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# Audit and Risk Committee Agenda

Shire of Pingelly

Audit, Risk and Improvement Committee Meeting

Wednesday 21 January 2026

04.30pm

*Pingelly, positive by nature, let's grow together!*



## **Shire of Pingelly**

### **Notice of Meeting**

Notice is given that a meeting of the Audit, Risk and Improvement Committee will be held in the Council Chambers, 17 Queen Street, Pingelly on Wednesday 21 January 2026 commencing at 04.30 pm.

Your attendance is respectfully requested.

### **Disclaimer**

The recommendations contained in this agenda are officers' recommendations only and should not be acted upon until Council has resolved to adopt those recommendations. The resolutions of Council should be confirmed by perusing the minutes of the Council meeting at which these recommendations were considered. Members of the public should also note that they act at their own risk if they enact any resolution prior to receiving official written notification of Council's decision.

A handwritten signature in black ink, appearing to read "Andrew Dover".

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

# Risk Framework

## Consequence Rating

Impact	Health	Financial	Service Interruption	Compliance	Reputational	Property	Environment
Insignificant	Negligible injuries	Less than \$2,000	No material service interruption	No noticeable regulatory / statutory impact	Low impact, single complaint, low profile or 'no news' item	Inconsequential or no damage	Contained, reversible impact managed on site response
Minor	First aid injuries	\$2,001 - \$10,000	Short term temporary interruption – backlog cleared < 1 day	Some temporary non-compliance	Low impact, a small number of complaints	Localised damage rectified by routine internal procedures	Contained, reversible impact managed by internal response
Moderate	Medical type injuries <5 days	\$10,001 - \$50,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Short term non-compliance but with significant regulatory requirements imposed	Public embarrassment, moderate impact, low or moderate news profile	Localised damage requiring external resources to rectify	Contained, reversible impact managed by external agencies
Major	Lost time injury >5 days	\$50,001 - \$200,000	Prolonged interruption of services – additional resources; performance affected < 1 month	Non-compliance results in termination of services or imposed penalties	Public embarrassment, high impact, high news profile, third party actions	Significant damage requiring internal & external resources to rectify	Uncontained, reversible impact managed by a coordinated response from external agencies
Catastrophic	Fatality, permanent disability	More than \$200,000	Indeterminate prolonged interruption – non-performance > 1 month	Non-compliance results in litigation, criminal charges or significant damages	Public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions	Extensive damage requiring prolonged period of restitution. Complete loss of property	Uncontained, irreversible impact

## Likelihood Rating

	Description
Almost Certain	The event is expected to occur in most circumstances   > once per year   > 90% chance of occurring
Likely	The event will probably occur in most circumstances   At least once per year   60% - 90% chance of occurring
Possible	The event should occur at some time   At least once in 3 years   40% - 60% chance of occurring
Unlikely	The event could occur at some time   At least once in 3 years   10% - 40% chance of occurring
Rare	The event may only occur in exceptional circumstances   Less than once in 15 years   < 10% chance of occurring

## Risk Matrix

Consequence Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	M (5)	H (10)	H (15)	E (20)	E (25)
Likely	L (4)	M (8)	H (12)	H (16)	E (20)
Possible	L (3)	M (6)	M (9)	H (12)	H (15)
Unlikely	L (2)	L (4)	M (6)	M (8)	H (10)
Rare	L (1)	L (2)	L (4)	L (4)	M (5)

## Risk Acceptance Criteria

	Description	Criteria	Responsibility
Low (L)	Acceptable	Acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Staff Member
Moderate (M)	Monitor	Acceptable with adequate controls, managed by specific procedures, subject to semi-annual monitoring	Senior Manager
High (H)	Urgent action	Acceptable with effective controls, managed by senior management, subject to monthly monitoring	Senior Manager
Extreme (E)	Unacceptable	Only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by the CEO and subject to continuous monitoring	CEO

## SHIRE OF PINGELLY

*Agenda for the Shire of Pingelly Audit, Risk and Improvement Committee meeting to be held in the Council Chamber, 17 Queen Street, Pingelly on 21 January 2026 – commencing at 04.30pm.*

### **Table of Contents**

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS.....	5
2 ACKNOWLEDGEMENT OF COUNTY.....	5
3 ANNOUNCEMENTS OF PRESIDING MEMBER .....	5
4 RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE .....	5
5 APPLICATIONS FOR LEAVE OF ABSENCE .....	5
6 DISCLOSURES OF INTEREST.....	5
7 CONFIRMATION OF MINUTES AND REPORTS.....	5
7.1.    Confirmation of Minutes of Previous Meetings – 10 December 2024.....	5
8 BUSINESS .....	6
8.1.    Annual Financial Report and Audit Report 2024/25.....	6
9 CLOSURE OF MEETING .....	7

**1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

The Chairman declared the meeting open at.

**2 ACKNOWLEDGEMENT OF COUNTRY**

We acknowledge the Willman Noongar people of this area and recognise their continuing connection to land, waters and community. We pay respect to Elders past, present and emerging.

**3 ANNOUNCEMENTS OF PRESIDING MEMBER**

Please turn your mobile phones to silent, any calls are to be taken outside of the Chambers. Thank you.

**4 RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE**

**5 APPLICATIONS FOR LEAVE OF ABSENCE**

**6 DISCLOSURES OF INTEREST**

The *Local Government Act* (Section 5.60 – 5.62) provides that it is the Councillor's obligation to declare an interest if they believe that they have a financial interest, proximity interest, closely associated persons interest or an interest affecting impartiality in a matter being discussed by Council.

The Act provides that the interest may be declared in writing to the Chief Executive Officer prior to the meeting or declared prior to discussion of the agenda item at the meeting. Forms for this purpose are available to Councillors.

The Act further provides that the extent of the interest needs to be declared if the Councillor seeks to remain in the Chamber during the discussion, debate or voting on the item.

A Councillor declaring a financial or proximity interest must leave the meeting prior to the matter being discussed or voted on (including the question as to whether they are permitted to remain in the Chamber). Councillors remaining in the Chamber may resolve to allow the member to return to the meeting to participate in the proceedings.

**7 CONFIRMATION OF MINUTES AND REPORTS**

**7.1. Confirmation of Minutes of Previous Meetings – 2 February 2025**

**Voting Requirements:**  
Simple Majority

**Officers Recommendation:**

**That the minutes of the Shire of Pingelly Audit and Risk Committee meeting held at the Shire of Pingelly on 2 February 2025 be confirmed.**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

## **8 BUSINESS**

### **8.1. Annual Financial Report and Audit Report 2024/25**

**File Reference:** ADM0074  
**Location:** Not Applicable  
**Applicant:** Not Applicable  
**Author:** Chief Executive Officer  
**Disclosure of Interest:** Nil  
**Attachments:** Annual Financial Report 2024/25  
**Previous Reference:** Nil

#### **Summary**

The Audit and Risk Committee is requested to consider and adopt the Annual Financial Report and associated Audit Report from the Office of the Auditor General.

#### **Background**

AMD Accountants on behalf of the Office of the Auditor General visited the Shire of Pingelly on 6, 7 and 8 October 2025 to conduct the Final Audit for the year ending 30 June 2025.

The OAG gave the Shire an unqualified audit with no findings to note or raise. There were a number of points raised with officers, however these do not impact the unqualified audit and are not reflected in the Auditors Opinion.

#### **Comment**

The Shire Management team are delighted to receive the OAG's Audit outcome, that reflects the achieved standards by good governance, practices and financial management.

#### **Consultation:**

Office of the Auditor General AMD Chartered Accountants

#### **Statutory Environment:**

*Local Government Act 1995* and associated regulations

#### **Policy Implications:**

There are no policy implications arising from this report.

#### **Financial Implications:**

There are no known financial implications arising from this report.

#### **Strategic Implications:**

This matter is a statutory requirement.

#### **Risk Framework**

<b>Risk:</b>	Key risk of the infrastructure assets being understated or overstated in the Annual Financial Report		
<b>Consequence Theme:</b>	Compliance	<b>Impact:</b>	Moderate
<b>Consequence:</b>	Short term non-compliance but with significant regulatory requirements imposed		
<b>Likelihood Rating:</b>	Unlikely	<b>Risk Matrix:</b>	Moderate (9)
<b>Action Plan:</b>	Acceptable with adequate controls, managed by specific procedures, subject to semi-annual monitoring		

**Voting Requirements:**

Absolute Majority

**Officers Recommendation:**

**That Council:**

1. Adopt the Shire of Pingelly Annual Report for the financial year ending 30 June 2025, inclusive of the Annual Financial Report and Audit Report; and
2. Approves the Annual Meeting of Electors to be held at 7.00pm on Wednesday 18 February 2026.

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

**9 CLOSURE OF MEETING**

The Chairman to declare the meeting closed.



# Shire of Pingelly

## Annual Report 2024/25

# Table of Contents

The Vision for Pingelly.....	3
Acknowledgement of Country.....	4
History of the Shire.....	4
Statistics.....	5
Elected Members.....	6
Executive Staff.....	7
Our Shared Values.....	8
Shire President's Report.....	10
Chief Executive Officer's Report.....	11
Strategic Community Plan – Plan Development.....	12
Strategic Community Plan - Progress Report.....	13
People.....	14
Planet.....	16
Place.....	18
Prosperity.....	20
Performance.....	22
Looking to 2025/2026.....	24
Statutory Disclosures.....	26
Disability, Access & Inclusion Plan.....	28
Recordkeeping Plan.....	29
Appendix A – 2024/2025 Annual Financial Report	
Appendix B - Audit Report for Year Ending 30 June 2024	
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.



# Acknowledgement of Country

The Shire of Pingelly acknowledges the Willman Noongar people of the Pingelly area and recognise their continuing connection to land, waters and community. We pay our respects to their elders, past and present, and acknowledge their continuing culture and contribution to the life of this community and region.

