

# Shire of Pingelly Annual Report 2022/2023





# Table of Contents

The Vision for Pingelly.....	3
Statistics.....	4
History of the Shire.....	5
Elected Members.....	6
Executive Staff.....	7
Shire Staff.....	8
Our Shared Values.....	9
Shire President's Report.....	10
Chief Executive Officer's Report.....	11
Strategic Community Plan - Progress Report.....	12
Goal 1 - Economy.....	13
Goal 2 - Community.....	14
Goal 3 – Built Environment.....	18
Goal 4 – Natural Environment.....	20
Goal 5 – Innovation, Leadership & Governance .....	21
Statutory Disclosures.....	22
Disability, Access & Inclusion Plan.....	23
Recordkeeping Plan.....	24
Appendix A – 2022/2023 Annual Financial Report	
Appendix B - Audit Report for Year Ending 30 June 2023	
Back Cover	



# The Vision for Pingelly

## Pingelly, positive

Pingelly is filled with naturally 'can do' people.

## by nature.

Nature surrounds and infuses Pingelly, bringing positivity to the people.

## Lets grow together!

Pingelly's positivity means we can achieve anything together.





# Statistics

## Location

Pingelly is strategically located in the heart of the state's Central South 158km south-east of Perth on the Great Southern Highway. The Shire of Pingelly covers an area of 1,294km<sup>2</sup>, bounded by the Shires of Wandering, Brookton, Corrigin, Cuballing and Wickepin. The community appreciates a mediterranean type climate. The average yearly rainfall is 453mm, which mainly falls in winter. The Shire of Pingelly's Council Chamber and Administration Centre is located at 17 Queen Street, Pingelly 6308. The website address is: [www.pingelly.wa.gov.au](http://www.pingelly.wa.gov.au).

## Population

The Shire of Pingelly, with the townsites of Pingelly, Moorumbine and Dattening, has a total population of 1,037 (2021 Census). The Shire of Pingelly has 816 electors (2020 Roll), 605 dwellings and employs 25 people.

## Roads and Area

The Shire of Pingelly has an area of 1,223km<sup>2</sup> and is responsible for 587km of roads, of which 211km are sealed.

## Legislative Authority

The local government of the Shire of Pingelly is a body corporate with perpetual succession and a common seal. The Shire of Pingelly has the legal capacity of a natural person and has an elected Council as its governing body representing all electors within the Shire.

## Federal & State Electoral Boundaries

The Shire of Pingelly is in the State electoral district of Central Wheatbelt, in the Agricultural Region and in the Federal electorate of O'Connor. 4





# History of the Shire

The Moorumbine Spring land was first surveyed in 1856 and a permanent settlement was established around 1860. The first settler in the area was Mr Lewis John Bayley who was granted 4000 acres for grazing in 1846. The expanding district joined forces to build a church, school, store and gaol. The Moorumbine Townsite was gazetted on 24<sup>th</sup> April 1884.

The Great Southern Railway in 1889 resulted in an economic boom for the district along the rail line. It passed just 10km west of Moorumbine and a small settlement was established at the railway siding located there. A spring of water east of the railway crossing was named "Pingeculling," an Aboriginal name for 'Watering Place.' From this, the present name of Pingelly was derived.

The Pingelly-Moorumbine Road Board Offices were built in Pingelly in 1909. Just a few years later in 1913 'Moorumbine' was dropped from the title. In 1961, the Pingelly Road Board became the Pingelly Shire Council and new Shire Offices were built on the site on which they still stand today.



# Elected Members 2022-23

\*Elected Members following election in October 2021.

Row 1: Cr William Mulroney (President)

Row 2: Cr Jackie McBurney (Deputy President), Cr Karmvir Singh, Cr Anthony Oliveri

Row 3: Cr Peter Narducci, Cr Bryan Hotham, Cr Peter Wood





# Executive Staff 2022-23

The Shire is led by a team of experienced executive staff with complementary skills.

**Andrew Dover**  
**Chief Executive Officer**



**Mike Hudson**  
**Executive Manager Works**  
**(July 2022 – January 2023)**



**Zoe Macdonald**  
**Executive Manager**  
**Corporate Services**







# Shire Staff

Back Row (left to right): Sheryl Squires - Administration Officer Technical, Trevor Tapping – Plant Operator/Labourer, Zoe Macdonald – Executive Manager Corporate Services, Andrew Marshall – Grader Driver, Jason Dawes – Plant Operator/Labourer, Russell Edwards – Plant Operator/Labourer, Russell O’Meagher – Garden Maintenance, Andrew Dover Chief Executive Officer

Front Row (left to right): Ellen Cook – Community Development Officer, Sue Heazlewood – Senior Finance Officer, Darren Hepple – Plant Operator/Labourer, Julie Christensen – Development & Economic Coordinator, Storm Nyssen – Governance & Executive Officer, Morgan Rapana – Finance Officer, Lee Challis – Building Maintenance Officer, Brett Sutherland – Plant Operator/Labourer, Janine Hitch – Customer Service Officer

Absent: Tim Jurmann – Environment Health & Building Officer, Hope Wood – Garden Maintenance Supervisor, Philip Burgess – Executive Manager Works, Geof Forward – Works Supervisor, Kim Ivermee – Cleaner, Dennis Ivermee – Cleaner, Marianna Carlucci – Cleaner, John Connors – Plant Operator/Labourer, Allan Bell – Mechanic





# Our Shared Values

**Accountable** – being transparent and open, meeting commitments and expectations, being responsible for yourself, your actions and results.

**Competence** – consistent use of skills suitable for the role and task at hand, delivery on goals and commitments, making appropriate decisions and problem solving, maintaining high professional standards and skills.

**Integrity** – being honest, ethical, reliable, authentic in communication, actions and decision making.

**Teamwork** – complete our own tasks in a professional manner, willingly assist others, support the team and overall organisational team. Positive attitude and contributions to the workplace culture.

**Respect** – having care and due regard for all others, considering how your words and/or actions will impact them personally and professionally (including their reputation). Communication is open and civil, and conflict is addressed early and with empathy.

**Adaptability** – open, willing and able to adjust to change, learn new skills and approaches.



# President's Report

It is with honour that I present the President's report for 2022/2023.

This report is a snapshot of how the Shire has performed over the financial year ending 30 June 2023.

The year has been a busy and very productive one for the Shire of Pingelly. Many projects have been completed, none of which could have been achieved without the hard work of our Shire staff.

Many the projects that have been completed revolved around improving our roads. The Shire has sealed sections of Wickepin-Pingelly Road, resealed Somerset Street, and renewed Review Street Bridge. Thanks to our dedicated and knowledgeable staff our rural roads have substantially improved, although much more is to be done.

Other projects of note that have been completed this year include the Ngalla Wangkiny Pocket Park; completion of a dual use walking/cycling path, connecting the majority of our community together, to the school, parks, PRACC and town centre.

Other initiatives of note include Age is just a Number, the inaugural Pingelly Christmas Village, NAIDOC celebrations and the Heritage Festival. These initiatives demonstrate that Council's focus is to work collaboratively alongside our community to make Pingelly the best it can be.

This year Council listened intently to our community through the process of the Pingelly Community Plan and the Culture and Art Framework. These plans have articulated the uniqueness of Pingelly as a proactive and welcoming community through the vision of 'Pingelly, positive by nature. Let's grow together!'.

I would like to thank all our staff and Councillors for their hard this year. It does not go unnoticed.

I commend this Annual Report to you and look forward to continuing our successful partnership between Council and community for new year ahead.

Warm regards  
**Cr Jackie McBurney**  
Shire President





# CEO's Report

The 2022/2023 financial year has been one of financial consolidation and recovery following the construction of the Pingelly Recreation and Cultural Centre (PRACC) – the Shire's largest single investment to date.

The Shire repaid debt worth \$1.2Million, significantly reducing the overall debt while marginally improving reserves. Refinancing this debt as anticipated in previous years would have undermined the financial stability of the Shire. The Shire's remaining debt is a low interest, long term treasury loan. Servicing this debt is now sustainable.

The responsible financial management is a significant focus for staff. Testament to the Shire's success in this regard is the commendation in receiving a clean audit for two years running in 2021/2022 and in 2022/2023 with no outstanding actions. The Auditor General commended Pingelly as one of the 'best practice top 20 entities' out of the 148 local government across Western Australia.

The Shire made good progress delivering the Corporate Business Plan including the Business Incentive Package, multiple events and the scheduled capital works program. Our work has been rewarded as Pingelly is a finalist in 4 categories of the Tidy Towns Awards – for the first time ever!

Pingelly has a growing reputation for being a great place to live. A large part of this is the innovative and eye-catching projects, initiatives and events that the Shire has undertaken over the past year.

