



ANNUAL REPORT

2022-2023





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Introduction

Council is pleased to present the Annual Report of the Shire of Cuballing for the Financial Year ending 30 June 2023. The report is prepared in accordance with the requirements of Section 5.53 of the Local Government Act 1995, relevant standards and Regulations.

Council is required to, in its Annual Report, include more on its operations and activities and it is hoped that you will find the information of interest.

Copies of the report are available at the Shire Offices in Campbell Street, Cuballing. Council welcomes any comment from ratepayers and residents of the Shire.



Independent Living Units

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Elected Members

Listed below are the Council Elected Members in place at the time the Annual Report was adopted. There was one vacant position on Council.

CR. E Dowling – President

Elected to Office: 2013

Term Expires: 2025

Address: PO Box 2, Popanyinning WA 6309

Phone: 0488 775 095

Email: president@cuballing.wa.gov.au

CR. R Harris – Deputy President

Elected to Office: 2019

Term Expires: 2027

Address: PO Box 28, Cuballing WA 6311

Phone: 0458 939 097

Email: cubyeast@gmail.com

CR. A Kowald - Councillor

Elected to Office: 2021

Term Expires: 2025

Address: PO Box 55, Popanyinning WA 6309

Phone: 0408 953 337

Email: adrianpoppo@outlook.com

CR. S Ballantyne – Councillor

Elected to Office: 2023

Term Expires: 2027

Address: PO Box 201, Cuballing WA 6311

Phone: 0418 814 761

Email: gunnastay@bigpond.com

CR. S Sexton - Councillor

Elected to Office: 2023

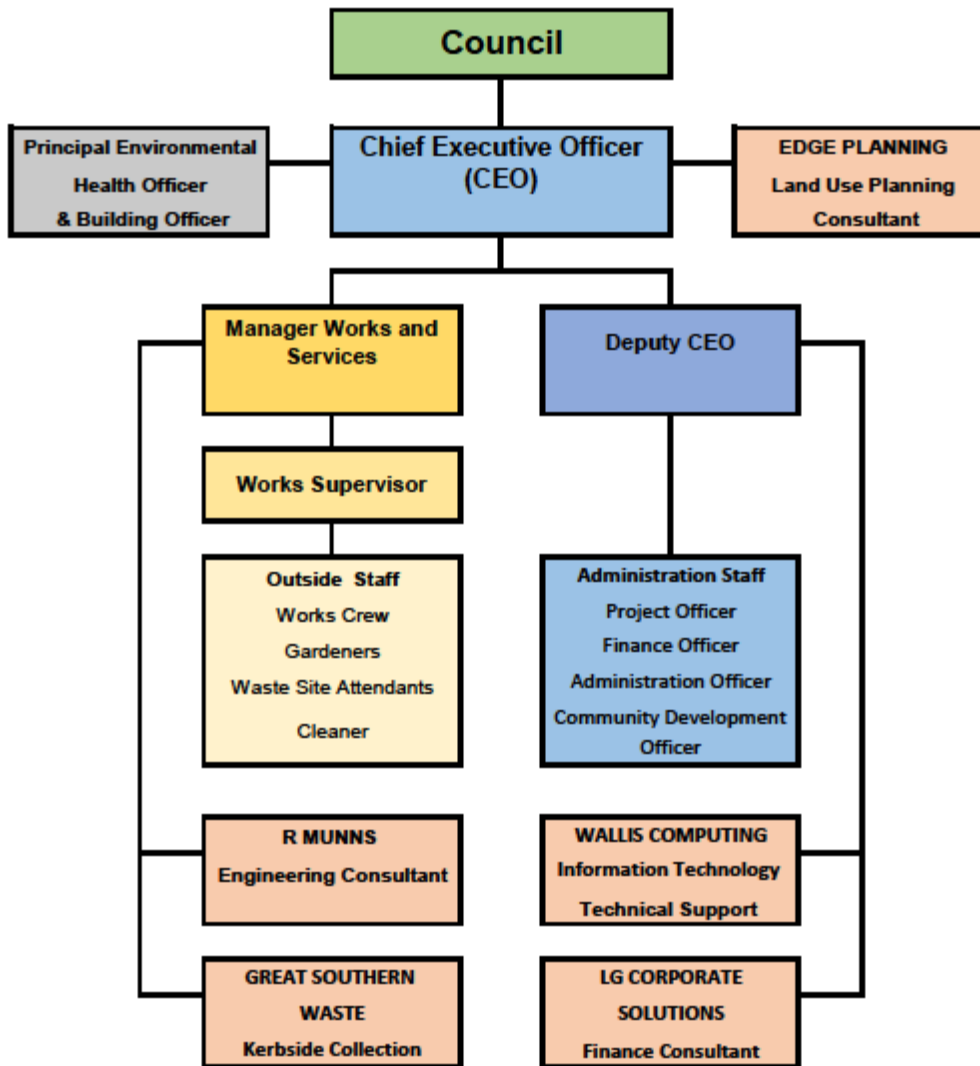
Term Expires: 2027

Address: 49 Pauley Rd, Cuballing WA 6311

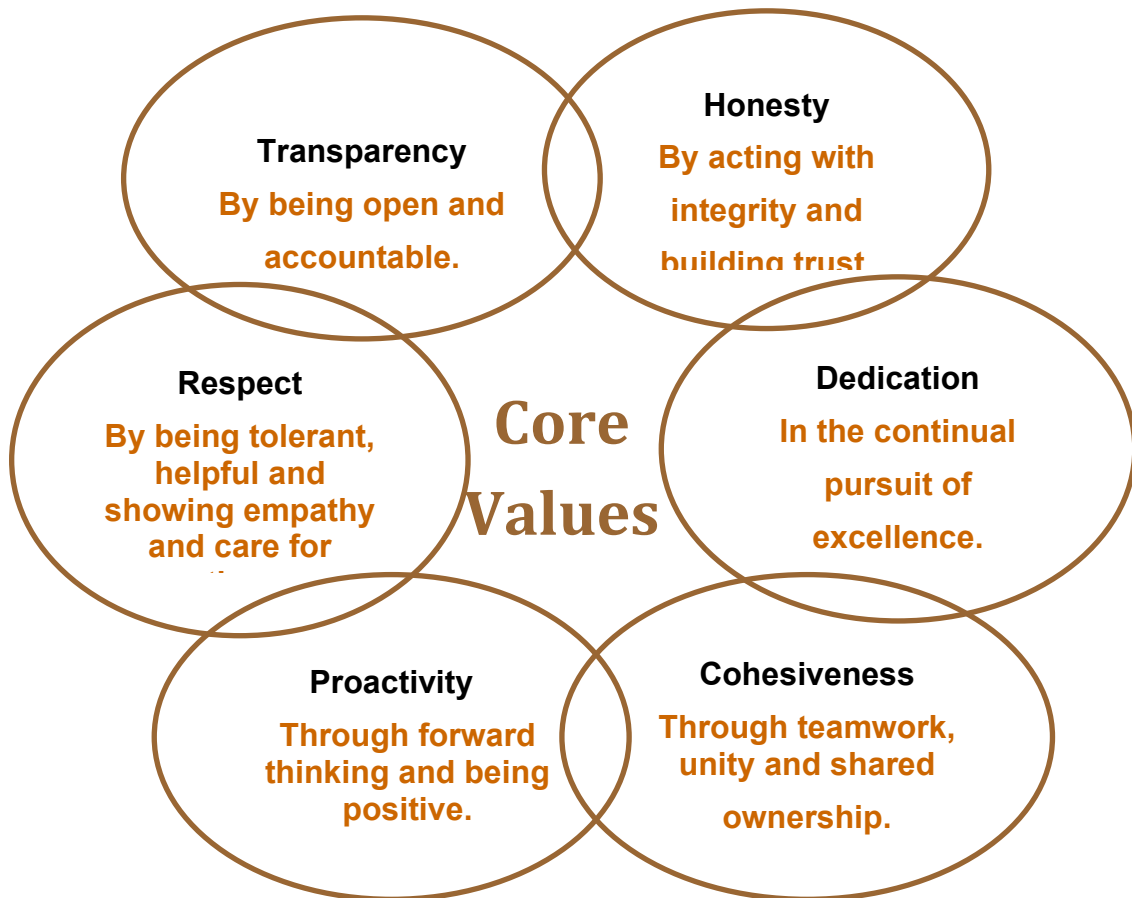
Phone: 0427 836 043

Email: glenarkfarms@gmail.com





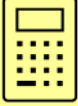



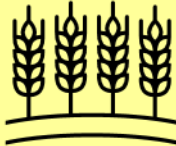
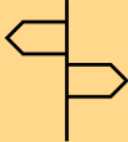