## 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.





# Shire 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 862 electors (2024 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.

# Elected Members

The Shire of Pingelly's Council remained a stable and cohesive team throughout 2024/25, providing consistent leadership and clear strategic direction for the community. Councillors continued to work collaboratively to progress projects, strengthen community engagement and uphold strong governance.

Councillor Peter Narducci resigned from his position in early 2025, concluding 5 years of service. The Shire acknowledges Cr Narducci contribution to the community and thanks him for his service.

Council received authorisation from the Electoral Commission to allow the vacancy left by the resignation to remain unfilled until the election in October 2025. The remainder of the Council continued to provide reliable and effective leadership, ensuring continuity in decision-making and maintaining momentum across key initiatives.



**Deputy President**  
**Peter Wood**



**President**  
**Jackie McBurney**



**Cr Bryan Hotham**



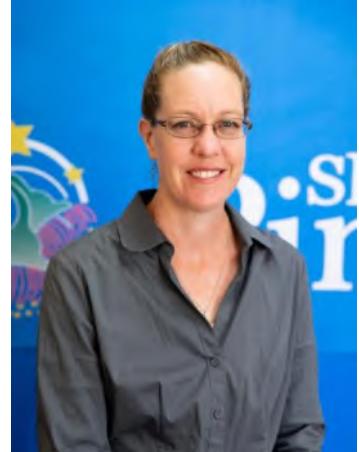
**Cr Clinton Cheney**



**Cr Karmvir Singh**



**Cr Peter Narducci**



**Cr Angela Tretthewey**

# Executive Staff 2024-25

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



**Mike Hudson**  
**Executive Manager  
Works**



**Zoe Macdonald**  
**Executive Manager Corporate  
Services (Until April 2025)**





# 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

As I reflect on 2024/25, our vision, "Pingelly, positive by nature. Let's Grow together," continues to inspire me. I feel confident about our future because of the many ways our community and shire staff have come together to strengthen, celebrate and plan for our town. It has been a year marked by connection, achievement and thoughtful planning, driven by the people who make Pingelly such a welcoming and resilient place to live.

Throughout the year, investment in recreation, roads and public spaces has been an important focus, with new and improved facilities creating places for families and young people to be active and connected.

Listening to our community remained central to the Shire's work. We undertook a review of the Pingelly Community Plan and I sincerely thank everyone who took the time to share their ideas and experiences. Your input is vital in shaping the future direction of our community, and the actions identified through the Plan now guide the Shire's ongoing work.

Road maintenance continues to be one of our greatest challenges and remains the area where the Shire commits the largest share of its resources. Again, we have listened to our community and engaged with locals to help shape the priorities for our road network. This ongoing work is essential and we are committed to a program of continual improvement.

Looking ahead, maintaining the safety and wellbeing of our community remains our central focus. Planning is underway for future community events and initiatives that celebrate our history and identity, in addition to supporting further upgrades to local streets and facilities.

I extend my heartfelt thanks to the Pingelly community for your ongoing engagement and support, and to Shire staff for their dedication and commitment. I look forward to the year ahead and to continuing to work together with kindness, respect and a shared vision for our community.

Warmest regards  
**Cr Jackie McBurney**  
Shire President



# CEO's Report

The 2024/25 financial year has been a productive and positive period for the Shire of Pingelly, with progress made across all areas of operations. Our focus has remained on delivering high-quality services, maintaining financial responsibility, and ensuring that the Shire continues to meet the needs of our community.

This year saw the completion of several significant projects, including the construction and opening of new Bush Fire Brigade facilities in West and East Pingelly. These purpose-built buildings provide modern, fit-for-purpose spaces for our volunteer brigades and reflect our commitment to community safety and emergency preparedness.

Community engagement has remained a central priority. Monthly movie nights, youth programs, and intergenerational initiatives such as Age is Just a Number continued to strengthen social connection. The Heritage Festival, Christmas Village, and the highly successful 2024 FAM Festival once again showcased the spirit and creativity of our community. The FAM Festival in particular demonstrated the power of community-led celebration, with strong participation from local groups, businesses and volunteers.

Operationally, the Shire has continued to focus on asset management, road maintenance, and long-term planning. Significant progress was made on the Youth Precinct, and the development of key strategic documents including the Long-Term Financial Plan and the Pingelly Wellbeing Plan.

I would like to thank the Shire President and Councillors for their guidance and support throughout the year. I also acknowledge the dedication of our staff, whose efforts ensure the smooth delivery of services and the successful delivery of projects and events.

The Shire looks forward to continuing its work in partnership with the community to build a vibrant and sustainable future for Pingelly.

Sincerely  
**Andrew Dover**  
Chief Executive Officer



# Pingelly Community Plan 2023-2033



# Pingelly Community Plan – Progress Report

The Pingelly Community Plan 2023 is used to:

- Guide Council decision-making and priority setting
- Engage local residents, ratepayers, businesses, community groups, and other local stakeholders that contribute our shared future
- 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

				
People	Planet	Place	Prosperity	Performance
With our positive nature, we are creating a safe, caring and inclusive community for all to enjoy.	Pingelly's natural areas and systems are healthy and thriving, and natural resources are being used sustainably.	Our heritage buildings are being thoughtfully restored and preserved and we are investing in safe roads and quality infrastructure to enhance our quality of life.	Pingelly is attracting government and private investment, helping to grow and strengthen the economy, attract visitors, and deliver job security now and for the future.	The Shire of Pingelly is an innovative, responsive partner to its community, an effective advocate, and a trusted steward of community assets. The organisation achieves good practice in all that it undertakes.

The Pingelly Community Plan 2023–2033 sets out the long-term vision for the Shire, structured around five key themes: People, Planet, Place, Prosperity and Performance. These themes reflect the community's aspirations and guide the Shire's planning, investment and service delivery. The following section outlines progress made during the 2024/25 financial year across each theme.

# People

***A connected, healthy, inclusive and vibrant community***

## Celebration Community Events and Cultural Life

### FAM Festival 2024

The past year was marked by exceptional growth in community participation, cultural celebration and social connection. Pingelly's events calendar continued to flourish, with the FAM Festival emerging as a highlight. The festival transformed the town centre into a lively celebration of creativity, with a colourful float parade, live music, art workshops, markets and a curated gallery that showcased the talent and spirit of the community.

### Heritage Festival 2025

The Heritage Festival offered a rich and reflective celebration of Pingelly's past. Residents and visitors enjoyed architecture tours, heritage trail walks, vintage machinery displays and a beautifully presented 1920s High Tea in the Town Hall. The festival encouraged intergenerational storytelling and deepened appreciation for the people, places and events that have shaped the district over time.

### Christmas Village 2024

The Christmas Village brought the community together for an evening of festive celebration. Families enjoyed live entertainment, children's craft activities, community stalls and a warm, welcoming atmosphere. Decorative lighting and seasonal displays transformed the space into a joyful gathering point, reinforcing the importance of community spirit.

### Monthly Movie Nights

Monthly movie nights continued to grow in popularity, offering a relaxed and accessible way for residents to come together. Screenings of Australian films and family-friendly titles created a regular social opportunity that appealed to a wide range of ages. These evenings contributed to a sense of belonging and provided a simple but meaningful way for the community to connect.

### Age is Just a Number

The intergenerational program *Age is Just a Number* continued to flourish, creating meaningful connections between students and older residents. Through shared activities, conversations and creative projects, participants built confidence, understanding and mutual respect. The program strengthened social cohesion and highlighted the value of intergenerational learning.





# People

*A connected, healthy, inclusive and vibrant community*

## Wellbeing, Inclusion and Social Connection

### Youth Engagement

Youth engagement remained a strong focus throughout the year. Young people participated in school holiday programs, leadership opportunities and creative workshops, and played an active role in shaping the design of the Youth Precinct. Their involvement ensured that the precinct reflects their needs, interests and aspirations, and reinforced the Shire's commitment to supporting young people as valued contributors to community life.

### Seniors Week

Seniors Week provided opportunities for older residents to connect, learn and celebrate their contributions to the community. Morning teas, workshops and social activities encouraged participation and supported wellbeing, while also recognising the important role seniors play in shaping the character and resilience of Pingelly.

### Volunteer Celebration Evening – “Spit & S’mores”

The Volunteer Celebration Evening offered a warm and heartfelt acknowledgement of the many volunteers who contribute to the vitality of the district. The evening brought together volunteers from emergency services, community groups, sporting clubs and cultural organisations for a relaxed gathering featuring a spit roast dinner and s’mores around the fire. The event highlighted the essential role volunteers play in strengthening community life.

### Australia Day Awards 2025

The following people were awarded at the Shire of Pingelly Australia Day awards:

- Lorraine Riches – Community Service of the Year
- Rod Shaddick – Volunteer of the Year
- Pingelly Stay Active – Senior of the Year
- Lily Spencer – Youth of the Year

These awards are to recognise and celebrate individuals and organisations that have made significant contributions or have provided outstanding service to the local community over several years.



# Planet

***A protected, sustainable & resilient natural environment***

## Environmental Projects and Partnerships

### Tree Planting and Landscaping

Tree planting and landscaping continued across the district, supporting shade, biodiversity and the overall visual appeal of community spaces. These efforts were integrated into several projects, including the Caravan Park upgrades and the early planning for the Youth Precinct. The Shire's commitment to greening public spaces remains a key part of its long-term environmental strategy and contributes to a more sustainable and attractive community environment.

One of the year's environmental achievements was the CMCA Greenfund Tree Planting Day, which brought volunteers from across the region to the Pingelly Caravan Park. Together, participants planted one hundred native plants, contributing to long-term revegetation and enhancing the natural amenity of the site.

### Sustainable Infrastructure and Practices

Sustainability was embedded into the planning and delivery of infrastructure projects throughout the year. The Caravan Park upgrades incorporated environmentally conscious landscaping and long-term water-wise design.

