



# Annual Report

2023



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The Shire of Menzies respectfully acknowledges the local Indigenous peoples, the Traditional Custodians of the land upon which it conducts its business, and pays respect to Elders Past, Present and Emerging.

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# Community statistics



Population	490 (ABS 2016)
Number of electors	214
Number of Dwellings	98
Distance from Perth	730km
Area	124,635 square kilometres
Suburbs and localities	Kookynie, 6431; Menzies 6436; Tjuntjuntjara
Schools	Menzies Community School, Tjuntjuntjara
Length of sealed roads (km)	105
Length of unsealed roads (km)	2075
Rates levied	\$4.179M
Total revenue	\$8.9M
Council employees	19



Other interesting facts	
Tourist attractions	Lake Ballard & the Inside Australia exhibit, Niagara Dam, Lady Shenton Building, Goongarrie Cottages, Spinifex Art Centre, Mt Menzies
Local Industries	Gold mining, nickel mining, potash salt mining, emerald mining, pastoral, tourism, prospecting
Significant local events	Menzies CyClassic, Menzies Discovery Day



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While many of our old buildings are long gone, the spirit of what life used to be like in the shire of Menzies has not. It is as if a window is just waiting to be opened.

## About the Shire

The Shire of Menzies has common borders with the Shires of Yilgarn, Sandstone, Leonora, Laverton, Coolgardie and the City of Kalgoorlie-Boulder. It stretches some 1025 kilometres from east to west, and encompasses an area of 124,635 square kilometres.

The three major population centres are Menzies and Kookynie to the west, and Tjuntjuntjara close to the border with South Australia. They are separated by a wide area of the country. Within this area a combination of mining and pastoral activities are undertaken.

The Shire boasts schools at Menzies and Tjuntjuntjara, where students from kindergarten to Year 12 attend. Both Menzies and Tjuntjuntjara are serviced by the Royal Flying Doctor, while Menzies has a part-time nurse located at its historic Nursing Post.

The Menzies Municipality was gazetted in 1895. It was dissolved and included in the North Coolgardie Road Dis-

trict in 1912, which was itself dissolved the same year to form the Menzies, Kookynie and Mount Malcolm Road Districts. In 1918, Kookynie was merged into Menzies, which on 1 July 1961 became the shire of today.

### Out and About

The heart of the Menzies Shire is its people and their meeting places. Visitors to the town itself can enjoy a walk around town with 'Our Way' and 'Our Place' walk trails.

Also popular is a day trip to Lake Ballard, home to Inside Australia - Antony Gormley Sculptures. Set over 10 square kilometres the 51 sculptures represent the residents of Menzies whose bodies were scanned for casts.

Kookynie and its Grand Hotel has a long and distinguished history. Willie the horse has adopted the Hotel, and in return the town has adopted Willie. Kookynie is close to Niagara Dam which is another of the Shire's very popular tourist destinations.

The residents of the remote community at Tjuntjuntjara share their time between caring for the land and capturing important times and stories on canvas and other



# Shire President's Report

As we reflect on the events and activities of the 2022/2023 financial year, the Shire of Menzies remains committed to serving the community with dedication and resilience. This report provides an overview of key activities, achievements, and challenges encountered throughout the year.

The Annual Budget for Financial Year 2022/2023 was adopted by the Council at a Special Meeting in July 2022. This month also marked a change in leadership as our Chief Executive Officer, Brian Joiner, left the shire, followed by the departure of the Chief Financial Officer, Antonio Giometti, in early August 2022. Both Mr. Joiner and Mr. Giometti have contributed significantly to the shire during their tenure.

Despite this shakeup in leadership, the Councillors and our staff remained resilient and dedicated to their roles. Gratitude is extended to Mr. Pascoe Durtanovich and Mr. Robert Stewart, who took on the temporary role of Acting CEO, maintaining effective leadership. The shire now looks forward to a new chapter with our incoming CEO, Ms. Glenda Teede.