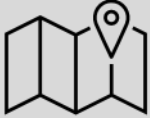



Organisational Structure & Staff



Strategic Community Plan



Shire Statistics

 <p>902</p> <p>Population *Based on 2021 Census</p>	 <p>\$834</p> <p>Minimum Rates-Residential</p>	 <p>21</p> <p>Number of Staff</p>
 <p>192km's</p> <p>Distance from Perth</p>	 <p>\$1,376,719</p> <p>Operating Grant Revenue</p>	 <p>\$ 1,397,842</p> <p>Rates Levied</p>
 <p>\$ 3,465,851</p> <p>Operating Revenue</p>	 <p>\$ 3,376,709</p> <p>Capital Grant Revenue</p>	 <p>\$1,125</p> <p>Minimum Rates – Rural</p>
 <p>465Km's</p> <p>Length of Unsealed Roads</p>	 <p>485</p> <p>Number of Dwellings *Based on 2021 Census</p>	 <p>1195</p> <p>Area (sq. KM)</p>
 <p>\$80,599,547</p> <p>Total Assets</p>	 <p>667</p> <p>Number of Electors</p>	 <p>176 KM's</p> <p>Length of Sealed Roads</p>

Shire Presidents Report



The 2022/23 financial year was a full-on year for the Shire of Cuballing. The completion of the major road program, despite a difficult road-building season, illustrated the dedication and ability of our shire employees. This is important because the vast majority of funding for councils in rural areas is for road building and maintenance. The fact that we have such well-constructed and maintained roads in our shire shows that we do our core business very well and it is something we should take pride in.

At the same time, a shire is so much more than the sum of its roads and it was fantastic to see two teams of Community Builders, one from Popanyinning and one from Cuballing, join the Community Builders Program in July 2022. The program involved five “cluster musters” across several months where representatives from the 14 shires involved got together for workshops in different towns, focussing on developing their local communities. As workshop participants, we visited Wagin, Darkan, Kulin and Dumbleyung and hosted about 60 community builders in Cuballing. Part of hosting the workshops was to get feedback about your town and services and we received very positive comments about the state of our parks and gardens and the beauty of our heritage buildings. There were a number of projects that came out of the Community Builders Program in Cuballing and these continue to be developed and actioned.

Another opportunity to showcase our town came in the form of the Cuballing Winter Ball in August. It was held in the Cuballing Agricultural Hall where the newly installed reverse cycle air conditioning on a 2 degree night was much appreciated. During the year we also completed other improvements in our heritage buildings including an acoustic ceiling and curtaining in the Cuballing Agricultural Hall and the commencement of work on the CWA Hall. It is wonderful to see these old buildings being upgraded and becoming usable throughout the year.

In August 2022, the Virtual Village was officially launched and Cuballing joined Pingelly, Wickepin and Wandering in the Virtual Village program. This program’s focus is to give people the option to stay in their own home as they age, cared for by volunteers in the community under a concierge system. During the year, the aged housing units in Cuballing were constructed, almost to the point of completion, despite considerable challenges with drainage. The four units are very well designed and have been finished to a very high standard. Having visited many of the aged care units in the region prior to Shire appointing the architect, I believe our units to be the best there are.

There have been a few changes over the year within council and staff. We were sad to see Peter Dowdell hang up his councillor boots and head to Gingin. It left us one Councillor short

for much of 2023 but the rest of council rose to the challenge to make sure we had a quorum for every meeting. Deputy CEO Fred Steer also resigned but we welcomed Narelle Rowe into the position where she has been doing an outstanding job. Local government faces a very competitive labour market and the Shire of Cuballing is extremely fortunate to have such a hard-working and dedicated workforce.

Our community events, coordinated by Community Development Officer, Michelle Atwell, were again very successful. The Cuballing Winter Ball, the Popanyinning Bonfire Night, movie nights, Kids Day Out, Thank a Volunteer, the Music Festival and the Anzac Day services were all very well attended and generated great feedback. Council will continue to actively support these events and our community and sporting groups – they make our shire a great place to live and play.

Cr Eliza Dowling

President



Dryandra Regional Equestrian Centre

Chief Executive Officer's Report



Background

The Financial Year 2022-23 has been my first full year as CEO of the Shire of Cuballing. The October 2021 Ordinary Election saw 3 new Councillors elected: Cr Peter Dowdell, Cr Julie Christensen and Cr Adrian Kowald. Cr Dowdell subsequently resigned and Council operated for much of the year one Councillor short. While his time on Council was relatively short, we do appreciate Cr Dowdell's well considered contributions.

The year also saw Fred Steer move on to greener pastures, and Narelle Rowe commence as Deputy CEO. Narelle had the job of putting together the financial statements and supporting the audit process and did a terrific job. Some people may remember Narelle from her previous time with the Shire of Cuballing several years ago.

Roads

2022-23 was a big year for roads. The Shire has secured funding under the Wheatbelt Secondary Freight Network Program for significant upgrades to the Cuballing East and Wandering-Narrogin Roads. As a result of delays in obtaining Clearing Permits the Shire has two years of work to complete under that program in a single year. The Shire completed eight kilometres of road construction in a single year. This was the single largest road project we have ever undertaken. Financially, our capital program was almost four times larger than the long-term average.

The project involved the entire Shire Works crew supplemented by local contractors all working under the day-to-day management of Bruce Brennan and Anthony Mort. It was a very steep learning curve, but everyone involved did an outstanding job. We learned some valuable lessons and acquired some useful skills. We also built confidence in our capacity to deliver.

Plant

Tackling such a significant works program required a lot of things to go right. One of those things is reliable plant. In addition to our scheduled Grader replacement, we brought forward the replacement of a front-end loader. These strategic purchases ensured that any project down time was limited.

Other Capital Works

Other capital works saw the Independent Living Units built in Cuballing by Stallion Homes all but completed. Everyone who has seen these units has been impressed with the quality of the build and the size of the units.

The refurbishment of the CWA Hall was well advanced by the end of the financial year. This facility when complete will be very useful and an excellent space for community functions and gatherings.

Finally, we completed the upgrade to the Shire administration building that had commenced the previous year. This included the addition of improved mobility access at the rear of the building.

Community

The Shire also delivered an extensive program of community events.

Any review of 2022-23 would not be complete without mentioning the inaugural Cuballing Winter Ball. Perhaps as a response to the curtailed community life during COVID this event struck a chord with the community and tickets sold out in two days. The event was an outstanding success and between fundraising and corporate donations more than \$40,000 was raised for Blaze Aid. The Ball was the brainchild of Michelle Atwell, our Community Development Officer, and was enthusiastically supported by Council led by Shire President, Cr Dowling. In an ironic twist Cr Dowling contracted COVID and was unable to attend.

Despite some lingering challenges from COVID we were able to run a full program of Community events during the year. These were mostly outdoor events which allowed us to navigate sanitising, social distancing and mask mandates and still run a successful community program.

Also on the community front, Cuballing was one of a number of communities in the sub-region to participate in the Community Builders Program run by Peter Kenyon from Bank of Ideas and funded by Rural Aid and CBH. Each of the participating communities hosted a “Cluster Muster” event for the participants from across the region. The program was well attended and generated some great ideas and suggestions for the future development of Cuballing.

Conclusion

I would like to thank the Council, Shire staff and the Cuballing community for a successful year. Despite many challenges we continue to deliver good governance and sound financial management, with another set of unqualified financial statements.

Stan Scott
Chief Executive Officer



ILU Common Area

Highlights of the Year

Winter Ball 2022

What a night for the first Cuballing Winter Ball, the tickets sold out in 8 days. We had a feeling this event was going to be well supported. The idea came about with the Shire of Cuballing trying to think of some way to raise money for BlazeAid after the fires that ripped through the surrounding shires in March this year. A glamorous event was something different, something of this calibre Cuballing had not seen this century and Wow I think we can safely say we nailed that brief?

The night went off without any glitches! And after a week of setting up the Cuballing Agricultural Hall was transformed into magical hall fit for a glamourous ball

So many businesses got behind this event with their generous donations which helped to raise approximately \$14,000 plus a \$25,000 donation from CBH all these monies will go directly to Blazieaid. Many

thankyous are to be made—Elders Narrogin, Perkins Machinery, CSBP, Bankwest, Sports Power Narrogin, Afgri Narrogin, Cuballing Roadhouse, Andrew Kittow and the Remedy Physio and Pilates. There were also so many hard-working volunteers behind the scenes that helped make this night run smoothly

The bar was well supported throughout the night, thanks for keeping our bar tenders, Tim and Sally Haslam and Joe Dowling, busy.