Environmental themes were woven into youth programs, community events and volunteer activities, helping to build a culture of environmental responsibility across all age groups. These initiatives supported the Shire's broader goal of fostering a community that values and protects its natural environment.

### Waste and Resource Management

The Shire continued to provide reliable waste and recycling services, ensuring that residents had access to responsible disposal options. Participation in regional waste management initiatives strengthened the Shire's capacity to manage resources effectively and sustainably. Community education remained an important focus, with ongoing communication encouraging residents to reduce waste, recycle correctly and adopt more sustainable habits.

The Shire's commitment to responsible waste management, combined with its investment in environmental projects and sustainable infrastructure, reflects a broader dedication to protecting the natural environment and building long-term resilience across the district.





# Place

***A well-planned, accessible & attractive built environment***

## Community Facilities & Infrastructure

### Accessible Infrastructure

Accessibility remained a central priority for the Shire, with significant improvements delivered across key community facilities. The installation of a wheelchair lift at the Town Hall, upgrades to the PRACC carpark ramp, additional ACROD parking, handrail installations and accessibility enhancements at the Shire Office all contributed to a more inclusive and welcoming environment. These achievements reflected the Shire's commitment to ensuring that all residents can participate fully in community life and were recognised through the Shire's nomination for the 2024 Most Accessible Community in WA Awards.

### Youth Precinct Development

The Youth Precinct advanced significantly during the year and stands as one of the Shire's most ambitious and transformative community projects. Engagement with local youth played a central role in shaping the precinct, ensuring that the design reflects their interests, aspirations and need for a safe, welcoming place to gather.

When complete, the precinct will feature a Youth Hub supporting several youth focused services, a new Pump Track, and a new Ninja Park, creating a dynamic destination that supports recreation, social connection and youth wellbeing.

### Emergency Services Infrastructure - Bush Fire Brigade Buildings

The Shire delivered improvements to emergency services infrastructure with the completion of new Bush Fire Brigade buildings in both West and East Pingelly. These modern facilities provide enhanced operational spaces, secure storage, training areas and improved amenities for volunteers. Their completion represents a significant investment in community safety and emergency preparedness. The West Pingelly Brigade also received a 2.4 appliance on permanent loan from DFES, further strengthening local firefighting capability and ensuring that volunteers have the equipment and facilities they need to respond effectively to emergencies.

### Roads, Footpaths and Drainage

The Shire continued to invest in the renewal and maintenance of essential transport infrastructure. Gravel re-sheeting, sealing works and drainage improvements were carried out across the district, supporting safer travel and improving the resilience of the road network. These works reflect the Shire's ongoing commitment to maintaining high-quality infrastructure that supports mobility, connectivity and the long-term liveability of the community.





# Prosperity

***A thriving local economy supported by tourism, business & regional partnerships***

## Regional Tourism Initiatives

The Shire continued to strengthen its regional tourism presence through active participation in collaborative initiatives. A focus was the feasibility study for a long-distance cycling and walking trail between Beverley and Narrogin. This project has the potential to attract new visitors, support recreation and enhance regional connectivity, positioning Pingelly as a key stop along a unique tourism corridor. In addition, funding was secured for a new drive trail in partnership with the Shire of Wandering, which will support cross-regional promotion and encourage travellers to explore the Wheatbelt's natural and cultural attractions. These initiatives reflect the Shire's commitment to building a diverse and resilient tourism economy.

## Local Business and Industry Support

The Shire continued to support local business growth and diversification through the Pingelly Industry Attraction Programme, which played a key role in one of the year's most exciting economic developments — the opening of Giggle and Grow. This new early-years service filled a vital gap in local childcare and family support, enabling parents to participate more fully in the workforce and strengthening Pingelly's appeal as a place to live, work and raise a family. Similarly, the Shire offered an attraction package of \$20,000 which was heavily promoted throughout the region to a buyer of the butcher shop.

Local businesses also benefited from increased visitation generated by community events such as the FAM Festival, Heritage Festival and Christmas Village. These events brought people into the town centre, supported local spending and strengthened the connection between community celebration and economic activity. Engagement with agricultural, retail and service sectors remained a priority, ensuring that the needs of local industries were understood and considered in planning and decision-making.

The Shire's ongoing investment in infrastructure, tourism and community events contributed to a more vibrant and economically resilient district. By supporting local businesses, enhancing visitor experiences and strengthening regional partnerships, the Shire continued to build the foundations for long-term prosperity.





# Performance

***A high-performing, transparent & community-focused organisation***

## **Governance and Compliance**

The Shire continued to uphold strong governance practices throughout 2024/25, ensuring that decision-making remained transparent, accountable and aligned with legislative requirements. Compliance was maintained across all statutory obligations. The Shire's governance framework continued to support clear processes, consistent reporting and a culture of integrity across all areas of operation, reinforcing community confidence in the organisation's performance.

## **Planning and Reporting**

The Shire continued to implement the Pingelly Community Plan 2023–2033, which integrates the Strategic Community Plan and Corporate Business Plan into a single, cohesive framework. This alignment ensured that annual priorities, projects and operational activities remained directly connected to the long-term aspirations of the community.

A key achievement during the year was the delivery of strategic workshops for the Minor Review of the Pingelly Community Plan.

## **Community Engagement and Communication**

Communication and engagement remained central to the Shire's approach, ensuring that residents stayed informed, involved and connected to local decision-making. Regular Shire News editions, social media updates and community notices provided timely information about projects, events, services and Council decisions.

The Shire maintained a commitment to accessible communication, ensuring that information was clear, inclusive and available across multiple platforms. This approach strengthened trust, encouraged participation and supported a more informed and engaged community.

## **Organisational Capability**

The Shire continued to invest in its workforce and internal systems to ensure that the organisation remained responsive, capable and future-focused.

Collaboration between Council, staff and community stakeholders remained a defining strength, enabling the Shire to deliver high-quality services and progress projects with confidence and cohesion.



# Looking to 2025/2026

## Local Roads

Local roads are the Shire's foremost priority. The Shire has made its largest commitment to date, allocating \$2,948,000 to road construction and maintenance. An additional \$500,000 has been committed to heavy plant and equipment purchases, strengthening the Shire's capability to deliver works efficiently.

Major projects include Moorumbine Road, Bulyee Road, Aldersyde-Pingelly Road, Jingaring Road, Yenellin Road, North Bannister-Pingelly Road, and Balfour Street. A new heavy vehicle rest area on the highway will be constructed with \$285,416 in predominantly grant funding, supporting safe travel and the freight industry.

## Community Facilities and Recreation

Strategic investment in community facilities continues. The swimming pool will receive \$300,000 for renewal works, ensuring this vital facility serves families for years to come. The oval will benefit from \$70,000 for upgraded floodlights, extending hours available for sport and recreation.

The PRACC precinct will see significant grant-funded upgrades, including completion of the ninja park, outdoor squash court and pickleball courts. The Queen Street pump track will also be completed. Memorial Park will be enhanced with \$15,000 for play equipment for 0–4 year olds, roundabout repairs and a new sink.

## Culture, Heritage and the Public Realm

The Pingelly Culture and Art Framework moves from planning to delivery. Stage 1 renovation of 27 Parade Street (old Central Garage) will commence with \$97,000 to create Pingelly's art and craft centre. The district's agricultural heritage will be celebrated through \$100,000 for displaying historical machinery. The Shire is actively pursuing additional grant funding to expand these projects.

Public realm improvements include \$10,000 for footpath maintenance, \$15,000 for solar lighting in parks and footpaths, \$10,000 for heritage façade upgrades, and \$12,000 for CCTV upgrades. Chronicle cemetery software (\$14,350) will map Pingelly and Moorumbine Cemeteries, creating a searchable historical database.

## Economic Growth

Economic development remains a strategic priority, with the Shire maintaining the Investment Attraction Fund to encourage new businesses to establish in Pingelly and support existing businesses to expand. Funding has been allocated for the delivery of a significant event that will draw visitors and generate economic activity, building on the success of events like the FAM Festival and Heritage Festival.





# Statutory Disclosures

## Council Meetings

Council continued with a monthly Ordinary Council Meeting schedule, except January. A total of 11 Ordinary Council Meetings (OCM), 3 Special Council Meetings (SCM) and 2 Audit and Risk Committee Meetings (ACM) were held. The following table shows the Councillor attendance at these meetings.

	OCM	SCM	ACM
Cr J McBurney	10	3	2
Cr P Wood	9	2	1
Cr B Hotham	11	3	2
Cr P Narducci	6	2	1
Cr K Singh	9	1	1
Cr C Cheney	7	1	1
Cr A Trethewey	11	3	2

## Councillor Fees & Allowances

The following fees were paid to Councillors during the 2024/2025 financial year:

	Fees	Allowances
President	\$10,600	\$1,500
Deputy President	\$5,000	\$500
Councillors	\$4,600	-

Nil travel expenses were paid.

## Primary and Annual Returns

All Primary and Annual Returns were completed by Councillors and relevant employees.

## 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 \$130,000 or more.

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

# Statutory Disclosures

## **Freedom of Information**

During the 2024-2025 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 2024-2025

## **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 2024-2025 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.

## **Transactions/Undertakings**

There have been no land transactions or trading undertakings conducted by the Shire of Pingelly in the 2024-2025 financial year.



# 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. The Shire's DAIP complies with the Disability Services Act 1993 and was developed in consultation with people with disabilities and the community. 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 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 Shire's Recordkeeping Plan complies with State Records Commission Standard 2, Principle 6

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 an 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 2025**

Statement by CEO	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	40

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 2025**

*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 2025 and the financial position as at 30 June 2025.

