



ANNUAL REPORT 2022/2023



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Purpose of the Annual Report

The Western Australian Local Government Act 1995 requires every Local Government to produce an Annual Report by the 31 December each year. In addition, the Annual Report:

- Is an essential tool to inform the community and key stakeholders about the achievements, challenges and future plans;
- Promotes greater community awareness of the Shire's programs and services which contribute to a high quality of life for residents, visitors and stakeholders;
- Demonstrates the Shire's performance against the long-term vision of the Strategic Community Plan, projects and priorities detailed within the Shire's Corporate Business Plan;
- Provides information about the Shire's organisational performance; and
- Illustrates the Shire's commitment to accountable and transparent government.

Alternative Formats

This Annual Report can also be viewed on the Shire's website at

www.uppergascoyne.wa.gov.au

Feedback or Questions

Feedback or questions relating to the Annual Report are welcome.

Email: ceo@uppergascoyne.wa.gov.au

Mail: Shire of Upper Gascoyne
4 Scott Street
GASCOYNE JUNCTION WA 6705

How to Read the Annual Report

The Annual Report is divided into the following sections:

- An overview of information about the Shire of Upper Gascoyne
- An overview of the Council and the organisation
- Reports against the activities within each key theme of the Strategic Community Plan
- Corporate Business Plan Future Projects
- Statutory Reporting and
- 2022/2023 Financial Indicators and Audited Financial Statements

Strategic Community Plan 2022-2032

This Annual Report shows how the Shire of Upper Gascoyne is delivering the vision outlines in its Strategic Community Plan 2022-2032, the Shires overarching guide for the future.

This Annual Report outlines achievements against each key theme in the Plan.

OUR VISION

The Shire of Upper Gascoyne will be a sustainable service base supporting our local community and industries.

Mission Statement

To work with all sectors of the Upper Gascoyne community to retain and attract people and businesses to the district.

Our Values

Act with integrity and consistency, pursuing sustainability, but always with the vision of progressing the Shire forward while preserving our rural lifestyle.

Key Focus Areas

Social

Services and facilities supporting our community lifestyle and population growth

Economic

A growing local economy, encouraging commercial diversity

Environmental

Well maintained infrastructure and preserved natural environs for the benefit and enjoyment of present and future generations

Governance

Provide good governance and leadership

Our Services

Local government in Western Australia is established under the Local Government Act 1995, and is the third sphere of government. Local government is responsible for delivering a wide range of economic, human, recreational and property services as well as developing and maintaining essential community infrastructure.

Local government has legislative responsibility to perform many functions for the local community which are mandatory services. Examples include approvals for planning, building and health, and swimming pool security fencing.

Local government also delivers discretionary services to the community, such as library Programs and events, and the provision of recreational facilities and programs, which Contribute to an improved quality of life for people within the community.

Provision and Maintenance of Community Facilities, Infrastructure and Assets
Community Buildings
Playgrounds
Library
Bridges
Footpaths
Stormwater Drainage
Roads
Parks
Street Lighting
Car Parks
Streetscapes
Sport and Recreation Facilities
Fleet
Biosecurity
Emergency Management

Our Services

Delivery of Discretionary Services

Shire Ranger
Waste Services
Civic Ceremonies
Community Development
Youth Services
Community Safety Programs
Facility Hire
Festivals and Events
Community Health Programs
Economic Development
Tourism Development
Cultural Programs
Post Office Services
Department of Transport Services
Centrelink Services
Gas Supply
Electricity Card Supply



Provision of Mandatory Service – State Legislation and Local Laws

Animal Control
Litter
Public Event Compliance
Signs
Abandoned Vehicles
Bushfire Management
Building and Planning Compliance
Waste Services
Public Building Inspections
Swimming Pool Inspections
Food Inspections
Building, Planning and Health Approvals
Environmental Health Regulations

Calendar of Community Events

2022

AUGUST

Junction Races & Gymkhana

SEPTEMBER

Held two Webinar's – Connecting with others & How to spot a scan.

Held COVID Vaccination Clinics

OCTOBER

Tidy Towns Judging

Landor Races

Kennedy Range Campdraft

Pink Stumps Cricket Match

NOVEMBER

Bike WA Month

Children's Week Activities

DECEMBER

Shire of Upper Gascoyne Community Christmas Party

2023

APRIL

ANZAC Day

may

Carnarvon Horseman's Gymkhana

Gascoyne in May

The Council and the Organisation

Local government is one of Australia's three tiers of government (federal, state and local). Western Australia alone has a total of 138 local governments, with the Shire of Upper Gascoyne being one of the largest in land form. The Shire does not have wards and has a total of seven (7) elected members. The Shire Council is responsible for making decisions on behalf of the local community.

DEMOCRACY IN THE SHIRE OF UPPER GASCOYNE

The Act outlines the responsibilities of local governments, providing for the constitution of elected local governments in the state. It describes the functions of local governments, providing for the conduct of elections and polls, and provides a framework for the administration and financial management of local governments and the scrutiny of their affairs.

LOCAL GOVERNMENT ELECTIONS

Local government elections are held every two years, with the next election being held in October 2023. All persons registered on the state electoral roll are eligible to vote for their local government. Non-resident owners and occupiers can also apply for eligibility to vote. Any eligible elector can stand to nominate for election, with no requirement for a candidate to belong to a political party or other organisation. Councillors are voted in for a four-year term, with the Council electing the offices of President and Deputy President every second year.

THE ROLE OF THE PRESIDENT, DEPUTY PRESIDENT AND COUNCILLORS

Councillor Don Hammarquist OAM JP was the serving President of the Shire of Upper Gascoyne. The role of the President is to:

- Preside at Council meetings in accordance with the Local Government Act 1995
- Provide leadership and guidance to the community
- Carry out civic and ceremonial duties
- Speak on behalf of the local government
- Liaise with the Chief Executive Officer on the performance of the Shire's functions.

Councillor Jim Caunt is the serving Deputy President and performs the functions of President as required.

Councillors make important decisions relating to the whole of the Shire, taking into account the views of the community. They work together with the community, the Chief Executive Officer and the Shire's administration to set the strategic direction of the Shire. The specific role of Councillors is to:

- Represent the interests of electors, ratepayers and residents of the Shire
- Provide leadership and guidance to the community

- Facilitate communication between the community and Council
- Participate in the local government's decision-making processes at Council and committee meetings.



Shire of Upper Gascoyne Councillors and CEO

*Top row: Cr Hamish McTaggart, Deputy President Jim Caunt, Cr Greg Watters, Cr Ray Hoseason-Smith
Bottom row: Cr Blanche Walker, Cr Alys McKeough, President Don Hammarquist OAM JP, CEO John McCleary, JP*

SHIRE OF UPPER GASCOYNE CONTACT INFORMATION

Office Hours 8:30am to 4:30pm Monday to Thursday
8:30am to 3pm Friday
Closed on Public Holidays

Phone (08) 9943 0988

Fax (08) 9943 0507

Email admin@uppergascoyne.wa.gov.au

Web Page <https://www.uppergascoyne.wa.gov.au>

Address 4 Scott St, Gascoyne Junction WA 6705

COUNCIL MEETINGS

Council meetings are generally held on the fourth Wednesday of every month at 10.00am and the public are welcome to attend. The dates do change from time due to administrative efficiencies, any changes to dates are advertised according to the Act and Regulations.

Council meeting dates can be found on our webpage and local notice boards.

YOU'RE SAY IN LOCAL GOVERNMENT

The Council encourages local residents to have their opinions heard on issues which are of concern to them.

You can present your ideas and opinions to the Council in a number of ways:

- *Write, email or telephone the Shire office*
- *Write, email or telephone you Shire Councillors*
- *Visit the Shire Administration building*
- *Present a question to a Council meeting through 'public question time'*

Contact details can be found on our webpage:

<https://www.uppergascoyne.wa.gov.au/councillors>.

Deputations may also be made to Council meetings with permission of the Presiding Member. Please contact the office of the Chief Executive Officer on 9943 0988 for full details of how this can be arranged.

WHERE TO VIEW COUNCIL AGENDA / MINUTES

AGENDAS

Copies of all non-confidential items are tabled at a council meeting and are normally available to the public on the Friday prior to the meeting from the Shire website, Community Resource Centre Library and the Shire Administration Office. In the interests of the environment the Shire encourages the use of on-line services rather than the printing of paper documents. They can also be found on the Shires website <https://www.uppergascoyne.wa.gov.au/council-meetings/>

MINUTES

Minutes of all Council meetings are available to the public free online in Public Documents in PDF format on <https://www.uppergascoyne.wa.gov.au/council-meetings/>, the Shire of Upper Gascoyne, 4 Scott St, Gascoyne Junction or the CRC.

COUNCIL MEMBERS

Name	Position	Status
Cr D Hammarquist, OAM JP	Shire President	To October 2023
Cr J Caunt	Deputy Shire President	To October 2023
Cr G Watters	Councillor	To October 2023
Cr R Hoseason-Smith	Councillor	To October 2023
Cr A McKeough	Councillor	To October 2025
Cr H McTaggart	Councillor	To October 2025
Cr B Walker	Councillor	To October 2025

*Note: Council elections are to be held in October 2023. Candidates that are successfully elected at the 2023 election will be updated in the table above and included in the 2022/23 Annual Report.

President – Cr Don Hammarquist



Term expires October 2023
Elected Member since October
Phone: 0427857989
Email: crhammarquist@uppergascoyne.wa.gov.au

Deputy President – Cr Jim Caunt



Term expires October 2023
Elected Member since October
Phone: 0437075795
Email: crcaunt@uppergascoyne.wa.gov.au

Councillor Greg Watters



Term expires October 2023
Elected Member since October
Phone: 99812943
Email: crwatters@uppergascoyne.wa.gov.au

Councillor Blanche Walker



Term expires October 2025
Elected Member since October
Phone: 99430972
Email: crwalker@uppergascoyne.wa.gov.au

Councillor Alys McKeough



Term expires October 2025
Elected Member since October
Phone: 99430924
Email: crmckeough@uppergascoyne.wa.gov.au

Councillor Hamish McTaggart



Term expires October 2025
Elected Member since October
Phone: 99430501
Email: crmctaggart@uppergascoyne.wa.gov.au

Councillor Ray Hoseason-Smith



Term expires October 2023
Elected Member since October
Phone: 99430553
Email: crrhoseason-smith@uppergascoyne.wa.gov.au

Under regulation 19B (e) of the Local Government (Administration) Regulations 1996 require that the following:

COUNCILLOR STATISTICS

Name	Ordinary Council Meetings Attended	Committee Meetings Attended *	Gender	Linguistic Background	Country of Birth
Cr D Hammarquist, OAM JP**	02/11	0/4	Male	English	Aus
Cr J Caunt*	11/11	4/4	Male	English	Aus
Cr G Watters	11/11		Male	English	Aus
Cr B Walker*	10/11	4/4	Female	English	Aus
Cr A McKeough*	08/11	2/4	Female	English	Aus
Cr H McTaggart	09/11		Male	English	Aus
Cr R Hoseason-Smith	10/11		Male	English	Aus

* Not all Councillors are members of the Audit Committee with only Councillors Hammarquist, Caunt, Walker and McKeough being members.

