake Grace Library Resource & Community Resource Centre Management Committee meetings	6
Shire of Lake Grace Tourism Advisory Committee meetings	

Attendance to these meetings by Councillors as follows:

Cr Len Armstrong	17
Cr Ross Chappell	16
Cr Shane Carruthers	9
Cr Debrah Clarke	15
Cr Ben Hyde	9
Cr Roz Lloyd	11
Cr Steve Hunt	10
Cr Anton Kuchling	8
Cr Alan Marshall	2
Cr Jeff McKenzie	9
Cr Peter Stoffberg	3

*** Please note the following:

- Cr Alan Marshall – end of term October 2021
- Cr Peter Stoffberg – end of term October 2021
- Cr Steve Hunt – elected October 2021
- Cr Anton Kuchling – elected October 2021
- Cr Jeff McKenzie – elected October 2021
- Cr Shane Carruthers resigned from the Council on 27 April 2022

Elected Member Demographics as follows:

- Gender 2 Females and 9 Males **
- Linguistic background 11 English
- Country of Birth 9 Australia
- Aboriginal Torres Strait Islander 0
- Ages
 - Between 18 and 24 years 0
 - Between 25 and 34 years 0
 - Between 35 and 44 years 2
 - Between 45 and 54 years 2
 - Between 55 and 64 years 2
 - Over 64 years 4

***Please see notes above*

Citizenship Ceremonies

A total of five (5) Citizenship Ceremonies were held for the period 2021/22.



Chris Paget
Deputy Chief Executive Officer

INFRASTRUCTURE SERVICES

The 2021/22 financial year saw the completion of various works. Our construction, maintenance crew and contractors completed several maintenance and upgrades works to our buildings, parks and gardens and provided an excellent upkeep of all four (4) towns. Our maintenance program consisted of an extensive list of upgrades that have been on the Shire's radar for a number of years. Maintenance grading continued throughout the year in order to conserve gravel roads and prevent major damage. Heavily trafficked areas and school bus routes were once again a priority to ensure the safety of our commuters.

During to 2021/22 financial year the Infrastructure services team had numerous vacancies for various positions. Due to the COVID pandemic it was found to be extremely hard to find experienced staff to fill these vacancies. This proved to be challenging as staff had to get out of their comfort zone and completed tasks they wouldn't normally do.

For the 2021/22 reporting period, the Shire road maintenance crew graded 1033.4 km of roads up from 875.3km graded in 2020/21 in the Lake Grace section, Newdegate contract grader graded 1135.0km of roads down from 1190.3 km graded in 2020/2021 and the Lake King and Varley grader graded 1208.7km of roads graded up from 891.5km in 2020/21.

When required the servicing of plant and equipment was undertaken by local specialists who completed major/minor repairs in a timely manner to ensure no disruptions to our work schedule. Several of our machines were traded and/or disposed of to allow newer machines and vehicles to be purchased to ensure the works crew had minimal disruptions due to breakdowns and aging equipment.

Infrastructure crew and contractors were responsible for the completion of the following key projects:

Plant and Equipment purchased

- Toro zero turn mower
- Volvo L90F Loader
- Ford Ranger Dual cab ute
- Isuzu crew cab truck
- Howard Slasher



Road Re-Sheeting

- Elliot Road (SLK 0.00 – 3.29)
- Slarke Street (0.00 – 0.52)
- Purnta Road (SLK 0.00 – 5.00)
- Magenta Road (SLK 33.50 – 39.50)
- Taylor Road (SLK 0.00 – 5.50)
- Haig Road (SLK 5.00 – 10.35)
- Lake King Norseman Road (SLK 14.00 – 18.60)
- Old Ravensthorpe Road (SLK 10.20 – 14.40)
- Bidy Camm Road (SLK 76.75 – 80.33)
- Kathleen Road / Bidy Camm Road intersection
- Bidy Camm Road (SLK 37.22 – 37.97)



- Buniche North Road (NEAR Buniche Bin)
- Tarco Road (SLK 0.00 – 4.30)
- Witham Road (SLK 8.55 – 10.96)
- Mallee Hill Road (SLK 8.00 – 10.60)

Other works and projects completed

- Edge repairs and shape correction on sealed roads
- North Lake Grace Road – reseal & widening SLK 15.66 – 19.66
- Pot hole and shape correction repairs in Lake Grace, Newdegate, Lake King and Varley streets
- 2.6km of new bitumen on Mallee Hill Road
- 57 Culverts and headwalls replaced
- Replace the ceiling in the Lake King Fire shed meeting area
- Install seating and shelter at Newdegate Cemetery
- Refurbishment of Newdegate Hall
- Replace the ceiling in the upstairs section of the Varley Town Hall
- Install paving under the outdoor area of Varley Town Hall
- Install solar panels at battery at Lake Grace Swimming Pool
- Install solar panels and battery at Varley Pavilion
- Install solar panels and battery at Newdegate Rec Centre
- Install solar panels and battery at Lake Grace Pavilion
- Install solar panels and battery at Lake Grace Medical Centre
- Install solar panels at Lake Grace Town Hall
- Install solar panels at Lake Grace public Toilets
- Install solar panels at the Shire Office
- Install soft fall around Adult gym equipment in Newdegate
- Install jumping pillow and shelter at Newdegate Rec centre
- Install RV Dump point at Lake King
- Install detention Basin next to CBH Lake Grace
- Install seating and Shelter at the Newdegate Silo art parking area.
- Install tanks at Lake King airstrip
- Install toilet at Jam Patch camping area.
- Various maintenance tasks on all sports ovals within the Shire
- Various maintenance tasks and upgrades to shire owned public buildings



The Infrastructure works and admin crew look forward in continuing to deliver a high quality of service to the community for future projects.

Craig Elefsen
Manager Infrastructure Services

BUILDING SERVICES

The year 2021/22 was reasonably quiet . The Shire of Narrogin’s Building Surveyor retired and was re-employed three (3) months later and in general, the staff levels in most local governments have been at an all-time low.

Contained within the supplied table is a lack of information for three (3) Building Permits as most likely explained by staff movements. Unfortunately, the Shire of Narrogin does not have records for LG-B2223-2, LG-B2223-3, and LG-B2223-7.

It is reasonably clear that the cost of building works for all buildings including basic patio and sheds have risen throughout Western Australia. This upward price trend may keep levels of development in an unhurried state for some time.

BUILDING ACTIVITY STATEMENT FOR 2021-2022

Building Approval Type	Permit Number	Approval Date	Lot/Street Number	Street Name	Suburb	Building Work	Value \$	Owner's Name	Builder's Name
Certified Building Approval	LG2122005	11/4/2021	#2	Quondong Court	Lake Grace	Dwelling	\$367,591.00	Shire of Lake Grace	Modularis Pty Ltd
Certified Building Approval	LG2122002	15/07/2021	#12	Wattle Drive	Lake Grace	Re-Roof	\$31,000	J&D Fleay	Top Gun Roofing
Un-Certified Building Approval	LG2122001	23/08/2021	@3	Elliott Street	Lake Grace	Shed	\$13,000	J Eggers	J Eggers
Certified Building Approval	LG2122004	06/10/2021	L11/#7059	Kulin-Lake Grace Road	Lake Grace	Storage Shed	\$109,934	CBH	Simtino Pty Ltd
Certified Building Approval	LG2122003	12/10/2021	L575/#41	Dewar Street	Lake Grace	Store and Workshop	\$160,830	CBH	Simtino Pty Ltd
Un-Certified Building Approval	LG2122006	12/10/2022	#3	Warratah Avenue	Lake Grace	Patio	\$10,000	Paul Wheeler	Chris Trevenen



Gary Bruhn
Regional Building Surveyor

PLANNING SERVICES

During the period 1 July 2021 to 30 June 2022 the Shire of Lake Grace Council considered and granted conditional development approval for seven (7) development applications received for works to the total value of \$406,400 excluding GST.