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

Signed on the 18th day of December 2025

  
\_\_\_\_\_  
CEO

Andrew Dover

\_\_\_\_\_  
Name of CEO



**SHIRE OF PINGELLY**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 Actual	2025 Budget	2024 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	2(a),24	2,514,615	2,522,431	2,436,948
Grants, subsidies and contributions	2(a)	1,684,496	932,546	2,164,346
Fees and charges	2(a)	447,108	447,951	434,563
Interest revenue	2(a)	108,003	81,226	96,603
Other revenue	2(a)	183,470	88,381	204,488
		4,937,692	4,072,535	5,336,948
<b>Expenses</b>				
Employee costs	2(b)	(2,332,403)	(2,310,252)	(2,006,060)
Materials and contracts		(1,767,619)	(2,164,404)	(1,756,579)
Utility charges		(212,841)	(193,870)	(209,652)
Depreciation		(3,298,036)	(3,286,121)	(3,223,748)
Finance costs	2(b)	(90,101)	(101,719)	(89,621)
Insurance		(231,417)	(224,601)	(232,437)
Other expenditure	2(b)	(67,628)	(88,311)	(77,559)
		(8,000,045)	(8,369,278)	(7,595,656)
		(3,062,353)	(4,296,743)	(2,258,708)
Capital grants, subsidies and contributions	2(a)	2,118,299	2,857,823	1,563,875
Profit on asset disposals		3,111	22,849	2,806
Loss on asset disposals		(73,502)	(53,220)	(8,768)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(2,664)	0	1,261
		2,045,244	2,827,452	1,559,174
<b>Net result for the period</b>		<b>(1,017,109)</b>	<b>(1,469,291)</b>	<b>(699,534)</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	16	4,466,251	0	0
<b>Total other comprehensive income for the period</b>	<b>16</b>	<b>4,466,251</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>3,449,142</b>	<b>(1,469,291)</b>	<b>(699,534)</b>

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



**SHIRE OF PINGELLY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025**

	<b>Note</b>	<b>2025</b>	<b>2024</b>
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,517,472	3,165,158
Trade and other receivables	5	428,657	502,351
Other financial assets	4(a)	1,267,165	1,149,209
Inventories	6	5,637	10,066
Other assets	7	602,673	92,881
<b>TOTAL CURRENT ASSETS</b>		<b>3,821,604</b>	<b>4,919,665</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	72,645	72,645
Other financial assets	4(b)	85,414	112,191
Property, plant and equipment	8	29,172,914	24,113,316
Infrastructure	9	85,195,935	86,438,615
Right-of-use assets	11(a)	306,227	352,433
<b>TOTAL NON-CURRENT ASSETS</b>		<b>114,833,128</b>	<b>111,089,200</b>
<b>TOTAL ASSETS</b>		<b>118,654,732</b>	<b>116,008,865</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	416,576	569,745
Contract liabilities	13	64,540	58,250
Capital grant/contributions liabilities	13	294,117	1,044,702
Lease liabilities	11(b)	78,232	101,250
Borrowings	14	241,504	210,018
Employee related provisions	15	251,808	369,027
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,346,777</b>	<b>2,352,992</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	11(b)	18,881	97,170
Borrowings	14	1,769,849	1,556,504
Employee related provisions	15	109,090	41,205
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,897,820</b>	<b>1,694,879</b>
<b>TOTAL LIABILITIES</b>		<b>3,244,597</b>	<b>4,047,871</b>
<b>NET ASSETS</b>		<b>115,410,136</b>	<b>111,960,994</b>
<b>EQUITY</b>			
Retained surplus		31,535,891	32,669,468
Reserve accounts	27	1,238,051	1,121,583
Revaluation surplus	16	82,636,194	78,169,943
<b>TOTAL EQUITY</b>		<b>115,410,136</b>	<b>111,960,994</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 2025**

	<b>Note</b>	<b>Retained surplus</b> \$	<b>Reserve accounts</b> \$	<b>Revaluation surplus</b> \$	<b>Total equity</b> \$
<b>Balance as at 1 July 2023</b>		<b>33,534,074</b>	<b>956,511</b>	<b>78,169,943</b>	<b>112,660,528</b>
Comprehensive income for the period					
Net result for the period		(699,534)	0	0	(699,534)
Total comprehensive income for the period		(699,534)	0	0	(699,534)
Transfers from reserve accounts	27	339,691	(339,691)	0	0
Transfers to reserve accounts	27	(504,763)	504,763	0	0
<b>Balance as at 30 June 2024</b>		<b>32,669,468</b>	<b>1,121,583</b>	<b>78,169,943</b>	<b>111,960,994</b>
Comprehensive income for the period					
Net result for the period		(1,017,109)	0	0	(1,017,109)
Other comprehensive income for the period	16	0	0	4,466,251	4,466,251
Total comprehensive income for the period		(1,017,109)	0	4,466,251	3,449,142
Transfers to reserve accounts	27	(116,468)	116,468	0	0
<b>Balance as at 30 June 2025</b>		<b>31,535,891</b>	<b>1,238,051</b>	<b>82,636,194</b>	<b>115,410,136</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 2025**

	Note	2025 Actual	2024 Actual
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates		2,515,268	2,504,945
Grants, subsidies and contributions		1,822,377	2,141,247
Fees and charges		447,108	434,563
Interest revenue		108,003	96,603
Goods and services tax received		291,122	293,887
Other revenue		183,470	204,488
		5,367,348	5,675,733
<b>Payments</b>			
Employee costs		(2,376,384)	(1,928,680)
Materials and contracts		(2,438,163)	(1,706,530)
Utility charges		(212,841)	(209,652)
Finance costs		(90,101)	(51,516)
Insurance paid		(231,417)	(232,437)
Goods and services tax paid		(350,000)	(337,002)
Other expenditure		(67,628)	(77,559)
		(5,766,534)	(4,543,376)
<b>Net cash provided by (used in) operating activities</b>		(399,186)	1,132,357
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	9(a)	(1,513,732)	(1,229,182)
Payments for construction of infrastructure		(1,263,203)	(771,827)
Proceeds from capital grants, subsidies and contributions		1,318,638	2,155,073
Proceeds for financial assets at amortised cost		(116,467)	(165,072)
Proceeds from financial assets at amortised cost - self-supporting loans		22,626	21,230
Proceeds from sale of property, plant & equipment		160,114	32,526
<b>Net cash provided by (used in) investing activities</b>		(1,392,024)	42,748
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	26(a)	(255,169)	(66,905)
Payments for principal portion of lease liabilities	26(d)	(101,307)	(98,891)
Proceeds from new borrowings	26(a)	500,000	0
<b>Net cash provided by (used in) financing activities</b>		143,524	(165,796)
<b>Net increase (decrease) in cash held</b>		(1,647,686)	1,009,309
Cash at beginning of year		3,165,158	2,155,849
<b>Cash and cash equivalents at the end of the year</b>		<b>1,517,472</b>	<b>3,165,158</b>

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 2025**

	Note	2025 Actual	2025 Budget	2024 Actual
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates	24	2,514,615	2,522,431	2,436,948
Grants, subsidies and contributions		1,684,496	932,546	2,164,346
Fees and charges		447,108	447,951	434,563
Interest revenue		108,003	81,226	96,602
Other revenue		183,470	88,381	204,488
Profit on asset disposals		3,111	22,849	2,806
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(2,664)	0	1,261
		4,938,139	4,095,384	5,341,014
<b>Expenditure from operating activities</b>				
Employee costs		(2,332,403)	(2,310,252)	(2,006,060)
Materials and contracts		(1,767,619)	(2,164,404)	(1,756,579)
Utility charges		(212,841)	(193,870)	(209,652)
Depreciation		(3,298,036)	(3,286,121)	(3,223,748)
Finance costs		(90,101)	(101,719)	(89,621)
Insurance		(231,417)	(224,601)	(232,437)
Other expenditure		(67,628)	(88,311)	(77,559)
Loss on asset disposals		(73,502)	(53,220)	(8,768)
		(8,073,547)	(8,422,498)	(7,604,424)
Non-cash amounts excluded from operating activities	25(a)	3,374,468	3,316,492	3,242,932
<b>Amount attributable to operating activities</b>		239,060	(1,010,622)	979,522
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		2,118,299	2,857,823	1,563,875
Proceeds from disposal of assets		160,114	232,750	32,526
Proceeds from financial assets at amortised cost - self-supporting loans		22,626	33,410	21,230
		2,301,039	3,123,983	1,617,631
<b>Outflows from investing activities</b>				
Acquisition of property, plant and equipment	9(a)	(1,569,803)	(2,264,194)	(1,229,182)
Acquisition of infrastructure		(1,263,203)	(2,029,228)	(771,827)
		(2,833,006)	(4,293,422)	(2,001,009)
<b>Amount attributable to investing activities</b>		(531,967)	(1,169,439)	(383,378)
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Proceeds from borrowings	26(a)	500,000	500,000	0
Transfers from reserve accounts	27	0	140,000	339,691
		500,000	640,000	339,691
<b>Outflows from financing activities</b>				
Repayment of borrowings	26(d)	(255,169)	(300,821)	(66,905)
Payments for principal portion of lease liabilities		(101,307)	(101,396)	(98,891)
Transfers to reserve accounts	27	(116,468)	(157,929)	(504,763)
		(472,944)	(560,146)	(670,559)
<b>Amount attributable to financing activities</b>		27,056	79,854	(330,868)
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	25(b)	2,097,758	2,100,207	1,832,482
Amount attributable to operating activities		239,060	(1,010,622)	979,522
Amount attributable to investing activities		(531,967)	(1,169,439)	(383,378)
Amount attributable to financing activities		27,056	79,854	(330,868)
<b>Surplus or deficit after imposition of general rates</b>	25(b)	<b>1,831,907</b>	<b>0</b>	<b>2,097,758</b>