The weeklong celebration of Menzies Discovery Day in 2022 was a vibrant showcase of community spirit. Activities included a lantern parade, a gold detecting competition, a jumping castle, a pool competition, live music featuring Nickel N' Dimers, Marcus McGuire, and the Mucky Duck Bush Band, as well as the Tjuntjuntjara art exhibition at the Town Hall. The success of these events underscores the community's enthusiasm and engagement in the cultural celebrations.

The Council is proud to highlight the following accomplishments for the financial year 2022/2023:

- The reopening of the café at 53 Shenton Street Menzies
- The delivery of the two new staff accommodations
- The appointment of a permanent CEO
- Continued progress in clearing the title for Lot 8 Shenton Street Menzies
- Continued progress in the renovation of Lady Shenton Building
- Continued progress in the maintenance of Tjuntjuntjara Road



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The Local Roads and Community Infrastructure Program (LRCIP) Phase 3 projects are also progressing very well with two projects already completed which are the Kookynie Road sealing and Menzies structure at Tjuntjuntjara. The ongoing projects include the Menzies CCTV, entry signage, sealing of parking area and Menzies Town Greening

As the new Shire President, I am honoured to step into this role and am committed to continuing the legacy of our former Shire President, Cr Greg Dwyer. I recognise and appreciate the dedication and contributions of Cr Dwyer to the Shire, and I aim to build upon the foundation he has laid. Together with the Council, staff, and the community, I look forward to fostering positive growth, sustainable development, and maintaining the high standards. By working collaboratively, we can ensure the continued prosperity and well-being of our Shire.

Cr Paul Warner  
Shire President

# Council Members 2023



**Shire President**

Paul Warner

Term Expires: 2025



**Deputy Shire**

**President**

Sudhir Sudhir

Term Expires: 2027



**Councillor**

Greg Dwyer

Term Expires: 2025



**Councillor**

Jill Dwyer

Term Expires: 2025



**Councillor**

Andrew Tucker

Term Expires: 2025



**Councillor**

Ian Baird

Term Expires: 2027



**Councillor**

Cr Kristie-Lee Tucker

Term Expires: 2027

# Council Members 2022



**Shire President**  
Greg Dwyer  
Term Expires: 2025



**Deputy Shire President**  
Ian Baird  
Term Expires: 2023



**Councillor**  
Jill Dwyer  
Term Expires: 2025



**Councillor**  
Scott Baird  
Term Expires: 2023



**Councillor**  
Paul Warner  
Term Expires: 2025



**Councillor**  
Andrew Tucker  
Term Expires: 2025



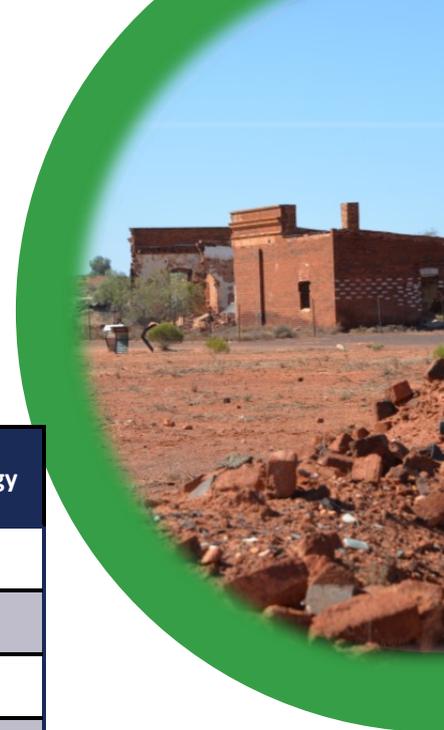
**Councillor**  
Sudhir Sudhir  
Term Expires: 2023