Council also considered a number of temporary approval requests from Co-Operative Bulk Handling (CBH) Limited to allow for the construction and use of emergency grain storage infrastructure at a number of the company's existing grain handling and storage facilities within the shire to accommodate the needs of local growers and ensure the efficient receipt and distribution of grain.

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

The Shire of Lake Grace also responded to the Western Australian Planning Commission's (WAPC) 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 and sale of rural land on the north-eastern fringes of the Lake Grace townsite for rural industry related purposes as well as the development of a new recreational vehicle (RV) park on Lot 117 Slarke Street, Lake Grace being portion of Crown Reserve 19517 in association with the Campervan & Motorhome Club of Australia Limited (CMCA).

2022/23 is proving to be a bit busier than last year with ten (10) development applications received and approved to-date for works to the total value of \$1,534,942 excluding GST. Of particular interest and benefit is the current rollout of new wireless broadband telecommunication infrastructure in various rural parts of the Shire by Crisp Wireless Pty Ltd based in Narrogin.



Joe Douglas
Town Planner

ENVIRONMENTAL HEALTH SERVICES

The Principal Environmental Health Officer commenced in 28 October 2019 and has undertaken environmental health work within the Roe Regional Environmental Health Services in accordance with its operational guidelines. The work has generally been based on a three-day or 23 hours per fortnight. The following tasks were undertaken during the 2021/22 period.

WASTE MANAGEMENT

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

WASTE WATER

- Conducted assessments and approval of onsite effluent disposal systems.
- 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 2021 to March 2022 as per the Code of Practice for Aquatic Facilities and the Health (Aquatic Facilities) Regulations 2007.

SWIMMING POOLS – FENCING

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

FOOD

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



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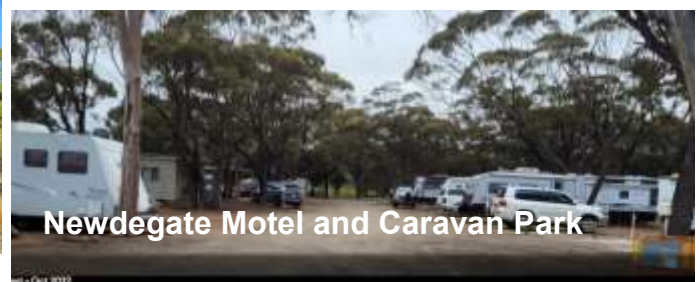
- The Lake Grace Caravan Park, Myriadena Caravan Park and the Lake King Caravan Park were inspected for compliance with the Caravan Parks and Camping Grounds Regulations
- 10 lodging houses were inspected throughout the Shire of Lake Grace including the CBH accommodation facilities at various locations, and the Spencer Shearing accommodation facilities

PUBLIC BUILDINGS

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

MISCELLANEOUS

- Assisting with advice to the community in regard to Covid-19 and transition to Covid-19 recovery phase
- Advice or comments given to residents of the Shire of Lake Grace in relation to Environmental Health issues
- Survey from the Department of Primary Industries and Regional Development regarding local egg producers
- Department of Health survey regarding mosquito surveillance for Japanese encephalitis
- Dealt with complaints from the public ranging from food complaints to unauthorised trade waste disposal in residential areas
- Completed Shire of Lake Grace Public Health Plan



Brendon Gerrard
Principal Environmental Health Officer

ANNUAL FINANCIAL REPORT

2021/2022



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SHIRE OF LAKE GRACE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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

A safe, inclusive and growing community embracing opportunity

Principal place of business:
1 Bishop Street
Lake Grace WA 6353

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

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

Signed on the

17th

day of

DECEMBER

2022



Chief Executive Officer

Alan George

Name of Chief Executive Officer



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

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Revenue				
Rates	24(b),2(a)	4,607,901	4,553,964	4,249,126
Operating grants, subsidies and contributions	2(a)	4,707,942	1,959,123	5,008,183
Fees and charges	23(c),2(a)	314,882	397,540	412,759
Interest earnings	2(a)	38,809	118,000	70,566
Other revenue	2(a)	221,071	242,547	262,293
		9,890,605	7,271,174	10,002,927
Expenses				
Employee costs		(2,221,984)	(2,451,721)	(2,383,398)
Materials and contracts		(2,933,512)	(4,690,800)	(2,594,470)
Utility charges		(278,369)	(344,950)	(339,772)
Depreciation	10(a)	(3,237,114)	(3,089,216)	(3,407,080)
Finance costs	2(b)	(58,817)	(60,418)	(62,910)
Insurance		(219,839)	(209,984)	(176,746)
Other expenditure	2(b)	(217,090)	(215,147)	(173,240)
		(9,166,725)	(11,062,236)	(9,137,616)
		723,880	(3,791,062)	865,311
Capital grants, subsidies and contributions	2(a)	4,085,581	4,677,599	497,910
Profit on asset disposals	10(b)	1,586	23,212	35,039
Loss on asset disposals	10(b)	(35,014)	(32,131)	(212,038)
		4,052,153	4,668,680	320,911
Net result for the period	23(b)	4,776,033	877,618	1,186,222
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	0	0	(933,194)
Increase in Other Financial Assets	4(a)	4,995	0	0
Total other comprehensive income for the period		4,995	0	(933,194)
Total comprehensive income for the period		4,781,028	877,618	253,028

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



**SHIRE OF LAKE GRACE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	12,900,849	12,383,592
Trade and other receivables	5	269,603	251,749
Inventories	6	19,008	15,745
Other assets	7	0	65,984
TOTAL CURRENT ASSETS		13,189,460	12,717,070
NON-CURRENT ASSETS			
Trade and other receivables	5	3,030	6,268
Other financial assets	4(a)	97,254	92,259
Inventories	6	728,108	710,663
Property, plant and equipment	8	44,400,044	42,708,454
Infrastructure	9	158,337,428	156,800,801
TOTAL NON-CURRENT ASSETS		203,565,864	200,318,445
TOTAL ASSETS		216,755,324	213,035,515
CURRENT LIABILITIES			
Trade and other payables	11	1,270,993	564,665
Other liabilities	12	416,885	1,968,507
Borrowings	13	246,468	229,865
Employee related provisions	14	390,075	338,653
TOTAL CURRENT LIABILITIES		2,324,421	3,101,690
NON-CURRENT LIABILITIES			
Borrowings	13	1,213,744	1,484,169
Employee related provisions	14	51,043	64,568
TOTAL NON-CURRENT LIABILITIES		1,264,787	1,548,737
TOTAL LIABILITIES		3,589,208	4,650,427
NET ASSETS		213,166,116	208,385,088
EQUITY			
Retained surplus		156,762,478	152,646,343
Reserve accounts	27	5,108,720	4,443,827
Revaluation surplus	15	51,294,918	51,294,918
TOTAL EQUITY		213,166,116	208,385,088