** Cr D Hammarquist OAM JP was absent, due to ongoing illness, after obtaining ministerial approval.

COUNCILLOR ANNUAL PAYMENTS

Name	President Allowance	Dep. Pres Allowance	Presidents Meeting Fee	Councillor Meeting Fee	ICT Allowance
Cr D Hammarquist, OAM JP	\$18,851		\$18,354		\$3,208
Cr J Caunt		\$17,994		\$18,309	\$3,500
Cr H McTaggart				\$ 9,742	\$3,500
Cr B Walker				\$ 9,742	\$3,500
Cr G Watters				\$ 9,742	\$3,500
Cr R Hoseason-Smith				\$ 9,742	\$3,500
Cr A McKeough				\$ 9,742	\$3,500

COUNCILLOR TRAINING

Councillor	Training Undertaken	Outcome
Cr D Hammarquist, OAM JP (Member Essentials)	Serving on Council Understanding Local Government Meeting Procedures Conflict of Interest Understanding Financial Reports & Budgets	Competent Competent Competent Competent Competent
Cr J Caunt (Member Essentials)	Serving on Council Understanding Local Government Meeting Procedures Conflict of Interest Understanding Financial Reports & Budgets	Competent Competent Competent Competent Competent
Cr R Hoseason-Smith (Member Essentials)	Serving on Council Understanding Local Government	Competent Competent

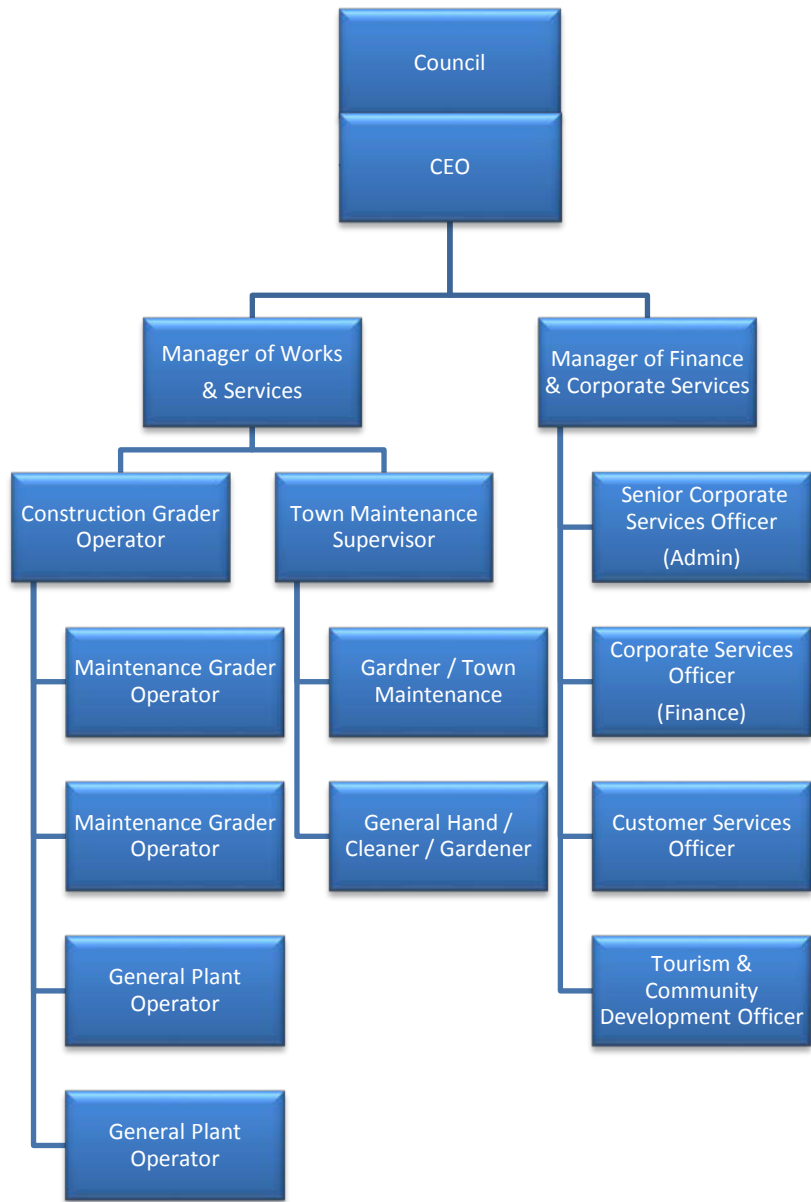
	Meeting Procedures Conflict of Interest Understanding Financial Reports & Budgets	Competent Competent Competent
Cr G Watters (Member Essentials)	Serving on Council Understanding Local Government Meeting Procedures Conflict of Interest Understanding Financial Reports & Budgets	Competent Competent Competent Competent Competent
Cr A McKeough*	Diploma of Local Government (Elected Member)	Completed
Cr B Walker (Member Essentials)	Serving on Council Understanding Local Government Meeting Procedures Conflict of Interest Understanding Financial Reports & Budgets	Competent Competent Competent Competent Competent
Cr H McTaggart (Member Essentials)	Serving on Council Understanding Local Government Meeting Procedures Conflict of Interest Understanding Financial Reports & Budgets	Completed Completed Completed Completed Completed

*Councillor McKeough has completed a Diploma of Local Government and is not required to undertake Member Essentials Training.

ORGANISATION STRUCTURE

The Shire's organisational structure is designed to facilitate the delivery of projects and programs within the four key themes of the Shire's Strategic Plan.

The structure is led by the Chief Executive Officer who is supported by an Executive Leadership Team comprising of two Executive Managers. Each Manager oversees the operations of Business Units structured to meet the Shire's strategic and operational objectives, legislative responsibilities and to ensure services are delivered in the most efficient and effective manner.



SHIRE DEMOGRAPHICS

The Shire has an estimated population of some 260 persons located as follows:

- Approximately 120 residents at Burringurrah, an Indigenous community south of Mt. Augustus, (as advised by the police stationed at Burringurrah). This figure is highly variable.
- 90 people on 35 pastoral stations,
- About 15 people at Woodgamia, an indigenous community just south of the Gascoyne Junction township, and
- 35 residents at Gascoyne Junction.

The current demographic trend is relatively stable over time; however, there can be significant variances with the influx and dispersion of people from Burringurrah Aboriginal Community.

The town site of Gascoyne Junction is the administrative hub for the Shire of Upper Gascoyne. Gascoyne Junction sits in the western side of the Shire adjacent to the majestic Kennedy Range. The town is well serviced with modern facilities such as; Community Resource Centre, Shire Administration Building, Town Hall, Grassed Oval, School, Gymnasium, Craft Centre, Play Grounds, Tennis Court, Pavilion and Junction Tourist Precinct which consists of a Caravan Park, Restaurant and Roadhouse. The town is serviced with mains electricity, reticulated water, mobile telephone coverage and the NBN is available via satellite.

Cattle grazing is the principle local economic activity in the Shire. There is also some mining in the area, which is increasing its footprint in the Shire.

Future growth is likely to be generated by increased Tourism and Mining activity. This forms part of a wider tourism focus in the Gascoyne region which includes two World Heritage listed Sites:

- Shark Bay (Monkey Mia/Denham)
- Ningaloo Reef (Coral Bay/Exmouth)

These outstanding ocean based tourism attractions are balanced and supported by land based attractions in the Shire of Upper Gascoyne; namely the Kennedy Range and Mount Augustus National Parks.

Rising up to 100 metres above the valley, the Kennedy Range plateau dominates the surrounding plains. Kennedy Range is a flora and fauna haven, 90 kilometres in length with stunning cliffs, springs and canyons. The Temple Gorge camp site at Kennedy Range National Park is 56 kilometres north of Gascoyne Junction.

Mt Augustus is more than twice the size of Uluru and is visible from as far away as 100km. It is 8km long, 3 km wide, 858 metres high and in total 1105 metres above sea level, while Uluru is 3.6km long 2.4km wide and 348.7 metres high. Uluru currently attracts between 300,000-400,000 tourists per year. With better developed facilities and marketing, Mt Augustus has the potential to attract many more tourists than it does currently.

DEPUTY PRESIDENTS MESSAGE



On behalf of Council, I am pleased to present the Shire of Upper Gascoyne's Annual Report for 2022 / 23 to the community.

In most normal circumstances this message would have been penned by the Shire President of the Council for the period of time that this Annual Report relates. Unfortunately the Shire President Don Hammarquist was gravely ill for the majority of this period and has subsequently passed away. Don was Shire President for six years and a member of Council for 33 years in total, his absence has been greatly missed by all concerned. I take great pleasure as the Deputy President on compiling this report on behalf of Don and hope I do the Shire and Don justice.

I can once again report that the Council have enjoyed an excellent relationship with our Staff and I am very pleased to advise that there is a common purpose between the Council and Staff which has created a purposeful and driven approach by all for the common good of the entire community.

The Shire continue to actively seek funding to progress a suite of shovel ready projects that the Council have identified that meet the objectives of our Strategic Community Plan. Funding can be fickle and quite often the window of opportunity between the announcement of a particular grant and the deadline for submissions is quite small and can be a matter of weeks; as such, in order to be ready the design, quality surveying and necessary approvals need to be obtained if necessary. This very approach enabled the Shire to secure an additional \$8.4 million for the continued sealing of the link between Carnarvon and Meekatharra.

From a statutory point of view our Audit was clean with no Management concerns, the Compliance Audit Report was completed without any areas of concern, and all other statutory reporting was undertaken in a timely manner with no concerns raised.

Thank you to John and staff for your dedication and commitment. It is not always visible to the community how much work staff do behind the scenes so I hope the community will join me in acknowledging this.

Thank you also to my fellow Councillors for your time, commitment and effort over the past 12 months. I aim to continue build and foster strong working relationships with you and strengthen the existing foundations to deliver an even more transparent and accountable council and Shire for our ratepayers.

I hope this Annual Report portrays the sheer amount of hard work our Council and Shire staff have exerted over the last 12 months in our tireless attempt to serve our community's best interests.

CR Jim Caunt
DEPUTY SHIRE PRESIDENT

CEO'S MESSAGE



The Shire continues to perform exceptionally well over the 2022/23 Financial Year despite stressed supply lines, high inflation and a difficult labour market.

The Shire and Community undertook a complete review of the Shires Community Strategic Plan which is valid for the next four years subject to a review in two years' time. This will be the first year that we report against this plan. Interestingly as part of the process we looked back at the previous plan and we were amazed at the amount of work we delivered against this plan. The new plan will again challenge all of us to deliver on the community expectations but I am confident that we will make significant in-roads.

From an organisational point of view our work-load is ever increasing due to increased expectations from the State Government and our own community. With this in mind, Council have endorsed a new Workforce Plan which will enable us to engage a further two full time employees.

I would like to thank all the Staff at the Shire for their work, professionalism and commitment. They are the real drivers of the Shire and a positive attitude does more for ensuring an efficiently run Shire than anything else. For a staff of 15 to run / work in a Shire that is approximately 60,000 square kilometres with 2,000 kilometres of road assets and to deliver to the standard that we do is truly remarkable.

I would also like to thank Council, as a group for their continued support and cooperation. In particular the Shire President and the Deputy President have once again proved to be invaluable assets to the Shire with both providing unfretted support, guidance and knowledge.

In closing, as this report is written after the conclusion of the financial year, generally in the month of October / November, it talks about the financial year gone even though we are well into a new financial year. Given this, I can report that our Shire President, Don Hammarquist, passed away on 20th of June 2023. Don is greatly missed by all Councillors and Staff, I particularly miss our friendship and Don's council – "rest easy my old mate".