# Councillor Committees 2022/2023

Internal Committees	Councillors
Audit and Risk Committee	Cr Ian Baird, Cr J Dwyer, Cr G Dwyer, Cr S Sudhir
Tourism and Economic Development Advisory Committee	Cr Jill Dwyer, Cr Ian Baird, Cr Sudhir Sudhir
Lake Ballard Management and Advisory Committee	Cr Greg Dwyer, Cr J Dwyer, Cr Sudhir Sudhir
Housing and Building Committee	Cr Greg Dwyer, Cr Jill Dwyer, Cr Paul Warner, Cr Andrew Tucker, Cr Sudhir Sudhir
External Committees	
Northern Goldfields Working Group	Cr Greg Dwyer
Lake Ballard Association (Inc)	Cr Sudhir Sudhir
Goldfields Voluntary Regional Organisation of Councils (GVROC)	Cr Jill Dwyer, Cr Paul Warner
Regional Road Group (RRG)	Cr Greg Dwyer, Cr Sudhir Sudhir, Cr Ian Baird
Local Emergency Management Com-	Cr Greg Dwyer, Cr Paul Warner
Menzies Community School Council	Cr Andrew Tucker
Golden Quest Discovery Trail	Cr Jill Dwyer



# Councillor Meetings and Attendance 2022/2023



	Ordinary Council Meetings (In Person)	Ordinary Council Meetings (Electronic)	Leave of Absence	Apology
Cr Greg Dwyer	10	N/A	1	
Cr Ian Baird	5	6		
Cr Jill Dwyer	9	2		
Cr Scott Baird	4	3		4
Cr Paul Warner	7	4		
Cr Andrew Tucker	10			1
Cr Sudhir Sudhir	9	1		1

	Audit and Risk Committee Meeting	Tourism & Economic Development Advisory Committee
Cr Greg Dwyer	3/4	N/A
Cr Ian Baird	3/4	2/2
Cr Jill Dwyer	3/4	2/2
Cr Scott Baird	N/A	N/A
Cr Paul Warner	N/A	N/A
Cr Andrew Tucker	N/A	N/A
Cr Sudhir Sudhir	3/4	1/2



# Payments to Council Members 2022/2023

	Meeting Fees	President and Deputy Allowance	ICT Allowance	Travel Reimbursement	Total
Cr Greg Dwyer President	19,410	19,864	1,100	3,510	43,884
Cr Ian Baird Deputy President	9,410	4,966	1,100	1,411	16,887
Cr Jill Dwyer	9,410		1,100	3,224	13,734
Cr Scott Baird	9,410		1,100	4,634	15,144
Cr Paul Warner	9,410		1,100	401	10,911
Cr Andrew Tucker	9,410		1,100	1,584	12,094
Cr Sudhir Sudhir	9,410		1,100	-	10,510
<b>Total Payable</b>	<b>\$75,870</b>	<b>\$24,830</b>	<b>\$7,700</b>	<b>\$14,764</b>	<b>\$123,164</b>



# Capital Grants, Subsidies and Contribution

Capital Grants, Subsidies and Contribution	2023	2022
LRCI Menzies CCTV	90,000	
LRCI Kookynie Road Sealing	484,890	
LRCI Meeting Structure	70,000	
LRCI Sealing of Car Park	150,000	
LRCI Tourism Signage	200,000	
LRCI Town Greening	100,000	
Tjuntjuntjara Playground		153,919
Tjuntjuntjara CCTV		130,960
Tjuntjuntjara Shelter		36,363
Marmion Village Reserve Improvement		119,066
Marmion Village Access Road		62,377
<b>Total</b>	<b>\$1,094,890</b>	<b>\$502,685</b>



# The Plan for the Future

The Shire of Menzies Strategic Community Plan was adopted in February, 2021 after a major review.

The Corporate Business Plan was reviewed in July, 2023 and Strategic Resource Plan incorporating the Long Term Financial Plan was adopted in August, 2021.

There were no significant changes to these corporate documents following the major review of the Strategic Community Plan.