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 2022**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		150,199,048	5,704,901	52,228,111	208,132,060
Comprehensive income for the period					
Net result for the period		1,186,222	0	0	1,186,222
Other comprehensive income for the period	15	0	0	(933,194)	(933,194)
Total comprehensive income for the period		1,186,222.00	0.00	(933,194)	253,028
Transfers from reserves	27	1,286,922	(1,286,922)	0	0
Transfers to reserves	27	(25,848)	25,848	0	0
Balance as at 30 June 2021		152,646,343	4,443,827	51,294,918	208,385,088
Comprehensive income for the period					
Net result for the period		4,776,033	0	0	4,776,033
Other comprehensive income for the period	4(a)	4,995	0	0	4,995
Total comprehensive income for the period		4,781,028	0	0	4,781,028
Transfers from reserves	27	122,065	(122,065)	0	0
Transfers to reserves	27	(786,957)	786,957	0	0
Balance as at 30 June 2022		156,762,478	5,108,720	51,294,918	213,166,116

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 2022

NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	4,610,229	4,553,964	4,266,190
Operating grants, subsidies and contributions	3,148,881	1,959,123	6,475,706
Fees and charges	314,882	397,540	412,558
Interest received	38,809	118,000	70,566
Other revenue	221,071	242,547	262,293
	8,333,872	7,271,174	11,487,313
Payments			
Employee costs	(2,176,858)	(2,451,721)	(2,241,052)
Materials and contracts	(2,197,040)	(4,690,800)	(2,457,780)
Utility charges	(278,369)	(344,950)	(339,772)
Finance costs	(60,419)	(60,418)	(62,910)
Insurance paid	(219,839)	(209,984)	(176,746)
Other expenditure	(217,090)	(215,147)	(177,402)
	(5,149,615)	(7,973,020)	(5,455,662)
Net cash provided by (used in) operating activities	16(b) 3,184,257	(701,846)	6,031,651
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at amortised cost	0		(14,925)
Payments for purchase of property, plant & equipment	8(a) (2,699,870)	(3,359,375)	(2,895,065)
Payments for construction of infrastructure	9(a) (3,913,434)	(5,190,469)	(2,581,950)
Non-operating grants, subsidies and contributions	4,085,581	4,677,599	497,910
Proceeds from sale of property, plant & equipment	10(b) 114,545	139,000	370,950
Net cash provided by (used in) investing activities	(2,413,178)	(3,733,245)	(4,623,080)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	26(a) (253,822)	(253,823)	(221,913)
Proceeds from new borrowings	26(a) 0	0	500,000
Net cash provided by (used in) financing activities	(253,822)	(253,823)	278,087
Net increase (decrease) in cash held	517,257	(4,688,914)	1,686,658
Cash at beginning of year	12,383,592	12,373,219	10,696,934
Cash and cash equivalents at the end of the year	16(a) 12,900,849	7,684,305	12,383,592

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



**SHIRE OF LAKE GRACE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	25(c)	5,588,986	5,522,897	4,407,268
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	24(b)	200,863	200,803	192,918
Operating grants, subsidies and contributions		4,707,942	1,959,123	5,008,183
Fees and charges		314,882	397,540	412,759
Interest earnings		38,809	118,000	70,566
Other revenue		221,071	242,547	262,293
Profit on asset disposals	10(b)	1,586	23,212	35,039
		5,485,153	2,941,225	5,981,758
Expenditure from operating activities				
Employee costs		(2,221,984)	(2,451,721)	(2,383,398)
Materials and contracts		(2,933,512)	(4,690,800)	(2,594,470)
Utility charges		(278,369)	(344,950)	(339,772)
Depreciation		(3,237,114)	(3,089,216)	(3,407,080)
Finance costs		(58,817)	(60,418)	(62,910)
Insurance		(219,839)	(209,984)	(176,746)
Other expenditure		(217,090)	(215,147)	(173,240)
Loss on asset disposals	10(b)	(35,014)	(32,131)	(212,038)
		(9,201,739)	(11,094,367)	(9,349,654)
Non-cash amounts excluded from operating activities	25(a)	3,237,713	3,098,135	3,060,671
Amount attributable to operating activities		(478,873)	(5,055,007)	(307,225)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		4,085,581	4,677,599	497,910
Proceeds from disposal of assets	10(b)	114,545	139,000	370,950
Payments for financial assets at amortised cost		0	0	(14,925)
Purchase of property, plant and equipment	8(a)	(2,699,870)	(3,359,375)	(2,895,065)
Purchase and construction of infrastructure	9(a)	(3,913,434)	(5,190,469)	(2,581,950)
		(2,413,178)	(3,733,245)	(4,623,080)
Non-cash amounts excluded from investing activities	25(b)	4,995	0	516,655
Amount attributable to investing activities		(2,408,183)	(3,733,245)	(4,106,425)
FINANCING ACTIVITIES				
Repayment of borrowings	26(a)	(253,822)	(253,823)	(221,913)
Proceeds from borrowings	26(a)	0	0	500,000
Transfers to reserves (restricted assets)	27	(786,957)	(810,000)	(25,848)
Transfers from reserves (restricted assets)	27	122,065	0	1,286,922
Amount attributable to financing activities		(918,714)	(1,063,823)	1,539,161
Surplus/(deficit) before imposition of general rates		1,783,216	(4,329,178)	1,532,779
Total amount raised from general rates	24(a)	4,407,038	4,353,161	4,056,208
Surplus/(deficit) after imposition of general rates	25(c)	6,190,254	23,983	5,588,987

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



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

1. BASIS OF PREPARATION

Basis of preparation

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

Local Government Act 1995 requirements

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

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

The local government reporting entity

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

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

Judgements and estimates

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue Recognition

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

For the year ended 30 June 2022

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

For the year ended 30 June 2021

Nature or type	Contracts with customers \$	Capital grant/contributions \$	Statutory Requirements \$	Other \$	Total \$
Rates	0	0	4,181,296	67,830	4,249,126
Operating grants, subsidies and contributions	0	0	0	5,008,183	5,008,183
Fees and charges	390,070	0	22,689	0	412,759
Interest earnings	0	0	13,911	56,655	70,566
Other revenue	0	0	0	262,293	262,293
Non-operating grants, subsidies and contributions	0	497,910	0	0	497,910
Total	390,070	497,910	4,217,896	5,394,961	10,500,837

Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings			
Financial assets at amortised cost - self supporting loans	0	0	41
Interest on reserve funds	11,103	40,000	39,717
Rates instalment and penalty interest (refer Note 24(d))	12,257	18,000	13,911
Other interest earnings	15,449	60,000	16,897
	38,809	118,000	70,566
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report	31,800	31,800	31,200
- Other services	4,260	25,700	3,160
	36,060	57,500	34,360
Finance costs			
Borrowings	26(a) 58,817	60,417	62,910
	58,817	60,417	62,910
Other expenditure			
Sundry expenses	217,090	215,147	173,240
	217,090	215,147	173,240

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

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
 Term deposits
Total cash and cash equivalents

Held as
 - Unrestricted cash and cash equivalents
 - Restricted cash and cash equivalents

Note	2022	2021
	\$	\$
	12,900,849	6,883,592
	0	5,500,000
16(a)	12,900,849	12,383,592
	7,792,129	7,939,765
16(a)	5,108,720	4,443,827
	12,900,849	12,383,592

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Restricted financial assets

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

Details of restrictions on financial assets can be found at Note 16.

4. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

2022	2021
\$	\$
97,254	92,259
97,254	92,259
97,254	92,259
97,254	92,259

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 21.

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

5. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
Trade and other receivables

Non-current

Pensioner's rates and ESL deferred
Other receivables - SEC Extensions

Note	2022	2021
	\$	\$
	42,951	49,489
	226,652	202,260
	269,603	251,749
	3,030	3,030
	0	3,238
	3,030	6,268

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 21.