A handwritten signature in black ink, appearing to read 'John McCleary'.

John McCleary, BBus, JP
CHIEF EXECUTIVE OFFICER

STATUTORY REPORTING

FREEDOM OF INFORMATION STATEMENT

The Shire of Upper Gascoyne will provide people with all necessary information held by the Council; however if we are unable to supply this information by less formal means, a Freedom of Information request can be made.

RECORD KEEPING PLAN

The Shire of Upper Gascoyne completed a revised Record Keeping Plan (RKP) which was submitted to the State Records Office of Western Australia in 2019. This document is due to be reviewed in 2024.

The objectives of the Shire of Upper Gascoyne RKP are to ensure:

- Compliance with Section 28 of the State Records Act 2000;
- Recordkeeping within the Local Government is moving towards compliance with State Records Commission Standards and Records Management Standard AS ISO 15489;
- Processes are in place to facilitate the complete and accurate record of business transactions and decisions;
- Recorded information can be retrieved quickly, accurately and cheaply when required; and the Protection and preservation of the Local Government's records.

The Shire have engaged a consultant to advise on the most appropriate electronic records management system in order to convert to a paperless business, where possible.

DISABILITY SERVICES PLAN

The Shire of Upper Gascoyne completed a revised Disability Access and Inclusion Plan which was submitted to the Government of Western Australia Disability Services Commission in August 2015.

The Shire of Upper Gascoyne is committed to achieving the seven desired outcomes of its Disability Access and Inclusion Plan:

- People with disability have the same opportunities as other people to access the services of, and any events organised by, the relevant public authority.
- People with disability have the same opportunities as other people to access the buildings and other facilities of the relevant public authority.
- People with disability receive information from the relevant public authority in a format that will enable them to access the information as readily as other people are able to access it.
- People with disability receive the same level and quality of service from the staff of the relevant public authority.
- People with disability have the same opportunities as other people to make complaints to the relevant public authority.

- People with disability have the same opportunities as other people to participate in any public consultation by the relevant public authority.
- People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.

Outcome 1:

- a) The Shire of Upper Gascoyne built a new community event space in 2022 – the Two Rivers Memorial Park. Concrete pathways and toilet facilities were included in the construction and development phase. An additional 129m of footpath was added to the town streetscape providing better access for those with mobility issues.
- b) At the opening once concert goer attended in a wheelchair and was able to use the grassed area to view the amphitheatre with ease. Access to the amphitheatre stage was flagged as an area for improvement and has been noted as a project to work on.

Outcome 2:

- a) No new buildings and facilities for the public authority have been developed since the last report. Current access facilities have been maintained.
- b) Consideration of access to buildings and facilities of a public authority is embedded into the planning process of any new project.

Outcome 3

- a) All information and communications produced by the Shire are available upon request in alternate formats including size of font, language, braille, oral etc.... The Shire's DAIP is available on the Shire website.
- b) No requests have been made in 2022/2023 for this service. It is noted that reminding the community of this could be done more often.

Outcome 4

- a) All Shire Staff adhere to the Code of Conduct which ensures that act with honesty and integrity and to display personal behaviour in requirements of the laws and terms of this code. The code of conduct also requires staff to adhere to policies including the DAIP.
- b) Staff act accordingly with no complaints made in the 2022/2023 year. It is noted that staff training to update skills and knowledge would be beneficial and considered in professional development opportunities.

Outcome 5

- a) The Shire of Upper Gascoyne maintains a complaint register of which there are no current recordings. Complaints are made in writing.
- b) Updating the complaints procedures for all is to be reviewed in 2023/2024 including on to the shire website. A clear communication of how to make a complaint with varying methods should be a priority.

Outcome 6

- a) All Shire residents were invited to participate in the Community Strategic Planning process in October 2022. Paper and online surveys, face to face interviews in public spaces and home visits were all undertaken to meet all

residents needs and to get a good level of input in to the needs and wants of the community.

- b) The report highlighted the methods utilised in reaching residents and the priorities identified.

<https://www.uppergascoyne.wa.gov.au/documents/10104/shire-of-upper-gascoyne-plan-for-the-future-2022-2032>

Outcome 7

- a) The Shire has an equal employment opportunity guidelines. The shire has until 2021 had one person with disability staff member. This staff member retired in 2021 and has since passed away. All applicants are assessed on their merit to perform the role they have applied for. Pre employment medical checks are undertaken by all staff members before commencing roles. The shire adheres to the Workforce Diversification and Inclusion Strategy for WA Public Sector Employment 2020-2025.
- b) What strategies or actions has your Public Authority implemented to retain the people with disability you employ? The shire adheres to the Workforce Diversification and Inclusion Strategy for WA Public Sector Employment 2020-2025.
- c) Outcome achieved and any supporting evidence (including photographs and feedback from people with disability and / or the community) N/A in 2022/2023

INFORMATION ABOUT CERTAIN EMPLOYEES

In accordance with the Local Government (Administration) Regulations 19B, set out below is the number of employees of the Shire of Upper Gascoyne entitled to an annual salary of \$100,000 or more.

Salary Range	Number of Employees
\$100,000 - \$110,000	1
\$110,000 - \$120,000	1
\$120,000 - \$130,000	2
\$130,000 - \$140,000	0
\$140,000 - \$150,000	0
\$150,000 - \$160,000	1
\$160,000 - \$170,000	1
\$170,000 - \$180,000	0
\$180,000 - \$190,000	0
\$190,000 - \$200,000	1*

*Note: This figure relates to the cash component of the CEO's Salary.

PUBLIC INTEREST DISCLOSURE ACT

During 2022/23 reporting period the Council received no disclosure or complaints lodged under the Public Interest Disclosure Act 2013.

NATIONAL COMPETITION POLICY

In 1995 the Council of Australian Governments entered into a number of agreements, collectively known as the National Competition Policy. Local Government is affected mainly where it operates significant business activities which compete, or could compete, with private business sector business.

Local Government will also be affected where local laws unnecessarily affect competition.

The Shire is required to comply with certain policies contained with the National Competition Policy Statement, and report on the progress in connection with the National Competitive Neutrality Principles and review of Local Laws.

During the financial year the Shire met its obligations under the National Competition Policy. The Shire continues to monitor Council policies and local laws for anti-competitive practices.

The Shire does not operate significant business activities which compete or could compete with private business sector business.

COMPETITIVE NEUTRALITY

Local Governments are required to apply the principle of competitive neutrality to all business activities generating user-pays income in excess of \$200,000.

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 to determine if competitive neutrality is in the public interest.

The Shire does not have business activities which generate user-pays income in excess of \$200,000.

DELEGATION AUTHORITY REGISTER

In accordance with the Local Government Act 1995, Section 5.46 the Chief Executive Officer is to keep a register of delegations. This register is to be reviewed every financial year. The Shire's Delegated Authority Register was reviewed and adopted by Council on 21st of September 2022, and is available on the Shire's website.

<https://www.uppergascoyne.wa.gov.au/documents/10099/register-of-delegations-2022>

COMPLAINTS REGISTER

There were no formal complaints received during the 2022/2023 financial year.

LOCAL LAWS

The Local Government Act 1995 requires all existing Local Laws to be reviewed every eight years. As part of this process the intention to review Local Laws is advertised in the media giving residents and ratepayers the opportunity to comment on any proposed changes, additions or deletions to the Shire's Local Laws. There were no local laws reviewed during 2022/2023.

EXTERNAL AUDITS

The annual audit was undertaken by the Office of the Auditor General and signed off by the Senior Director Financial Audit, Jordan Langford-Smith on 8 November 2023.

GIFT DISCLOSURES

Changes to the Local Government Act 1995 in October 2019 required Elected Members to disclose any gifts over \$300 in writing to the Chief Executive Officer within 10 days of receipt, which are received in their official capacity, including contribution to travel. The changes also required such disclosures to be made to the Chief Executive Officer in writing to the President. The Chief Executive Officer maintains a register of these gifts which are available on the Shire's website <https://www.uppergascoyne.wa.gov.au/registers>. The register is also available at the Shire's Administration building for public inspection.

A further change required Elected Members to make a disclosure of any gifts received from a person who is requiring a decision of the Council or Committee. The disclosure must be in writing to the Chief Executive Officer before the meeting, or at the meeting before the matter is discussed. The changes also required such disclosures to be made by the Chief Executive Officer in writing to the Council.

COMPLIANCE AUDIT RETURN

The Local Government (Audit) Regulations 1996 requires local governments to carry out an annual compliance audit for the period 1 January to 31 December. The Return includes a range of compliance categories to be met by local governments.

The categories are:

- Commercial Enterprises by Local Governments
- Delegation of Power/Duty
- Disclosure of Interest
- Disposal of Property
- Elections
- Finance
- Integrated Planning and Reporting
- Local Government Employees
- Official Conduct
- Optional Questions (relating to CEO reviews of financial management systems and procedures, and risk management, internal control and legislative compliance, and reporting of related party information).
- Tenders for providing Goods and Services

The Shire identified zero non-compliance issues for the year 2022.

The 2022 Compliance Audit Return was adopted by Council on 22nd of March 2023 with a certified copy of the Return, along with the relevant section of the Council resolution, submitted to the Department of Local Government, Sport and Cultural Industries.

COMMUNITY CONSULTATION

The Shire has a range of consultation methods to inform decision-making on major projects, issues and policies to obtain feedback from the community, stakeholders and interested persons. This includes:

- Direct consultation via surveys, hardcopy and online, and in person;
- Information available on the Shire's website;
- Gassy Gossip;
- Social media posts and advertising; and
- Public notices.

PUBLIC NOTICES

A range of statutory public notices were published on the Shire's website, public notice board, social media and in local newspapers during 2022/2023 such as notice of Council meetings, policy issues and planning matters.

REGISTER OF POLICIES

In accordance with the Local Government Act 1995, Section 2.7(2) Council is to determine the Shire's policies. Individual policies have been reviewed and adopted during the 2022/2023 financial year. This document is available on the Shire's website

<https://www.uppergascoyne.wa.gov.au/council/public-documents/policy-manual.aspx>

CODE OF CONDUCT

Local governments are required to adopt a code of conduct for their Elected Members, committee members and employees. The Code of Conducts sets out the standards of behaviour which must be observed when performing their duties and is intended to promote accountable and ethical decision-making. This enables professional relationships to be established and maintained in the interests of providing good governance, overall integrity and good government for the community.

A copy of the Code of Conducts are available on the Shire's website

<https://www.uppergascoyne.wa.gov.au/council/public-documents/policy-manual.aspx>

Reporting to the Strategic Community Plan



Integrated Planning was introduced in the Shire of upper Gascoyne in 2012/13, and comprises:

- Strategic Community Plan
- Corporate Business Plan
- Asset Management Plan
- Long Term Financial Plan, and
- Workforce Plan

In 2022 the complete suite of Integrated Plans was subjected to a complete review with a full round of public consultation in order to glean our communities views. As such, there is now a new 2022-2032 Strategic Community Plan, Corporate Business Plan, Asset Management Plan, Long Term Financial Plan, Workforce Plan and Housing Plan.