The capital projects in the Annual Budget are determined in accordance with the Shire's Strategic Community Plan. Major projects for 2023/2024 include:

Project	Projected Cost
Riverina Snake Hill	\$490,000
Kookynie Malcolm Road Sealing	\$300,000
Lady Shenton Building Restoration	\$496,000
Niagara Dam Maintenance	\$850,000
Old Post Office Restoration Work	\$894,000
Staff Housing	\$2,146,000
Tjuntjuntjara Access Road	\$4,563,000
Plants Replacement	\$595,000
Land Purchase	\$72,000
Town Hall Refurbishment	\$100,000





# CEO's Report

The year has been both challenging and frustrating. However, it could also be seen as rewarding.

As an Acting CEO prepared the pathway for the new CEO, there are real issues in undertaking new strategies or projects, that may be handled differently or re-prioritised by a new permanent CEO. Unwise decisions by an Acting CEO may negatively impact the community, staff and elected cohort and introduce unnecessary change that may then be unwound.

Outlined below are the key projects of financial year 2022/2023:

## Local Roads and Community Infrastructure Program

This program of economic stimulus funding from the Federal Government was largely unstarted at the beginning of the financial year. Fortunately, requests for an extension of time were granted and the projects such as CCTV installation, entry signage and a parking area on the south side of the Menzies township were able to be planned, programmed and ultimately will be finished by the due date. This is rewarding and frustrating as the projects have sequestered into a new financial year and are still some time off.

## Niagara Dam

Another project languishing for no other reason than there was no permanent CEO to lead the way. Again though in the end, a frustrating conclusion as tender prices were many times higher than the funding allocated by the Council. This means the whole project needs to be reviewed and that is what is happening at present. Potentially the project may need to be spread over many financial years

with the first step being the removal and refurbishment of the scour valve, allowing water to be either flowing through at a controlled rate or dammed in.

## Staff Housing

This one is progressing well and should be completed into the financial year following the year being reported upon.

Government Regional Officers Housing (GROH) Program Tenders called and awarded during the financial year. For government officers in Menzies, they can't come soon enough.

## Lot 8 Shenton Street

This particular project was delayed due to possible contamination by hydrocarbons from a former power generation site. Unfortunately, contamination is a drawn out process and although commenced, has dragged on into the new financial year. Nevertheless, the Council is wanting to lease the land to a community association that can proceed, with Council assistance, to provide community programs and maybe a community garden.

## Cafes and Diners

During the year, both of our cafes closed. This put a large responsibility on the Menzies Hotel to fill those holes. They coped admirably.

Finally, I would like to take this opportunity to thank the Acting CEOs, shire staff and Councillors for the support they have provided since my commencement.

Glenda Teede  
Chief Executive Officer

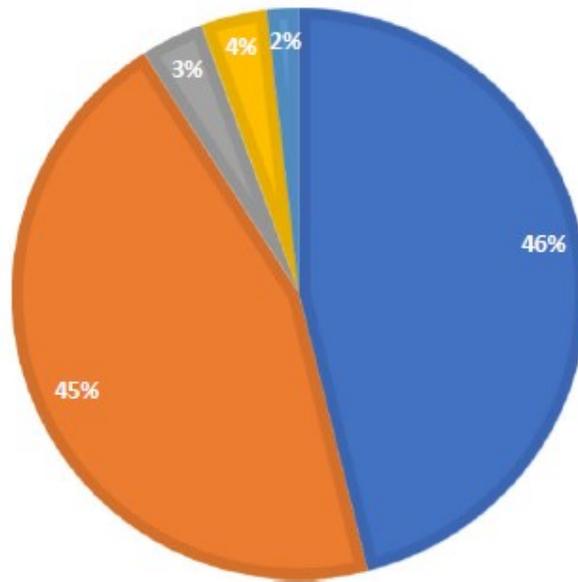
# Revenue and expenditure

Below is a breakdown of the shire's revenue and expenditure by Nature and Type for the year ending 30th June