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

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

6. INVENTORIES

Note	2022	2021
	\$	\$
Current		
Fuel and materials	19,008	15,745
	19,008	15,745
Non-current		
Land held for resale		
Cost of acquisition	728,108	710,663
	728,108	710,663

The following movements in inventories occurred during the year:

Balance at beginning of year	726,408	685,696
Inventories expensed during the year	0	(100,907)
Additions to inventory	20,708	141,619
Balance at end of year	747,116	726,408

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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

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

7. OTHER ASSETS

	2022	2021
	\$	\$
Other assets - current		
Accrued income	0	65,984
	0	65,984

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

Note	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Capital Works in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	2,037,711	2,565,137	34,926,252	39,529,100	151,798	2,474,800	0	42,155,698
Additions	0	1,084,652	74,396	1,159,048	54,096	1,487,517	194,404	2,895,065
Disposals	(40,000)	0	0	(40,000)	(18,918)	(464,374)	0	(523,292)
Revaluation increments / (decrements) transferred to revaluation surplus	10,289	153	(939,474)	(929,032)	0	0	0	(929,032)
Depreciation	10(a) 0	(47,381)	(538,628)	(586,009)	(21,335)	(282,641)	0	(889,985)
Balance at 30 June 2021	2,008,000	3,602,561	33,522,546	39,133,107	165,641	3,215,302	194,404	42,708,454
Comprises:								
Gross balance amount at 30 June 2021	2,008,000	3,602,561	33,522,546	39,133,107	229,856	4,197,935	194,404	43,755,302
Accumulated depreciation at 30 June 2021	0	0	0	0	(64,215)	(982,633)	0	(1,046,848)
Balance at 30 June 2021	2,008,000	3,602,561	33,522,546	39,133,107	165,641	3,215,302	194,404	42,708,454
Additions	0	15,209	845,162	860,371	49,122	818,664	971,713	2,699,870
Disposals	(45,000)	0	0	(45,000)	0	(102,973)	0	(147,973)
Depreciation	10(a) 0	(53,452)	(471,702)	(525,154)	(26,420)	(308,733)	0	(860,307)
Balance at 30 June 2022	1,963,000	3,564,318	33,896,006	39,423,324	188,343	3,622,260	1,166,117	44,400,044
Comprises:								
Gross balance amount at 30 June 2022	1,963,000	3,617,770	34,367,708	39,948,478	278,978	4,860,859	1,166,117	46,254,432
Accumulated depreciation at 30 June 2022	0	(53,452)	(471,702)	(525,154)	(90,635)	(1,238,599)	0	(1,854,388)
Balance at 30 June 2022	1,963,000	3,564,318	33,896,006	39,423,324	188,343	3,622,260	1,166,117	44,400,044

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties	Independent registered valuers	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.					
(ii) Cost					
Furniture and equipment		Deemed Cost	Deemed Cost		Purchase cost
Plant and equipment		Deemed Cost	Deemed Cost		Purchase cost

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Note	Infrastructure - roads	Other infrastructure - parks, gardens & recreational	Other infrastructure - sewerage	Other infrastructure - urban infrastructure	Capital Works in Progress	Total Infrastructure
		\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		141,474,934	7,037,140	2,537,518	5,711,011	0	156,760,603
Additions		1,453,647	270,653	15,917	782,401	59,332	2,581,950
(Disposals)		0	(12,040)	0	(12,617)	0	(24,657)
Depreciation	10(a)	(1,560,844)	(718,090)	(58,911)	(179,250)		(2,517,095)
Balance at 30 June 2021		141,367,737	6,577,663	2,494,524	6,301,545	59,332	156,800,801
Comprises:							
Gross balance at 30 June 2021		146,018,066	8,803,587	2,648,875	6,825,321	59,332	164,355,181
Accumulated depreciation at 30 June 2021		(4,650,329)	(2,225,924)	(154,351)	(523,776)	0	(7,554,380)
Balance at 30 June 2021		141,367,737	6,577,663	2,494,524	6,301,545	59,332	156,800,801
Additions		2,574,307	1,064,228	71,361	177,638	25,900	3,913,434
Depreciation	10(a)	(1,570,190)	(532,304)	(73,454)	(200,859)	0	(2,376,807)
Balance at 30 June 2022		142,371,854	7,109,587	2,492,431	6,278,324	85,232	158,337,428
Comprises:							
Gross balance at 30 June 2022		148,592,373	9,867,815	2,720,236	7,002,959	85,232	168,268,615
Accumulated depreciation at 30 June 2022		(6,220,519)	(2,758,228)	(227,805)	(724,635)	0	(9,931,187)
Balance at 30 June 2022		142,371,854	7,109,587	2,492,431	6,278,324	85,232	158,337,428

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	3	Cost approach using depreciated replacement costs	Management valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
	Other infrastructure - parks, gardens &	3	Cost approach using depreciated replacement costs	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
	Other infrastructure - sewerage	3	Cost approach using depreciated replacement costs	Independent valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
	Other infrastructure - urban infrastru	3	Cost approach using depreciated replacement costs	Management/ Independent valuation	June 2018	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 2022

10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	8(a)	53,452	54,401	47,381
Buildings - specialised	8(a)	471,702	517,324	538,628
Furniture and equipment	8(a)	26,420	19,196	21,335
Plant and equipment	8(a)	308,733	311,625	282,641
Infrastructure - roads	9(a)	1,570,190	1,351,273	1,560,844
Other infrastructure - parks, gardens & recreational facilities	9(a)	532,304	582,835	718,090
Other infrastructure - sewerage	9(a)	73,454	72,688	58,911
Other infrastructure - urban infrastructure	9(a)	200,859	179,874	179,250
		3,237,114	3,089,216	3,407,080

Depreciation rates

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

Asset Class	Useful life
Buildings	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

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

10. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	45,000	37,500	0	(7,500)	0	0	0	0	40,000	34,883	0	(5,117)
Furniture and equipment	0	0	0	0	0	0	0	0	18,918	0	0	(18,918)
Plant and equipment	102,973	77,045	1,586	(27,514)	147,919	139,000	23,212	(32,131)	464,374	336,067	35,039	(163,346)
Other infrastructure - parks, garde	0	0	0	0	0	0	0	0	12,040	0	0	(12,040)
Other infrastructure - urban infras	0	0	0	0	0	0	0	0	12,617	0	0	(12,617)
	147,973	114,545	1,586	(35,014)	147,919	139,000	23,212	(32,131)	547,949	370,950	35,039	(212,038)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Plant and Equipment				
Transport				
Road Verge Slasher (PLM05)	4,315	3,614	0	(701)
Western Star Prime Mover (PTC)	77,680	53,727	0	(23,953)
Ford Ranger Dual Cab (PLVU 30)	11,144	11,220	76	0
John Deere Z-Track Mower (PJD)	4,539	6,049	1,510	0
John Deere Ride-On Mower (PLM)	5,295	2,435	0	(2,860)
Economic services				
2 Quondong Ct [LOT 211 on plan	45,000	37,500	0	(7,500)
	147,973	114,545	1,586	(35,014)

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

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

Revaluation (continued)

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

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

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

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a)

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

11. TRADE AND OTHER PAYABLES

Current

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

	2022	2021
	\$	\$
	1,120,596	475,573
	33,896	24,391
	45,359	38,130
	61,977	15,804
	9,165	10,767
	1,270,993	564,665

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

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

Prepaid rates

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

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

12. OTHER LIABILITIES

Current

Contract liabilities
Income Received in Advance

Reconciliation of changes in contract liabilities

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

	2022	2021
	\$	\$
	416,885	1,954,792
	0	13,715
	416,885	1,968,507
	1,954,792	447,955
	416,885	1,954,792
	(1,954,792)	(447,955)
	416,885	1,954,792

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

Reconciliation of changes in capital grant/contribution liabilities

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

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

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

13. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Bank loans		246,468	1,213,744	1,460,212	229,865	1,484,169	1,714,034
Total secured borrowings	26(a)	246,468	1,213,744	1,460,212	229,865	1,484,169	1,714,034

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. Other loans relate to transferred receivables. Refer to Note 5.