Kids Day 2022



The Shire of Cuballing held another very successful Go for 2&5 Cuballing Kid's Day on Wednesday 28th September 2022. Approx. 250 kids attended to fun filled morning.

- This year we saw an interactive games such as searching for fossils, Old Mac's Petting Zoo, balloon animals, face painting, obstacle course, bouncy castles, merry go round.
-
- Fruit packs and water were supplied under the grant guidelines.
- This year no ticket was needed due to the covid restrictions relaxing

Cuballing Kid's Day was supported by Healthways and the Shire of Cuballing

Thank a Volunteer Day 2022

Held in Popanyinning 6th December 2022. Great turn out of Popanyinning residents and cuballing resident. BBQ tea and salad free for all.

Shire funded.



Movie Night 2022

The Shire of Cuballing held another very successful Free community movie night on December 9th 2022

Free event that you BYO food, chairs, drinks, and rugs. Held at the Cuballing Oval

Photos are hard to take as the event is held while dark.

Australia Day 2023

On Australia Day 2023 the Shire of Cuballing hosted their annual community BBQ Breakfast at the Cuballing Rec Centre. At the breakfast Shire President, Eliza Dowling, presented the 2023 Shire of Cuballing Citizen of the Year Award to Margaret McAuliffe of Narrogin.

Margaret was selected in recognition of outstanding volunteer work with the Cuballing Cricket Club over the years. Cuballing Volunteer Action Group was selected for their outstanding work at the Cuballing Cemetery.



Anzac Day 2023

The 2023 Shire of Cuballing Anzac Day Service was well attended on a crisp morning.

Shire President Cr Eliza Dowling made a moving tribute to those who served followed by the Prayer of Remembrance. Mrs Robin Newman and Mrs Pat McDougall then led us in singing the hymn "O God Our Help in Ages Past"

The wreaths were laid by Mr Ries Chattillon, and Cr Robert Harris. Mr Chattillon spoke The Ode which was followed by Emily Ballantyne playing The Last Post. Local lads Sam and Lucas Grieve raised and lowered the Australian and New Zealand flags.

After the One Minute Silence and The Rouse played by Emily, the flags were raised by & Arthur Taylor & Kelvin Old.

Mrs Newman and Mrs McDougall then led the group in singing the National Anthems of New Zealand and Australia.

Grace and Adam from the Cuballing Tavern had prepared a morning tea of scones for all to enjoy at the completion of the service.



Works Program



The Shire's works program remains the Shire's most significant investment. Maintaining and improving the standard of the roads infrastructure that supports local agriculture and lifestyle is an important priority. The Shire receives support for its roads program from:

- Commonwealth Financial Assistance Grants
- Commonwealth Roads to Recovery Program
- Joint Commonwealth (80%), State (13.5%) and Local Government funding under the Wheatbelt Secondary Freight Network (WSFN) Program
- Direct Grant from Main Roads WA
- State funded Regional Roads Group

The 2022-23 roads program was dominated by work on the Cuballing East Road. Delays in clearing permits resulted in 2 years of projects being undertaken in a single year. The Shire works crew supported by local contractors completed the majority of the work. Specialised contractors were engaged to undertake stabilisation works and install the bitumen seal.

The result was 8 kilometres of highway standard road constructed in a single year. This was the largest single roads project ever built by the Shire of Cuballing. The result was very good and helped build the skills and confidence the Cuballing crew.

Fleet Replacements

Quality road maintenance and construction requires responsible investment in fleet and construction equipment. The Shire maintains a 10 year plant replacement plan to allow us to manage timely replacement of equipment.

We recognised that one of the significant risks to successful delivery of the Wheatbelt Secondary Freight Network projects was fleet downtime. To mitigate this risk the shire brought forward the purchase of a new loader, together with proceeding with the scheduled upgrade of one of the shire's graders.



Construction Projects

Independent Living Units

This year saw the completion of the Shire's complex of independent living units. Through a combination of Royalties for Regions funding, Shire funding and borrowings the Shire built four 2 bedroom 2 bathroom units to allow Cuballing residents to remain in Cuballing for their retirement.



The Plan

This project has been several years in the making, and the result is outstanding. This project demonstrates the value of planning and research. Councillors visited units in several locations in Country WA and borrowed the best features from this development.

H+H Architects have become the pre-eminent company for independent living units in country WA and they did a great job designing and managing this project. Stallion Homes was the builder. They showed a great commitment to quality on this project and this shows in the outcome. As with all projects there were hitches and glitches along the way, but Stallion stood by its work and responded positively when needed.



One of the completed units

Shire Buildings

The Shire invested funding from the Commonwealth Local Roads and Community Program (LRCP) in upgrades to important public buildings. This included installing a disability ramp and wider door on the rear of the Shire administration, acoustic treatment of the Agricultural Hall and replacement of the extension and the rear of the CWA Hall.



The upgraded CWA Hall

Memorial Park

Through a combination of Shire resources and grant funding, together with contributions of local volunteers, the Shire upgraded memorial park in time for the 2023 Anzac Day celebrations.

Funding was granted through the Shire of Cuballing, Co-Operative Bulk Handling “Grass Roots Community Grant” and Department of Veterans Affairs “Saluting Their Service Commemorations”. Community volunteers assisted with the planning and installation of the new turf.



Anzac Day 2023

Council

Council Meetings are held on the third Wednesday of every month except in January where no meeting is planned. All Ordinary Council Meetings commenced at 2.00pm. From February 2024 the starting time will change to 3.00 pm. All Council meetings are open to the public, except for matters raised by Council under “confidential items”

Members of the public may ask a question at a council meeting during ‘Public Question Time’

Minutes of the meetings are available at the Council offices or by visiting our website www.cuballing.wa.gov.au

Annual Financial and Audit Report

The Shire of Cuballing Annual Financial report for 30 June 2023 was audited by AMD Chartered Accountants and endorsed by the Office of the Auditor General. A copy of the Annual Financial return and Audit Report is tabled later in this report.

Required Disclosures

Local Government (Administration) Regulations 1996 require certain information in relation to remuneration, Councillor behaviour and levels of participation to be disclosed in the Annual Report.

Employee Remuneration

Local Government Administration Regulation 19B requires Council's employee remuneration over \$130,000, and in every \$10,000 increment above \$130,000 to be disclosed in the Annual Report.

Salary Range	Number of Employees
\$130,000 – 139,999	1
\$139,999 – 149,999	

Payment to Members of the Standards Panel

Regulation 19B(c) requires disclosure of any remuneration and allowances paid by the local government under Schedule 5.1 clause 9 during the financial year. There were no such allowances paid by the Shire of Cuballing.

Financial Penalties

Regulation 19B(d) any amount ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made under section 5.107(1), 5.109(1) or 5.114(1) to the local government during the financial year. No Cuballing Councillors were the subject of any complaint to the Standards Panel.

CEO Remuneration

Regulation 19B(e) requires disclosure of the remuneration paid or provided to the CEO during the financial year. Remuneration paid to Mr Stan Scott was \$131,579.

Councillor Attendance

Regulation 19B(f) the number of council and committee meetings attended by each council member during the financial year.

Councillor	Council Meetings	Committee Meetings
Cr Eliza Dowling	11	2
Cr Rob Harris	12	3
Cr Dawson Bradford	10	2
Cr Julie Christensen	11	4
Cr Adrian Kowald	10	2
Cr Peter Dowdell (Until Dec 2022)	6	0

Councillor Demographics

Regulation 19B(g), (h) and (i) require the reporting of demographic information on Councillors' if known, including gender, Country of birth, linguistic background and

whether or not Councillors Identify as Aboriginal or Torres Strait Islander, as well as the ages of Councillors. Where the information is known it is reported below. During 2021-22 the Shire of Cuballing had a total of 6 Councillors occupy the 6 positions on Council. Cr Dowdell resigned in January 2023 and was not replaced during the financial year.

Total Councillors	6
Male	4
Female	2
Identify as Aboriginal or Torres Strait Islander	0

Integrated Planning and Reporting

Regulation 19B(j) and (k) require the disclosure of any significant changes to the Strategic Community Plan or Corporate Business Plan. There are no substantial changes to report, even though substantial work was undertaken towards the development of a new Strategic Community Plan.

Trading Undertakings

Regulation 19BB requires information about major trading undertakings. There are no trading undertakings requiring disclosure.

Land Transactions

Regulation 19BC requires information about major land transactions. There are no major land transactions requiring disclosure.