I would like to thank all Shire staff for their dedicated contributions throughout this year. It has been a challenging year, however, the organisation has continued to provide a high standard of service to the community with an increased customer service focus.

Sincerely  
**Andrew Dover**  
Chief Executive Officer



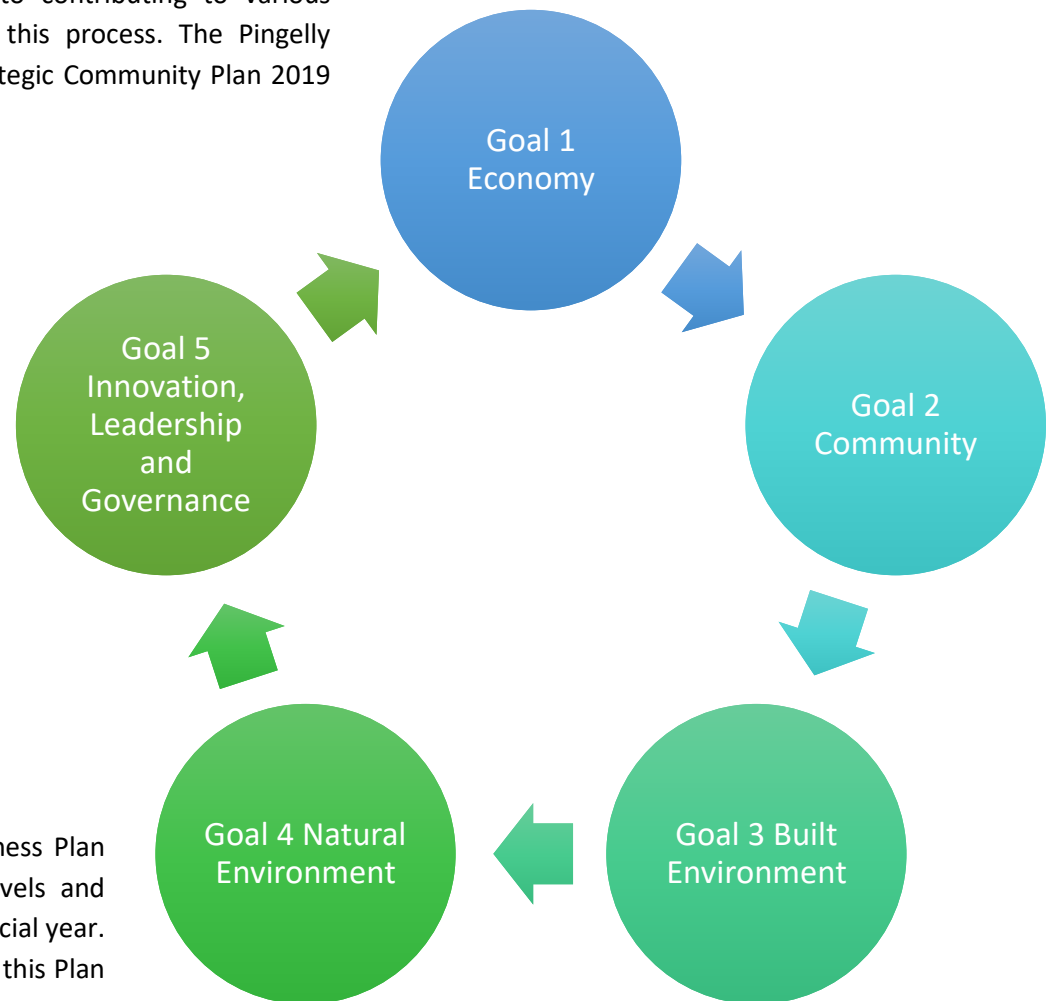


# Strategic Community Plan - Progress Report

Council undertook considerable consultation with the local community and property owners for the evaluation of the current Strategic Community Plan and the development of the next Community plan. Community members invested significant time and energy into contributing to various workshops, meetings and calls for submission that formed part of this process. The Pingelly Community Plan 2023 was drafted to replace the Shire of Pingelly Strategic Community Plan 2019 and Corporate Business Plan. These Plans have been and will be used to:

- guide Council decision-making and priority setting
- engage local residents and ratepayers, local businesses, community groups, and other local stakeholders that contribute to the future of our community
- inform decision-making with respect to other partners and agencies, including the Federal and State Governments, regional bodies and other local governments in our region
- provide a clear avenue to pursue funding and grant opportunities by demonstrating how projects align with the aspirations and strategic direction of our community and Council
- inform future partners of our key priorities, and the ways in which we seek to grow and develop
- provide a framework for monitoring progress against the community's vision and aspirations

This Strategic Community Plan and the accompanying Corporate Business Plan set the direction for the Shire's future and the Council's service levels and projects. These plans were in place for the whole of the 2022-2023 financial year. The following section outlines the significant achievements arising from this Plan over the past year.





# Goal 1 – Economy

## **Driver Reviver – Activation of the Town Hall**

To build on the success of the redeveloped Memorial Park, the Shire opened a permanent coffee and toilet 'driver reviver' stop at the Town Hall as well as:

- Long bay parking on Quadrant Street;
- Toilet upgrades;
- Variable Message Board in Memorial Park;
- WIFI in Memorial Park

This initiative encourages travellers to stop in Pingelly and have a break – while exploring our town. Many drivers have stopped to use these facilities and stayed for their children to play in the Memorial Park.

## **Town Planning Scheme Review**

Following a review of the Town Planning Scheme, Amendment 6 and Amendment 7 have been initiated, drafted, consultation carried out and adopted by Council.

Amendment 6 reviews the Scheme Text. This amendment will ensure greater consistency, increase ease of use and review opportunities to create an effective and efficient local planning system.

Amendment 7 reviews the Scheme Maps. This amendment will provide more serviced residential land; consolidate the town centre and remove the requirement of a structure plan from many lots, allowing them to be developed with reduced costs.

## **Review of the Medical Services Contract**

The medical services arrangement provided only a 2 day per week in Pingelly, the remainder being provided remotely. This led some people to travel to Narrogin or Brookton for medical appointments which had a knock on effect on Pingelly's shops, particularly the Pharmacy. The Shire renegotiated this contract in an arrangement which now secures on site services and is suitable for all.





# Goal 1 – Economy



## **Business Incentive Package – First Avenue**

Following the adoption of the Pingelly Industry Attraction Programme Policy, Council allocated \$50,000 as a Business Incentive Package to attract and establish new businesses and the growth of existing businesses of all types. Most costs to establish/expand the business are eligible for this fund including training, stock purchase and renovations.

The \$50,000 allocated in this fund is renewed every financial year. It is treated in a similar manner to an investment pool and is only expended if suitable opportunities present.

First Avenue Trading applied under this program and were funded for 50% of their establishment costs. This resulted in a thriving business filling a previously vacant shop on Pingelly's main street.

## **Marketing Strategy & Engagement Strategy**

The Shire engaged Wanderlust Communications to develop separate Marketing & Engagement Strategies. Together with the Communications Plan, these strategies fit into an overall framework:

- The Communications Plan guides how and when the Shire most effectively communicates with our community on particular issues/projects.
- The Engagement Strategy looks at the Shire's communication with our community more strategically and makes recommendations aimed at increasing the reach of the Shire's messages.
- The Marketing Strategy looks at the promotion of Pingelly outside of our community. This includes the consideration of what makes Pingelly special and unique, creating suitable branding and guiding the marketing of the town.

These strategies examined Pingelly's unique qualities and articulated them through the following statement: 'Positive by Nature'. This has now permeated through the Shire's strategic documents including the Pingelly Community Plan.

# Goal 2 – Community

## **Age is Just a Number**

The program, inspired by the ABC's Old People's Home for 4 Year Olds, saw 10 seniors and a class of 20 school children come together for a term to hang out and learn from each other. Many of our seniors in Pingelly have either no grandchildren or their grandchildren live further away (Perth). This program allowed them to learn first hand exactly what 5 and 6 year-olds are like, and how unique and amazing they can be, whilst also changing their own mental and physical health without realising it. For the children and parents, this program allowed them to experience empathy and happiness with the seniors, for the kids to understand how different it was for the seniors when they were young.

This program has formed connections across the generational divide that are lasting and mutually beneficial.

## **People of Pingelly Project**

This project recorded the stories from our local residents, many of whom have been a resident in Pingelly for over half a century. These stories are a connection to our shared past; prevent our history from being lost; and demonstrate a resilience that can be a lesson for today. The following stories have been recorded:

- Building of the PRACC
- Christmas Markets
- Memories of War
- The Travelling Artist
- Running race Rivalry
- The Station Master
- Trip down memory lane
- Somerset Quilters
- The Pingelly Times
- Building a Choir
- Devil at the Drive-In
- The Art and Tulip Festival

These stories have been shared over social media and have been exceptionally well received. These stories will be permanently displayed at the Town Hall.