The Council is pleased to report the progress in achieving the following:

SOCIAL

Objective

Services and facilities supporting our community lifestyle and population growth

Outcome 1.1 Retain our senses of community and Gascoyne Lifestyle

Strategy 1.1.1 Foster our community spirit and promote our local attractions

1.1.1.1 Encourage/support/facilitate social and community events

- Movie Night
- Stargazing in the Junction
- CRC 10th Birthday Celebration
- Children's Week Fun Run
- Two Rivers Memorial Park Opening
- Children's Halloween Movie Night
- Christmas Movie
- Upper Gascoyne Community Christmas Party
- Easter Crafternoon
- Under Gascoyne Skies Festival: Solar Eclipse Viewing Party, Bush Dance, Stargazing, Movie Night
- ANZAC Day Service
- Stargazing and Supper Under the Stars
- Upper Gascoyne Biggest Morning Tea

1.1.1.2 Promote increased volunteering development

- Town Teams – exploratory meetings to create a volunteer community group. Insufficient numbers at this stage to proceed.
- Clubs within the district are phenomenal in attracting and maintaining volunteers; the Gascoyne Race Club, East Gascoyne Race Club, Gassy Dash, Kennedy Range Campdraft, Gascoyne Junction Craft Group and Pink Stumps. It never ceases to amaze the amount of volunteers that are attracted from outside the Shire, from places like Geraldton, Shark Bay, Carnarvon, Meekatharra, Cue, Perth and elsewhere.

Strategy 1.1.2 Support community in sporting, recreational and volunteering activities

1.1.2.1 Encourage and support local sporting, recreational and volunteering initiatives

- Provide community donations for local sporting and recreational events: Landor Races and Gymkhana, Junction Races and Gymkhana, Gascoyne Junction Craft Group, Upper Gascoyne LCDG, Gascoyne Dash, Winning Gymkhana, Carnarvon Horseman's Club, Southern Pastoral Alliance, Kennedy Ranges Campdraft, Gascoyne Junction Remote Community School, Gascoyne Food Council, Carnarvon School of the Air.

1.1.2.2. Support club development and growth

- Work with Department of Local Government, Sport and Cultural Industries and share opportunities for potential funding and professional development with the existing club network in the Upper Gascoyne.

Strategy 1.2.1 Support and advocate for community health and wellbeing initiatives and provision of services to the community

- From community feedback in the CRC Community Survey two First Aid Courses were conducted in Gascoyne Junction with 27 participants.
- Reinstated monthly GP Clinic for Gascoyne Junction with clinics held in October, November, December, January, March, April, May and June through working with the WACHS District Advisory Committee.

Strategy 1.2.2 Ensure there is appropriate infrastructure, facilities and services to meet the current and future need of our community

1.2.1.2 Seek funding for health and wellbeing activities

- 2022 Mental Health Week Grant to revitalise Gascoyne Junction Gym and created a Community Fun Run event
- Horizons Community Grant to purchase new gym equipment for Gascoyne Junction Gym
- SOCKS Week Grant to advocate for keeping safe on our roads and community fun run.

1.2.1.3 Support community and health initiatives

- Publish health awareness campaigns in Gassy Gossip and on social media

ECONOMIC

Objective

A growing local economy, encouraging commercial diversity.

Outcome 2.1: An appropriate transport network supporting local industry

Strategy 2.1.1 Provide appropriate transport network infrastructure, supporting our community, local pastoral and mining industries and tourism.

- Throughout the year the Shire had its two maintenance graders grading the entire road network according to the Shires priority schedule.
- Carried our works associated with upgrading sections of our 2040 Roads of Regional Significance via the Regional Road Group and Roads to Recovery Funding Arrangements.
- Put down a further 12 kilometres of seal on the Carnarvon / Mullewa Road

Strategy 2.1.1 Improve essential infrastructure and services to promote and support growth.

- Continued to advocate the Federal Government and Telstra for improved mobile telephone service given the Shire still uses 3G Technology. Despite assurances no improvements have been made. The private sector through Star Link has been a game changer with fast reliable internet services now available.
- Advocated for return of GP Clinic with WACHS. Monthly GP Clinics resumed in October 2022. COVID and Flu Vaccination clinics were also carried out in Gascoyne Junction along with a Women's Health Clinic.

Strategy 2.2.2 Pursue water security development opportunities

- Installed an 800 metre bore to tap into the ground water in order to reduce our reliability on the Gascoyne River aquifer. This was challenging, but we did manage to find sufficient quantities of water, however; the quality is not great and requires further treatment to make it usable. The Shire are carrying out investigation in the 23/24 period to determine the capital and operational cost of installing a Reverse Osmosis plant to get the water to a usable standard.

Strategy 2.2.3 Develop industrial, residential and commercial land development and seek investment opportunities.

- The Shire have worked with the Department of Lands and Development WA and have identified UCL Lots that can be developed / sub-divided into both Residential

and Commercial lots. The Shire have purchased freehold the proposed Commercial Land situated adjacent to Pimbee Road and are now working with Development WA to sub-divide the Lot into 8 commercial lots with power, water and access road.

Despite identifying four vacant UCL Lots adjacent to Hatch Street and getting approval from the Department of Land to purchase the Land we are have not yet been able to enter into an ILUA with the Yinggarda PBC, as such this development is being held up.

- In this reporting period we have lost one residential home due to a severe storm. A further two homes suffered damage but they have since been repaired and upgraded. There are plans in place for at least two new residential properties to be constructed in 2023/24.
- The Shire has constructed one new 4 x 2 with a further 3 x 2 to be constructed in 2023 /24. The Shire completely renovated the premises on Lot 39 Gregory Street and continued to carry out maintenance and upgrade works on other Shire properties.
- The Shire are continuing to investigate opportunities to secure worker housing. Unfortunately this is contingent on being able to access land which is currently subject to an ILUA with the Yinggarda Aboriginal Corporation.

Outcome 2.3: Diverse economic development in the region

Strategy 2.3.1 Increased awareness of the district and regional attractions

2.3.1.1 Continue to promote our district, using a variety of mediums and collaborations

- Finalists in the Local Government National Awards
- Finalist Tourism WA Top Tiny Towns Award
- 2022 State Winner Keep Australia Beautiful Tidy Town Sustainable Community
- 2023 National Winner Keep Australia Beautiful Tidy Town Sustainable Community
- 14000 copies of Wander Outback brochure printed and distributed across Visitor Information Centres in Western Australia
- Stand at the Perth 4WD and Adventure Show
- Stand at the Perth Caravan and Camping Show
- 30 Second TV Commercial to air Feb to April 2023 in Southern WA
- Four 2.5 minute stories aired on Caravan and Camping WA on Channel 7
- Digital Marketing Campaign online with a focus on the Wander Outback campaign
- Published articles in The West Australian, the Seniors Newspaper and Western 4WD Magazine

2.3.1.2 Support tourism development opportunities pursued by the local community where appropriate

- 1:1 business development mentoring
- Quarterly Visit Upper Gascoyne meetings

Strategy 2.3.2 Promote opportunities for economic development in the region

2.3.2.1 Work with industry bodies, government and stakeholders to promote development of current and new local industries

- Work with Tourism WA, Australia's Golden Outback, Regional Development Midwest, Gascoyne Development Commission to grow tourism and agritourism opportunities.

Strategy 2.3.3 Encourage diversity and growth of local business, industry and investment

- Worked with three local businesses who commenced operations within the Upper Gascoyne: two operators and one accommodation.

ENVIRONMENT

Objective

Well maintained infrastructure and preserved natural environs for the benefit and enjoyment of present and future generations.

Outcome 3.1: Sustainable and effective environmental management

Strategy 3.1.1 Protect natural capital, associated infrastructure and support appropriate access

- The Shire in partnership with the Department of Biosecurity and Attractions have increased accessibility to the Kennedy Ranges and Mount Augustus with improved marketing and signage.
- The Shire are rehabilitating gravel pits once they have been extinguished. We are minimising the amount of turn-arounds when undertaking road works to reduce the environmental damage.

Strategy 3.1.2 Support biosecurity within the District

- The Shire make a \$50,000 financial contribution to the Carnarvon Rangelands Biosecurity Association. The Shire operates a large refrigerated sea container for the purposes of storing baits for wild dog control.

Strategy 3.2.1 Continue planning and development of existing and new infrastructure

- The Shire Councillors and Staff annually review a proposed projects list that is identified according to the SCP and these projects are scoped and costed as shovel ready projects that can be activated if external funding becomes available.
- The Shire continually seek funding for new and upgrade of infrastructure. We have been successful in getting \$8.5M for the Carnarvon / Mullewa Road Upgrade Project and \$1.8M for the Dalgety Brook Floodway.

Strategy 3.2.2 Maintenance and upgrade of infrastructure

- Road Maintenance continues to be a main focus for the Shire with approximately \$1M expended. The Shire has two dedicated graders that constantly circulate our road network.

Strategy 3.2.3 Seek statutory and legislative awareness.

- Involved with Aboriginal Heritage Cultural Act and Regulations of which the Shire was a contributing party.
- Provided feedback and implanted change in respect of the Local Government Act such as Elections now based on a preferential system.

CIVIC LEADERSHIP

Outcome 4.1 Strategically focused Council, demonstrating leadership and governance

Strategy 4.1.1 Effectively represent and promote the Shire

- The Shire through their elected representatives are fully engaged with the Gascoyne WALGA Zone and the Gascoyne Regional Road Group. The Shire have a representative on the WACHS District Advisory Committee, WACHS S19(2) Advisory Committee and the AGO Board.

Strategy 4.1.2 Lobby and advocate for the community and district

- The Shire have lobbied various Ministers and Department Heads on a variety of issues. This has seen the re-introduction of a GP Clinic and other associated services.

Strategy 4.1.3 Provide strategic leadership

- The Shire have recently adopted a new Community Strategic Plan along with a suite of supporting Strategic plans. Budgets are formulated against the back drop of the

SCP. The Shire continue to provide communication via various mediums, these include: Gassy Gossip, Facebook, Web Page, direct mail out and Notice Board.

- The Shire report against the SCP via the annual report and undertake a desk top review every two years along with a four yearly community review.

Outcome 4.2 An efficient and effective organisation

Strategy 4.2.1 Provide professional and efficient services to the community

- The Shire through its Workforce plan regularly monitor the service requirements against the resourcing levels. The Shire have identified that there is necessity to engage a further two staff members in order to maintain our already efficient organisation.

Strategy 4.2.2 Maintain accountability and financial responsibility through effective planning

- The Shire constantly review expenditure against budget on line by line basis. When setting budgets a thorough investigation of the available opportunities are undertaken with the best value for money option included in budget estimates. The Shire operates with a Plant Replacement Schedule which identifies equipment that requires replacement.

Strategy 4.2.3 Comply with statutory and legislative requirements

- The Shire complies with all of its statutory and legislative requirements. This is overseen by the CEO where various internal and external audits are undertaken and these are reported back to the relevant authorities. These include the Compliance Audit Return, Financial Management Review, Regulation 17 review, Mid-Year and Annual Audit carried out by the Auditor General. The Shire has a robust internal review mechanism where multiple individual are required to sign off rather than just one individual.
- The Shire continues to provide Building, Town Planning and Environmental Health Services to our community via consultants. In a time of emergency our CEO can perform the functions as an Environmental Health Officer.

Strategy 4.2.4 Foster a positive, resilient, safe and progressive workplace

- OH&S continues to be an area where the Shire needs to improve. In general terms we operate in a safe manner however our weakness is in the documentation of the processes. This has been identified and a new staff member will be charged with overseeing the documentation of our OH&S.
- The Shire have a relatively significant training budget for internal and external employees. Training is identified through our yearly staff performance reviews and

then staff are encouraged to attend training. The Shire are exploring options to work with our neighbouring Shires in sharing resources to deliver various training modules.