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



**SHIRE OF PINGELLY**  
**FOR THE YEAR ENDED 30 JUNE 2025**  
**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	13
Note 4	Other financial assets	13
Note 5	Trade and other receivables	14
Note 6	Inventories	15
Note 7	Other assets	16
Note 8	Property, plant and equipment	17
Note 9	Infrastructure	19
Note 10	Fixed assets	21
Note 11	Leases	23
Note 12	Trade and other payables	24
Note 13	Other liabilities	25
Note 14	Borrowings	26
Note 15	Employee related provisions	27
Note 16	Revaluation surplus	28
Note 17	Restrictions over financial assets	29
Note 18	Undrawn borrowing facilities and credit standby arrangements	29
Note 19	Contingent liabilities	30
Note 20	Capital commitments	30
Note 21	Related party transactions	31
Note 22	Events occurring after the end of the reporting period	33
Note 23	Other material accounting policies	34

**Information required by legislation**

Note 24	Rating information	35
Note 25	Determination of surplus or deficit	36
Note 26	Borrowing and lease liabilities	37
Note 27	Reserve accounts	39

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**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 *Local Government Act 1995*, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied except for disclosure requirements of:

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

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

*The Local Government (Financial Management) Regulations 1996*

provide that:

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

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

**Critical accounting estimates and judgements**

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

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

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

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

- Fair value measurement of assets carried at reportable value including:
  - Property, plant and equipment - note 8
  - Infrastructure - note 9

Fair value hierarchy information can be found in note 23

**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.

**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 2020-1 Amendments to Australian Accounting Standards
  - Classification of Liabilities as Current or Non-current
- 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 2023-3 Amendments to Australian Accounting Standards
  - Disclosure of Non-current Liabilities with Covenants: Tier 2
- AASB 2024-1 Amendments to Australian Accounting Standards
  - Supplier Finance Arrangements: Tier 2 Disclosures
- AASB 2023-1 Amendments to Australian Accounting Standards
  - Supplier Finance Arrangements

These amendments do not have a material impact on the financial report on initial application.

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

These amendments resulted in changes to the fair value of certain non-financial assets on revaluation. The adoption of the standard resulted in the inclusion of professional and project management fees within the 2024-25 valuations. These fees resulted in increase of the valuation and they vary depending on the complexity of construction type and location of the asset, as determined by an independent external valuation.

**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 2024-4b Amendments to Australian Accounting Standards
  - Effective Date of Amendments to AASB 10 and AASB 128
    - [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-9 Amendments to Australian Accounting Standards
  - Insurance Contracts in the Public Sector
- AASB 2023-5 Amendments to Australian Accounting Standards
  - Lack of Exchangeability
- AASB 18 (FP) Presentation and Disclosure in Financial Statements
  - (Appendix D) [for for-profit entities]
- AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements
  - (Appendix D) [for not-for-profit and superannuation entities]
- AASB 2024-2 Amendments to Australian Accounting Standards
  - Classification and Measurement of Financial Instruments
- AASB 2024-3 Amendments to Australian Accounting Standards
  - Annual Improvements Volume 11

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 2025**

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

<b>Revenue category</b>	<b>Nature of goods and services</b>	<b>When obligations typically satisfied</b>	<b>Payment terms</b>	<b>Returns/refunds/warranties</b>	<b>Timing of revenue recognition</b>
Rates General Rates	General Rates	Over Time	Payment Dates Adopted by Council	None	When Rates Notice is Issued
Grants 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 naming.	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

**Revenue recognition**

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.

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

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

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 2025**

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,514,615	0	2,514,615
Grants, subsidies and contributions	1,684,496	0	0	0	1,684,496
Fees and charges	446,858	0	0	250	447,108
Interest revenue	0	0	16,550	91,453	108,003
Other revenue	0	0	0	183,470	183,470
Capital grants, subsidies and contributions	0	2,118,299	0	0	2,118,299
<b>Total</b>	<b>2,131,354</b>	<b>2,118,299</b>	<b>2,531,165</b>	<b>275,173</b>	<b>7,055,991</b>

**For the year ended 30 June 2024**

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	2,436,948	0	2,436,948
Grants, subsidies and contributions	2,164,346	0	0	0	2,164,346
Fees and charges	434,563	0	0	0	434,563
Interest revenue	0	0	21,773	74,830	96,603
Other revenue	0	0	0	204,488	204,488
Capital grants, subsidies and contributions	0	1,563,875	0	0	1,563,875
<b>Total</b>	<b>2,598,909</b>	<b>1,563,875</b>	<b>2,458,721</b>	<b>279,318</b>	<b>6,900,823</b>

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

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

(a) Revenue (Continued)	Note	2025	2024
		Actual	Actual
		\$	\$
<b>Interest revenue</b>			
Financial assets at amortised cost - self-supporting loans		4,327	5,722
Interest on reserve account		19,758	35,928
Trade and other receivables overdue interest		22,355	21,773
Other interest revenue		61,563	33,179
		108,003	96,602
The 2025 original budget estimate in relation to:			
Trade and other receivables overdue interest was \$0			
<b>Fees and charges relating to rates receivable</b>			
Charges on instalment plan		4,170	4,070
The 2025 original budget estimate in relation to:			
Charges on instalment plan was \$4,275			
<b>(b) Expenses</b>			
<b>Auditors remuneration</b>			
- Audit of the Annual Financial Report		35,800	29,770
- Other services – grant acquittals		5,148	3,300
		40,948	33,070
<b>Employee Costs</b>			
Employee benefit costs		1,868,518	1,729,977
Other employee costs		463,885	276,083
		2,332,403	2,006,060
<b>Finance costs</b>			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss		90,101	89,621
		90,101	89,621
<b>Other expenditure</b>			
Sundry expenses		67,628	77,559
		67,628	77,559

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**3. CASH AND CASH EQUIVALENTS**

Note	2025	2024
	\$	\$
Cash at bank and on hand	1,517,472	3,165,158
<b>Total cash and cash equivalents</b>	<b>1,517,472</b>	<b>3,165,158</b>
Held as		
- Unrestricted cash and cash equivalents	951,020	2,048,767
- Restricted cash and cash equivalents	566,452	1,116,391
	1,517,472	3,165,158

**MATERIAL ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

**Restricted financial assets**

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost  
 Financial assets at fair value through profit and loss

Note	2025	2024
	\$	\$
	1,262,165	1,144,209
	5,000	5,000
	1,267,165	1,149,209

**Other financial assets at amortised cost**

Self-supporting loans receivable  
 Term deposits

25(b)	24,114	22,626
	1,238,051	1,121,583
	1,262,165	1,144,209

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

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

	5,000	5,000
	5,000	5,000

Held as

- Unrestricted other financial assets at amortised cost  
 - Restricted other financial assets at amortised cost

17	29,114	27,626
	1,238,051	1,121,583
	1,267,165	1,149,209

**(b) Non-current assets**

Financial assets at amortised cost  
 Financial assets at fair value through profit or loss

	25,699	49,813
	59,715	62,378
	85,414	112,191

**Financial assets at amortised cost**

Self-supporting loans receivable

	25,699	49,813
	25,699	49,813

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

Units in Local Government House Trust - opening balance  
 Movement attributable to fair value increment  
 Units in Local Government House Trust - closing balance

	62,378	61,117
	(2,663)	1,261
	59,715	62,378

**MATERIAL ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

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

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

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

The Shire classifies 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 2025**

**5. TRADE AND OTHER RECEIVABLES**

Note	2025	2024
	\$	\$
<b>Current</b>		
Rates and statutory receivables	187,050	181,044
Trade receivables	81,446	149,589
Other receivables	2,923	0
GST receivable	153,630	94,758
Receivables for employee related provisions	3,608	76,960
	428,657	502,351
<b>Non-current</b>		
Rates and statutory receivables	72,645	72,645
	72,645	72,645

**MATERIAL ACCOUNTING POLICIES**

**Rates and statutory receivables**

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

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

**Trade receivables**

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

**Other receivables**

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers and amounts received as 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 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 2025**

**6. INVENTORIES**

	Note	2025	2024
Current		\$	\$
Fuels & Oils		5,637	10,066
		5,637	10,066

The following movements in inventories occurred during the year:

Balance at beginning of year	2025	2024
Inventories expensed during the year	10,066	2,105
Additions to inventory	(137,262)	(133,849)
<b>Balance at end of year</b>	<b>132,833</b>	<b>141,810</b>
	5,637	10,066

**MATERIAL ACCOUNTING POLICIES**

**General**

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

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

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**7. OTHER ASSETS**

	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Other assets - current</b>		
Accrued income	0	92,881
Grant receivable	602,673	0
	<b>602,673</b>	<b>92,881</b>

**MATERIAL ACCOUNTING POLICIES**

**Other current assets**

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

**Grant Receivable**

Relates to grant receivable for the construction of recognisable non-financial asset as obligations in the grant agreement are satisfied.