# Goal 2 – Community

## Youth Sports

The Pingelly Youth Network established ongoing youth sports on Monday evenings with both the Pingelly Police and the Shire. Initially the only sport played was basketball. Due to demand from the young people, other sports were introduced. Youth Sports was of particular interest to the police as a way of building relationships with the young people. Unfortunately, the police attendance was not always possible as responding to calls is their priority. The Shire now carries the main responsibility for this initiative.

Attendance varied widely from week to week, with many young people from Brookton attending.

## Signature Events

The Shire delivered a long list of events throughout the year for our community including:

- Party on the Oval;
- Australia Day;
- Youth Week;
- Anzac Day;
- Mothers Day Markets;
- International Women's Day;
- National Volunteer Week;
- National NAIDOC Week;
- Seniors Week;
- Tutanning Wildflower Day; and
- Pingelly Christmas Village

These events raised awareness of important issues, celebrated, and commemorated different occasions. Each one brought the community together in a shared experience and provided an opportunity for networking.





# Goal 2 – Community

## Culture and Art Framework

In 2021, a facilitated workshop with Peter Kenyan in conjunction with the Pingelly CRC identified a need for a holistic strategic approach to arts and culture within Pingelly. As a result, staff successfully applied for the Leveraged Creative and Cultural Planning Program grant to engage a professional facilitator to develop the holistic strategic approach, ensure genuine engagement, engage with the working group, limit duplication of efforts, provide agreed areas of responsibility for each stakeholder group and agree areas of focus for the town.

In depth consultation was conducted and a number of actions were agreed by the whole of the community, including the:

- Development of an 'Arts and Crafts Hub' in the town centre;
- Construction of a 'Indigenous Cultural Hub' on the Reserve in Philip Street; and
- Development of a substantial, consolidated heritage precinct incorporating the Town Hall.

## Heritage Festival

A new Heritage Festival was developed to celebrate Pingelly's history on an intimate scale. Over 40 heritage places were opened to the public over 2 weekends during Heritage Month. This allowed unique access to many private heritage buildings and public buildings that are usually closed and to converse directly with the building's owners about the captivating stories and conservation of their building. Many people travelled from Perth to participate in the festival.

## Heritage Trail

The Shire, the Pingelly Tourism Group, the Men's Shed and the Museum collaborated to form a Heritage Trail which interprets historical buildings on the main street through plaques. These plaques show a historical image and the name of the historical place. There is the opportunity to add a QR code to these plaques to provide a fuller interpretation of the heritage place.







# Goal 3 – Built Environment

## **Roads Maintenance/Upgrades**

The Shire of Pingelly recognises that many local roads are currently in a poor condition. The Shire prioritised a number of capital improvement roadworks for the 22/23 Financial Year based on usage and condition, most notably Wickepin-Pingelly Road and Somerset Street.

Due to chronic lack of funding, the Shire has no option but to take a pragmatic approach of improving maintenance standards to prolong the useful life of our roads. Thanks to our dedicated and knowledgeable staff our rural roads have substantially improved, although much more is to be done.

## **Youth Precinct Plan**

Following the adoption of the Youth Strategy in 2021, the Shire conducted extensive further consultation with the whole community and young people in particular. This feedback specified :

- The development of a Youth Precinct at Queen Street comprising the following elements:
  - A pump track at the corner of Park and Queen Streets
  - Closing part of Pemberton Street between the pump track and skate park while retaining access on Avon Street
  - A skate park at the corner of Pasture and Queen Streets
  - A 'hang out' zone next to Memorial Park
  - A youth centre at the daycare/playgroup building which can be used as a youth hub and service centre
- The installation of a ninja park or similar near the PRACC.

The Youth Precinct will fill an identified gap of facilities for ages 12–18, building on the facilities provided at Memorial Park and the PRACC for younger age groups.

# Goal 3 – Built Environment

## **Ngalla Wangkiny Pocket Park**

The Shire was successful in obtaining grant funding for the development of a Pocket Park from RAC WA. The original location proposed was a laneway beside the Town Hall, however tenure issues put a halt to this location. Further consultation was conducted as part of the Culture and Art Framework and the area at 25 Parade Street was identified as the ideal location. This was in part due to the adjacent buildings which are proposed to be used together as a Craft Hub with this courtyard a central feature.

This formally disused space has been transformed into an intimate meeting and yarning space for all. It has an 'Australiana' theme incorporated into it, complementing the adjacent buildings. It contains a stage for functions and movies, fire pit for yarning and is roofed with festoon lights which provide atmosphere at the flick of a switch. This space is truly a safe third space for all.

## **Mountain Bike & Cycling Strategy**

The development of this Strategy was undertaken alongside our community and other stakeholders. 86% of respondents to the community survey supported the Strategy with an average rating of 'very supportive' (4 out of 5). The feedback received from the key stakeholders including the local community has been incorporated in the Strategy.

This Strategy aims to 'Create a place where visitors & locals will choose to cycle' by:

1. Build a Local Cycling Culture
2. Become the Trails Centre for the Southern Wheatbelt

The dual use walk/cycle path connecting most of the town of Pingelly is one of the priority actions of this plan.





# Goal 4 – Natural Environment

## **Pingelly Green Path**

The construction of the 4km dual use walk / cycle footpath was completed. This path is part of the Shire's Mountain Bike & Cycling Strategy which aims to build the local cycling culture. This path is a cornerstone of that project as it provides access to a large proportion of the town to key points within the town. This makes it easier to walk or ride throughout Pingelly.

By strategically planting established trees along the newly established path, the project not only enhances the natural beauty of the area but also contributes to local biodiversity and ecosystem health. The involvement of school children in this endeavor fosters a sense of ownership and environmental stewardship from an early age, instilling values that will undoubtedly have far-reaching impacts.

The incorporation of solar lights along the path is an ingenious solution that demonstrates a keen awareness of both safety and energy efficiency. This innovative feature extends the usability of the path beyond daylight hours, promoting evening walks and cycling while minimizing the environmental impact.

The installation of benches made from recycled materials reflects a strong commitment to sustainable practices. These benches not only provide resting spots for path users but also serve as powerful reminders of the possibilities that arise from repurposing resources, contributing to the reduction of waste.

## **Water Harvesting Project**

This project connects Realm Street Dam to our town parks – Memorial Park, Pioneer Park and the Caravan Park. This enables these parks to be watered using stormwater rather than potable water. Once connected, this will be a significant environmental and economic boost for the Shire.







## Goal 5 – Innovation, Leadership & Governance

### Local Emergency Management Arrangements

In conjunction with the Shire of Wandering, Pingelly was successful for an AWARE grant which provided for a review of both Shire's Local Emergency Management Arrangements.

### Bushfire Local Law

A review was conducted of the Shire's Bushfire Local Law and a new Local Law developed. This new law revokes the outdated by-laws and provides a statutory means of effectively governing the operations of Bush Fire Brigades within the Shire.

### Representative Review

As a result of the Local Government Act reform, Pingelly was required to undertake a representative review of the number of Councillors need to represent the town. The reform stated that for local governments of a population below 5,000 people, the local government could have between 5 and 7 Councillors. As the Shire of Pingelly traditionally had 8 Councillors, a review was undertaken. This review, including community consultation, concluded that the number of Councillors should be set at seven.



# Statutory Disclosures

## Employee Remuneration

In accordance with section 5.53(2) (g) of the *Local Government Act 1995* and Section 19B of the *Local Government (Administration) Regulations 1996*, the following information is provided with respect to employees annual salary entitlement. Set out below, in bands of \$10,000 is the number of employees of the Shire of Pingelly remuneration with an annual salary of \$100,000 or more.

Salary Range \$	Number of Employees
130,000 - 139,999	-
140,000 - 149,999	-
150,000- 159,999	-
160,000-169,000	1

## Council Meetings

Council continued with a monthly Ordinary Council Meeting schedule, except January. A total of 11 Ordinary Council Meetings (OCM), 0 Special Council Meetings (SCM) and 2 Audit Committee Meetings (ACM) were held. The following table shows the Councillor attendance at these meetings.

	OCM	SCM	ACM
Cr W Mulroney	11	-	2
Cr J McBurney	9	-	2
Cr P Wood	9	-	2
Cr B Hotham	11	-	2
Cr A Oliveri	10	-	1
Cr P Narducci	11	-	2
Cr K Singh	8	-	2

## Freedom of Information

During the 2022-2023 financial year, Council received no requests for information under *Freedom of Information Act 1992*. Council prides itself on being both accountable and accessible to electors and unless containing certain matters, such as personal information etc. is generally able to satisfy all requests for information on any Council related matter outside of the requirements of this Act.