HIGHLIGHTS IN BRIEF

2022/2023

The 2022/23 period:

- Clean 22/23 Audit.
- Oversaw the completion of a new Staff Residence.
- Constructed 12km of bitumen on the Carnarvon / Mullewa Road
- Constructed 5km of bitumen on the Landor Meekatharra Road
- Commenced an ILUA between the Shire and the Yinggarda PBC for land to be used for residential purposes.
- Road Use Agreement between the Shire and Hastings.
- R2R and LRCI Grants Audited and acquitted.
- Continued to support the development of our tourism / community focus.
- Commenced construction of the Dalgety Brook Floodway
- Oversaw the reallocation of LRCI funds towards the drilling a deep bore (700m) looking for usable environmental water to alleviate the current issues with taking water for the river.
- Continued on the delivery of DRFAWA Projects – AGRN –951; 974 and 1021 to a value exceeding \$30M.
- Successful Community Christmas Event
- Secured an extra \$300K for Indigenous Access Funding.
- Secured an additional \$2.5M for bitumen works on the Carnarvon / Mullewa Road.
- Attendance at various emergency events – Fire, Flood Damage.
- 22/23 Budget Review.
- 22/23 Budget Preparation.
- Delivered complimentary services associated with COVID 19 – vaccinations & RAT Tests.
- Introduced new Community Strategic Plan
- Various meetings with State Government Ministers.
- Community Functions provided by the Shire for the 2022/2023 period:
 - Pictures in the Park held several times throughout the year at the GJ Pavilion and Junction Pub and Tourist Park
 - Gourmet Gazing

- 2022 Horizon Power Community Christmas Party, a free community dinner is provided to all residents along with live entertainment, a visit from Santa and activities for the children.
- ANZAC Day Ceremony 25th April 2022.
- Australia's Biggest Morning Tea, raising money for the Cancer Council WA.
- Other Community Functions supported by the Shire
 - Pink Stumps, hosted by the Gascoyne Junction Remote Community School (GJRCS)
 - School Presentations Evenings hosted by the (GJRCS) and the Carnarvon School of the Air
 - Multicultural Day hosted by the (GJRCS)
 - Book Week
 - Gascoyne Junction hosted The Carnarvon Horseman's Club Gascoyne Junction Gymkhana
 - Gassy Dash
 - Landor Gymkhana
 - Landor Races
 - JRC Races
 - JRC Gymkhana
 - Kennedy Ranges Campdraft
 - Australia's Biggest BBQ at Australia's Biggest Rock
 - Melbourne Cup Luncheon hosted by the Junction Pub and Tourist Park
 - Monthly Craft Group hosted by Junction Craft Group

PROPOSED PROJECTS / ACQUISITIONS 2023/24

The Council officially adopted the 2023/24 Budget at Ordinary Meeting of Council held on the 24th of August 2022. Some of the major highlights for the year include:

- Reg 17 and Financial Management Review
- Town Planning Strategy Review
- Town Water Bore Reverse Osmosis Plant
- New Fire Shed
- CEO Office renovation
- New 3x2 Staff House
- Internal refurbishment at Lot 39 Gregory Street
- Retaining walls and flooring for Lot 19 Gregory Street
- New Shed & Paton at Lot 40 Gregory Street

- New Patio at Lot 21 Gregory Street
- New Shed at Lot 50 Hatch Street
- New Shed at Lot 17/18 Gregory Street
- 3 x New Light Vehicles
- New 966 Loader
- New Fork Lift
- New Works caravan
- CRC Up-Grades
- Residential Land Development project
- Finalisation of Visitors Stop Project
- Completion of the Dalgety Floodway Project
- Regional Road Group Carnarvon/Mullewa Road project
- Roads to Recovery Landor/Meekatharra Road project
- Road Maintenance
- EV Charging Station
- Street Art – Two Rivers Memorial Park
- Water Hole Access
- Continued development of the Commercial Land Sub-Division
- Seal 13 Kilometres of Landor Meekatharra Road





Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Upper Gascoyne

To the Council of the Shire of Upper Gascoyne

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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

Jordan Langford-Smith
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
8 November 2023

SHIRE OF UPPER GASCOYNE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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

The Shire of Upper Gascoyne will be a sustainable service base supporting the pastoral, tourism sector, mining industries and the local community

Principal place of business:
4 Scott Street
Gascoyne Junction, WA 6705

**SHIRE OF UPPER GASCOYNE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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

STATEMENT BY CEO

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

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

Signed on the 26th day of October 2023



Chief Executive Officer

John McCleary

Name of Chief Executive Officer

William Buck Audit (WA) Pty Ltd





**SHIRE OF UPPER GASCOYNE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),24	1,443,374	1,254,149	589,190
Grants, subsidies and contributions	2(a)	13,355,316	14,018,431	19,407,718
Fees and charges	2(a)	47,862	33,582	31,198
Interest revenue	2(a)	99,249	11,000	9,246
Other revenue	2(a)	589,148	176,062	452,448
		15,534,949	15,493,224	20,489,800
Expenses				
Employee costs	2(b)	(1,463,575)	(1,419,413)	(1,416,268)
Materials and contracts		(8,751,313)	(14,607,162)	(14,669,262)
Utility charges		(198,640)	(168,485)	(160,636)
Depreciation		(3,519,492)	(3,233,745)	(3,241,695)
Finance costs	2(b)	(290,975)	(185,672)	(205,918)
Insurance		(244,962)	(280,527)	(245,069)
Other expenditure	2(b)	(98,258)	(82,800)	(54,499)
		(14,567,215)	(19,977,804)	(19,993,347)
		967,734	(4,484,580)	496,453
Capital grants, subsidies and contributions	2(a)	4,757,152	4,214,640	8,598,678
Profit on asset disposals		68,848	1,154	33,000
Loss on asset disposals		-	(22,591)	-
Fair value adjustments to financial assets at fair value through profit or loss	4(a)	1,843	-	3,292
Loss on revaluation of land and buildings	8(a)	-	-	(165,244)
Loss on revaluation of Other infrastructure	9(a)	(758,561)	-	-
		4,069,282	4,193,203	8,469,726
Net result for the period		5,037,016	(291,377)	8,966,179
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	(482,509)	-	(405,287)
Total other comprehensive income for the period	17	(482,509)	-	(405,287)
Total comprehensive income for the period		4,554,507	(291,377)	8,560,892

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

William Buck Audit (WA) Pty Ltd



**SHIRE OF UPPER GASCOYNE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	8,978,408	9,653,321
Trade and other receivables	5	392,269	476,243
Inventories	6	218,795	135,451
Other assets	7	1,163,898	1,715,110
TOTAL CURRENT ASSETS		10,753,370	11,980,125
NON-CURRENT ASSETS			
Other financial assets	4(a)	40,745	38,902
Property, plant and equipment	8	11,757,887	10,764,482
Infrastructure	9	89,087,520	87,407,224
Right-of-use assets	11(a)	9,972	16,621
TOTAL NON-CURRENT ASSETS		100,896,124	98,227,229
TOTAL ASSETS		111,649,494	110,207,354
CURRENT LIABILITIES			
Trade and other payables	12	484,704	2,125,206
Other liabilities	14	1,548,607	1,820,117
Lease liabilities	11(b)	6,685	6,693
Short term borrowings	13	1,847,661	2,814,946
Borrowings	15	130,829	126,842
Employee related provisions	16	262,689	299,805
TOTAL CURRENT LIABILITIES		4,281,175	7,193,609
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	3,369	9,973
Borrowings	15	727,597	858,426
Employee related provisions	16	7,884	70,384
TOTAL NON-CURRENT LIABILITIES		738,850	938,783
TOTAL LIABILITIES		5,020,025	8,132,392
NET ASSETS		106,629,469	102,074,962
EQUITY			
Retained surplus		53,464,704	48,013,008
Reserve accounts	27	2,021,805	2,436,485
Revaluation surplus	17	51,142,960	51,625,469
TOTAL EQUITY		106,629,469	102,074,962

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

William Buck Audit (WA) Pty Ltd



**SHIRE OF UPPER GASCOYNE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		39,446,185	2,037,129	52,030,756	93,514,070
Comprehensive income for the period					
Net result for the period		8,966,179	-	-	8,966,179
Other comprehensive income for the period	17	-	-	(405,287)	(405,287)
Total comprehensive income for the period		8,966,179	-	(405,287)	8,560,892
Transfers from reserve accounts	27	384,770	(384,770)	-	-
Transfers to reserve accounts	27	(784,126)	784,126	-	-
Balance as at 30 June 2022		48,013,008	2,436,485	51,625,469	102,074,962
Comprehensive income for the period					
Net result for the period		5,037,016	-	-	5,037,016
Other comprehensive income for the period	17	-	-	(482,509)	(482,509)
Total comprehensive income for the period		5,037,016	-	(482,509)	4,554,507
Transfers from reserve accounts	27	873,909	(873,909)	-	-
Transfers to reserve accounts	27	(459,229)	459,229	-	-
Balance as at 30 June 2023		53,464,704	2,021,805	51,142,960	106,629,469

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

William Buck Audit (WA) Pty Ltd

30/06/23



**SHIRE OF UPPER GASCOYNE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		1,340,317	603,372
Grants, subsidies and contributions		13,562,192	20,572,561
Fees and charges		42,386	34,637
Interest revenue		99,249	9,246
Goods and services tax received		66	51,319
Other revenue		589,148	452,448
		15,633,358	21,723,583
Payments			
Employee costs		(1,560,838)	(1,353,271)
Materials and contracts		(9,926,300)	(15,112,903)
Utility charges		(198,640)	(160,636)
Finance costs		(290,975)	(205,918)
Insurance paid		(244,962)	(245,069)
Other expenditure		(112,693)	(46,915)
		(12,334,408)	(17,124,712)
Net cash provided by operating activities	18(b)	3,298,950	4,598,871
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(1,566,649)	(816,954)
Payments for construction of infrastructure	9(a)	(6,045,710)	(7,870,776)
Capital grants, subsidies and contributions		4,485,642	7,629,898
Proceeds from sale of property, plant & equipment		253,593	48,000
Net cash (used in) investing activities		(2,873,124)	(1,009,832)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	26(a)	(126,842)	(133,364)
Payments for principal portion of lease liabilities	26(d)	(6,612)	(3,279)
Net cash (used In) financing activities		(133,454)	(136,643)
Net increase in cash held		292,372	3,452,396
Cash at beginning of year (net)		6,838,375	3,385,979
Cash and cash equivalents at the end of the year (net)	18(a)	7,130,747	6,838,375