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**8. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in balances**

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

	Note	Assets not subject to operating lease		Assets subject to operating lease		Total property			Plant and equipment		Total property, plant and equipment
		Land	Buildings	Land	Buildings	Land	Buildings	Total property	Furniture and equipment	Plant and equipment	
<b>Balance at 1 July 2023</b>		438,000	21,126,912	0	0	438,000	21,126,912	21,564,912	21,870	1,973,817	23,560,599
Additions		0	769,624	0	0	0	769,624	769,624	25,114	434,444	1,229,182
Disposals		0	0	0	0	0	0	0	0	(38,488)	(38,488)
Depreciation		(358,802)		0	0	0	(358,802)	(358,802)	(7,942)	(271,233)	(637,977)
<b>Balance at 30 June 2024</b>		438,000	21,537,734	0	0	438,000	21,537,734	21,975,734	39,042	2,098,540	24,113,316
<b>Comprises:</b>											
Gross balance amount at 30 June 2024		438,000	22,598,324	0	0	438,000	22,598,324	23,036,324	93,486	3,289,896	26,419,706
Accumulated depreciation at 30 June 2024		0	(1,060,590)	0	0	0	(1,060,590)	(1,060,590)	(54,444)	(1,191,356)	(2,306,390)
<b>Balance at 30 June 2024</b>	8(b)	438,000	21,537,734	0	0	438,000	21,537,734	21,975,734	39,042	2,098,540	24,113,316
Additions*		0	1,039,027	0	0	0	1,039,027	1,039,027	0	530,776	1,569,803
Disposals		0	0	0	0	0	0	0	0	(230,507)	(230,507)
Revaluation increments / (decrements) transferred to revaluation surplus		254,000	4,212,251	0	0	254,000	4,212,251	4,466,251	0	0	4,466,251
Depreciation		0	(401,812)	0	0	0	(401,812)	(401,812)	(9,581)	(334,556)	(745,949)
Transfers		(20,000)	(590,000)	20,000	590,000	0	0	0	0	0	0
<b>Balance at 30 June 2025</b>		672,000	25,797,200	20,000	590,000	692,000	26,387,200	27,079,200	29,461	2,064,253	29,172,914
<b>Comprises:</b>											
Gross balance amount at 30 June 2025		672,000	25,797,200	20,000	590,000	692,000	26,387,200	27,079,200	93,486	3,590,165	30,762,851
Accumulated depreciation at 30 June 2025		0	0	0	0	0	0	0	(64,025)	(1,525,912)	(1,589,937)
<b>Balance at 30 June 2025</b>	8(b)	672,000	25,797,200	20,000	590,000	692,000	26,387,200	27,079,200	29,461	2,064,253	29,172,914

\* Asset additions includes a donation from DFES of 2 x Fast Fill Trailers (\$56,071)

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

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

**(b) Carrying amount measurements**

Asset class	Note	Carrying amount 2025	Carrying amount 2024	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
<b>(i) Fair value - as determined at the last valuation date</b>								
<b>Land and buildings</b>								
Land - market value		692,000	438,000	2	Market approach using recent observable market data for similar property	Independent registered valuers	June 2025	Price per hectare
Total land	8(a)	692,000	438,000					
Buildings - non specialised		1,046,500	725,847	2	Market approach using recent observable market data for similar property	Independent registered valuers	June 2025	Price per square meter
Buildings - specialised		25,340,700	20,811,888	3	Cost approach using current replacement costs	Independent registered valuers	June 2025	Construction costs and current conditions, residual values & remaining life
Total buildings	8(a)	26,387,200	21,537,735					
<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 2025**

**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							Other infrastructure	Total infrastructure
	Infrastructure - roads	Infrastructure Footpaths	Kerbs & Drainage	Infrastructure Parks & Ovals	Infrastructure Others	Infrastructure Bridges	Works in Progress		
<b>Balance at 1 July 2023</b>	71,977,077	1,340,527	5,518,814	0	6,400,300	2,967,912	0	88,204,630	
Additions	726,172	0	0	11,422	34,233	0	0	771,827	
Depreciation	(1,571,511)	(44,779)	(146,266)	0	(535,673)	(239,613)		(2,537,842)	
<b>Balance at 30 June 2024</b>	71,131,738	1,295,748	5,372,548	11,422	5,898,860	2,728,299	0	86,438,615	
<b>Comprises:</b>									
Gross balance at 30 June 2024	98,763,931	2,210,332	9,834,213	11,422	13,869,383	16,310,285	0	140,999,566	
Accumulated depreciation at 30 June 2024	(27,632,193)	(914,584)	(4,461,665)	0	(7,970,523)	(13,581,986)	0	(54,560,951)	
<b>Balance at 30 June 2024</b>	71,131,738	1,295,748	5,372,548	11,422	5,898,860	2,728,299	0	86,438,615	
Additions	938,077	0	0	0	0	0	325,126	1,263,203	
Depreciation	(1,590,423)	(44,779)	(146,264)	0	(484,803)	(239,614)	0	(2,505,883)	
Transfers	0	0	(11,422)	11,422			0	0	
<b>Balance at 30 June 2025</b>	70,479,392	1,250,969	5,226,284	0	5,425,479	2,488,685	325,126	85,195,935	
<b>Comprises:</b>									
Gross balance at 30 June 2025	99,702,008	2,210,332	9,834,213	0	13,880,805	16,310,285	325,126	142,262,769	
Accumulated depreciation at 30 June 2025	(29,222,616)	(959,363)	(4,607,929)	0	(8,455,326)	(13,821,600)	0	(57,066,834)	
<b>Balance at 30 June 2025</b>	70,479,392	1,250,969	5,226,284	0	5,425,479	2,488,685	325,126	85,195,935	

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**9. INFRASTRUCTURE (Continued)**

**(b) Carrying amount measurements**

<b>Asset class</b>	<b>Fair value hierarchy</b>	<b>Valuation technique</b>	<b>Basis of valuation</b>	<b>Date of last valuation</b>	<b>Inputs used</b>
<b>(i) Fair value - as determined at the last valuation date</b>					
Infrastructure - roads	3	Cost approach using current replacement cost	Management Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure Footpaths	3	Cost approach using current replacement cost	Management Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure Kerbs & Drainage	3	Cost approach using current replacement cost	Management Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure Parks & Ovals	3	Cost approach using current replacement cost	Management Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure Others	3	Cost approach using current replacement cost	Management Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure Bridges	3	Cost approach using current replacement cost	Management Valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**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	5 to 60 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	50 to 80 years
- asphalt surfaces	50 to 80 years
- Subgrade	not depreciated
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	20 to 80 years
Parks & Ovals	not depreciated
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 2025**

**10. FIXED ASSETS (Continued)**

**MATERIAL ACCOUNTING POLICIES**

**Initial recognition**

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

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

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

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

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

**Measurement after recognition**

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

**Reportable value**

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

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

**Revaluation**

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the Shire.

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

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

**Depreciation**

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

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

**Depreciation on revaluation**

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

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

**Impairment**

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

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**Gains or losses on disposal**

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

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**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.

Note	Right-of-use assets -Furniture & Equip	Right-of-use assets - land and buildings	Right-of-use assets - plant and equipment	Total right-of-use assets
	\$	\$	\$	\$
<b>Balance at 1 July 2023</b>	47,713	5,228	347,421	400,362
Depreciation	(15,729)	(3,476)	(28,724)	(47,929)
<b>Balance at 30 June 2024</b>	31,984	1,752	318,697	352,433
Gross balance amount at 30 June 2024	81,278	13,900	398,231	493,409
Accumulated depreciation at 30 June 2024	(49,294)	(12,148)	(79,534)	(140,976)
<b>Balance at 30 June 2024</b>	31,984	1,752	318,697	352,433
Depreciation	(17,389)	0	(28,816)	(46,205)
<b>Balance at 30 June 2025</b>	14,595	1,752	289,881	306,227
Gross balance amount at 30 June 2025	81,278	13,900	398,231	493,409
Accumulated depreciation at 30 June 2025	(66,683)	(12,148)	(108,351)	(187,182)
<b>Balance at 30 June 2025</b>	14,595	1,752	289,880	306,227

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

26(d)	2025 Actual	2024 Actual
	\$	\$
Depreciation on right-of-use assets	(46,205)	(47,929)
Finance charge on lease liabilities	(7,529)	(11,864)
<b>Total amount recognised in the statement of comprehensive income</b>	<b>(53,734)</b>	<b>(59,793)</b>
Total cash outflow from leases	(108,836)	(110,755)

**(b) Lease liabilities**

Current  
Non-current

**MATERIAL 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 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 26(d).

**Right-of-use assets - measurement**

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

Refer to Note 10 under revaluation for details on the material 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 2025**

**12. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
 Prepaid rates  
 Accrued payroll liabilities  
 Statutory liabilities  
 Bonds and deposits held  
 Accrued Expenses  
 Accrued Interest on Loans

	<b>2025</b>	<b>2024</b>
	\$	\$
Sundry creditors	136,154	210,316
Prepaid rates	46,970	40,311
Accrued payroll liabilities	83,780	86,567
Statutory liabilities	72,573	64,433
Bonds and deposits held	22,379	13,439
Accrued Expenses	54,720	116,342
Accrued Interest on Loans	0	38,337
	416,576	569,745

**MATERIAL ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Statutory liabilities**

Statutory liabilities, are amounts owed to regulatory authorities due to statutory obligations such as FBT and PAYG. GST payable is offset against GST receivable and any net GST payable is included as a statutory liability.

**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 2025**

**13. OTHER LIABILITIES**

	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Current</b>		
Contract liabilities	64,540	58,250
Capital grant/contributions liabilities	294,117	1,044,702
	<b>358,657</b>	<b>1,102,952</b>
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	58,250	45,924
Additions	64,540	58,250
Revenue from contracts with customers included as a contract liability at the start of the period	(58,250)	(45,924)
	<b>64,540</b>	<b>58,250</b>
<b>Reconciliation of changes in capital grant/contribution liabilities</b>		
Opening balance	1,044,702	453,504
Additions	294,117	1,044,702
Revenue from capital grant/contributions held as a liability at the start of the period	(1,044,702)	(453,504)
	<b>294,117</b>	<b>1,044,702</b>
<b>Expected satisfaction of capital grant/contribution liabilities</b>		
Less than 1 year	294,117	1,044,702
	<b>294,117</b>	<b>1,044,702</b>

**MATERIAL ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**14. BORROWINGS**

	Note	2025			2024		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		241,504	1,769,849	2,011,353	210,018	1,556,504	1,766,522
<b>Total secured borrowings</b>	26(a)	241,504	1,769,849	2,011,353	210,018	1,556,504	1,766,522

**Secured liabilities and assets pledged as security**

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

The Shire of Pingelly has complied with the financial covenants of its borrowing facility during the 2025 and 2024 years.