## Public Interest Disclosures

As a public authority, the Shire has an obligation to provide information under the Public Interest Disclosure Act 2003. No public interest disclosure requests were received during 2022-2023.

## Register of Complaints

Section 5.53 (2)(hb) of the *Local Government Act 1995* requires that a local government's Annual Report is to contain details of entries made under Section 5.121 of the Act during the financial year, in the register of complaints. There were no complaints of this nature received and recorded in the Register for the 2022-2023 reporting period.

## National Competition Policy

In respect to Council's responsibilities in relation to National Competition Policy the Shire of Pingelly reports as follows:

- No business enterprise of the Shire has been classified by the Australian Bureau of statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not applied to any activities undertaken by the Shire in this reporting period.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private entity.

# Disability Access & Inclusion Plan

The Disability Access Inclusion Plan 2020-25 is a strategic document for the Shire of Pingelly required by the Government of Western Australia and registered with the Department of Communities. This document is reported on annually to improve quality of life outcomes for people who live with a disability.

The Shire has achieved the following objectives:

- Incorporate the objectives of the DAIP into Council's Corporate Business Plan
- Ensure Shire staff, agents and contractors are aware of the DAIP and the requirements for providing access and inclusion to services and events
- Ensure that information from the Shire website is accessible
- Renovations and newly constructed facilities take disability access into consideration as part of the design.
- Improve Executive Management's awareness of the importance of the DAIP as an instrument for improving access and inclusion within the Shire

The Shire of Pingelly has taken significant strides forward to make our community more accessible, however much more must be done to provide equal access and opportunity for all.





# Recordkeeping Plan

Section 19 of the *State Records Act 2000* requires every government organisation to have a Recordkeeping Plan (RKP) that has been approved by the State Records Commission.

The RKP sets out the matters about which records are to be created by the Organisation and how it is to be kept. This document provides as accurate reflection of the RKP program within the Shire of Pingelly. The inclusion of such documentation will constitute evidence of compliance.

Staff members responsible for records management have been trained in the basic retention and disposal methods for Local Government and have attended RKP training at the Office of State Records.

In house training sessions for staff are conducted on an as needs basis, for example, when an aspect of the recordkeeping systems changes, or if responsibilities change.

In accordance with Section 28 of the *State Records Act 2000*, the RKP for the Shire of Pingelly was reviewed and approved by the State Records Commission in 2021 with the next review of the plan to be completed in 2025-26.



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

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Financial Activity	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	38

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

Pingelly, a sustainable community, where natural beauty and economic diversity provide opportunities for all.

Principal place of business:  
17 Queen Street  
PINGELLY WA 6308



**SHIRE OF PINGELLY  
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 Pingelly 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        **30th**        day of        **November**        2023



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Chief Executive Officer

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Andrew Dover

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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	2(a),23	2,330,171	2,330,002	2,234,270
Grants, subsidies and contributions	2(a)	2,326,054	851,786	2,096,725
Fees and charges	2(a)	349,208	389,449	401,567
Interest revenue	2(a)	51,290	34,740	31,963
Other revenue	2(a)	181,663	118,762	469,421
		5,238,386	3,724,739	5,233,946
<b>Expenses</b>				
Employee costs	2(b)	(1,767,648)	(1,789,205)	(1,784,211)
Materials and contracts		(1,471,244)	(1,876,874)	(1,467,829)
Utility charges		(164,292)	(166,869)	(172,613)
Depreciation		(2,681,915)	(2,574,810)	(2,582,058)
Finance costs	2(b)	(103,057)	(103,356)	(109,307)
Insurance		(217,455)	(203,088)	(193,974)
Other expenditure	2(b)	(83,102)	(105,444)	(91,411)
		(6,488,713)	(6,819,646)	(6,401,403)
		(1,250,327)	(3,094,907)	(1,167,457)
Capital grants, subsidies and contributions	2(a)	2,346,441	2,885,480	1,629,175
Profit on asset disposals		17,526	0	24,760
Loss on asset disposals		(24,430)	(5,000)	(2,690)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,764	0	2,998
		2,342,301	2,880,480	1,654,243
<b>Net result for the period</b>		<b>1,091,974</b>	<b>(214,427)</b>	<b>486,786</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		22,949,417	0	3,602,720
<b>Total other comprehensive income for the period</b>	16	<b>22,949,417</b>	<b>0</b>	<b>3,602,720</b>
<b>Total comprehensive income for the period</b>		<b>24,041,391</b>	<b>(214,427)</b>	<b>4,089,506</b>

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





**SHIRE OF PINGELLY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	NOTE	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	2,155,849	2,594,332
Trade and other receivables	5	505,351	540,433
Other financial assets	4(a)	982,741	871,449
Inventories	6	2,105	19,694
Other assets	7	52,534	4,644
<b>TOTAL CURRENT ASSETS</b>		<b>3,698,580</b>	<b>4,030,552</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	65,116	74,442
Other financial assets	4(b)	133,556	152,022
Property, plant and equipment	8	23,560,599	23,088,519
Infrastructure	9	88,204,630	66,075,823
Right-of-use assets	11(a)	400,362	462,458
<b>TOTAL NON-CURRENT ASSETS</b>		<b>112,364,263</b>	<b>89,853,264</b>
<b>TOTAL ASSETS</b>		<b>116,062,843</b>	<b>93,883,816</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	383,929	481,113
Other liabilities	13	499,428	934,594
Lease liabilities	11(b)	98,891	107,688
Borrowings	14	135,336	1,226,872
Employee related provisions	15	352,435	335,757
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,470,019</b>	<b>3,086,024</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	11(b)	198,420	284,306
Borrowings	14	1,698,091	1,833,427
Employee related provisions	15	35,785	60,922
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,932,296</b>	<b>2,178,655</b>
<b>TOTAL LIABILITIES</b>		<b>3,402,315</b>	<b>5,264,679</b>
<b>NET ASSETS</b>		<b>112,660,528</b>	<b>88,619,137</b>
<b>EQUITY</b>			
Retained surplus		33,534,074	32,552,083
Reserve accounts	26	956,511	846,528
Revaluation surplus	16	78,169,943	55,220,526
<b>TOTAL EQUITY</b>		<b>112,660,528</b>	<b>88,619,137</b>

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2021</b>		<b>32,716,736</b>	<b>195,089</b>	<b>51,617,806</b>	<b>84,529,631</b>
Comprehensive income for the period					
Net result for the period		486,786	0	0	486,786
Other comprehensive income for the period	16	0	0	3,602,720	3,602,720
Total comprehensive income for the period		486,786	0	3,602,720	4,089,506
Transfers from reserve accounts	26	197,640	(197,640)	0	0
Transfers to reserve accounts	26	(849,079)	849,079	0	0
<b>Balance as at 30 June 2022</b>		<b>32,552,083</b>	<b>846,528</b>	<b>55,220,526</b>	<b>88,619,137</b>
Comprehensive income for the period					
Net result for the period		1,091,974	0	0	1,091,974
Other comprehensive income for the period	16	0	0	22,949,417	22,949,417
Total comprehensive income for the period		1,091,974	0	22,949,417	24,041,391
Transfers from reserve accounts	26	196,150	(196,150)	0	0
Transfers to reserve accounts	26	(306,133)	306,133	0	0
<b>Balance as at 30 June 2023</b>		<b>33,534,074</b>	<b>956,511</b>	<b>78,169,943</b>	<b>112,660,528</b>

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



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

	NOTE	2023 Actual \$	2022 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates		2,329,834	2,197,239
Grants, subsidies and contributions		2,355,783	2,325,828
Fees and charges		349,208	401,567
Interest revenue		51,290	31,963
Goods and services tax received		309,956	221,625
Other revenue		181,663	469,421
		5,577,734	5,647,643
<b>Payments</b>			
Employee costs		(1,746,826)	(1,824,319)
Materials and contracts		(1,642,786)	(1,301,098)
Utility charges		(164,292)	(172,613)
Finance costs		(103,057)	(109,307)
Insurance paid		(217,455)	(193,974)
Goods and services tax paid		(361,599)	(209,391)
Other expenditure		(83,102)	(91,411)
		(4,319,117)	(3,902,113)
<b>Net cash provided by (used in) operating activities</b>		1,258,617	1,745,530
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	8(a)	(1,096,254)	(833,942)
Payments for construction of infrastructure	9(a)	(1,246,724)	(911,660)
Capital grants, subsidies and contributions		1,992,710	2,118,186
		(109,982)	(651,439)
Proceeds for financial assets at amortised cost			
Proceeds from financial assets at amortised cost - self supporting loans		19,920	18,692
Proceeds from sale of property, plant & equipment		80,817	57,327
<b>Net cash provided by (used in) investing activities</b>		(359,513)	(202,836)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	25(a)	(1,226,872)	(175,091)
Payments for principal portion of lease liabilities	25(b)	(110,715)	(95,007)
<b>Net cash provided by (used in) financing activities</b>		(1,337,587)	(270,098)
<b>Net increase (decrease) in cash held</b>		(438,483)	1,272,596
Cash at beginning of year		2,594,332	1,321,736
<b>Cash and cash equivalents at the end of the year</b>	3	2,155,849	2,594,332