Elected Member Fees, Expenses and Allowances

Regulation 19BD requires information requires that all fees, expenses and allowances paid to Elected members be disclosed in the Annual Report. These details are set out in the table below.

Elected Member	Presidents Allowance	Deputy President	Sitting Fees	ICT Allow	Travel	Conference	Total
Cr Dowling	\$8,200		\$2,380	\$750		\$1,405	\$12,735
Cr Harris		\$2,050	\$2,120	\$750		\$1,163	\$6,083
Cr Bradford			\$1,560	\$750			\$2,310
Cr Christensen			\$1,880	\$750		\$1,164	\$3,794
Cr Kowald			\$1,020	\$250		\$1,248	\$2,518
Cr Dowdell			\$960	\$250	\$59	\$1,177	\$2,446
TOTAL	\$8,200	\$2,050	\$9,920	\$3,500	\$59	\$6,157	\$29,886

Capital Grants Subsidies and Contributions

Regulation 19BE requires that the amount of all capital grants, subsidies and contributions for the financial year and the two previous financial years be set out in Annual Report. The current and previous year can also be found at Note 2(a) in the Statement of Comprehensive Income by Nature and Type.

Financial Year	Capital Grants Subsidies and Contributions
2022-23	\$4,046,791
2021-22	\$ 1,175,096
2020-21	\$1,691,211

Plan for the Future

Local Government Act 1995 Section 5.51(2) (e) and section 5.56 requires a local government to plan for the future of the district. The following plans are available from the Shire Administration Office. Long Term Financial Plan 2020-2034

- Long Term Financial Plan 2020-2034;
- Corporate Business Plan 2020-2024;
- Community Strategic Plan 2017-2027; and
- Asset Management Plan 2021-2035.

The Strategic Community Plan will be reviewed in 2023 – 24 which will result in changes to the other plans.

Register of Complaints

Section 5.121 of the Local Government Act 1995 requires Council to maintain a register of complaints which records all complaints that result in an action under the Local Government Act s5.121(6)(b) or (c)

The register of complaints is to include, for each recorded complaint;

- Name of Council Member or person about whom the complaint is made;
- Name of the person who makes the complaint;
- A description of the minor breach that the standards Panel finds has occurred; and
- Details of the action taken under LGA s5.110(6)(b) or (c)

During 2020/21 there were no reportable complaints.

Freedom of Information

The Freedom of Information (FOI) Act 1992 gives the public the right to apply for access to information held by the Shire of Cuballing. In the event that a request for information goes beyond the scope of the usual requests received, then the Shire would consider using the FOI process.

A copy of the FOI process is contained within the Shire's FOI Information Statement, which is available at www.cuballing.wa.gov.au

In the 2022-2023 financial year, the Shire of Cuballing processed one application.

Elections

Elections are held biennially on the second Saturday in October and are subject to electoral procedures as governed by the Local Government Act. Voting at Council elections is not compulsory, however participation by residents in elections is vital to the effectiveness of Local Government. Residents not included in the State Electoral Roll should contact the Western Australian Electoral Commission.

There were no elections held during the 2022-23 financial year. The Electoral Commission allowed the vacancy created by the resignation of Cr Dowdell to remain unfilled until the scheduled Ordinary Council elections in October 2023.

Public Interest Disclosure

In accordance with the Public Interest Disclosure Act 2003, procedures have been implemented to facilitate receiving, reporting and action on public interest disclosures.

During the 2022-23 reporting period, no public interest disclosures were lodged.

State Records Act

State Records Commission Standard 2 (Record Keeping Plan), Principle 6 (Compliance) states that the Government Organisations, including Local Governments, should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities under their Record Keeping Plan.

Council is guided by its record keeping plan to maintain compliance with the State Records Commission. The Shire of Cuballing's Record Keeping Plan was endorsed by the Commission in July 2021, and is due for review prior to July 2026.

Staff continually work on implementing the strategies outlined in the Record Keeping Plan.

Councils Administration Officer/ Executive Officer is delegated the responsibility of maintaining the filing and record system of the Shire. The officer attends appropriate training courses to build knowledge in this area. All staff are trained to use the system as well as being trained in their record keeping responsibilities. Staff training and development in this area is ongoing to ensure best case practise.

The Shire of Cuballing's Induction Program for new employees includes and introduction to Councils record keeping system and program, and information on their record keeping responsibilities.

Equal Opportunity

Under the Western Australian Equal Opportunity Act, 1984 (PART IX) it is the responsibility of Local Government Authorities to prepare and implement an equal opportunity management plan in order to achieve the objects of the Act. These objects are:

- A. to eliminate and ensure the absence of discrimination in employment on the ground of sex, marital status, pregnancy, family responsibility or family status, sexual orientation, race, religious or political conviction, impairment or age;
- B. to eliminate and ensure the absence of discrimination in employment against gender reassigned persons on gender history grounds; and
- C. to promote equal employment opportunity for all persons.

The Shire of Cuballing Adopted its Equal Employment Opportunity Management Plan in May 2023. This plan was subsequently replaced by a revised plan in a an updated format in November 2023.

National Competition Policy

The Clause 7 Statement on the application of National Competition Policy to local government requires certain information to be provided in the Annual Report.

Competitive Neutrality

Council has reviewed all areas of operations to determine the existence or otherwise of significant business activities.

A significant business activity is defined as an activity with an income in excess of \$200,000 pa, which is not a regulatory service (community service obligation) and which is not already contracted out.

Accordingly, it has been determined that Council has no significant business activity for the purposes of competitive neutrality as it relates to the National Competition Policy Clause 7 Statement.

Structural Reform

As required by the Australian Accounting Standards and the Financial Management Regulations, an activity based costing system has been implemented. This assists the regulatory functions of Council to be separately identified from the service delivery functions, with a proper record of cost of provision of those functions.

Due to the compactness of the staff and range of activities undertaken by the Shire, there is little scope for further change.

Disability Access and Inclusion Plan

The Shire of Cuballing first adopted a Shire of Cuballing Disability Access and Inclusion Plan in 1995. The Shire of Cuballing Disability Access and Inclusion Plan 2019-2024 was adopted on 19th June 2019.

The Disability Services Amendment Act 1999 requires local governments to report annually on their Disability Access and Inclusion Plan achievements. The achievements for the year ended 30th June 2023 are listed below and grouped into the outcome areas addressed in the Shire of Cuballing's Disability Access and Inclusion Plan.

Outcome 1 People with disability have the same opportunity as other people to access the services of, and any events organised in the Shire of Cuballing

Council is responsive to the needs of the community in relation to the adaptation of services to suit particular needs. During the year no areas of service delivery were identified as requiring modification.

Outcome 2 People with disability have the same opportunity as other people to access the buildings and other facilities of the Shire of Cuballing

Council owned buildings are reviewed annually to see what modifications are required to improved access for members of the community that have difficulty with mobility. Following upgrades to the front entry of the Shire administration building in 2022, a new staff and councillor entry at the rear pf the building has now been installed. This work included:

- Modified entry with new ramp for compliant access for mobility impaired customers;
- Wider entry door

Outcome 3 People with disability receive information pertaining to Council functions facilities and services in a format that will enable them to access the information as readily as other people are able to access it

Information about the functions, facilities and services provided by the Shire is prepared using clear and concise language. If necessary, this information can be made in alternative formats i.e. large print, verbal etc on request. During the year no such requests were received.

Outcome 4 People with disability will receive the same level and quality of service from the staff of the Shire of Cuballing as other people receive.

Staff training is reviewed annually and where a need for training is identified, the staff are given the appropriate training.

Outcome 5 People with disability have the same opportunities as other people to make complaints to the Shire of Cuballing

All grievance procedures are accessible and staff are available to assist where required to ensure diverse needs are met to ensure grievances and complaints can be made known to the Shire. Procedures are reviewed regularly and staff are provided with training as required.

Outcome 6 People with disability have the same opportunities as other people to participate in any public consultation by the Shire of Cuballing

Venues which are utilised for community participation in Council process are selected with the objective of ensuring access for all members of the community.

Outcome 7 People with disability have the same opportunities as other people to obtain and maintain employment with the Shire of Cuballing

Council or staff responsible for recruitment will ensure that the right person is selected for the position regardless of disability. At all stages of the recruitment process, staff will ensure that the position description, interviews and the workplace are accessible to all.

Plans are in place to provide an accessible staff entry for use by staff and Councillors which should eliminate any physical barriers to participation for potential candidates for employment or election.

SHIRE OF CUBALLING
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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

A progressive, diverse and caring community, with access to modern services and infrastructure, in a unique part of the world.