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 21. Details of individual borrowings required by regulations are provided at Note 26(a).

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

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave

Long Service Leave

Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
	219,293	221,178
	170,782	117,475
	390,075	338,653
	51,043	64,568
	51,043	64,568
	441,118	403,221

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

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

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
	390,075	338,653
	51,043	64,568
	441,118	403,221

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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

15. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation (Decrement)	2022 Closing Balance	2021 Opening Balance	2019 Change in Accounting Poli	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land and buildings	26,197,283	0	26,197,283	27,130,475	0	10,445	(943,637)	(933,191)	26,197,283
Revaluation surplus - Plant and equipment	1,277,980	0	1,277,980	1,277,980	0	0	0	0	1,277,980
Revaluation surplus - Infrastructure - roads	13,125,443	0	13,125,443	13,125,443	0	0	0	0	13,125,443
Revaluation surplus - Other infrastructure - parks, gardens &	2,933,123	0	2,933,123	3,117,417	(184,294)	0	0	0	2,933,123
Revaluation surplus - Other infrastructure - sewerage	2,654,023	0	2,654,023	2,654,023	0	0	0	0	2,654,023
Revaluation surplus - Other infrastructure - urban infrastru	5,107,066	0	5,107,066	4,922,772	184,294	0	0	0	5,107,066
	51,294,918	0	51,294,918	52,228,113	0	10,445	(943,637)	(933,191)	51,294,918

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

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

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	12,900,849	7,684,305	12,383,592
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	5,108,720	5,253,827	4,443,827
		5,108,720	5,253,827	4,443,827
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	27	5,108,720	5,253,827	4,443,827
Total restricted financial assets		5,108,720	5,253,827	4,443,827

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

Net result		4,776,033	877,618	1,186,222
Non-cash items:				
Depreciation/amortisation		3,237,114	3,089,216	3,407,080
(Profit)/loss on sale of asset		33,428	8,919	172,837
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(14,616)	0	(46,075)
(Increase)/decrease in other assets		65,984	0	(63,984)
(Increase)/decrease in inventories		(20,708)	0	(40,712)
Increase/(decrease) in trade and other payables		706,328	0	263,719
Increase/(decrease) in employee related provisions		37,897	0	129,922
Increase/(decrease) in other liabilities		(1,551,622)	0	1,520,552
Non-operating grants, subsidies and contributions		(4,085,581)	(4,677,599)	(497,910)
Net cash provided by/(used in) operating activities		3,184,257	(701,846)	6,031,651

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

Bank overdraft limit		100,000		100,000
Bank overdraft at balance date		0		0
Credit card limit		15,000		15,000
Credit card balance at balance date		4,343		690
Total amount of credit unused		119,343		115,690

Loan facilities

Loan facilities - current		246,468		229,865
Loan facilities - non-current		1,213,744		1,484,169
Total facilities in use at balance date		1,460,212		1,714,034

Unused loan facilities at balance date

0

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

17. CONTINGENT LIABILITIES

Prosecution by Department of Water and Environmental Regulations for Alleged Breach of Environmental Act 1986- Section 51C

The Shire of Lake Grace has been charged by the State Solicitors Office, there are four (4) charges linked to this brief which is for the following description:

* Caused or allowed clearing of native vegetation to occur.

The penalty as detailed in Notice of Conviction is \$75,788.30

18. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	337,825	1,417,834
	337,825	1,417,834
Payable:		
- not later than one year	337,825	1,417,834

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

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

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cr Armstrong			
President's annual allowance	20,063	20,063	20,063
Meeting attendance fees	8,000	8,000	8,000
Annual allowance for ICT expenses	2,000	2,000	2,000
Travel and accommodation expenses	7,824	6,000	11,447
	37,887	36,063	41,510
Cr Chappell			
Deputy President's annual allowance	5,016	5,016	5,016
Meeting attendance fees	4,000	4,000	4,000
Annual allowance for ICT expenses	2,000	2,000	2,000
Travel and accommodation expenses	1,359	2,000	1,554
	12,375	13,016	12,570
Cr Clarke			
Meeting attendance fees	4,000	4,000	4,000
Annual allowance for ICT expenses	2,000	2,000	2,000
Travel and accommodation expenses		1,000	
	6,000	7,000	6,000
Cr Lloyd			
Meeting attendance fees	4,000	4,000	4,000
Annual allowance for ICT expenses	2,000	2,000	2,000
Travel and accommodation expenses	1,184	2,000	1,463
	7,184	8,000	7,463
Cr Marshall			
Meeting attendance fees	1,269	2,000	4,000
ICT expenses	121		491
Annual allowance for ICT expenses	479	2,000	1,509
Travel and accommodation expenses	57	1,000	828
	1,926	5,000	6,828
Cr Stoffberg			
Meeting attendance fees	1,269	2,000	4,000
Annual allowance for ICT expenses	634	1,000	2,000
	1,903	3,000	6,000
Cr Carruthers			
Meeting attendance fees	3,333	4,000	3,167
Annual allowance for ICT expenses	1,667	2,000	1,583
Travel and accommodation expenses		1,000	0
	5,000	7,000	4,750
Cr Hyde			
Meeting attendance fees	4,000	4,000	3,167
Annual allowance for ICT expenses	2,000	2,000	1,583
Travel and accommodation expenses	3,433	4,000	2,140
	9,433	10,000	6,890
Cr Kuchling			
Meeting attendance fees	2,731	3,000	0
Annual allowance for ICT expenses	1,366	1,000	0
	4,097	4,000	0
Cr Hunt			
Meeting attendance fees	2,731	3,000	0
Annual allowance for ICT expenses	1,366	1,000	0
Travel and accommodation expenses	1,804	2,000	0
	5,901	6,000	0

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

19. RELATED PARTY TRANSACTIONS (Continued)

Cr McKenzie			
Meeting attendance fees	2,731	2,000	0
Annual allowance for ICT expenses	1,366	1,000	0
Travel and accommodation expenses	690	1,000	0
	4,787	4,000	0
Cr Steicke			
Meeting attendance fees	0	0	2,333
Annual allowance for ICT expenses	0	0	1,167
Travel and accommodation expenses	0	0	1,586
	0	0	5,086
	96,492	103,079	97,096

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

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
President's annual allowance	20,063	20,063	20,063
Deputy President's annual allowance	5,016	5,016	5,016
Meeting attendance fees	38,065	40,000	36,667
ICT expenses	121	0	491
Annual allowance for ICT expenses	16,877	18,000	15,842
Travel and accommodation expenses	16,351	20,000	19,017
19(b)	96,492	103,079	97,096

(b) Key Management Personnel (KMP) Compensation

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	523,893	533,514
Post-employment benefits	55,490	57,374
Employee - other long-term benefits	65,086	20,199
Council member costs	96,492	97,096
19(a)	740,961	708,183

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.