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

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

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates	23	2,330,171	2,329,767	2,234,053
Rates excluding general rates	23	0	235	217
Grants, subsidies and contributions		2,326,054	851,786	2,096,725
Fees and charges		349,208	389,449	401,567
Interest revenue		51,290	34,740	31,963
Other revenue		181,663	118,762	469,421
Profit on asset disposals		17,526	0	24,760
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	2,764	0	2,998
		5,258,676	3,724,739	5,261,704
<b>Expenditure from operating activities</b>				
Employee costs		(1,767,648)	(1,789,205)	(1,784,211)
Materials and contracts		(1,471,244)	(1,876,874)	(1,467,829)
Utility charges		(164,292)	(166,869)	(172,613)
Depreciation		(2,681,915)	(2,574,810)	(2,582,058)
Finance costs		(103,057)	(103,356)	(109,307)
Insurance		(217,455)	(203,088)	(193,974)
Other expenditure		(83,102)	(105,444)	(91,411)
Loss on asset disposals		(24,430)	(5,000)	(2,690)
		(6,513,143)	(6,824,646)	(6,404,093)
Non-cash amounts excluded from operating activities	24(a)	2,686,922	2,579,810	2,528,168
<b>Amount attributable to operating activities</b>		1,432,455	(520,097)	1,385,779
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		2,346,441	2,885,480	1,629,175
Proceeds from disposal of assets		80,817	12,000	57,327
Proceeds from financial assets at amortised cost - self supporting loans		19,920	19,920	18,692
		2,447,178	2,917,400	1,705,194
<b>Outflows from investing activities</b>				
Purchase of property, plant and equipment		(1,096,254)	(1,226,232)	(833,942)
Purchase and construction of infrastructure		(1,246,724)	(1,778,432)	(911,660)
		(2,342,978)	(3,004,664)	(1,745,602)
<b>Amount attributable to investing activities</b>		104,200	(87,264)	(40,408)
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Transfers from reserve accounts	26	196,150	161,150	197,640
		196,150	161,150	197,640
<b>Outflows from financing activities</b>				
Repayment of borrowings	25(a)	(1,226,872)	(1,226,872)	(175,091)
Payments for principal portion of lease liabilities	25(b)	(110,715)	(107,879)	(95,007)
Transfers to reserve accounts	26	(306,133)	(303,195)	(849,079)
		(1,643,720)	(1,637,946)	(1,119,177)
<b>Amount attributable to financing activities</b>		(1,447,570)	(1,476,796)	(921,537)
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	24(b)	1,743,397	2,084,157	1,319,563
Amount attributable to operating activities		1,432,455	(520,097)	1,385,779
Amount attributable to investing activities		104,200	(87,264)	(40,408)
Amount attributable to financing activities		(1,447,570)	(1,476,796)	(921,537)
<b>Surplus or deficit after imposition of general rates</b>	24(b)	<b>1,832,482</b>	<b>0</b>	<b>1,743,397</b>

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



**SHIRE OF PINGELLY**  
**FOR THE YEAR ENDED 30 JUNE 2023**  
**INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Other Assets	15
Note 8	Property, Plant and Equipment	16
Note 9	Infrastructure	18
Note 10	Fixed Assets	20
Note 11	Leases	22
Note 12	Trade and Other Payables	23
Note 13	Other Liabilities	24
Note 14	Borrowings	25
Note 15	Employee Related Provisions	26
Note 16	Revaluation Surplus	27
Note 17	Restrictions over financial assets and undrawn borrowing facilities	28
Note 18	Contingent Liabilities	29
Note 19	Capital Commitments	29
Note 20	Related Party Transactions	30
Note 21	Events Occurring after the end of the reporting period	31
Note 22	Other Significant Accounting Policies	32
 <b>Information required by legislation</b>		
Note 23	Rating Information	33
Note 24	Determination of Surplus or Deficit	34
Note 25	Borrowing and Lease Liabilities	35
Note 26	Reserve accounts	37

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

**1. BASIS OF PREPARATION**

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

**Local Government Act 1995 requirements**

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

**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 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]
- 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 PINGELLY**  
**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	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
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
Grants,subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence regardless of	Single point in time	Full payment prior to issue	None	No refunds
Fees and charges - pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	After inspection complete based on a 4 year cycle
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Fees and charges - waste management collections	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 collection service
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - 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 - memberships	Pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Output method over 12 months matched to access right
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
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	When fine notice is issued
Other revenue - commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Other revenue - reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

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

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

**(a) Revenue Recognition**

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

**For the year ended 30 June 2023**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,330,171	0	2,330,171
Grants, subsidies and contributions	2,326,054	0	0	0	2,326,054
Fees and charges	349,208	0	0	0	349,208
Interest Revenue	0	0	21,537	29,753	51,290
Other revenue	0	0	0	181,663	181,663
Capital grants, subsidies and contributions	0	2,346,441	0	0	2,346,441
<b>Total</b>	<b>2,675,262</b>	<b>2,346,441</b>	<b>2,351,708</b>	<b>211,416</b>	<b>7,584,827</b>

**For the year ended 30 June 2022**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,234,270	0	2,234,270
Grants, subsidies and contributions	2,096,725	0	0	0	2,096,725
Fees and charges	401,567	0	0	0	401,567
Interest revenue	0	0	20,381	11,582	31,963
Other revenue	228,343	0	241,078	0	469,421
Capital grants, subsidies and contributions	0	1,629,175	0	0	1,629,175
<b>Total</b>	<b>2,726,635</b>	<b>1,629,175</b>	<b>2,495,729</b>	<b>11,582</b>	<b>6,863,121</b>

Note	2023 Actual	2022 Actual
	\$	\$
<b>Interest revenue</b>		
Financial assets at amortised cost - self supporting loans	7,032	8,254
Interest on reserve account funds	6,969	2,197
Trade and other receivables overdue interest	21,537	20,381
Other interest revenue	15,752	1,131
	51,290	31,963
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$21,225.		
<b>Fees and charges relating to rates receivable</b>		
Charges on instalment plan	4,050	4,460
The 2023 original budget estimate in relation to: Charges on instalment plan was \$4,500.		
<b>(b) Expenses</b>		
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	26,700	23,500
- Other services – grant acquittals	4,200	5,835
	30,900	29,335
<b>Employee Costs</b>		
Employee benefit costs	1,503,676	1,574,553
Other employee costs	263,972	209,658
	1,767,648	1,784,211
<b>Finance costs</b>		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	103,057	109,307
	103,057	109,307
<b>Other Expenditure</b>		
Sundry expenses	83,102	91,411
	83,102	91,411



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

**3. CASH AND CASH EQUIVALENTS**

Note	2023	2022
	\$	\$
Cash at bank and on hand	2,155,849	2,594,332
<b>Total cash and cash equivalents</b>	<b>2,155,849</b>	<b>2,594,332</b>
Held as		
- Unrestricted cash and cash equivalents	1,641,634	1,645,353
- Restricted cash and cash equivalents	514,215	948,979
17(a)	<b>2,155,849</b>	<b>2,594,332</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

**Restricted financial assets**

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

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost	977,741	866,449
Financial assets at fair value through profit and loss	5,000	5,000
	<b>982,741</b>	<b>871,449</b>

**Other financial assets at amortised cost**

Self supporting loans receivable	21,230	19,920
Term deposits	956,511	846,529
24(b)	<b>977,741</b>	<b>866,449</b>

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

Financial assets at fair value through profit and loss - Shares	5,000	5,000
	<b>5,000</b>	<b>5,000</b>

Held as

- Unrestricted other financial assets at amortised cost	26,230	24,921
- Restricted other financial assets at amortised cost	956,511	846,528
17(a)	<b>982,741</b>	<b>871,449</b>

**(b) Non-current assets**

Financial assets at amortised cost	72,439	93,669
Financial assets at fair value through profit or loss	61,117	58,353
	<b>133,556</b>	<b>152,022</b>

**Financial assets at amortised cost**

Self supporting loans receivable	72,439	93,669
	<b>72,439</b>	<b>93,669</b>

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

Units in Local Government House Trust - opening balance	58,353	55,355
Movement attributable to fair value increment	2,764	2,998
Units in Local Government House Trust - closing balance	<b>61,117</b>	<b>58,353</b>

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 25(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

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

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

**Financial assets at fair value through profit 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 PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**5. TRADE AND OTHER RECEIVABLES**

Note	2023	2022
	\$	\$
<b>Current</b>		
Rates and statutory receivables	262,584	238,145
Trade receivables	155,238	265,022
GST receivable	51,643	0
Receivables for employee related provisions	35,886	37,266
	505,351	540,433
<b>Non-current</b>		
Pensioner's rates and ESL deferred	65,116	74,442
	65,116	74,442

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

**6. INVENTORIES**

	Note	2023	2022
		\$	\$
<b>Current</b>			
Fuel and materials		2,105	19,694
		2,105	19,694
The following movements in inventories occurred during the year:			
<b>Balance at beginning of year</b>		19,694	13,378
Additions to inventory		117,659	103,508
Usage of inventory		(135,247)	(97,192)
<b>Balance at end of year</b>		2,105	19,694

**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.

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

**7. OTHER ASSETS**

**Other assets - current**

Accrued Income

2023	2022
\$	\$
52,534	4,644
52,534	4,644

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

Other non-financial assets include accrued income which represents income earned but not yet received.