Principal place of business:
Campbell Street
Cuballing, WA 6311

SHIRE OF CUBALLING
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

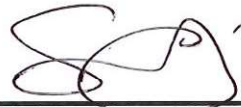
Local Government Act 1995
Local Government (Financial Management) Regulations 1996

STATEMENT BY CEO

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

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

Signed on the 8th day of December 2023



Chief Executive Officer

STAN SCOTT

Name of Chief Executive Officer



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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),24	1,409,045	1,378,840	1,294,771
Grants, subsidies and contributions	2(a)	1,527,727	441,431	1,376,719
Fees and charges	2(a)	358,652	149,696	172,616
Interest revenue	2(a)	47,151	11,300	9,536
Other revenue	2(a)	114,276	42,930	48,260
		3,456,851	2,024,197	2,901,902
Expenses				
Employee costs	2(b)	(993,158)	(1,103,795)	(974,274)
Materials and contracts		(862,024)	(1,006,927)	(930,630)
Utility charges		(162,427)	(62,635)	(71,315)
Depreciation		(2,209,250)	(2,035,605)	(2,047,840)
Finance costs	2(b)	(51,251)	(47,954)	(5,111)
Insurance		(175,136)	(161,952)	(143,575)
Other expenditure	2(b)	(64,013)	(61,810)	(57,423)
		(4,517,259)	(4,480,678)	(4,230,168)
		(1,060,408)	(2,456,481)	(1,328,266)
Capital grants, subsidies and contributions	2(a)	4,046,791	3,801,877	1,175,096
Profit on asset disposals		21,327	0	14,272
Loss on asset disposals		(64,671)	(145,513)	(12,633)
Fair value adjustments to financial assets at fair value through profit or loss	4	1,843	0	3,291
		4,005,290	3,656,364	1,180,026
Net result for the period		2,944,882	1,199,883	(148,240)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	999,417	0	3,496,970
Total other comprehensive income for the period		999,417	0	3,496,970
Total comprehensive income for the period		3,944,299	1,199,883	3,348,730

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



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

	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	2,003,638	3,007,541
Trade and other receivables	5	309,092	287,500
Inventories	6	33,510	13,432
Other assets	7	210,951	0
TOTAL CURRENT ASSETS		2,557,191	3,308,473
NON-CURRENT ASSETS			
Other financial assets	4	40,745	38,902
Property, plant and equipment	8	9,952,628	8,881,286
Infrastructure	9	66,088,829	62,877,431
Right-of-use assets	11	1,960,154	1,789,700
TOTAL NON-CURRENT ASSETS		78,042,356	73,587,319
TOTAL ASSETS		80,599,547	76,895,792
CURRENT LIABILITIES			
Trade and other payables	12	135,164	46,530
Other liabilities	13	96,566	694,224
Borrowings	14	163,031	84,310
Employee related provisions	15	284,448	270,754
TOTAL CURRENT LIABILITIES		679,209	1,095,818
NON-CURRENT LIABILITIES			
Borrowings	14	1,125,256	881,262
Employee related provisions	15	9,109	4,614
Other provisions	16	0	72,424
TOTAL NON-CURRENT LIABILITIES		1,134,365	958,300
TOTAL LIABILITIES		1,813,574	2,054,118
NET ASSETS		78,785,973	74,841,674
EQUITY			
Retained surplus		22,989,131	19,614,195
Reserve accounts	27	648,026	1,078,080
Revaluation surplus	17	55,148,816	54,149,399
TOTAL EQUITY		78,785,973	74,841,674

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





**SHARE OF CUBALLING
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		19,763,619	1,076,896	50,652,429	71,492,944
Comprehensive income for the period					
Net result for the period		(148,240)	0	0	(148,240)
Other comprehensive income for the period	17	0	0	3,496,970	3,496,970
Total comprehensive income for the period		(148,240)	0	3,496,970	3,348,730
Transfers from reserve accounts	27	83,139	(83,139)	0	0
Transfers to reserve accounts	27	(84,323)	84,323	0	0
Balance as at 30 June 2022		19,614,195	1,078,080	54,149,399	74,841,674
Comprehensive income for the period					
Net result for the period		2,944,882	0	0	2,944,882
Other comprehensive income for the period	17	0	0	999,417	999,417
Total comprehensive income for the period		2,944,882	0	999,417	3,944,299
Transfers from reserve accounts	27	442,943	(442,943)	0	0
Transfers to reserve accounts	27	(12,889)	12,889	0	0
Balance as at 30 June 2023		22,989,131	648,026	55,148,816	78,785,973

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

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

	NOTE	2023 Actual	2022 Actual
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		1,397,842	1,272,423
Grants, subsidies and contributions		1,500,901	1,342,666
Fees and charges		358,652	172,616
Interest revenue		47,151	9,536
Goods and services tax received		312,674	131,730
Other revenue		114,276	48,260
		3,731,496	2,977,231
Payments			
Employee costs		(958,257)	(955,902)
Materials and contracts		(1,021,131)	(1,021,585)
Utility charges		(162,427)	(71,315)
Finance costs		(51,251)	(5,111)
Insurance paid		(175,136)	(143,575)
Goods and services tax paid		(296,237)	(168,981)
Other expenditure		(64,013)	(57,423)
		(2,728,452)	(2,423,892)
Net cash provided by (used in) operating activities		1,003,044	553,339
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(1,878,774)	(1,160,018)
Payments for construction of infrastructure	9(a)	(3,928,046)	(1,393,757)
Payments for right of use assets		(207,630)	0
Capital grants, subsidies and contributions		3,376,709	1,175,096
Proceeds from sale of property, plant & equipment		308,079	119,304
Net cash provided by (used in) investing activities		(2,329,662)	(1,259,375)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	26(a)	(84,310)	(44,358)
Proceeds from new borrowings	26(a)	407,025	850,000
Net cash provided by (used in) financing activities		322,715	805,642
Net increase (decrease) in cash held		(1,003,903)	99,606
Cash at beginning of year		3,007,541	2,907,935
Cash and cash equivalents at the end of the year		2,003,638	3,007,541

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

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

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	24	1,408,478	1,378,840	1,294,595
Rates excluding general rates	24	567	0	176
Grants, subsidies and contributions		1,527,727	441,431	1,376,719
Fees and charges		358,652	149,696	172,616
Interest revenue		47,151	11,300	9,536
Other revenue		114,276	42,930	48,260
Profit on asset disposals		21,327	0	14,272
Fair value adjustments to financial assets at fair value through profit or loss	4	1,843	0	3,291
		3,480,021	2,024,197	2,919,465
Expenditure from operating activities				
Employee costs		(993,158)	(1,103,795)	(974,274)
Materials and contracts		(862,024)	(1,006,927)	(930,630)
Utility charges		(162,427)	(62,635)	(71,315)
Depreciation		(2,209,250)	(2,035,605)	(2,047,840)
Finance costs		(51,251)	(47,954)	(5,111)
Insurance		(175,136)	(161,952)	(143,575)
Other expenditure		(64,013)	(61,810)	(57,423)
Loss on asset disposals		(64,671)	(145,513)	(12,633)
		(4,581,930)	(4,626,191)	(4,242,801)
Non-cash amounts excluded from operating activities	25(a)	2,196,516	2,181,118	2,027,245
Amount attributable to operating activities		1,094,607	(420,876)	703,909
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		4,046,791	3,801,877	1,175,096
Proceeds from disposal of assets		308,079	250,000	119,304
		4,354,870	4,051,877	1,294,400
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(1,878,774)	(2,881,472)	(1,160,018)
Purchase and construction of infrastructure	9(a)	(3,928,046)	(3,675,451)	(1,393,757)
Purchase of right of use assets	11	(207,630)	0	0
		(6,014,450)	(6,556,923)	(2,553,775)
Amount attributable to investing activities		(1,659,580)	(2,505,046)	(1,259,375)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	26(a)	407,025	440,000	850,000
Transfers from reserve accounts	27	442,943	444,887	83,139
		849,968	884,887	933,139
Outflows from financing activities				
Repayment of borrowings	26(a)	(84,310)	(124,980)	(44,358)
Transfers to reserve accounts	27	(12,889)	(14,245)	(84,323)
		(97,199)	(139,225)	(128,681)
Amount attributable to financing activities		752,769	745,662	804,458
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	25(b)	1,489,639	2,204,687	1,240,647
Amount attributable to operating activities		1,094,607	(420,876)	703,909
Amount attributable to investing activities		(1,659,580)	(2,505,046)	(1,259,375)
Amount attributable to financing activities		752,769	745,662	804,458
Surplus or deficit after imposition of general rates	25(b)	1,677,435	24,427	1,489,639