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

William Buck Audit (WA) Pty Ltd



**SHIRE OF UPPER GASCOYNE
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
Rates	24	1,443,374	1,254,149	589,190
Grants, subsidies and contributions		13,355,316	14,018,431	19,407,718
Fees and charges		47,862	33,582	31,198
Interest revenue		99,249	11,000	9,246
Other revenue		589,148	176,062	452,448
Profit on asset disposals		68,848	1,154	33,000
Fair value adjustments to financial assets at fair value through profit	4(a)	1,843	-	3,292
		<u>15,605,640</u>	<u>15,494,378</u>	<u>20,526,092</u>
Expenditure from operating activities				
Employee costs		(1,463,575)	(1,419,413)	(1,416,268)
Materials and contracts		(8,751,313)	(14,607,162)	(14,669,262)
Utility charges		(198,640)	(168,485)	(160,636)
Depreciation		(3,519,492)	(3,233,745)	(3,241,695)
Finance costs		(290,975)	(185,672)	(205,918)
Insurance		(244,962)	(280,527)	(245,069)
Other expenditure		(98,258)	(82,800)	(54,499)
Loss on asset disposals		-	(22,591)	-
Loss on revaluation of non-current assets		(758,561)	-	(165,244)
		<u>(15,325,776)</u>	<u>(20,000,395)</u>	<u>(20,158,591)</u>
Non-cash amounts excluded from operating activities	25(a)	4,144,862	3,348,384	3,377,986
Amount attributable to operating activities		<u>4,424,726</u>	<u>(1,157,633)</u>	<u>3,745,487</u>
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		4,757,152	4,214,640	8,598,678
Proceeds from disposal of assets		253,593	200,000	48,000
		<u>5,010,745</u>	<u>4,414,640</u>	<u>8,646,678</u>
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(1,566,649)	(1,575,530)	(816,954)
Purchase and construction of infrastructure	9(a)	(6,045,710)	(4,907,855)	(7,870,776)
		<u>(7,612,359)</u>	<u>(6,483,385)</u>	<u>(8,687,730)</u>
Amount attributable to investing activities		<u>(2,601,614)</u>	<u>(2,068,745)</u>	<u>(41,052)</u>
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	27	873,909	967,728	384,770
		<u>873,909</u>	<u>967,728</u>	<u>384,770</u>
Outflows from financing activities				
Repayment of borrowings	26(a)	(126,842)	(126,841)	(133,364)
Payments for principal portion of lease liabilities	26(d)	(6,612)	(6,791)	(3,279)
Transfers to reserve accounts	27	(459,229)	(396,904)	(784,126)
		<u>(592,683)</u>	<u>(530,536)</u>	<u>(920,769)</u>
Amount attributable to financing activities		<u>281,226</u>	<u>437,192</u>	<u>(535,999)</u>
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	25(b)	2,591,240	2,789,186	(577,196)
Amount attributable to operating activities		4,424,726	(1,157,633)	3,745,487
Amount attributable to investing activities		(2,601,614)	(2,068,745)	(41,052)
Amount attributable to financing activities		281,226	437,192	(535,999)
Surplus or deficit after imposition of general rates	25(b)	<u>4,695,578</u>	<u>-</u>	<u>2,591,240</u>

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

William Buck Audit (WA) Pty Ltd



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

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 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.
- estimation uncertainties made in relation to lease accounting

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified. Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/ Warranties	Timing of revenue recognition
Rates	General rates.	Over time.	Payment dates adopted by Council during the year.	None.	When rates notice is issued.
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services.	Over time.	Fixed terms transfer of funds based on agreed milestones and reporting.	Contract obligation if project not complete.	Output method based on project milestones and/or completion date matched to performance obligations as inputs
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government.	Over time.	Fixed terms transfer of funds based on agreed milestones and reporting.	Contract obligation if project not complete.	Output method based on project milestones and/or completion date matched to performance obligations as inputs
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment.	No obligations.	Not applicable.	Not applicable.	When assets are controlled.
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time.	Full payment prior to issue.	None.	On payment and issue of the licence, registration or approval.
Other inspections	Regulatory Food, Health and Safety.	Single point in time.	Full payment prior to inspection.	None.	Revenue recognised after inspection event occurs.
Waste management collection	Kerbside collection service.	Over time.	Payment on an annual basis in advance.	None.	Output method based on regular weekly and fortnightly period as proportionate to
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites.	Single point in time.	Payment in advance at gate or on normal trading terms if credit provided.	None.	On entry to facility.
Property hire and entry	Use of halls and facilities.	Single point in time.	In full in advance.	Refund if event cancelled within 7 days.	On entry or at conclusion of hire.
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works.	Single point in time.	Payment in full in advance.	None.	Output method based on provision of service or completion of works.

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/ contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	1,443,374	-	1,443,374
Grants, subsidies and contributions	13,355,316	-	-	-	13,355,316
Fees and charges	47,862	-	-	-	47,862
Interest revenue	-	-	11,010	88,239	99,249
Other revenue	589,148	-	-	-	589,148
Capital grants, subsidies and contributions	-	4,757,152	-	-	4,757,152
Total	13,992,326	4,757,152	1,454,384	88,239	20,292,101

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/ contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	589,190	-	589,190
Grants, subsidies and contributions	19,407,718	-	-	-	19,407,718
Fees and charges	31,198	-	-	-	31,198
Interest revenue	-	-	3,881	5,365	9,246
Other revenue	452,448	-	-	-	452,448
Capital grants, subsidies and contributions	-	8,598,678	-	-	8,598,678
Total	19,891,364	8,598,678	593,071	5,365	29,088,478

	2023 Actual	2022 Actual
	\$	\$
Assets and services acquired below fair value		
Contributed assets	-	-
Recognised volunteer services	-	-
Interest revenue		
Interest on reserve account funds	3,564	78
Rates instalment and penalty interest	11,010	3,881
Other interest revenue	84,675	5,287
	99,249	9,246
The 2023 original budget estimate in relation to: Rates penalty interest was \$3,000.		
Fees and charges relating to rates receivable		
Charges on instalment plan	261	63
The 2023 original budget estimate in relation to: Charges on instalment plan was \$1,000.		
(b) Expenses		
Auditors remuneration		
- Audit of the Annual Financial Report	39,500	37,700
- Other services – grant acquittals	6,900	3,000
	46,400	40,700
Employee Costs		
Employee benefit costs	1,675,203	1,669,354
Other employee costs	(211,628)	(253,086)
	1,463,575	1,416,268
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	290,975	205,918
	290,975	205,918
Other expenditure		
Impairment losses / (writeback) on rates and statutory receivables	8,959	(4,145)
Impairment losses on trade receivables	(14,435)	7,584
Sundry expenses	103,734	51,060
	98,258	54,499

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

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	2023	2022
	\$	\$
	6,956,515	7,216,747
	2,021,893	2,436,574
18(a)	8,978,408	9,653,321
	5,357,354	5,346,077
18(a)	3,621,054	4,307,244
	8,978,408	9,653,321

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 reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

4. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance

Movement attributable to fair value increment

Financial assets at fair value through profit and loss - Units in

Local Government House Trust

Units in Local Government House Trust - closing balance

2023	2022
\$	\$
40,745	38,902
40,745	38,902
38,902	35,610
1,843	3,292
40,745	38,902

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

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 23 (i)) due to the observable market rates).

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

Financial assets at fair value through profit or loss

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

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

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

5. TRADE AND OTHER RECEIVABLES

	Note	2023 \$	2022 \$
Current			
Rates and statutory receivables		154,980	51,923
Trade receivables		329,607	521,054
GST receivable		-	66
Receivables for employee related provisions	16	22,088	23,082
Allowance for credit losses of rates and statutory receivables		(17,373)	(8,414)
Allowance for credit losses of trade receivables		(97,033)	(111,468)
		392,269	476,243
Rates outstanding			
Past due and not impaired		137,607	43,509
Impaired		17,373	8,414
		154,980	51,923
Sundry debtors			
Past due and not impaired		232,574	409,586
Impaired		97,033	111,468
		329,607	521,054

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

	Note	30 June 2023 Actual \$	30 June 2022 Actual \$	1 July 2021 Actual \$
Trade and other receivables from contracts with customers		329,607	521,054	777,052
Contract assets	7	1,163,898	1,715,110	2,631,539
Allowance for credit losses of trade receivables		(97,033)	(111,468)	(103,884)
Total trade and other receivables from contracts with customers		1,396,472	2,124,696	3,304,707

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

Note	2023	2022
	\$	\$
Current		
Fuel and materials	214,745	132,951
Land held for resale		
Cost of acquisition	2,500	2,500
Development costs	1,550	-
	218,795	135,451
The following movements in inventories occurred during the year:		
Balance at beginning of year	135,451	102,670
Inventories expensed during the year	(10,521)	(16,339)
Additions to inventory	93,865	49,120
Balance at end of year	218,795	135,451

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 UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

7. OTHER ASSETS

	2023	2022
	\$	\$
Other assets - current		
Contract assets	1,163,898	1,715,110
	1,163,898	1,715,110

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.

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Contract assets

Contract assets primarily relate to the Shire's right to consideration for work completed but not billed at the end of the period.

Impairment of assets associated with contracts with customers are detailed at Note 2(b).

Non-current assets held for sale (Continued)

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

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

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.

	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$		\$	\$	\$
Balance at 1 July 2021	834,000	1,724,125	6,402,393	8,960,518	45,841	2,278,289	11,284,648
Additions	-	403,729	177,577	581,306	6,645	229,003	816,954
Disposals	-	-	-	-	-	(15,000)	(15,000)
Revaluation increments / (decrements) transferred to revaluation surplus	(283,000)	(602,881)	480,594	(405,287)	-	-	(405,287)
Revaluation (loss) / reversals transferred to profit or loss		(165,244)		(165,244)			(165,244)
Depreciation	-	(7,229)	(138,215)	(145,444)	(20,346)	(395,360)	(561,150)
Transfers	-	-	(190,439)	(190,439)	-	-	(190,439)
Balance at 30 June 2022	551,000	1,352,500	6,731,910	8,635,410	32,140	2,096,932	10,764,482
Comprises:							
Gross balance amount at 30 June 2022	551,000	1,352,893	6,731,910	8,635,803	112,528	3,530,953	12,279,284
Accumulated depreciation at 30 June 2022	-	(393)	-	(393)	(80,388)	(1,434,021)	(1,514,802)
Balance at 30 June 2022	551,000	1,352,500	6,731,910	8,635,410	32,140	2,096,932	10,764,482
Additions	-	92,733	135,107	227,840	23,588	1,315,221	1,566,649
Disposals	-	-	-	-	-	(184,745)	(184,745)
Depreciation	-	(19,660)	(124,972)	(144,632)	(19,136)	(444,363)	(608,131)
Transfers	-	-	-	-	-	219,632	219,632
Balance at 30 June 2023	551,000	1,425,573	6,742,045	8,718,618	36,592	3,002,677	11,757,887
Comprises:							
Gross balance amount at 30 June 2023	551,000	1,445,626	6,867,017	8,863,643	136,116	4,709,584	13,709,343
Accumulated depreciation at 30 June 2023	-	(20,053)	(124,972)	(145,025)	(99,524)	(1,706,907)	(1,951,456)
Balance at 30 June 2023	551,000	1,425,573	6,742,045	8,718,618	36,592	3,002,677	11,757,887

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

During the year ended 30 June 2022	-	-	-	-	-	-	-
During the year ended 30 June 2023	-	-	-	-	-	-	-

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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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 valuer	2022	Price per hectare or sales comparison
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent registered valuer	2022	Price per square metre / market borrowing rate
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuer	2022	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		Cost	Cost		Purchase cost
Plant and equipment		Cost	Cost		Purchase cost

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

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.