**MATERIAL ACCOUNTING POLICIES**

**Borrowing costs**

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

**Risk**

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

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**15. EMPLOYEE RELATED PROVISIONS**

**Employee related provisions**

	<b>2025</b>	<b>2024</b>
	\$	\$
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	150,991	156,176
Long service leave	63,264	166,494
	<u>214,255</u>	<u>322,670</u>
<b>Employee related other provisions</b>		
Employment on-costs	37,553	46,357
	<u>37,553</u>	<u>46,357</u>
<b>Total current employee related provisions</b>	<b>251,808</b>	<b>369,027</b>
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	76,996	38,752
Other leave provisions Contributions	17,388	0
	<u>94,384</u>	<u>38,752</u>
<b>Employee related other provisions</b>		
Employment on-costs	14,706	2,453
	<u>14,706</u>	<u>2,453</u>
<b>Total non-current employee related provisions</b>	<b>109,090</b>	<b>41,205</b>
<b>Total employee related provisions</b>	<b>360,898</b>	<b>410,232</b>

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

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

**MATERIAL ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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 2025**

**16. REVALUATION SURPLUS**

	<b>2025 Opening balance</b>	<b>Total Movement on revaluation</b>	<b>2025 Closing balance</b>	<b>2024 Opening balance</b>	<b>2024 Closing balance</b>
	\$	\$	\$	\$	\$
Revaluation surplus - Buildings	8,394,383	4,466,251	12,860,634	8,394,383	8,394,383
Revaluation surplus - Infrastructure - roads	52,175,341	0	52,175,341	52,175,341	52,175,341
Revaluation surplus - Infrastructure Footpaths	377,784	0	377,784	377,784	377,784
Revaluation surplus - Infrastructure Kerbs & Drainage	4,933,258	0	4,933,258	4,933,258	4,933,258
Revaluation surplus - Infrastructure Others	8,466,807	0	8,466,807	8,466,807	8,466,807
Revaluation surplus - Infrastructure Bridges	3,822,370	0	3,822,370	3,822,370	3,822,370
	78,169,943	4,466,251	82,636,194	78,169,943	78,169,943

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**17. RESTRICTIONS OVER FINANCIAL ASSETS**

Note	2025 Actual	2024 Actual
	\$	\$
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	3 566,452	1,116,391
- Financial assets at amortised cost	4 1,238,051	1,121,583
	<hr/> 1,804,503	<hr/> 2,237,974
The restricted financial assets are a result of the following specific purposes to which the assets may be used:		
Restricted reserve accounts	27 1,238,051	1,121,583
Contract liabilities	13 64,540	58,250
Capital grant liabilities	13 294,117	1,044,702
Bonds & Deposits held & Unspent Loans		207,795 13,439
<b>Total restricted financial assets</b>	<hr/> 1,804,503	<hr/> 2,237,974
<b>18. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS</b>		
<b>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		(8,198) (4,815)
<b>Total amount of credit unused</b>	<hr/> 511,802	<hr/> 515,185
<b>Loan facilities</b>		
Loan facilities - current		241,504 210,018
Loan facilities - non-current		1,769,849 1,556,504
<b>Total facilities in use at balance date</b>	<hr/> 2,011,353	<hr/> 1,766,522
<b>Unused loan facilities at balance date</b>		185,416

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**19. CONTINGENT LIABILITIES**

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

**20. CAPITAL COMMITMENTS**

There are no capital commitments that require disclosure at the end of the financial year.

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**21. RELATED PARTY TRANSACTIONS**

**(a) Council member remuneration**

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

Note	2025 Actual	2025 Budget	2024 Actual
	\$	\$	\$
President's annual allowance	1,800	1,500	1,500
President's meeting attendance fees	10,600	10,600	10,000
President's annual allowance for ICT expenses	100	100	600
	12,500	12,200	12,100
Deputy President's annual allowance	700	500	500
Deputy President's meeting attendance fees	5,000	5,000	4,400
	5,700	5,500	4,900
All other council member's meeting attendance fees	21,083	23,000	18,667
	21,083	23,000	18,667
21(b)	39,283	40,700	35,667

**(b) Key management personnel (KMP) compensation**

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

Short-term employee benefits	398,527	446,082
Post-employment benefits	43,800	55,740
Employee - other long-term benefits	44,882	44,697
Employee - termination benefits	69,946	22,812
Council member costs	39,283	35,667
	596,438	604,998

*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 2025**

**21. RELATED PARTY TRANSACTIONS (Continued)**

**(c) Transactions with related parties**

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

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

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

	<b>2025</b> <b>Actual</b>	<b>2024</b> <b>Actual</b>
	\$	\$
Purchase of goods and services	6,671	71,758

**(d) Related parties**

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

*i. Key management personnel*

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

*ii. Other Related Parties*

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

In the previous year, a company controlled by a related party of a council member, was awarded a contract due to the withdrawal of the original contractor. The sum of \$54,348 was paid. The terms were equivalent to arms length transactions under the Shire's procurement process.

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

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

**SHIRE OF PINGELLY  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2025**

**22. 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 2025**

**23. OTHER MATERIAL ACCOUNTING POLICIES**

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

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

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

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

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

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

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

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

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

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

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

**h) Interest revenue**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

In accordance with Australian Accounting Standards the Shire's assets, other than inventories, are assessed at each reporting date to determine whether

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

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

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

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

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**24. RATING INFORMATION**

**(a) General rates**

<b>RATE TYPE</b>	<b>Basis of valuation</b>	<b>Rate in \$</b>	<b>Number of properties</b>	<b>2024/25 Actual rateable value*</b>	<b>2024/25 Actual rate revenue</b>	<b>2024/25 Actual interim rates</b>	<b>2024/25 Actual total revenue</b>	<b>2024/25 Budget rate revenue</b>	<b>2024/25 Budget interim rate</b>	<b>2024/25 Budget total revenue</b>	<b>2023/24 Actual total revenue</b>
Residential	Gross rental valuation	0.117256	320	4,504,916	528,228	(2,795)	525,434	528,229	0	528,229	511,837
Rural Residential	Gross rental valuation	0.117256	65	985,920	115,605	(3,196)	112,409	115,605	0	115,605	109,942
Commercial/Industrial	Gross rental valuation	0.117256	25	418,455	49,066	(1,080)	47,986	49,066	0	49,066	54,636
Townsites	Gross rental valuation	0.117256	13	178,100	20,883	965	21,848	20,883	0	20,883	21,974
Broadacre Rural	Unimproved valuation	0.005901	218	273,006,000	1,611,008	(1,710)	1,609,298	1,611,008	0	1,611,008	1,565,421
<b>Total general rates</b>			641	279,093,391	2,324,790	(7,816)	2,316,975	2,324,791	0	2,324,791	2,263,810
<b>Minimum payment</b>											
Residential	Gross rental valuation	\$ 1,080	61	93,316	65,880	0	65,880	65,880	0	65,880	63,623
Rural Residential	Gross rental valuation	1,080	23	61,550	24,840	0	24,840	24,840	0	24,840	23,989
Commercial/Industrial	Gross rental valuation	1,080	16	82,795	17,280	0	17,280	17,280	0	17,280	13,559
Townsites	Gross rental valuation	1,080	7	15,685	7,560	0	7,560	7,560	0	7,560	7,301
Broadacre Rural	Unimproved valuation	1,080	76	9,228,311	82,080	0	82,080	82,080	0	82,080	64,666
<b>Total minimum payments</b>			183	9,481,657	197,640	0	197,640	197,640	0	197,640	173,138
<b>Total general rates and minimum payments</b>			824	288,575,048	2,522,430	(7,816)	2,514,615	2,522,431	0	2,522,431	2,436,948
<b>Total rates</b>							2,514,615			2,522,431	2,436,948

**(b) Rates related information**

Rates instalment interest	8,634	8,365
Rates overdue interest	8,317	10,536

\*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 2025**

**25. DETERMINATION OF SURPLUS OR DEFICIT**

Note	2024/25 (30 June 2025 carried forward)	2024/25 Budget (30 June 2025 carried forward)	2023/24 (30 June 2024 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	(3,111)	(22,849)	(2,806)
Less: Non-cash grants and contributions for assets	(56,071)	0	0
Less: Fair value adjustments to financial assets at fair value through profit or loss	(2,664)		(1,261)
Add: Loss on disposal of assets	70,393	53,220	8,768
Add: Depreciation	3,298,036	3,286,121	3,223,748
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	0	0	(7,529)
Employee benefit provisions	67,885	0	22,012
<b>Non-cash amounts excluded from operating activities</b>	<b>3,374,468</b>	<b>3,316,492</b>	<b>3,242,932</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> .			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	27	(1,238,051)	(1,139,512)
Less: Financial assets at amortised cost - self-supporting loans	4(a)	(24,114)	0
Less: Financial assets at amortised cost		(5,000)	(5,000)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14	241,504	409,197
- Current portion of lease liabilities	11(b)	78,232	97,611
- Employee benefit provisions		304,509	352,432
<b>Total adjustments to net current assets</b>		<b>(642,920)</b>	<b>(285,272)</b>
<b>Net current assets used in the Statement of financial activity</b>			
Total current assets		3,821,604	2,811,074
Less: Total current liabilities		(1,346,777)	(2,525,802)
Less: Total adjustments to net current assets		(642,920)	(285,272)
<b>Surplus or deficit after imposition of general rates</b>		<b>1,831,907</b>	<b>0</b>
			2,097,759

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**26. BORROWING AND LEASE LIABILITIES**