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

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

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

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

The local government reporting entity

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

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

Judgements and estimates

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- estimation uncertainties made in relation to lease accounting

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

This standard will result in a terminology change for significant accounting policies

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

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates - General Rates	General Rates	Over time	Payment dates are adopted by Council during the year. Payment on an annual basis in advance.	None	When rates notice is issued.
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance or on normal trading terms if credit provided	None	On entry to facility
Other revenue - private works	Contracted private works	Single point in time	Payment in advance or on normal trading terms if credit provided	None	At point of service

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,409,045	0	1,409,045
Grants, subsidies and contributions	184,847	0	0	1,342,880	1,527,727
Fees and charges	107,523	0	27,847	223,282	358,652
Interest revenue	0	0	10,254	36,897	47,151
Other revenue	2,797	0	2,080	109,399	114,276
Capital grants, subsidies and contributions	0	4,046,791	0	0	4,046,791
Total	295,167	4,046,791	1,449,226	1,712,458	7,503,642

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,294,771	0	1,294,771
Grants, subsidies and contributions	206,565	0	0	1,170,154	1,376,719
Fees and charges	100,207	0	14,720	57,689	172,616
Interest revenue	0	0	7,502	2,034	9,536
Other revenue	9,401	0	1,950	36,909	48,260
Capital grants, subsidies and contributions	0	1,175,096	0	0	1,175,096
Total	316,173	1,175,096	1,318,943	1,266,786	4,076,998

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual	2022 Actual
	\$	\$
Interest revenue		
Interest on reserve account funds	12,891	1,184
Other interest revenue	34,260	8,352
	<u>47,151</u>	<u>9,536</u>

The 2023 original budget estimate in relation to:
 Charges on instalment plan was \$1,500.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	23,200	16,800
- Other services – grant acquittals	0	1,920
	<u>23,200</u>	<u>18,720</u>

Employee Costs

Employee benefit costs	929,515	942,830
Other employee costs	63,643	31,444
	<u>993,158</u>	<u>974,274</u>

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	51,251	5,111
	<u>51,251</u>	<u>5,111</u>

Sundry expenses

	64,013	57,423
	<u>64,013</u>	<u>57,423</u>

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

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	1,355,611	3,007,541
Term deposits	648,027	0
Total cash and cash equivalents	2,003,638	3,007,541
Held as		
- Unrestricted cash and cash equivalents	1,355,612	1,929,461
- Restricted cash and cash equivalents	18(a) 648,026	1,078,080
	2,003,638	3,007,541

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(b) Non-current assets

	2023	2022
	\$	\$
Financial assets at fair value through profit or loss	40,745	38,902
	40,745	38,902
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	38,902	35,611
Movement attributable to fair value increment	1,843	3,291
Units in Local Government House Trust - closing balance	40,745	38,902

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

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit or loss

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

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

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

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
Current		
Rates and statutory receivables	155,806	144,603
Trade receivables	153,286	126,460
GST receivable	0	16,437
	309,092	287,500

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

Current	Note	2023	2022
		\$	\$
Fuel and materials		33,510	13,432
		33,510	13,432
The following movements in inventories occurred during the year:			
Balance at beginning of year		13,432	5,613
Inventories expensed during the year		(209,553)	(254,624)
Additions to inventory		229,631	262,443
Balance at end of year		33,510	13,432

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

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

7. OTHER ASSETS

	2023	2022
	\$	\$
Other assets - current		
Contract assets	210,951	0
	210,951	0

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land & Buildings \$	Total land and buildings	Furniture and equipment \$	Plant and equipment \$	Total property, plant and equipment \$
Balance at 1 July 2021	4,053,117	4,053,117	3,453	2,357,145	6,413,715
Additions	661,822	661,822	0	498,196	1,160,018
Disposals	0	0	0	(117,665)	(117,665)
Revaluation increments / (decrements) transferred to revaluation surplus	1,788,789	1,788,789	0	0	1,788,789
Depreciation	(80,281)	(80,281)	(1,744)	(281,546)	(363,571)
Balance at 30 June 2022	6,423,447	6,423,447	1,709	2,456,130	8,881,286
Comprises:					
Gross balance amount at 30 June 2022	6,818,047	6,818,047	31,626	3,153,590	10,003,263
Accumulated depreciation at 30 June 2022	(394,600)	(394,600)	(29,917)	(697,460)	(1,121,977)
Balance at 30 June 2022	6,423,447	6,423,447	1,709	2,456,130	8,881,286
Additions	1,061,439	1,061,439	0	817,335	1,878,774
Disposals	0	0	0	(351,423)	(351,423)
Depreciation	(129,292)	(129,292)	(1,709)	(325,008)	(456,009)
Balance at 30 June 2023	7,355,594	7,355,594	0	2,597,034	9,952,628
Comprises:					
Gross balance amount at 30 June 2023	7,879,486	7,879,486	31,626	3,515,753	11,426,865
Accumulated depreciation at 30 June 2023	(523,892)	(523,892)	(31,626)	(918,719)	(1,474,237)
Balance at 30 June 2023	7,355,594	7,355,594	0	2,597,034	9,952,628

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Land and buildings					
Land	Level 2	Market approach using recent observable market data for similar properties	Independent Licensed Valuer	June 2022	Price per hectare, with reference to current zoning of land. Market values were used unless there were some restrictions or other factors associated with the land
Land & Buildings	Level 3	Cost approach using depreciated replacement cost	Independent Licensed Valuer	June 2022	Sales Comparison Approach (market data) to market type properties and Cost Approach (replacement) to non-market properties

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

(ii) Cost					
Furniture and equipment		N/A	Cost	N/A	Not Applicable
Plant and equipment		N/A	Cost	N/A	Not Applicable

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads & footpaths	Infrastructure - bridges	Infrastructure - recreation	Infrastructure - parks, ovals & playgrounds	Infrastructure - other	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	55,089,396	5,730,671	701,318	265,982	580,237	62,367,604
Additions	1,077,621	23,587	0	0	292,549	1,393,757
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	50,430	315,055	415,663	781,148
Depreciation	(1,472,641)	(121,906)	(36,547)	(15,838)	(18,146)	(1,665,078)
Balance at 30 June 2022	54,694,376	5,632,352	715,201	565,199	1,270,303	62,877,431
Comprises:						
Gross balance at 30 June 2022	59,983,276	6,118,888	846,230	618,942	1,327,399	68,894,735
Accumulated depreciation at 30 June 2022	(5,288,900)	(486,536)	(131,029)	(53,743)	(57,096)	(6,017,304)
Balance at 30 June 2022	54,694,376	5,632,352	715,201	565,199	1,270,303	62,877,431
Additions	3,776,303	34,492	0	0	117,251	3,928,046
Revaluation increments / (decrements) transferred to revaluation surplus	(394,629)	1,394,046	0	0	0	999,417
Depreciation	(1,499,582)	(122,378)	(36,464)	(27,160)	(30,481)	(1,716,065)
Balance at 30 June 2023	56,576,468	6,938,512	678,737	538,039	1,357,073	66,088,829
Comprises:						
Gross balance at 30 June 2023	77,783,961	19,176,987	846,230	618,942	1,444,650	99,870,770
Accumulated depreciation at 30 June 2023	(21,207,493)	(12,238,475)	(167,493)	(80,903)	(87,577)	(33,781,941)
Balance at 30 June 2023	56,576,468	6,938,512	678,737	538,039	1,357,073	66,088,829

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads & footpaths	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
	Infrastructure - bridges	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
	Infrastructure - recreation	Level 3	Cost approach using depreciated replacement cost	Independent Licensed Valuer	June 2022	Construction costs and current condition, residual values and remaining useful life assessments inputs
	Infrastructure - parks, ovals & playgrounds	Level 3	Cost approach using depreciated replacement cost	Independent Licensed Valuer	June 2022	Construction costs and current condition, residual values and remaining useful life assessments inputs
	Infrastructure - other	Level 3	Cost approach using depreciated replacement cost	Independent Licensed Valuer	June 2022	Construction costs and current condition, residual values and remaining useful life assessments inputs

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

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

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Land & Buildings	30 to 50 years
Furniture and equipment	3 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - roads & footpaths	
Formation	not depreciated
Sealed Roads	
- pavement	50 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel Roads	
- pavement	50 years
Footpaths	20 years
Water supply piping and drainage systems	75 years
Infrastructure - bridges	50 years
Infrastructure - recreation	20 to 50 years
Infrastructure - parks, ovals & playgrounds	20 to 50 years
Infrastructure - other	20 to 50 years
Infrastructure - right of use assets	50 years