(c) Transactions with related parties

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

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

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

Amounts payable to related parties:

	2022 Actual	2021 Actual
	\$	\$
Trade and other payables	149,617	67,968

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

19. RELATED PARTY TRANSACTIONS (Continued)

(d) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

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

20. JOINT ARRANGEMENTS

Share of joint operations

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

Statement of Cash Flows

Contribution to Roe EHS	(46,225)	(49,392)
Net cash provided by (used in) operating activities	(46,225)	(49,392)

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

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

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

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

21. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.206%	12,900,849	0	12,890,374	10,475
2021					
Cash and cash equivalents	0.4417%	12,383,592	5,500,000	6,873,219	10,373

Sensitivity

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

Impact of a 1% movement in interest rates on profit and loss and equity*

	2022	2021
	\$	\$
	128,904	68,732

* Holding all other variables constant

Borrowings

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

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

21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

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

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

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	187	28,444	11,480	2,840	42,951	
Loss allowance	0	0	0	0	0	5
30 June 2021						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	417	28,784	12,955	7,333	49,489	
Loss allowance	0	0	0	0	0	5

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

	Less than 1 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	225,868	728	53	3	226,652	
Loss allowance	0	0	0	0	0	5
30 June 2021						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	201,244	1,016	0	0	202,260	
Loss allowance	0	0	0	0	0	5

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

21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Opening loss allowance as at 1 July	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Receivables written off during the year as uncollectible	230	122	0	0	0	0
Unused amount reversed	(230)	(122)	0	0	0	0
Closing loss allowance at 30 June	0	0	0	0	0	0

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

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

Contract Assets

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Shire has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

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

20. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2022</u>					
Trade and other payables	1,270,993	0	0	1,270,993	1,270,993
Borrowings	246,467	789,562	424,183	1,460,212	1,460,212
	<u>1,517,460</u>	<u>789,562</u>	<u>424,183</u>	<u>2,731,205</u>	<u>2,731,205</u>
<u>2021</u>					
Trade and other payables	564,665	0	0	564,665	564,665
Borrowings	229,865	808,297	675,872	1,714,034	1,714,034
	<u>794,530</u>	<u>808,297</u>	<u>675,872</u>	<u>2,278,699</u>	<u>2,278,699</u>

22. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

k) Initial application of accounting standards

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

New accounting standards for application in future years

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

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

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

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

23. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
<p>Governance To provide a decision making process for the efficient allocation of scarce resources</p>	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific local government services.
<p>General purpose funding To collect revenue to allow for the provision of services</p>	Rates, general purpose grants and interest revenue
<p>Law, order, public safety To provide bushfire prevention services and animal control services</p>	Supervision, enforcement of various local laws, fire prevention emergency services, animal control and other aspects of public safety
<p>Health To provide for an operation framework for good community health in conjunction with the Health Department</p>	Health inspection services in relation to food outlets and their control and \waste disposal compliance and the provision of a Doctor, Dental and medical services
<p>Education and welfare To provide services for the elderly, children and youth</p>	Maintenance of playgroups and daycare centres. Provision of elderly and youth services
<p>Housing To ensure adequate housing is available for staff and the community</p>	Provision and maintenance of staff housing, aged persons units and community accommodation (Joint Venture and LOGCHOP) units
<p>Community amenities To provide services and infrastructure as required by the community</p>	Rubbish collection services, operation of refuse disposal sites and the Lake Grace sewerage scheme. Administration of Local Planning Scheme, maintenance of cemeteries and public conveniences
<p>Recreation and culture To establish and effectively manage infrastructure and resources which will help with the social wellbeing of the community</p>	The provision of public halls, sports pavilions, recreation grounds, Lake Grace swimming pool, parks, gardens and playgrounds. The operation of public libraries in conjunction with the Department of Education and other culture and heritage facilities
<p>Transport To provide safe, effective and efficient transport infrastructure to the community</p>	Construction and maintenance of streets, roads, drainage, footpaths and aerodrome. Cleaning streets, maintenance of street trees, street lighting and works depot. Provision of Department of Transport licensing services
<p>Economic services To help promote the Shire and improve the economic wellbeing</p>	The regulation and provision of tourism, area promotion, building control, noxious weeds, saleyards and the provision of emergency water supplies
<p>Other property and services To monitor and control Council's overheads and operating accounts</p>	Private works operations, plant repair and operating costs and engineering operation costs

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

23. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022	2022	2021
	Actual	Budget	Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	9,211	17,550	28,862
General purpose funding	4,537,023	4,554,331	4,211,265
Law, order, public safety	78,360	98,932	85,686
Health	7,086	9,960	5,063
Housing	19,450	18,000	18,250
Community amenities	269,111	285,238	273,783
Recreation and culture	33,667	44,600	29,587
Transport	30,757	49,712	54,916
Economic services	105,007	167,440	162,387
Other property and services	94,577	89,500	159,984
	5,184,249	5,335,263	5,029,783
Grants, subsidies and contributions			
Governance	0	0	3,168
General purpose funding	4,053,929	1,331,783	2,945,221
Law, order, public safety	54,859	83,840	68,600
Education and welfare	0	2,000	455
Community amenities	73,701	110,000	16,817
Recreation and culture	1,966,417	2,347,296	386,134
Transport	2,251,928	2,388,803	1,338,511
Economic services	392,689	373,000	230,513
Other property and services	0	0	516,674
	8,793,523	6,636,722	5,506,093
Total Income	13,977,772	11,971,985	10,535,876
Expenses			
Governance	(365,692)	(441,593)	(352,440)
General purpose funding	(162,113)	(152,041)	(157,506)
Law, order, public safety	(377,126)	(399,853)	(397,852)
Health	(332,024)	(395,716)	(329,607)
Education and welfare	(52,195)	(78,842)	(53,175)
Housing	(147,851)	(238,668)	(165,561)
Community amenities	(943,267)	(1,429,395)	(955,585)
Recreation and culture	(2,069,279)	(2,702,175)	(2,382,316)
Transport	(3,890,599)	(4,167,728)	(3,749,271)
Economic services	(837,617)	(1,009,101)	(731,520)
Other property and services	(23,976)	(79,255)	(74,821)
Total expenses	(9,201,739)	(11,094,367)	(9,349,654)
Net result for the period	4,776,033	877,618	1,186,222

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

23. FUNCTION AND ACTIVITY (Continued)

	2022	2022	2021
	Actual	Budget	Actual
	\$	\$	\$
(c) Fees and Charges			
Governance	423	1,150	9,473
General purpose funding	21,313	12,800	16,611
Law, order, public safety	1,619	2,200	3,372
Health	7,086	9,610	5,063
Education and welfare	0	0	111,584
Housing	19,450	17,000	18,250
Community amenities	138,112	153,300	148,695
Recreation and culture	32,032	42,000	29,360
Economic services	28,187	113,980	0
Other property and services	66,660	45,500	70,351
	314,882	397,540	412,759
(d) Total Assets			
Governance	3,153,261	3,530,079	
General purpose funding		6,268	
Law, order, public safety	1,209,926	1,278,637	
Health	2,550,515	3,016,191	
Education and welfare	635,376	633,592	
Housing	9,471,175	10,032,591	
Community amenities	3,377,580	4,516,293	
Recreation and culture	25,747,384	24,674,908	
Transport	141,165,891	140,945,984	
Economic services	2,706,919	3,505,716	
Other property and services	2,983,997	2,316,384	
Unallocated	23,753,302	18,578,872	
	216,755,324	213,035,515	