**SHIRE OF PINGELLY**  
**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
	\$	\$	\$		\$	\$	\$
<b>Balance at 1 July 2021</b>	633,000	3,414,335	13,636,371	17,683,706	37,055	1,484,200	19,204,961
Additions	0	0	776,585	776,585	9,385	47,972	833,942
Disposals	0	0	(2,690)	(2,690)	0	(32,567)	(35,257)
Revaluation increments / (decrements) transferred to revaluation surplus	(195,000)	(35,881)	3,833,601	3,602,720	0	0	3,602,720
Depreciation	0	(13,051)	(333,580)	(346,631)	(12,214)	(159,002)	(517,847)
Transfers	0	(2,613,454)	2,613,454	0	0	0	0
<b>Balance at 30 June 2022</b>	438,000	751,949	20,523,741	21,713,690	34,226	1,340,603	23,088,519
<b>Comprises:</b>							
Gross balance amount at 30 June 2022	438,000	765,000	20,857,321	22,060,321	68,372	2,250,901	24,379,594
Accumulated depreciation at 30 June 2022	0	(13,051)	(333,580)	(346,631)	(34,146)	(910,298)	(1,291,075)
<b>Balance at 30 June 2022</b>	438,000	751,949	20,523,741	21,713,690	34,226	1,340,603	23,088,519
Additions	0	56,172	150,208	206,380	0	889,874	1,096,254
Disposals	0	0	0	0	0	(63,291)	(63,291)
Depreciation	0	(13,051)	(342,107)	(355,158)	(12,356)	(193,369)	(560,883)
<b>Balance at 30 June 2023</b>	438,000	795,070	20,331,842	21,564,912	21,870	1,973,817	23,560,599
<b>Comprises:</b>							
Gross balance amount at 30 June 2023	438,000	821,172	21,007,529	22,266,701	68,372	2,952,430	25,287,503
Accumulated depreciation at 30 June 2023	0	(26,102)	(675,687)	(701,789)	(46,502)	(978,613)	(1,726,904)
<b>Balance at 30 June 2023</b>	438,000	795,070	20,331,842	21,564,912	21,870	1,973,817	23,560,599

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

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

**(b) Carrying Value Measurements**

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



**SHIRE OF PINGELLY**  
**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	Infrastructure - kerbs and drains	Infrastructure - other	Infrastructure - bridges	Infrastructure - footpaths	Total Infrastructure
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	52,325,926	4,791,617	5,039,922	3,968,489	1,048,044	67,173,998
Additions	647,536	0	190,896	73,228	0	911,660
Depreciation	(1,187,186)	(216,941)	(328,454)	(234,464)	(42,789)	(2,009,834)
<b>Balance at 30 June 2022</b>	51,786,276	4,574,675	4,902,364	3,807,253	1,005,255	66,075,823
<b>Comprises:</b>						
Gross balance at 30 June 2022	70,679,955	9,122,849	9,996,472	16,676,816	1,700,475	108,176,567
Accumulated depreciation at 30 June 2022	(18,893,679)	(4,548,174)	(5,094,108)	(12,869,563)	(695,220)	(42,100,744)
<b>Balance at 30 June 2022</b>	51,786,276	4,574,675	4,902,364	3,807,253	1,005,255	66,075,823
Additions	725,009	0	403,417	118,298	0	1,246,724
Revaluation increments / (decrements) transferred to revaluation surplus	20,716,181	1,161,080	1,416,882	(722,510)	377,784	22,949,417
Depreciation	(1,250,389)	(216,941)	(322,363)	(235,129)	(42,512)	(2,067,334)
<b>Balance at 30 June 2023</b>	71,977,077	5,518,814	6,400,300	2,967,912	1,340,527	88,204,630
<b>Comprises:</b>						
Gross balance at 30 June 2023	98,037,758	9,834,214	13,835,150	16,310,285	2,210,332	140,227,739
Accumulated depreciation at 30 June 2023	(26,060,681)	(4,315,400)	(7,434,850)	(13,342,373)	(869,805)	(52,023,109)
<b>Balance at 30 June 2023</b>	71,977,077	5,518,814	6,400,300	2,967,912	1,340,527	88,204,630

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

**9. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Infrastructure - roads</b>	3	Cost approach using current replacement cost	Management Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
<b>Infrastructure - kerbs and drains</b>	3	Cost approach using current replacement cost	Management Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
<b>Infrastructure - other</b>	3	Cost approach using current replacement cost	Independent Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
<b>Infrastructure - bridges</b>	3	Cost approach using current replacement cost	Management Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
<b>Infrastructure - footpaths</b>	3	Cost approach using current replacement cost	Management Valuation	June 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 there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.



**SHIRE OF PINGELLY**  
**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:

<b>Asset Class</b>	<b>Useful life</b>
Buildings - non-specialised	5 to 60 years
Buildings - specialised	5 to 50 years
Furniture and equipment	1 to 10 years
Plant and equipment	2 to 50 years
Sealed Roads and streets	
formation	not depreciated
pavement	50 to 80 years
seal	
- bituminous seals	2 to 24 years
- asphalt surfaces	2 to 24 years
Gravel Roads	
formation	not depreciated
pavement	50 to 80 years
Footpaths - slab	20 to 80 years
Sewerage piping	75 years
Water supply piping and drainage systems	17 to 75 years
Infrastructure - other	up to 75 years
Bridges	10 to 65 Years
Right of Use (Plant and equipment)	Based on the remaining lease term

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

**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 and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair. 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 and infrastructure 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, 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 PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**11. LEASES**

**(a) Right-of-Use Assets**

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**

Additions

Depreciation

**Balance at 30 June 2022**

Additions

Gains/(losses) from sale and leaseback transactions

Depreciation

**Balance at 30 June 2023**

Note	Right-of-use assets - furniture and equipment	Right-of-use assets - land and buildings	Right-of-use assets - plant and equipment	Right-of-use assets Total
	\$	\$	\$	\$
	109,765	12,177	308,323	430,265
	0	0	86,570	86,570
	(30,495)	(3,475)	(20,407)	(54,377)
	79,270	8,702	374,486	462,458
	16,032	0	0	16,032
	(24,430)	0	0	(24,430)
	(23,159)	(3,474)	(27,065)	(53,698)
	47,713	5,228	347,421	400,362

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

Depreciation on right-of-use assets

Finance charge on lease liabilities

**Total amount recognised in the statement of comprehensive income**

Total cash outflow from leases

	2023 Actual	2022 Actual
	\$	\$
25(b)	(53,698)	(54,377)
	(15,865)	(12,469)
	(69,563)	(66,846)
	(126,580)	(107,476)
	98,891	107,688
	198,420	284,306
25(b)	297,311	391,994

**(b) Lease Liabilities**

Current

Non-current

**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.

**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.

Details of individual lease liabilities required by regulations are provided at Note 25(b).

**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.

**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.

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

**12. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
 Prepaid rates  
 Accrued payroll liabilities  
 ATO liabilities  
 Bonds and deposits held  
 Accrued interest long term borrowings  
 Accrued Expenses

	2023	2022
	\$	\$
	214,454	309,376
	46,325	31,549
	80,868	54,117
	14,764	12,234
	14,787	14,385
	232	369
	12,499	59,083
	383,929	481,113

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

**13. OTHER LIABILITIES**

**Current**

Contract liabilities  
Capital grant/contributions liabilities

**Reconciliation of changes in contract liabilities**

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

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.

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

Opening balance  
Additions  
Revenue from capital grant/contributions held as a liability at the start of the period

**Expected satisfaction of capital grant/contribution liabilities**

Less than 1 year

2023	2022
\$	\$
45,924	127,359
453,504	807,235
499,428	934,594
127,359	76,494
45,924	127,359
(127,359)	(76,494)
45,924	127,359
807,235	318,224
453,504	807,235
(807,235)	(318,224)
453,504	807,235
453,504	807,235

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 22(i)) due to the unobservable inputs, including own credit risk.