SHIRE OF CUBALLING
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FOR THE YEAR ENDED 30 JUNE 2023

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

Depreciation on revaluation

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

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

Impairment

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

Gains or losses on disposal

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

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

11. LEASES

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 - vested buildings	Right-of-use assets Total
		\$	\$
Balance at 1 July 2021		881,858	881,858
Depreciation		(19,191)	(19,191)
Balance at 30 June 2022		1,789,700	1,789,700
Gross balance amount at 30 June 2022		1,886,574	1,886,574
Accumulated depreciation at 30 June 2022		(96,874)	(96,874)
Balance at 30 June 2022		1,789,700	1,789,700
Additions		207,630	207,630
Depreciation		(37,176)	(37,176)
Balance at 30 June 2023		1,960,154	1,960,154
Gross balance amount at 30 June 2023		2,094,204	2,094,204
Accumulated depreciation at 30 June 2023		(134,050)	(134,050)
Balance at 30 June 2023		1,960,154	1,960,154

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

	2023 Actual	2022 Actual
	\$	\$
Depreciation on right-of-use assets	(37,176)	(19,191)
Total amount recognised in the statement of comprehensive income	(37,176)	(19,191)
Total cash outflow from leases	0	(1,500)
26(d)	0	0

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - measurement

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

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

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

12. TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
Current		
Sundry creditors	73,040	19,769
Accrued payroll liabilities	28,055	24,032
ATO liabilities	12,689	0
Bonds and deposits held	8,574	858
Accrued interest on borrowings	12,806	1,871
	135,164	46,530

SIGNIFICANT ACCOUNTING POLICIES

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.

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

13. OTHER LIABILITIES

Current

Capital grant/contributions liabilities

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

Reconciliation of changes in capital grant/contribution liabilities

Opening balance

Additions / (Used)

	2023	2022
	\$	\$
	96,566	694,224
	96,566	694,224
	694,224	694,224
	(597,658)	0
	96,566	694,224

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

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

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

14. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Borrowings		163,031	1,125,256	1,288,287	84,310	881,262	965,572
Total secured borrowings	26(a)	163,031	1,125,256	1,288,287	84,310	881,262	965,572

Secured liabilities and assets pledged as security

Bank overdrafts and bank loans are secured by a general charge over the rates of the Shire of Cuballing.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
Current provisions	\$	\$
Employee benefit provisions		
Annual leave	98,398	83,632
Long service leave	153,129	155,909
	251,527	239,541
Employee related other provisions		
Employment on-costs	32,921	31,213
	32,921	31,213
Total current employee related provisions	284,448	270,754
Non-current provisions		
Employee benefit provisions		
Long service leave	8,000	4,057
	8,000	4,057
Employee related other provisions		
Employment on-costs	1,109	557
	1,109	557
Total non-current employee related provisions	9,109	4,614
Total employee related provisions	293,557	275,368

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.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

**SHIRE OF CUBALLING
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FOR THE YEAR ENDED 30 JUNE 2023**

16. OTHER PROVISIONS

	Waste Remediation	Total
	\$	\$
Opening balance at 1 July 2022		
Non-current provisions	72,424	72,424
	<u>72,424</u>	<u>72,424</u>
Unused amounts reversed	(72,424)	(72,424)
Balance at 30 June 2023	0	0

Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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

17. REVALUATION SURPLUS

	2023 Opening Balance \$	2023 Closing Balance \$	2023 Total Movement on Revaluation \$	2022 Opening Balance \$	2022 Closing Balance \$	2022 Total Movement on Revaluation \$
Revaluation surplus - Land & Buildings	3,890,862	3,890,862	0	2,102,073	3,890,862	1,788,789
Revaluation surplus - Plant and equipment	672,794	672,794	0	672,794	672,794	0
Revaluation surplus - Infrastructure - roads & footpaths	40,416,514	40,021,885	(394,629)	40,416,514	40,416,514	0
Revaluation surplus - Infrastructure - bridges	6,638,303	8,032,349	1,394,046	6,638,303	6,638,303	0
Revaluation surplus - Infrastructure - recreation	656,161	656,161	0	605,731	656,161	50,430
Revaluation surplus - Infrastructure - parks, ovals & playgrounds	482,844	482,844	0	167,789	482,844	315,055
Revaluation surplus - Infrastructure - other	464,888	464,888	0	49,225	464,888	415,663
Revaluation surplus - Infrastructure - right of use assets	927,033	927,033	0	0	927,033	927,033
	54,149,399	55,148,816	999,417	50,652,429	54,149,399	3,496,970

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

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

	Note	2023 Actual \$	2022 Actual \$
(a) Restrictions			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	648,026	1,078,080
		648,026	1,078,080
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	27	648,026	1,078,080
Total restricted financial assets		648,026	1,078,080
(b) Undrawn Borrowing Facilities and Credit Standby Arrangements			
Bank overdraft limit		100,000	100,000
Bank overdraft at balance date		0	0
Credit card limit		30,000	20,000
Credit card balance at balance date		(7,829)	(1,247)
Total amount of credit unused		122,171	118,753
Loan facilities			
Loan facilities - current		163,031	84,310
Loan facilities - non-current		1,125,256	881,262
Total facilities in use at balance date		1,288,287	965,572
Unused loan facilities at balance date		0	0

SHIRE OF CUBALLING
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19. CONTINGENT LIABILITIES

(a) Shire Depot

In compliance with the contaminated Sites Act 2003 Section 11, the Shire has listed sites to be the possible sources of contamination. Details of those sites are;

- Shire of Cuballing Depot

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of a risk based approach, the Shire is unable to estimate the potential costs associated with the remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

(b) Popanyinning Waste Management Facility

In April 2016 the Shire of Cuballing was granted a works approval under the Environmental Protection (Rural Landfill) Regulations 2002 for the approval to take material containing asbestos at the Popanyinning Waste Management Facility. The works approval was grant for a period of 20 years and is due to be reviewed in April 2036.

As a condition of the works approval a post closure plan for the Popanyinning Waste Management Facility is required under Regulation 17 of the Environmental Protection (Rural Landfill) Regulations 2002.

Due to the uncertainty of the nature of the works likely to be required, the Shire did not have a reliable estimate of the cost to implement the post closure plan at the time of compiling the financial statements.

20. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	0	1,080,689
	0	1,080,689
Payable:		
- not later than one year	0	1,080,689

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

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

	Note	2023 Actual	2023 Budget	2022 Actual
Fees, expenses and allowances to be paid or reimbursed to elected council members.		\$	\$	\$
President's annual allowance		8,200	8,200	7,666
President's meeting attendance fees		2,380	2,860	2,965
President's annual allowance for ICT expenses		750	500	0
President's travel and accommodation expenses		0	100	0
		11,330	11,660	10,631
Deputy President's annual allowance		2,050	2,050	1,667
Deputy President's meeting attendance fees		2,120	2,080	1,240
Deputy President's annual allowance for ICT expenses		750	500	0
Deputy President's travel and accommodation expenses		0	100	0
		4,920	4,730	2,907
All other council member's meeting attendance fees		5,420	8,320	6,145
All other council member's annual allowance for ICT expenses		2,000	2,000	0
All other council member's travel and accommodation expenses		59	400	714
		7,479	10,720	6,859
	21(b)	23,729	27,110	20,397

(b) Key Management Personnel (KMP) Compensation

	Note	2023 Actual	2022 Actual
The total of compensation paid to KMP of the Shire during the year are as follows:		\$	\$
Short-term employee benefits		395,875	370,757
Post-employment benefits		49,756	41,997
Employee - other long-term benefits		6,437	4,212
Council member costs	21(a)	23,729	20,397
		475,797	437,363

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Council member costs

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

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

21. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

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

	2023 Actual	2022 Actual
	\$	\$
Purchase of goods and services	61,017	24,173
Amounts outstanding from related parties:		
Trade and other receivables	0	36

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 21(a) and 21(b)

ii. Other Related Parties

During the previous year, a company controlled by a related party of a council member, was awarded a contract under the selective tender process on terms and conditions equivalent for those that prevail in arm's length transactions under the Shire's procurement process.

Short-term employee benefits related to an associate person of the CEO who was employed by the Shire under normal employment terms and conditions.

iii. Entities subject to significant influence by the Shire

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

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

22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no significant events to report after the reporting period ended 30 June 2023.