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

24. RATING INFORMATION

(a) General Rates

RATE TYPE		Rate in \$	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
Rate Description	Basis of valuation			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gross rental valuations	Gross rental valuation	0.136437	389	4,479,503	611,170	50,509	0	661,679	609,183	500	0	609,683	630,141
Unimproved valuations	Unimproved valuation	0.011164	561	330,462,721	3,689,286	803	0	3,690,089	3,688,223	500	0	3,688,723	3,374,927
Sub-Total			950	334,942,224	4,300,456	51,312	0	4,351,768	4,297,406	1,000	0	4,298,406	4,005,068
Minimum payment		\$											
Gross rental valuations	Gross rental valuation	505	35	37,872	17,675	0	0	17,675	17,675	0	0	17,675	17,640
Unimproved valuations	Unimproved valuation	515	73	995,231	37,595	0	0	37,595	37,080	0	0	37,080	33,500
Sub-Total			108	1,033,103	55,270	0	0	55,270	54,755	0	0	54,755	51,140
			1,058	335,975,327	4,355,726	51,312	0	4,407,038	4,352,161	1,000	0	4,353,161	4,056,208
Total amount raised from general rates								4,407,038				4,353,161	4,056,208
* Rateable value is based on the value of properties at the time the rate is raised.													
(b) Rates (excluding general rates)													
		Rate in \$											
Specified Area Rates													
Specified Area Rate	Gross rental valuation	0.0452560		2,893,280	130,998	0	0	130,998	130,938	0	0	130,938	125,088
Ex-gratia Rates													
Ex-gratia rates	Gross rental valuation				69,865	0	0	69,865	69,865	0	0	69,865	67,830
Sub-Total			0	2,893,280	200,863	0	0	200,863	200,803	0	0	200,803	192,918
Total amount raised from rates (excluding general rates)								200,863				200,803	192,918
(c) Total Rates								4,607,901				4,553,964	4,249,126

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

SHIRE OF LAKE GRACE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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24. RATING INFORMATION (Continued)

(d) Specified Area Rate

Specified Area Rate	Purpose of the rate	Area/properties Rate Imposed	2021/22 Actual Rate Applied to Costs \$	2021/22 Actual Rate Set Aside to Reserve \$	2021/22 Actual Reserve Applied to Costs \$	2021/22 Budget Rate Applied to Costs \$	2021/22 Budget Rate Set Aside to Reserve \$	2021/22 Budget Reserve Applied to Costs \$
Specified Area Rate Lake Grace sewerage	Applied in full to operate and maintain the Lake Grace sewerage Scheme	267	130,998	60,000	0	130,938	0	0
			130,998	60,000	0	130,938	0	0

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

24. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	10/09/2021	0.0	0.00%	7.00%
Option Two				
First instalment	10/09/2021	11.0	0.00%	7.00%
Second instalment	10/11/2021	11.0	3.00%	7.00%
Option Three				
First instalment	10/09/2021	11.0	3.00%	7.00%
Second instalment	10/11/2021	11.0	3.00%	7.00%
Third instalment	10/01/2022	11.0	3.00%	7.00%
Fourth instalment	14/03/2022	11.0	3.00%	7.00%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	6,799	10,000	7,451
Interest on instalment plan	5,458	8,000	6,460
Charges on instalment plan	5,027	5,800	8,454
	17,284	23,800	22,365

SHIRE OF LAKE GRACE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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25. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(30 June 2021 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(b) (1,586)	(23,212)	(35,039)
Less: Non-cash grants and contributions for assets	3,238	0	(516,655)
Less: Movement in liabilities associated with restricted cash	(102)	0	18,229
Add: Loss on disposal of assets	10(b) 35,014	32,131	212,038
Add: Depreciation	10(a) 3,237,114	3,089,216	3,407,080
Non-cash movements in non-current assets and liabilities:			
Employee benefit provisions	(13,525)	0	21,444
Inventory	(22,440)	0	(46,426)
Non-cash amounts excluded from operating activities	3,237,713	3,098,135	3,060,671
(b) Non-cash amounts excluded from investing activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to investing activities			
Movement in non-current capital grant/contribution liability	0	0	516,655
Movement in non-current Units in Local Government House	4,995	0	0
Non-cash amounts excluded from investing activities	4,995	0	516,655
(c) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	27 (5,108,720)	(5,253,827)	(4,443,827)
Less: Municipal - restricted cash	(50,072)	(50,073)	(50,072)
Less: Trust - Restricted Cash	(10,475)	0	(10,373)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	13 246,468	(23,957)	229,864
- Employee benefit provisions	248,014	341,110	248,014
Total adjustments to net current assets	(4,674,785)	(4,986,747)	(4,026,394)
Net current assets used in the Rate Setting Statement			
Total current assets	13,189,460	7,928,982	12,717,070
Less: Total current liabilities	(2,324,421)	(2,918,252)	(3,101,690)
Less: Total adjustments to net current assets	(4,674,785)	(4,986,747)	(4,026,394)
Net current assets used in the Rate Setting Statement	6,190,254	23,983	5,588,986

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget				
		Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
L181 - Office Redevelopment		251,436		(16,915)	234,521		(17,907)	216,614	234,521		(17,907)	216,614
L 204 CEO & Staff House		0	500,000	(23,956)	476,044		(48,234)	427,810	476,044		(48,234)	427,810
L173 - Lake Grace Pool		46,089		(14,503)	31,586		(15,347)	16,239	31,586		(15,347)	16,239
L182 - Lake Grace Sports Precinct		138,433		(16,277)	122,156		(17,324)	104,832	122,156		(17,324)	104,832
L193- Newdegate Bowling Club		11,251		(5,493)	5,758		(5,758)	0	5,758		(5,758)	0
L198 - Lake Grace Precinct		90,749		(21,202)	69,547		(22,163)	47,384	69,547		(22,163)	47,384
L202 - Lake Grace Court Resurface		18,824		(9,305)	9,519		(9,519)	0.0	9,519		(9,519)	0
L196 - Roadworks & Plant		151,533		(48,617)	102,916		(50,487)	52,429	102,916		(50,487)	52,429
L189 - LG Residential Land		127,632		(9,624)	118,008		(10,214)	107,794	118,008		(10,214)	107,794
L203 - Land Development		600,000		(56,021)	543,979		(56,870)	487,109	543,979		(56,870)	487,109
Total		1,435,947	500,000	(221,913)	1,714,034	0	(253,822)	1,460,212	1,714,034	0	(253,823)	1,460,211
Borrowing Interest Repayments												
Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021				
L181 - Office Redevelopment		Governance	181	WATC	5.78%	(14,611)	(14,954)	(15,730)				
L 204 CEO & Staff House		Governance	204	WATC	0.89%	(7,333)	(7,403)	(3,470)				
L173 - Lake Grace Pool		Recreation and culture	173	WATC	5.64%	(1,530)	(1,784)	(2,477)				
L182 - Lake Grace Sports Precinct		Recreation and culture	182	WATC	6.33%	(7,994)	(8,358)	(9,164)				
L193- Newdegate Bowling Club		Recreation and culture	193	WATC	4.77%	(144)	(262)	(448)				
L198 - Lake Grace Precinct		Recreation and culture	198	WATC	4.48%	(3,334)	(3,420)	(4,427)				
L202 - Lake Grace Court Resurface		Recreation and culture	202	WATC	2.29%	(224)	(241)	(504)				
L196 - Roadworks & Plant		Transport	196	WATC	3.81%	(4,190)	(4,357)	(6,360)				
L189 - LG Residential Land		Economic services	189	WATC	6.04%	(7,815)	(7,817)	(8,465)				
L203 - Land Development		Economic services	203	WATC	1.51%	(11,642)	(11,821)	(11,631)				
L190 - NGT Medical Centre		Health	190	WATC	5.62%			(103)				
L192 - Lake Grace Bowling Club		Recreation and culture	192	WATC	6.12%			(41)				
L191 - Staff Housing		Other property and services	191	WATC	6.12%			(49)				
Total						(58,817)	(60,417)	(62,869)				
Self Supporting Loans Interest Repayments												
L188 - Lake Grace Sportsman Club		Recreation and culture	188	WATC	6.12%			(41)				
Total Self Supporting Loans Interest Repayments						0	0	(41)				
Total Interest Repayments	2(b)					(58,817)	(60,417)	(62,910)				