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

**14. BORROWINGS**

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		135,336	1,698,091	1,833,427	1,226,872	1,833,427	3,060,299
<b>Total secured borrowings</b>	25(a)	135,336	1,698,091	1,833,427	1,226,872	1,833,427	3,060,299

**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 Pingelly.

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see note 22(i) due to the unobservable inputs, including own credit risk.

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

**15. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual leave

Long service leave

Other employee leave provisions

**Employee related other provisions**

Employment on-costs

**Total current employee related provisions**

**Non-current provisions**

Long service leave

**Employee related other provisions**

Employment on-costs

**Total non-current employee related provisions**

**Total employee related provisions**

	2023	2022
	\$	\$
Annual leave	137,995	122,880
Long service leave	171,099	170,387
Other employee leave provisions	0	25,287
	309,094	318,554
Employment on-costs	43,341	17,203
	43,341	17,203
<b>Total current employee related provisions</b>	<b>352,435</b>	<b>335,757</b>
Long service leave	34,791	60,636
	34,791	60,636
Employment on-costs	994	286
	994	286
<b>Total non-current employee related provisions</b>	<b>35,785</b>	<b>60,922</b>
<b>Total employee related provisions</b>	<b>388,220</b>	<b>396,679</b>

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

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Actual settlement of the liabilities is expected to occur as follows:

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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



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

**16. REVALUATION SURPLUS**

	<b>2023 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2023 Closing Balance</b>	<b>2022 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2022 Closing Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revaluation surplus - Land and buildings	8,394,383	0	8,394,383	4,791,663	3,602,720	8,394,383
Revaluation surplus - Infrastructure - roads	31,459,160	20,716,181	52,175,341	31,459,160	0	31,459,160
Revaluation surplus - Infrastructure - kerbs and drains	3,772,178	1,161,080	4,933,258	3,772,178	0	3,772,178
Revaluation surplus - Infrastructure - other	7,049,925	1,416,882	8,466,807	7,049,925	0	7,049,925
Revaluation surplus - Infrastructure - bridges	4,544,880	(722,510)	3,822,370	4,544,880	0	4,544,880
Revaluation surplus - Infrastructure - footpaths	0	377,784	377,784	0	0	0
	<b>55,220,526</b>	<b>22,949,417</b>	<b>78,169,943</b>	<b>51,617,806</b>	<b>3,602,720</b>	<b>55,220,526</b>

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

**17. RESTRICTIONS OVER FINANCIAL ASSETS AND UNDRAWN BORROWING FACILITIES**

	<b>Note</b>	<b>2023 Actual \$</b>	<b>2022 Actual \$</b>
<b>(a) Restrictions</b>			
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	514,215	948,979
- Financial assets at amortised cost	4	956,511	846,528
		<b>1,470,726</b>	<b>1,795,507</b>
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	26	956,511	846,528
Contract liabilities	13	45,924	127,359
Capital grant liabilities	13	453,504	807,235
Bonds and deposits held	12	14,787	14,385
<b>Total restricted financial assets</b>		<b>1,470,726</b>	<b>1,795,507</b>
<b>(b) Undrawn Borrowing Facilities and credit standby arrangements</b>			
Bank overdraft limit		500,000	500,000
Bank overdraft at balance date		0	0
Credit card limit		20,000	20,000
Credit card balance at balance date		(4,784)	(2,289)
<b>Total amount of credit unused</b>		<b>515,216</b>	<b>517,711</b>
<b>Loan facilities</b>			
Loan facilities - current		135,336	1,226,872
Loan facilities - non-current		1,698,091	1,833,427
<b>Total facilities in use at balance date</b>		<b>1,833,427</b>	<b>3,060,299</b>

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

**18. CONTINGENT LIABILITIES**

There are no contingent liabilities that require disclosure at the end of the reporting period.

**19. CAPITAL COMMITMENTS**

There are no capital commitments that require disclosure at the end of the reporting period.



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

**20. 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	1,200	1,200	1,200
Deputy President's annual allowance	300	300	300
Meeting attendance fees	34,400	38,400	38,067
Annual Allowance for ICT expenses	0	100	0
20(b)	35,900	40,000	39,567

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

	2023	2022
Note	Actual	Actual
	\$	\$
Shire during the year are as follows:		
Short-term employee benefits	392,950	444,428
Post-employment benefits	47,128	52,234
Employee - other long-term benefits	38,821	39,047
Employee - termination benefits	616	24,622
Council member costs	35,900	39,567
	515,415	599,898

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

**20. RELATED PARTY TRANSACTIONS**

**Transactions with related parties**

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

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

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

	<b>2023 Actual</b>	<b>2022 Actual</b>
	<b>\$</b>	<b>\$</b>
Purchase of goods and services	12,597	8,954
<b>Amounts outstanding from related parties:</b>		
Trade payables	438	4,183

**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 20(a) and 20(b)

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

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

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

*iii. Other Related Parties*

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

**21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

There were no events after the end of the reporting period that required disclosure in the Financial Report.

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

**22. OTHER SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) Statement of Financial Position as at the beginning of the preceding period in addition to the minimum comparative financial 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 of 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 PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**23. RATING INFORMATION**

**(a) General Rates**

<b>RATE TYPE</b>				<b>2022/23 Actual Rateable Value*</b>	<b>2022/23 Actual Rate Revenue</b>	<b>2022/23 Actual Interim Rates</b>	<b>2022/23 Actual Total Revenue</b>	<b>2022/23 Budget Rate Revenue</b>	<b>2022/23 Budget Interim Rate</b>	<b>2022/23 Budget Total Revenue</b>	<b>2021/22 Actual Total Revenue</b>
<b>Rate Description</b>	<b>Basis of valuation</b>	<b>Rate in \$</b>	<b>Number of Properties</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
GRV - Residential	Gross rental valuation	0.13417	318	3,624,452	486,293	3,152	489,445	486,282	0	486,282	467,920
GRV - Rural Residential	Gross rental valuation	0.13417	65	807,924	108,399	0	108,399	108,397	0	108,397	104,215
GRV - Commercial/Industrial	Gross rental valuation	0.13417	28	396,080	53,142	0	53,142	53,141	0	53,141	51,075
GRV - Townsites	Gross rental valuation	0.13417	12	144,560	19,396	0	19,396	19,395	0	19,395	18,641
UV - Broadacre Rural	Unimproved valuation	0.008550	232	173,853,000	1,486,443	(2,415)	1,484,028	1,486,791	0	1,486,791	1,419,812
<b>Total general rates</b>			655	178,826,016	2,153,673	737	2,154,410	2,154,006	0	2,154,006	2,061,663
<b>Minimum payment</b>											
<b>Minimum payment</b>											
GRV - Residential	Gross rental valuation	993	62	85,646	61,566	0	61,566	61,566	0	61,566	58,900
GRV - Rural Residential	Gross rental valuation	993	24	56,220	23,832	0	23,832	23,832	0	23,832	21,850
GRV - Commercial/Industrial	Gross rental valuation	993	14	58,080	13,902	0	13,902	13,902	0	13,902	13,300
GRV - Townsites	Gross rental valuation	993	8	17,185	7,944	0	7,944	7,944	0	7,944	7,600
UV - Broadacre Rural	Unimproved valuation	993	69	5,157,530	68,517	0	68,517	68,517	0	68,517	71,250
<b>Total minimum payments</b>			177	5,374,661	175,761	0	175,761	175,761	0	175,761	172,900
<b>Total general rates and minimum payments</b>			832	184,200,677	2,329,434	737	2,330,171	2,329,767	0	2,329,767	2,234,563
<b>Ex-gratia Rates</b>											
Ex-gratia Rates			0	0	0	0	0	235	0	235	217
<b>Total amount raised from rates (excluding general rates)</b>			0	0	0	0	0	235	0	235	217
Concessions							0			0	(510)
<b>Total Rates</b>							2,330,171			2,330,002	2,234,270
Rate instalment interest							8,151			8,254	8,392
Rate overdue interest							13,386			13,422	11,989