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

23. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

24. RATING INFORMATION

(a) General Rates

RATE TYPE	Rate Description	Basis of valuation	Number of Properties	2022/23 Actual Rateable Value*	2022/23 Actual Rate	2022/23 Actual Interim Rates	2022/23 Budget Rate	2022/23 Budget Interim Rate	2022/23 Budget Total Revenue	2021/22 Actual Total Revenue
	Townsite	Gross rental valuation	200	2,878,304	229,838	0	229,838	0	229,838	188,985
	Rural	Unimproved valuation	183	154,436,000	1,012,792	0	1,012,791	0	1,012,791	920,747
	Total general rates		383	157,314,304	1,242,630	0	1,242,629	0	1,242,629	1,119,732
	Minimum Payment									
	Townsite	Gross rental valuation	129	551,760	107,586	0	107,586	0	107,586	107,778
	Rural	Unimproved valuation	155	16,320,000	174,375	0	174,375	250	174,625	188,565
	Total minimum payments		284	16,871,760	281,961	0	281,961	250	282,211	266,343
	Total general rates and minimum payments		667	174,186,064	1,524,591	0	1,524,590	250	1,524,840	1,386,075
	Ex-gratia Rates									
	CBH		1	N/A	567	0	0	0	0	516
	Total amount raised from rates (excluding general rates)		1	0	567	0	0	0	0	516
	Discounts								(95,000)	(90,799)
	Concessions								(1,000)	(681)
	Rates Written Off								(50,000)	(340)
	Total Rates								1,378,840	1,294,771
	Rate instalment interest								800	309
	Rate overdue interest								5,000	7,193

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

*Rateable Value at time of raising of rate.

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

25. DETERMINATION OF SURPLUS OR DEFICIT

	2022/23 (30 June 2023 Carried Forward)	2022/23 Budget (30 June 2023 Carried Forward)	2021/22 (30 June 2022 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(21,327)	0	(14,272)
Less: Movement in liabilities associated with restricted cash	13,694		9,989
Less: Fair value adjustments to financial assets at fair value through profit or loss	(1,843)	0	(3,291)
Add: Loss on disposal of assets	64,671	145,513	12,633
Add: Depreciation	2,209,250	2,035,605	2,047,840
Non-cash movements in non-current assets and liabilities:			
Employee benefit provisions	4,495	0	(25,654)
Other provisions	(72,424)	0	0
Non-cash amounts excluded from operating activities	2,196,516	2,181,118	2,027,245
(b) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	27 (648,026)	(647,164)	(1,078,080)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14 163,031	1,280,592	84,310
- Current portion of lease liabilities	0	1,500	0
- Employee benefit provisions	284,448	286,072	270,754
Total adjustments to net current assets	(200,547)	921,000	(723,016)
Net current assets used in the Statement of Financial Activity			
Total current assets	2,557,191	770,375	3,308,473
Less: Total current liabilities	(679,209)	(1,666,948)	(1,095,818)
Less: Total adjustments to net current assets	(200,547)	921,000	(723,016)
Surplus or deficit after imposition of general rates	1,677,435	24,427	1,489,639

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

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget			
		Principal at 1 July 2021	New Loans During 2021-22	Principal at 30 June 2022	Repayments During 2021-22	Principal at 1 July 2022	New Loans During 2022-23	Repayments During 2022-23	Principal at 30 June 2023
Komatsu Grader		29,228	0	0	(29,228)	0	0	0	0
Lot 74 Austral St		130,702	0	115,572	(15,130)	0	0	115,572	100,112
Aged Persons Housing		0	850,000	850,000	0	0	0	850,000	781,151
Caterpillar Grader		0	0	0	0	407,025	0	0	399,329
Total		159,930	850,000	965,572	(44,358)	407,025	440,000	965,572	1,280,592
Borrowing Finance Cost Payments									
Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Principal at 30 June 2022
Komatsu Grader		63	WATC	4.50%	7/02/2022	(8,431)	0	(504)	0
Lot 74 Austral St		64	WATC	2.18%	13/05/2023	(2,327)	(2,424)	(3,509)	100,112
Aged Persons Housing		65	WATC	4.55%	22/06/2032	(40,493)	(37,891)	(1,098)	781,151
Caterpillar Grader		67	WATC	3.92%	19/01/2023	0	(7,639)	0	399,329
Total						(51,251)	(47,954)	(5,111)	1,280,592
Total Finance Cost Payments						(51,251)	(47,954)	(5,111)	

* WA Treasury Corporation

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

26. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2022/23

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges \$	Actual Balance Unspent \$
					2023 Actual	2023 Budget	2023 Actual	2023 Budget		
Purchase of new grader	WATC	Fixed	5	3.92%	\$ 407,025	\$ 440,000	\$ (407,025)	\$ (440,000)	45,105	0
					407,025	440,000	(407,025)	(440,000)	45,105	0

* WA Treasury Corporation

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2022	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2023
Aged Persons Housing	WATC	22/06/2022	\$ 411,876	\$ 0	\$ (411,876)	\$ 0
			411,876	0	(411,876)	0

* WA Treasury Corporation

(d) Lease Liabilities

Purpose	Actual				Budget			
	Principal at 1 July 2021	New Leases During 2021-22	Principal at 30 June 2022	New Leases During 2022-23	Principal at 1 July 2022	New Leases During 2022-23	Principal at 30 June 2023	Principal at 30 June 2023
Springhill Dam	1,500	0	0	0	0	1,500	0	1,500
Total Lease Liabilities	1,500	0	0	0	0	1,500	0	1,500

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

27. RESERVE ACCOUNTS

	2023		2023		2023		2023		2023		2023		2022		2022		
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Opening	Opening	Actual	Actual	Actual	Actual	Actual	Actual	
	Opening	Transfer	Transfer	Transfer	Opening	Transfer	Transfer	Transfer	Balance	Balance	Opening	Transfer	Transfer	Opening	Transfer	Closing	
	Balance	to	(from)	(from)	Balance	to	(from)	(from)	\$	\$	Balance	to	(from)	Balance	(from)	Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Restricted by council																	
(a) Employee Entitlements	286,387	3,424	0	0	286,314	1,067	0	0	287,381	0	287,381	314	0	286,073	0	286,387	
(b) Plant and Equipment	341,028	4,078	(340,000)	5,106	340,942	1,960	(340,000)	2,902	2,902			375	0	340,653	0	341,028	
(c) Administration Building, IT & Office Equipment	9,160	110	0	9,270	9,157	32	0	9,189	9,189			10	0	9,150	0	9,160	
(d) Housing Reserve	98,316	1,176	(20,000)	79,492	98,291	367	(20,000)	78,658	78,658			108	0	98,208	0	98,316	
(e) Recreation & Community Facility	178,242	2,131	(82,943)	97,430	178,197	792	(84,887)	94,102	94,102			196	0	178,046	0	178,242	
(f) Refuse Site	45,472	543	0	46,015	45,460	205	0	45,665	45,665			50	0	45,422	0	45,472	
(g) Grain Freight	0	0	0	0	0	0	0	0	0			0	(83,139)	83,139	0	0	
(h) Equestrian	4,915	59	0	4,974	4,914	5,295	0	10,209	10,209			5	0	4,910	0	4,915	
(i) Standpipe Maintenance	4,101	48	0	4,149	4,099	20	0	4,119	4,119			5	0	4,096	0	4,101	
(j) Road and Bridges	105,137	1,257	0	106,394	105,111	486	0	105,597	105,597			83,254	0	21,883	0	105,137	
(k) Community and Sporting Club	5,322	63	0	5,385	5,321	4,021	0	9,342	9,342			6	0	5,316	0	5,322	
	1,078,080	12,889	(442,943)	648,026	1,077,806	14,245	(444,887)	647,164	647,164			84,323	(83,139)	1,076,896	84,323	1,078,080	

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

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

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Employee Entitlements	To be used to fund employee entitlements.
(b) Plant and Equipment	To be used to maintain and fund plant replacement program.
(c) Administration Building, IT & Office Equipment	To be used to maintain the administration building and for the purchase of new and/ or replacement of office equipment or furniture.
(d) Housing Reserve	To be used to fund maintenance or construction of new housing.
(e) Recreation & Community Facility	To be used to upgrade the oval and associated facilities.
(f) Refuse Site	To be used to fund the upgrade of the refuse sites.
(g) Grain Freight	To be used to maintain the grain freight route through the district.
(h) Equestrian	To be used to maintain and upkeep the equestrian centre.
(i) Standpipe Maintenance	To be used to maintain and upkeep the standpipe network.
(j) Road and Bridges	To be used to maintain and fund road and bridge projects through the district.

(k) Community and Sporting Club

To be used to fund Community and Sporting Club Small Grants (LEAP)



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Cuballing

To the Council of the Shire of Cuballing

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

Mark Ambrose
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
8 December 2023