	Infrastructure - roads	Other infrastructure	Work in progress	Total Infrastructure
	\$	\$	\$	\$
Balance at 1 July 2021	75,747,126	6,153,173	122,931	82,023,230
Additions	6,218,952	1,651,824	-	7,870,776
Depreciation	(2,458,579)	(218,642)	-	(2,677,221)
Transfers	-	190,439	-	190,439
Balance at 30 June 2022	79,507,499	7,776,794	122,931	87,407,224
Comprises:				
Gross balance at 30 June 2022	130,339,067	8,439,058	122,931	138,901,056
Accumulated depreciation at 30 June 2022	(50,831,568)	(662,264)	-	(51,493,832)
Balance at 30 June 2022	79,507,499	7,776,794	122,931	87,407,224
Additions	4,349,420	1,696,290	-	6,045,710
Revaluation increments / (decrements) transferred to revaluation surplus	-	(482,509)	-	(482,509)
Revaluation (loss) / reversals transferred to profit or loss	-	(758,561)	-	(758,561)
Depreciation	(2,545,330)	(359,382)	-	(2,904,712)
Transfers	-	(219,632)	-	(219,632)
Balance at 30 June 2023	81,311,589	7,653,000	122,931	89,087,520
Comprises:				
Gross balance at 30 June 2023	134,688,487	11,006,400	122,931	145,817,818
Accumulated depreciation at 30 June 2023	(53,376,898)	(3,353,400)	-	(56,730,298)
Balance at 30 June 2023	81,311,589	7,653,000	122,931	89,087,520

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

During the year ended 30 June 2022	-	-	-	-
During the year ended 30 June 2023	-	-	-	-

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost (gross valuation method)	Management valuation	2020	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other infrastructure	3	Cost approach using depreciated replacement cost (gross valuation method)	Independent registered valuer	2023	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, the cost of siteworks has been excluded from the 2023 valuation of other infrastructure. There were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

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

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings	3 to 80 years
Furniture and equipment	1 to 20 years
Plant and equipment	1 to 25 years
Other infrastructure	5 to 50 years
Sealed roads and streets	
formation	not depreciated
pavement	39 years
seal	20 years
Formed subgrade	not depreciated
Unformed subgrade	not depreciated
Gravel roads	
formation	not depreciated
pavement	28 years
Footpaths - slab	40 years
Drainage	30 - 108 years
Bridges	100 years

**SHIRE OF UPPER GASCOYNE
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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 any accumulated depreciation and impairment losses.

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

Amortisation is included within depreciation in the Statement of Comprehensive Income.

Impairment

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

Gains or losses on disposal

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

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

11. LEASES

(a) Right-of-Use Assets

	Note	Right-of-use assets - plant and equipment \$	Right-of-use assets Total \$
Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.			
Balance at 1 July 2021		19,945	19,945
Additions		-	-
Depreciation		(3,324)	(3,324)
Balance at 30 June 2022		16,621	16,621
Gross balance amount at 30 June 2022		19,945	19,945
Accumulated depreciation at 30 June 2022		(3,324)	(3,324)
Balance at 30 June 2022		16,621	16,621
Depreciation		(6,649)	(6,649)
Balance at 30 June 2023		9,972	9,972
Gross balance amount at 30 June 2023		19,945	19,945
Accumulated depreciation at 30 June 2023		(9,973)	(9,973)
Balance at 30 June 2023		9,972	9,972

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

	2023 Actual \$	2022 Actual \$
Depreciation on right-of-use assets	(6,649)	(3,324)
Finance charge on lease liabilities	(148)	(101)
Total amount recognised in the statement of comprehensive income	(6,797)	(3,425)
Total cash outflow from leases	(6,760)	(3,380)
(b) Lease Liabilities		
Current	6,685	6,693
Non-current	3,369	9,973
	26(d) 10,054	16,666

Secured liabilities and assets pledged as security

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

The Shire has a lease relating to plant and equipment. The lease term is 3 years. The measurement of lease liabilities does not include variable lease payments and any future cash outflows associated with leases not yet commenced to which the Shire is committed. Refer to Note 26(d) for details of lease liabilities.

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Leases (continued)

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

Right-of-use assets - measurement

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

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

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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11. LEASES (Continued)

Right-of-use assets - depreciation

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

(c) Lessor - Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year
1 to 2 years
2 to 3 years
3 to 4 years
4 to 5 years
> 5 years

	2023 Actual	2022 Actual
	\$	\$
	10,403	10,100
	10,715	10,403
	11,037	10,715
	11,368	11,037
	11,709	11,368
	20,259	31,968
	<u>75,491</u>	<u>85,591</u>
Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease		
Rental income	10,100	53,333

The Shire leases the tourist park with rental payable by six equal instalments per annum. The lease is classified as an operating lease as it does not transfer substantially all of the risks and rewards incidental to ownership of the assets. The tourist park is not considered investment property as it is leased for use in the supply of services to the community.

The lease payments include annual increases in accordance with the lease agreement. Although the Shire is exposed to changes in the residual value at the end of the current lease, the Shire typically entered into a new operating lease and therefore will not immediately realise any reduction in residual value at the end of the lease.

Expectations about the future residual value is reflected in the fair value of the property.

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

The Shire as Lessor (continued)

Initial direct costs incurred in entering into an operating lease (e.g. legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Shire applies AASB 15 to allocate the consideration under the contract to each component.

**SHIRE OF UPPER GASCOYNE
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FOR THE YEAR ENDED 30 JUNE 2023**

12. TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
Current		
Sundry creditors	262,276	1,050,824
Accrued payroll liabilities	39,692	37,339
Bonds and deposits held	50,642	50,642
Retentions held for the Gascoyne River Bridge Project	6,171	6,171
Accrued expenses	125,923	980,230
	484,704	2,125,206

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 any consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Trade and other payables

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

Prepaid rates

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

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

13. SHORT-TERM BORROWINGS

	2023	2022
	\$	\$
Unsecured		
Bank overdraft	1,847,661	2,814,946
Represented by:		
Unrestricted – WANDRRA* overdraft ^(a)	1,847,661	2,814,946
Restricted funds held		
	1,847,661	2,814,946
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Unspent Grants	-	-
Unspent Loans	-	-
	-	-

* Western Australia Natural Disaster Relief and Recovery

(a) The bank overdraft is repayable on demand and forms an integral part of the Shire's cash management. The overdraft was established for the purpose of managing cash flow for road flood damage repairs in 2017. The amount of the overdraft brought forward on 1 July 2022 was \$2,814,946. The overdraft has decreased by \$967,285 during the financial year. At 30 June 2023 the balance of the overdraft was \$1,847,661. The interest rate on the overdraft at 30 June 2023 was 10.53% (2022: 7.28%).

Sensitivity analysis

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

	2023	2022
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	18,477	28,149

* Holding all other variables constant

SIGNIFICANT ACCOUNTING POLICIES Bank overdrafts that form an integral part of the Shire's cash management are included as a component of cash and cash equivalents. Cash flows exclude movements between items that constitute cash or cash equivalents because these components are part of the cash management of the Shire rather than part of its operating, investing and financing activities. The reconciliation of cash and cash equivalents is outlined in Note 18.

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

14. OTHER LIABILITIES

	2023	2022
	\$	\$
Current		
Capital grant/contributions liabilities	1,548,607	1,820,117
	<u>1,548,607</u>	<u>1,820,117</u>
<p>The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$1,548,607 (2022: \$1,820,117)</p> <p>The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.</p>		
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	1,820,117	2,788,897
Additions	(2,091,627)	1,820,117
Revenue from capital grant/contributions held as a liability at the start of the period	1,820,117	(2,788,897)
	<u>1,548,607</u>	<u>1,820,117</u>
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	1,548,607	1,820,117
	<u>1,548,607</u>	<u>1,820,117</u>

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

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

15. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Long term borrowings		130,829	727,597	858,426	126,842	858,426	985,268
Total secured borrowings	26(a)	130,829	727,597	858,426	126,842	858,426	985,268

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 Upper Gascoyne.

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

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

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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16. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

Employee related other provisions

Employment on-costs

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Employee related other provisions

Employment on-costs

Total non-current employee related provisions

Total employee related provisions

	2023	2022
	\$	\$
	158,230	130,101
	75,567	145,284
	<u>233,797</u>	<u>275,385</u>
	28,892	24,420
	<u>28,892</u>	<u>24,420</u>
	<u>262,689</u>	<u>299,805</u>
	5,928	52,177
	<u>5,928</u>	<u>52,177</u>
	1,956	18,207
	<u>1,956</u>	<u>18,207</u>
	<u>7,884</u>	<u>70,384</u>
	<u>270,573</u>	<u>370,189</u>

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 for at least 12 months after the end of the reporting period.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits 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 UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

17. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$	\$
Land - freehold land	10,272	-	10,272	293,272	(283,000)	10,272
Revaluation surplus - Buildings - non-specialised	-	-	-	122,287	(122,287)	-
Infrastructure - roads	51,132,688	-	51,132,688	51,132,688	-	51,132,688
Other infrastructure	482,509	(482,509)	-	482,509	-	482,509
	51,625,469	(482,509)	51,142,960	52,030,756	(405,287)	51,625,469

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

18. 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	2023 Actual \$	2022 Actual \$
Cash and cash equivalents	3	8,978,408	9,653,321
Short-term borrowings - bank overdraft		(1,847,661)	(2,814,946)
		7,130,747	6,838,375

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	3,621,054	4,307,244
		3,621,054	4,307,244

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

Restricted reserve accounts	27	2,021,805	2,436,485
Bonds and deposits held	12	50,642	50,642
Capital grant liabilities	14	1,548,607	1,820,117
Total restricted financial assets		3,621,054	4,307,244

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

Net result		5,037,016	8,966,179
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		(1,843)	(3,292)
Depreciation/amortisation		3,519,492	3,241,695
(Profit)/loss on sale of asset		(68,848)	(33,000)
Loss on revaluation of fixed assets		758,561	165,244
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		83,974	325,150
(Increase)/decrease in other assets		551,212	916,429
(Increase)/decrease in inventories		(83,344)	(32,781)
Increase/(decrease) in trade and other payables		(1,640,502)	(424,189)
Increase/(decrease) in employee related provisions		(99,616)	76,114
Increase/(decrease) in other liabilities		(271,510)	(968,780)
Capital grants, subsidies and contributions		(4,485,642)	(7,629,898)
Net cash provided by/(used in) operating activities		3,298,950	4,598,871

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

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

	2023	2022
	\$	\$
Bank overdraft limit	4,200,000	4,200,000
Bank overdraft at balance date	(1,847,661)	(2,814,946)
WATC short term lending facility limit	3,000,000	3,000,000
WATCH short term lending facility at balance date	-	-
Credit card limit	10,000	10,000
Credit card balance at balance date	(8,047)	-
Total amount of credit unused	5,354,292	4,395,054
Loan facilities		
Loan facilities - current	130,829	126,842
Loan facilities - non-current	727,597	858,426
Total facilities in use at balance date	858,426	985,268
Unused loan facilities at balance date	NIL	NIL

**SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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20. CONTINGENT LIABILITIES

The Shire does not have any contingent liabilities.

21. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	2,825,287	849,974
- plant & equipment purchases	-	96,525
	2,825,287	946,499
Payable:		
- not later than one year	2,825,287	946,499

The capital expenditure projects outstanding at the end of the current reporting period represent the construction of roads and connection and commissioning of plumbing on a mobile accommodation unit.

The prior year commitment was for the construction of roads and the Gascoyne Junction Tourist Stop and the purchase of a trailer.