* WA Treasury Corporation

**SHIRE OF LAKE GRACE
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27. RESERVE ACCOUNTS	2022	2022	2022	2022	2022	2022	2022	2022	2021	2021	2021	2021
	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
(a) Leave Reserve	224,214	110,560	0	334,774	224,213	111,678	0	335,891	223,163	1,051	0	224,214
(b) Emergency Services Reserve	27,295	68	0	27,363	27,295	204	0	27,499	27,167	128	0	27,295
(c) Housing Reserve	389,490	200,972	0	590,462	389,490	163,068	0	552,558	835,960	3,530	(450,000)	389,490
(d) Swimming Pool Reserve	178,222	50,445	0	228,667	178,221	51,706	0	229,927	227,197	1,025	(50,000)	178,222
(e) Land Development Reserve	123,494	308	0	123,802	123,494	924	0	124,418	122,915	579	0	123,494
(f) Plant Reserve	743,297	351,855	0	1,095,152	743,297	360,026	0	1,103,323	1,333,805	5,742	(596,250)	743,297
(g) Recreation Reserve	219,976	549	0	220,525	219,976	1,638	0	221,614	218,945	1,031	0	219,976
(h) Works & Services Reserve	596,065	1,488	0	597,553	596,065	4,458	0	600,523	593,272	2,793	0	596,065
(i) Newdegate Hall Reserve	125,879	314	(70,000)	56,193	125,879	942	0	126,821	125,289	590	0	125,879
(j) Lake Grace TV Reserve	30,273	76	0	30,349	30,273	247	0	30,520	32,793	152	(2,672)	30,273
(k) Varley Sullage Reserve	1,675	4	0	1,679	1,674	13	0	1,687	1,667	8	0	1,675
(l) Lake Grace Sewerage Reserve	1,105,465	62,759	0	1,168,224	1,105,466	108,614	0	1,214,080	1,100,285	5,180	0	1,105,465
(m) Newdegate Sports Dam Reserve	26,896	67	0	26,963	26,896	201	0	27,097	26,770	126	0	26,896
(n) Newdegate Stadium Floor Reserve	24,267	61	0	24,328	24,267	182	0	24,449	24,153	114	0	24,267
(o) Community Water Supplies Reserve	12,043	30	0	12,073	12,044	90	0	12,134	11,987	56	0	12,043
(p) Office Furniture & Equipment Reserve	13,381	33	0	13,414	13,380	100	0	13,480	13,318	63	0	13,381
(q) Newdegate Centenary Reserve	32,321	81	0	32,402	32,322	242	0	32,564	32,170	151	0	32,321
(r) Essential Medical Reserve	559,058	1,395	(52,065)	508,388	559,058	5,589	0	564,647	743,578	3,480	(188,000)	559,058
(s) History Book Reserve	10,516	26	0	10,542	10,517	78	0	10,595	10,467	49	0	10,516
(t) AIM Hospital Museum Reserve	0	5,865		5,865				0	0			0
	4,443,827	786,957	(122,065)	5,108,720	4,443,827	810,000	0	5,253,827	5,704,901	25,848	(1,286,922)	4,443,827

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	ongoing	to fund employee leave liability entitlements
(b) Emergency Services Reserve	ongoing	to fund volunteer bush fire brigades and other emergency services.
(c) Housing Reserve	ongoing	to fund the acquisition, construction, renovation or maintenance of shire staff housing.
(d) Swimming Pool Reserve	ongoing	to fund maintenance and improvement of the Lake Grace swimming pool and associated infrastructure.
(e) Land Development Reserve	ongoing	to fund the development of new residential, commercial and industrial land.
(f) Plant Reserve	ongoing	to fund acquisition or replacement of plant and equipment in accordance with the plant replacement program.
(g) Recreation Reserve	ongoing	to fund the development of sport and recreation facilities.
(h) Works & Services Reserve	ongoing	to fund expenditure associated with road and street works, including drainage and rehabilitation works.
(i) Newdegate Hall Reserve	ongoing	to fund maintenance, renovation, extension or improvements of the Newdegate Town Hall.
(j) Lake Grace TV Reserve	ongoing	to fund maintenance and upgrades of television and radio services in the Lake Grace town site.
(k) Varley Sullage Reserve	ongoing	to fund expenses associated with the operations of the Varley Sullage Scheme.
(l) Lake Grace Sewerage Reserve	ongoing	to fund maintenance, addition and improvements to the Lake Grace sewerage system.
(m) Newdegate Sports Dam Reserve	ongoing	to fund upgrade works for the Newdegate sports dam.
(n) Newdegate Stadium Floor Reserve	ongoing	to fund upgrade works for the Newdegate stadium floor.
(o) Community Water Supplies Reserve	ongoing	to fund future commitments with the construction and maintenance of community water supplies.
(p) Office Furniture & Equipment Reserve	ongoing	to fund replacement of furniture, office, electrical and computer equipment at the Lake Grace administration centre.
(q) Newdegate Centenary Reserve	30/06/2023	to fund the 100 year centenary of the Newdegate town site.
(r) Essential Medical Reserve	ongoing	to fund the provision of essential medical services and associated legal expenses.
(s) History Book Reserve	ongoing	to fund expenditure associated with producing local history books.
(t) AIM Hospital Museum Reserve		

SHIRE OF LAKE GRACE
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28. TRUST FUNDS

Funds held in trust at balance date which are included in the financial statements are as follows:

	1 July 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
Standpipe bonds	10,373	357	(255)	10,475
	<u>10,373</u>	<u>357</u>	<u>(255)</u>	<u>10,475</u>

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

29. MAJOR LAND TRANSACTIONS

(a) Details

Sale of 2 Quondong Ct [Lot 211 on plan 75988] Lake Grace 6353 Lnd - vacant land (Asset 5002)
Purchase of Newdegate Depot, Lot 145 (No. 1) workshop and 3 bedroom house Rasmussen Road,
Newdegate (Asset 198)

(b) Current year transactions

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Other revenue			
- Sale proceeds	37,500	0	34,883
Other expenditure			
- Cost of goods sold	(45,000)	0	(40,000)
- Purchase of Land & Buildings	(200,553)	0	0
	(208,053)	0	(5,117)

The above operating revenue for the proceeds of land held for resale is reflected in other revenue and operating expenditure for the cost of the disposed land held for resale is reflected in other expenditure.



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Lake Grace

To the Councillors 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 at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, 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 2022, 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 of the Shire is responsible for:

- 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.

My independence and quality control 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 ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control 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 2022 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.

Efthalia Samaras
Senior Director Practice Manager Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 December 2022