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

**24. DETERMINATION OF SURPLUS OR DEFICIT**

Note	2022/23	2022/23	2021/22
	(30 June 2023)	Budget (30 June 2023)	(30 June 2022)
	Carried Forward)	Carried Forward)	Carried Forward
	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	(17,526)	0	(24,760)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(2,764)	0	(2,998)
Add: Loss on disposal of assets	24,430	5,000	2,690
Add: Depreciation	2,681,915	2,574,810	2,582,058
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	9,326	0	2,099
Employee benefit provisions	(8,459)	0	(30,921)
<b>Non-cash amounts excluded from operating activities</b>	<b>2,686,922</b>	<b>2,579,810</b>	<b>2,528,168</b>
<b>(b) Surplus or deficit after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	26 (956,511)	(988,573)	(846,528)
Less: Financial assets at amortised cost - self supporting loans	4(a) (21,230)	(1,437)	(19,920)
- Investments	(5,000)	(5,000)	(5,000)
Add: Current portion of borrowings	14 135,336	0	1,226,872
- Current portion of lease liabilities	11(b) 98,891	92,859	107,688
- Employee benefit provisions	352,435	417,295	335,757
<b>Total adjustments to net current assets</b>	<b>(396,079)</b>	<b>(484,856)</b>	<b>798,869</b>
<b>Net current assets used in the Statement of Financial Activity</b>			
Total current assets	3,698,580	1,708,723	4,030,552
Less: Total current liabilities	(1,470,019)	(1,223,867)	(3,086,024)
Less: Total adjustments to net current assets	(396,079)	(484,856)	798,869
<b>Surplus or deficit after imposition of general rates</b>	<b>1,832,482</b>	<b>0</b>	<b>1,743,397</b>

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

**25. BORROWING AND LEASE LIABILITIES**

**(a) Borrowings**

Purpose	Note	Actual							Budget			
		Principal			Principal at 30 June 2022	Principal			Principal			Principal at 30 June 2023
		Principal at 1 July 2021	New Loans During 2021-22	Repayments During 2021-22		New Loans During 2022-23	Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Loans During 2022-23	Repayments During 2022-23	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Recreation and Cultural Centre		1,954,191	0	(104,983)	1,849,208	0	(109,450)	1,739,758	1,739,758	0	(109,450)	1,630,308
Recreation and Cultural Centre		1,148,918	0	(51,416)	1,097,502	0	(1,097,502)	0	0	0	(1,097,502)	(1,097,502)
<b>Total</b>		3,103,109	0	(156,399)	2,946,710	0	(1,206,952)	1,739,758	1,739,758	0	(1,206,952)	532,806
<b>Self Supporting Loans</b>												
SSL Pingelly Cottage Homes		132,281	0	(18,692)	113,589	0	(19,920)	93,669	93,669	0	(19,920)	73,749
<b>Total Self Supporting Loans</b>		132,281	0	(18,692)	113,589	0	(19,920)	93,669	93,669	0	(19,920)	73,749
<b>Total Borrowings</b>	14	3,235,390	0	(175,091)	3,060,299	0	(1,226,872)	1,833,427	1,833,427	0	(1,226,872)	606,555

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost.  
All other loan repayments were financed by general purpose revenue.

**Borrowing Finance Cost Payments**

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
						\$	\$	\$
Recreation and Cultural Centre		123	WATC	4.20%	30/06/2035	(76,699)	(76,712)	(81,166)
Recreation and Cultural Centre		124	WATC	0.70%	29/12/2022	(3,468)	(3,586)	(7,418)
<b>Total</b>						(80,167)	(80,298)	(88,584)
<b>Self Supporting Loans Finance Cost Payments</b>								
SSL Pingelly Cottage Homes		120	WATC	6.47%	29/06/2027	(7,025)	(7,032)	(8,254)
<b>Total Self Supporting Loans Finance Cost Payments</b>						(7,025)	(7,032)	(8,254)
<b>Total Finance Cost Payments</b>						(87,192)	(87,330)	(96,838)

\* WA Treasury Corporation



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

25. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal			Principal				Principal			
		Principal at 1 July 2021	New Leases During 2021-22	Repayments During 2021-22	Principal at 30 June 2022	New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Photocopier Lease		37,137	0	(20,985)	16,152	16,032	(19,179)	13,005	16,154	0	(16,154)	0
Computer Server		41,154	0	(8,355)	32,799	0	(8,788)	24,011	32,798	0	(8,788)	24,010
Solar System - Admin		12,157	0	(3,243)	8,914	0	(3,423)	5,491	8,913	0	(3,442)	5,471
CCTV Server		19,942	0	(3,740)	16,202	0	(3,972)	12,230	15,901	0	(3,971)	11,930
Motor Grader		290,041	0	(58,684)	231,357	0	(60,524)	170,833	231,357	0	(60,524)	170,833
Skid Steer Loader		0	86,570	0	86,570	0	(14,829)	71,741	0	0	0	0
Tip Truck		0	0	0	0	0	0	0	0	0	(15,000)	(15,000)
<b>Total Lease Liabilities</b>	11(b)	400,431	86,570	(95,007)	391,994	16,032	(110,715)	297,311	305,123	0	(107,879)	197,244

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term
						\$	\$	\$	
Photocopier Lease		1	Classic Funding Gr	3.00%	4/01/2027	(157)	(824)	(824)	5 years
Computer Server		2	Vestone Capital	5.40%	6/10/2025	(1,518)	(1,932)	(1,933)	5 years
Solar System - Admin		3	Vestone Capital	5.40%	1/10/2024	(413)	(592)	(592)	4 years
CCTV Server		4	Vestone Capital	6.00%	2/10/2026	(888)	(818)	(1,119)	5 years
Motor Grader		5	Komatsu Finance	3.10%	10/02/2026	(6,297)	(11,860)	(8,001)	5 years
Skid Steer Loader		6	Vestone Capital	7.07%	4/04/2027	(6,592)	0	0	5 years
<b>Total Finance Cost Payments</b>						(15,865)	(16,026)	(12,469)	

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

**26. RESERVE ACCOUNTS**

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) Reserve cash backed - Leave reserve	196,395	1,617	0	198,012	196,395	185	0	196,580	36,295	170,100	(10,000)	196,395
(b) Reserves cash backed -Plant reserve	85,125	239,864	(159,000)	165,989	85,124	239,407	(124,000)	200,531	33,295	51,830	0	85,125
(c) Reserve cash backed - Building reserve	374,932	3,088	0	378,020	374,932	2,068	0	377,000	23,962	520,970	(170,000)	374,932
(d) Reserve cash backed - Electronic equipment reserve	54,793	35,451	(37,150)	53,094	54,793	35,249	(37,150)	52,892	32,344	40,089	(17,640)	54,793
(e) Reserve cash backed - Community bus reserve	43,979	20,362	0	64,341	43,979	20,220	0	64,199	23,914	20,065	0	43,979
(f) Reserve cash backed - Swimming Pool reserve	33,072	5,272	0	38,344	33,072	5,166	0	38,238	27,995	5,077	0	33,072
(g) Reserve cash backed - Refuse Site Rehabilitation reserve	16,235	134	0	16,369	16,236	82	0	16,318	16,190	45	0	16,235
(h) Reserve cash backed - Tutanning Nature reserve	1,997	16	0	2,013	1,997	18	0	2,015	1,094	903	0	1,997
(i) Reserve cash backed - Wheatbelt Secondary Freight Network	40,000	329	0	40,329	40,000	800	0	40,800	0	40,000	0	40,000
	846,528	306,133	(196,150)	956,511	846,528	303,195	(161,150)	988,573	195,089	849,079	(197,640)	846,528
	846,528	306,133	(196,150)	956,511	846,528	303,195	(161,150)	988,573	195,089	849,079	(197,640)	846,528

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	Anticipated date of Use	Purpose of the reserve account
<b>Restricted by council</b>		
(a) Reserve cash backed - Leave reserve	Ongoing	to fund annual and long service leave requirements.
(b) Reserves cash backed -Plant reserve	Ongoing	for the purchase of major plant.
(c) Reserve cash backed - Building reserve	Ongoing	to fund the renovation/purchase of Shire of Pingelly buildings and Recreation Infrastructure.
(d) Reserve cash backed - Electronic equipment reserve	Ongoing	to fund the purchase of information technology hardware and software equipment.
(e) Reserve cash backed - Community bus reserve	Ongoing	to fund the change-over of the community bus.
(f) Reserve cash backed - Swimming Pool reserve	Ongoing	to fund the upgrading of the swimming pool complex
(g) Reserve cash backed - Refuse Site Rehabilitation reserve	Ongoing	to facilitate the rehabilitation/closure of the town refuse site.
(h) Reserve cash backed - Tutanning Nature reserve	Ongoing	for the operations, improvements and promotion of the Tutanning Nature Reserve
(i) Reserve cash backed - Wheatbelt Secondary Freight Network	Ongoing	to be used for the future construction of the Wheatbelt Freight Network road.



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2023 Shire of Pingelly

**To the Council of the Shire of Pingelly**

#### Opinion

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

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

In my opinion, the financial report is:

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

#### Basis for opinion

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

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

#### Other information

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

This auditor's report relates to the financial report of the Shire of Pingelly 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  
1 December 2023





Shire of Pingelly Annual Report 2022-23