**(a) Borrowings**

Purpose	Note	Actual						Budget				
		Principal at 1 July 2023	New loans during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
Recreation & Culture		1,739,758		(56,459)	1,683,299		0	(176,607)	1,506,692		1,683,299	
Plant Replacement		0	0	0	0	500,000	(45,152)	454,848	0	500,000	(90,804)	409,196
<b>Total</b>		<b>1,739,758</b>	<b>0</b>	<b>(56,459)</b>	<b>1,683,299</b>	<b>500,000</b>	<b>(221,759)</b>	<b>1,961,540</b>	<b>1,683,299</b>	<b>500,000</b>	<b>(267,411)</b>	<b>1,915,888</b>
<b>Self-supporting loans</b>												
Pingelly Cottage Homes		93,669		(10,446)	83,223		0	(33,410)	49,813		83,223	
<b>Total self-supporting loans</b>		<b>93,669</b>	<b>0</b>	<b>(10,446)</b>	<b>83,223</b>	<b>0</b>	<b>(33,410)</b>	<b>49,813</b>	<b>83,223</b>	<b>0</b>	<b>(33,410)</b>	<b>49,813</b>
<b>Total borrowings</b>	14	<b>1,833,427</b>	<b>0</b>	<b>(66,905)</b>	<b>1,766,522</b>	<b>500,000</b>	<b>(255,169)</b>	<b>2,011,353</b>	<b>1,766,522</b>	<b>500,000</b>	<b>(300,821)</b>	<b>1,965,701</b>

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	Loan number	Institution	Interest rate	Date final payment is due	Actual for year ending	Budget for year ending	Actual for year ending
					30 June 2025	30 June 2025	30 June 2024
Recreation & Culture	123	WATC	4.20%	30/06/2035	(11,231)	(67,201)	(72,042)
Plant Replacement	125	WATC	4.49%	27/11/2029	(67,015)	(22,771)	0
<b>Total</b>					<b>(78,246)</b>	<b>(89,972)</b>	<b>(72,042)</b>
<b>Self-supporting loans finance cost payments</b>							
Pingelly Cottage Homes	120	WATC	6.47%	29/06/2027	(4,327)	(4,327)	(5,715)
<b>Total self-supporting loans finance cost payments</b>					<b>(4,327)</b>	<b>(4,327)</b>	<b>(5,715)</b>
<b>Total finance cost payments</b>					<b>(82,573)</b>	<b>(94,299)</b>	<b>(77,757)</b>

\* WA Treasury Corporation

**SHIRE OF PINGELLY**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**26. BORROWING AND LEASE LIABILITIES (Continued)**

**(b) New borrowings - 2024/25**

Particulars/purpose	Institution	Loan type	Term years	Interest rate %	Amount borrowed		Amount (used)		Total interest and charges \$	Actual balance unspent \$
					2025 Actual	2025 Budget	2025 Actual	2025 Budget		
Plant Replacement	WATC	P&I	5	4.49%	\$ 500,000	\$ 500,000	\$ 314,584	\$ 500,000	\$ 67,201	\$ 185,416

\* WA Treasury Corporation

**(c) Unspent borrowings**

Particulars	Institution	Date Borrowed	Unspent balance 1 July 2024	Borrowed during 2024-25	Expended during 2024-25	Unspent balance
				2024-25	2024-25	30 June 2025
Plant Replacement	WATC	27/11/2024	\$ 0	\$ 500,000	\$ (314,584)	\$ 185,416

\* WA Treasury Corporation

**(d) Lease liabilities**

Purpose	Note	Actual						Budget				
		Principal at 1 July 2023	New leases during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
Photocopier Lease		\$ 13,005	\$ 0	\$ (3,421)	\$ 9,584	\$ 0	\$ (3,578)	\$ 6,006	\$ 10,425	\$ 0	\$ (3,742)	\$ 6,683
Computer Server		\$ 24,011	\$ 0	\$ (9,242)	\$ 14,769	\$ 0	\$ (9,721)	\$ 5,048	\$ 14,769	\$ 0	\$ (9,703)	\$ 5,066
Solar System - Admin		\$ 5,491	\$ 0	\$ (3,612)	\$ 1,879	\$ 0	\$ (1,879)	\$ 0	\$ 1,880	\$ 0	\$ (1,880)	\$ 1
CCTV Server		\$ 12,230	\$ 0	\$ (4,216)	\$ 8,014	\$ 0	\$ (4,476)	\$ 3,538	\$ 8,014	\$ 0	\$ (4,476)	\$ 3,538
Motor Grader		\$ 170,833	\$ 0	\$ (62,421)	\$ 108,412	\$ 0	\$ (64,377)	\$ 44,035	\$ 108,425	\$ 0	\$ (64,377)	\$ 44,048
Skid Steer Loader		\$ 71,741	\$ 0	\$ (15,979)	\$ 55,762	\$ 0	\$ (17,276)	\$ 38,486	\$ 55,494	\$ 0	\$ (17,218)	\$ 38,276
<b>Total lease liabilities</b>	11(b)	<b>\$ 297,311</b>	<b>\$ 0</b>	<b>\$ (98,891)</b>	<b>\$ 198,420</b>	<b>\$ 0</b>	<b>\$ (101,307)</b>	<b>\$ 97,113</b>	<b>\$ 199,007</b>	<b>\$ 0</b>	<b>\$ (101,396)</b>	<b>\$ 97,612</b>

**Lease finance cost payments**

Purpose	Lease number	Institution	Interest rate	Date final payment is due	Actual for year ending	Budget for year ending	Actual for year ending 30 June 2024	Lease term
					30 June 2025	30 June 2025		
Photocopier Lease	1	Classic Funding	3.00%	4/01/2027	\$ (429)	\$ (265)	\$ (587)	4
Computer Server	2	Vestone Capital	5.40%	6/10/2025	\$ (567)	\$ (567)	\$ (225)	5
Solar System - Admin	3	Vestone Capital	5.40%	1/10/2024	\$ (38)	\$ (38)	\$ (1,045)	5
CCTV Server	4	Vestone Capital	6.00%	2/10/2026	\$ (383)	\$ (383)	\$ (643)	5
Motor Grader	5	Komatsu Finance	3.10%	10/02/2026	\$ (2,443)	\$ (2,443)	\$ (4,400)	5
Skid Steer Loader	6	Vestone Capital	7.07%	4/04/2027	\$ (3,669)	\$ (3,724)	\$ (4,964)	5
<b>Total finance cost payments</b>					<b>\$ (7,529)</b>	<b>\$ (7,420)</b>	<b>\$ (11,864)</b>	

**SHIRE OF PINGELLY**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2025**

**27. RESERVE ACCOUNTS**

	2025 Actual opening balance	2025 Actual transfer to	2025 Actual transfer (from)	2025 Actual closing balance	2025 Budget opening balance	2025 Budget transfer to	2025 Budget transfer (from)	2025 Budget closing balance	2024 Actual opening balance	2024 Actual transfer to	2024 Actual transfer (from)	2024 Actual closing balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) Leave Reserve	198,312	3,494	0	201,806	198,312	1,236	0	199,548	198,012	300	0	198,312
(b) Plant Reserve	225,373	3,970	0	229,343	225,373	1,629	(140,000)	87,002	165,988	329,076	(269,691)	225,373
(c) Buildings Reserve	364,145	22,124	0	386,269	364,146	63,812	0	427,958	378,019	56,126	(70,000)	364,145
(d) Community Bus Reserve	114,680	12,020	0	126,700	114,679	11,470	0	126,149	64,342	50,338	0	114,680
(e) Swimming Pool Reserve	78,597	51,385	0	129,982	78,596	51,109	0	129,705	38,345	40,252	0	78,597
(f) Electronic Equipment Reserve	77,763	1,370	0	79,133	77,764	1,664	0	79,428	53,094	24,669	0	77,763
(g) Tutanning Nature Reserve	3,695	65	0	3,760	3,695	121	0	3,816	2,013	1,682	0	3,695
(h) Wheatbelt Secondary Freight Network	41,525	732	0	42,257	41,525	5,341	0	46,866	40,329	1,196	0	41,525
(i) Refuse Rehabilitation Reserve	17,493	1,308	0	18,801	17,493	1,547	0	19,040	16,369	1,124	0	17,493
(j) PRACC Facility Reserve	0	20,000	0	20,000	0	20,000	0	20,000	0	0	0	0
	1,121,583	116,468	0	1,238,051	1,121,583	157,929	(140,000)	1,139,512	956,511	504,763	(339,691)	1,121,583

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

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

<b>Name of reserve account</b>	<b>Purpose of the reserve account</b>
<b>Restricted by council</b>	
(a) Leave Reserve	Ongoing To fund annual and long service leave requirements
(b) Plant Reserve	Ongoing to fund the change over costs of plant
(c) Buildings Reserve	Ongoing to fund the renovation/purchase of Shire of Pingelly buildings and Recreation Infrastructure
(d) Community Bus Reserve	Ongoing to fund the change over of the community bus
(e) Swimming Pool Reserve	Ongoing to fund the upgrade of the swimming pool complex
(f) Electronic Equipment Reserve	Ongoing to fund the purchase of information technology hardware and software equipment
(g) Tutanning Nature Reserve	Ongoing to fund the operation, improvements and promotion of the Tutanning Nature Reserve
(h) Wheatbelt Secondary Freight Network	Ongoing to fund the future construction of the Wheatbelt Freight Network roads
(i) Refuse Rehabilitation Reserve	Ongoing to fund the rehabilitation/closure of the town refuse site
(j) PRACC Facility Reserve	Ongoing to fund the maintenance of the Pingelly Recreation and Cultural Centre ( PRACC) building



# Auditor General

## INDEPENDENT AUDITOR'S REPORT

2025

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 2025, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report :

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2025 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### Basis for opinion

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

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

### Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2025, but not the financial report and my auditor's report.

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

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

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

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

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

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

This auditor's report relates to the financial report of the Shire of Pingelly for the year ended 30 June 2025 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Tim Sanya  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
19 December 2025

# Shire of Pingelly Annual Report 2024-25