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

22. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
President's annual allowance	18,851	20,565	20,063
Deputy President's annual allowance	17,994	5,141	5,015
Meeting attendance fees	85,373	78,474	76,558
Other council member expenses	1,955	2,000	6,585
Annual allowance for ICT expenses	24,208	24,500	24,500
Travel and accommodation expenses	6,392	15,500	6,687
Annual allowance for travel and accommodation expenses	15,480	21,000	15,965
22(b)	170,253	167,180	155,373

(b) Key Management Personnel (KMP) Compensation

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

Note	2023 Actual \$	2022 Actual \$
Short-term employee benefits	631,303	504,403
Post-employment benefits	68,554	56,213
Employee - other long-term benefits	10,207	38,887
Council member costs	170,253	155,373
22(a)	880,317	754,876

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

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

Council member costs

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

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

22. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

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

	2023 Actual	2022 Actual
	\$	\$
Sale of goods and services		
- Other related parties	3,196	579
Purchase of goods and services		
- Other related parties	125,542	114,722
Amounts outstanding from related parties:		
Trade and other receivables	1,870	-
Amounts payable to related parties:		
Trade and other payables		
- Other related parties	20,991	13,621

Purchases of goods and services from other related parties, relate to four (2022: five) companies controlled by related parties of elected members contracted on terms and conditions equivalent for those that prevail in arm's length transactions under the Shire's procurement processes. Details in relation to these transactions are as follows:

A company controlled by a related party of an elected member was awarded a contract under a tender process for bull dozer services and plant hire with a value of \$100,330 (2022: \$35,862).

A company controlled by a related party of an elected member provided emergency works and maintenance grading services with a value of \$12,383 (2022: \$31,883).

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

22. RELATED PARTY TRANSACTIONS (Continued)

A company controlled by a related party of an elected member provided accommodation and catering with a value of \$12,789 (2022: \$5,260).

A Councillor provided craft products with a value of \$40 (2022: nil).

A company controlled by a related party of an elected member provided catering service with a value of \$2,970 in 2022. No services were provided in 2023.

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 22(a) and 22(b)

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

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

23. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

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

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

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

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

Market approach

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

Income approach

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

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

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

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

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

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

SHIRE OF UPPER GASCOYNE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

24. RATING INFORMATION

(a) General Rates

RATE TYPE		2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2021/22	
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value*	Actual Rate Revenue	Actual Reassessed Rates	Actual Total Revenue	Budget Rate Revenue	Budget Reassessed Rate	Budget Total Revenue	Actual Total Revenue
		\$		\$	\$	\$	\$	\$	\$	\$	\$
Gross rental valuations											
GRV - Gascoyne Junction	Gross rental valuation	0.10500	14	120,703	12,673	-	12,673	12,674	-	12,674	13,096
Unimproved valuations											
UV - Pastoral	Unimproved valuation	0.07000	25	1,628,876	114,021	-	114,021	114,021	-	114,021	81,376
UV - Mining	Unimproved valuation	0.29800	223	3,454,712	1,029,504	191,926	1,221,430	1,029,504	-	1,029,504	392,408
Total general rates			262	5,204,291	1,156,198	191,926	1,348,124	1,156,199	-	1,156,199	486,880
Minimum payment											
Gross rental valuations											
GRV - Gascoyne Junction	Gross rental valuation	500	12	27,762	6,000	-	6,000	6,000	-	6,000	824
Unimproved valuations											
UV - Pastoral	Unimproved valuation	900	13	33,910	11,700	-	11,700	11,700	-	11,700	4,944
UV - Mining	Unimproved valuation	950	75	1,018,989	71,250	-	71,250	71,250	-	71,250	28,800
Total minimum payments			100	1,080,661	88,950	-	88,950	88,950	-	88,950	34,568
Total general rates and minimum payments			362	6,284,952	1,245,148	191,926	1,437,074	1,245,149	-	1,245,149	521,448
Ex-gratia Rates											
Ex-gratia Rates							6,300	3,000	-	3,000	2,884
Rates written-off							-	(5,000)	-	(5,000)	(221)
Interim and back rates							-	11,000	-	11,000	65,079
Total amount raised from rates (excluding general rates)							6,300	9,000	-	9,000	67,742
Total Rates							1,443,374			1,254,149	589,190
Rate instalment interest										1,000	68
Rate overdue interest										3,000	3,814

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

*Rateable Value at time of raising of rate.

SHIRE OF UPPER GASCOYNE
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FOR THE YEAR ENDED 30 JUNE 2023

25. DETERMINATION OF SURPLUS OR DEFICIT

		2022/23 Budget	2022/23	2021/22
	2022/23 (30 June 2023 Carried Forward)	(30 June 2023 Carried Forward)	(1 July 2022 Brought Forward)	(30 June 2022 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 Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	(68,848)	(1,154)	(33,000)	(33,000)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(1,843)		(3,292)	(3,292)
Add: Loss on disposal of assets	-	22,591	-	-
Add: Loss on revaluation of fixed assets	8(a)9(a) 758,561	-	165,244	165,244
Add: Depreciation	8(a)9(a) 3,519,492	3,233,745	3,241,695	3,241,695
Non-cash movements in non-current assets and liabilities:				
Employee benefit provisions (non-current)	(62,500)	93,202	7,339	7,339
Non-cash amounts excluded from operating activities	4,144,862	3,348,384	3,377,986	3,377,986
(b) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	27 (2,021,805)	(1,865,665)	(2,436,485)	(2,436,485)
Less: Current assets not expected to be received at end of year				
- Land held for resale	6 (2,500)	(2,500)	(2,500)	(2,500)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	15 130,829	130,829	126,842	126,842
- Leave reserve	79,902	190,676	97,474	97,474
- Current portion of lease liabilities	11(b) 6,685	6,690	6,693	6,693
- Employee benefit provisions	30,272	-	12,700	12,700
Total adjustments to net current assets	(1,776,617)	(1,539,970)	(2,195,276)	(2,195,276)
Net current assets used in the Statement of Financial Activity				
Total current assets	10,753,370	5,692,322	11,980,125	11,980,125
Less: Total current liabilities	(4,281,175)	(4,152,352)	(7,193,609)	(7,193,609)
Less: Total adjustments to net current assets	(1,776,617)	(1,539,970)	(2,195,276)	(2,195,276)
Surplus or deficit after imposition of general rates	4,695,578	-	2,591,240	2,591,240

SHIRE OF UPPER GASCOYNE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2023

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual									Budget			
		Principal at	New Loans	Principal	Actual	Actual	Principal at	New Loans	Principal	Principal at	Principal at	New Loans	Principal	Principal at
		1 July 2021	During 2021-	Repayments	Interest	Interest	30 June	During 2022-	Repayments	at	1 July 2022	During 2022-	Repayments	30 June
		\$	\$	\$	22	22	\$	\$	\$	\$	\$	\$	\$	\$
Housing														
Staff Housing		245,268	-	(34,337)	4,265	(6,997)	208,199	-	(35,371)	172,828	208,200	-	(35,371)	172,829
Staff Housing		429,381	-	(43,069)	3,803	(4,544)	385,571	-	(43,538)	342,033	385,571	-	(43,538)	342,033
Economic services														
Tourism precinct		443,983	-	(45,605)	14,582	(21,462)	391,498	-	(47,933)	343,565	401,851	-	(47,932)	353,919
Total Borrowings	15	1,118,632	-	(123,011)	22,650	(33,003)	985,268	-	(126,842)	858,426	995,622	-	(126,841)	868,781

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for	Budget for	Actual for
						year ending 30 June 2023	year ending 30 June 2023	year ending 30 June 2022
						\$	\$	\$
Housing								
Staff Housing		29	WATC	2.99%	13-Aug-27	2,850	5,963	4,265
Staff Housing		30	WATC	1.09%	02-Nov-30	5,208	4,074	3,803
Economic services								
Tourism precinct		28	WATC	5.04%	07-Mar-29	21,113	25,635	14,582
Total Finance Cost Payments						29,171	35,672	22,650

* WA Treasury Corporation

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

26. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2022/23

The Shire had no new borrowings in the 2022/23 financial year.

(c) Unspent Borrowings

The Shire had no unspent borrowings at 30 June 2023.

(d) Lease Liabilities

Purpose	Note	Actual						Budget				
		Principal			Principal at 30 June 2022	Principal			Principal at 1 July 2022	Principal		
		Principal at 1 July 2021	New Leases During 2021- 22	Repayments During 2021- 22		New Leases During 2022- 23	Repayments During 2022- 23	Principal at 30 June 2023		New Leases During 2022- 23	Repayments During 2022- 23	Principal at 30 June 2023
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Fuel bowser		-	19,945	(3,279)	16,666	-	(6,612)	10,054	15,686	-	(6,791)	8,895
Total Lease Liabilities	11(b)	-	19,945	(3,279)	16,666	-	(6,612)	10,054	15,686	-	(6,791)	8,895

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for	Budget for	Actual for	Lease Term
						year ending 30 June 2023	year ending 30 June 2023	year ending 30 June 2022	
Fuel bowser		1	Refuel Australi	1.10%	08-Dec-24	\$ 148	\$ 142	\$ 101	3 years
Total Finance Cost Payments						148	142	101	

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

27. RESERVE ACCOUNTS	2023	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022	
	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	97,474	156	(17,728)	79,902	97,474	110,930	(17,728)	190,676	110,174	5	(12,705)	97,474
(b) Plant replacement reserve	999,553	112,954	(600,000)	512,507	999,553	160,874	(600,000)	560,427	567,262	582,291	(150,000)	999,553
(c) Airport reserve	41,068	65	-	41,133	41,069	34	-	41,103	41,067	1	-	41,068
(d) Tourism precinct reserve	84,314	147	-	84,461	84,315	69	-	84,384	280,360	15	(196,061)	84,314
(e) Building reserve	127,886	220,389	-	348,275	127,887	105	-	127,992	153,885	5	(26,004)	127,886
(f) Works reserve	244,946	203	-	245,149	244,946	201	-	245,147	244,941	5	-	244,946
(g) Economic development reserve	618,563	100,964	(256,181)	463,346	618,563	100,508	(250,000)	469,071	440,767	177,796	-	618,563
(h) Roads flood damage reserve	153,002	243	-	153,245	153,002	126	(100,000)	53,128	152,995	7	-	153,002
(i) Bridge maintenance reserve	69,679	24,108	-	93,787	69,680	24,057	-	93,737	45,678	24,001	-	69,679
	2,436,485	459,229	(873,909)	2,021,805	2,436,489	396,904	(967,728)	1,865,665	2,037,129	784,126	(384,770)	2,436,485

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

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

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Leave reserve	to be used to fund annual and long service leave requirements.
(b) Plant replacement reserve	to be used to be used for the purchase of major plant and also to fund major mechanical breakdowns.
(c) Airport reserve	to fund the resealing of the Gascoyne Junction Airport.
(d) Tourism precinct reserve	to be used for future significant repairs or upgrades on an as required basis.
(e) Building reserve	to be used for new buildings, future repairs or upgrades on an as required basis (excluding the Tourism Precinct).
(f) Works reserve	to be used to support funding of major infrastructure projects.
(g) Economic development reserve	to set aside funds for economic development initiatives.
(h) Roads flood damage reserve	to be used towards the required Shire contribution for Western Australia Natural Disaster Relief funding.
(i) Bridge maintenance reserve	to be used for repairs and maintenance of Kilili Bridge as required.

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

28. TRUST FUNDS

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

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
Yangibana - RUA Security Deposit	-	100,970	-	100,970
	-	100,970	-	100,970