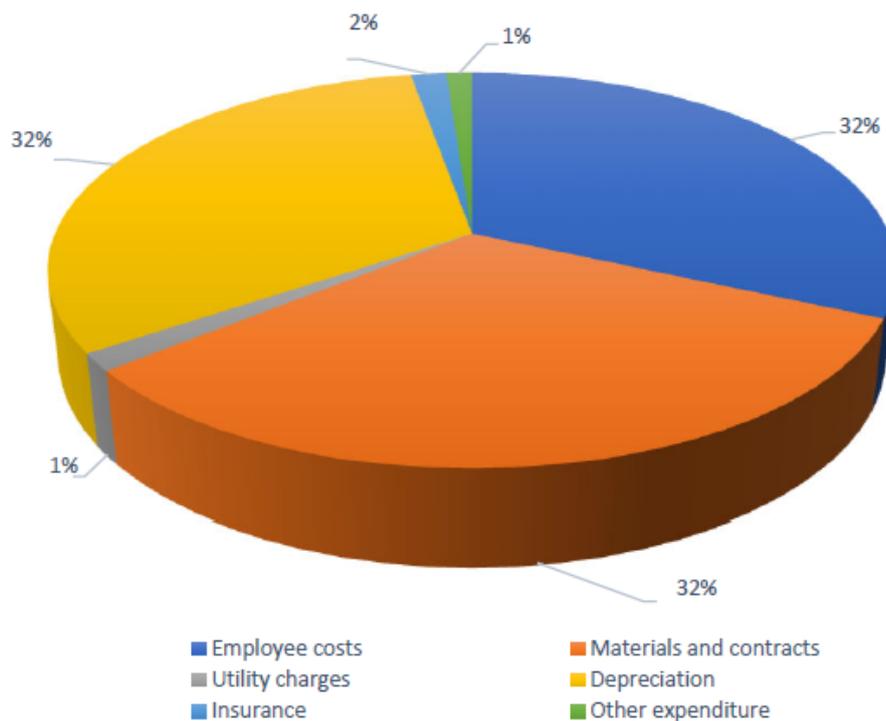
2022 and for which there are more details in the attached audited financial statements.

## REVENUE NATURE AND TYPE 2022/2023

- Rates
  - Fees and charges
  - Other revenue
- Grants, subsidies and contributions
  - Interest revenue



## Expenses Nature and Type 2022/2023



# Activities of the Council

## Personal Involvement

Elected members are involved with many organisations within the community, and are also active in representing Menzies at a regional and state level. Council's nomination to other organisations include:

- Golden Quest Discovery Trail
- Northern Goldfields Working Group
- Goldfields Regional Road Group
- Goldfields Voluntary Regional Organisation of Councils
- Kookynie Volunteers Association
- Local Emergency Management Committee

## Public Library

The Shire of Menzies Public Library is situated in the CRC. It is open at the same hours as the CRC (9am to 4pm). Books, DVDs and magazines are updated each month.

## Caravan Park

The Menzies Caravan Park is owned and managed by the Shire of Menzies. Online bookings are available, and bookings during regular hours may be made in the adjacent Visitor Centre.

The caravan park has powered caravan sites and tent sites available. A camp kitchen and guest laundry are also available. Two two-bedroom cabins with a double and a single bed are available for bookings.

## Community Resource Centre and Visitor Centre

The Menzies Community Resource Centre (CRC) is located at the Lady Shenton Building; the Visitor Centre is co-located at the same building. Services include: Community Postal Agency; computer room, gift shop; tourist information; conference room; rock museum; historical information and; public library.

The Visitor Centre is open weekdays (except public holidays) from 9am to 4pm

## Emergency Services

Emergency Services are situated at Archibald Street in the Emergency Services Area.

This area comprises the Volunteer Bush Fire Brigade Headquarters, Menzies Nursing Post and Menzies St John Ambulance Sub Centre.

Details of times for the Nursing Post and visiting Doctors and other medical agencies are published in the Menzies Matters newsletter each month and on the Shire of Menzies Facebook page.





### Airstrip

The Menzies Airstrip is located 1km north of the Menzies townsite, off Goldfields Highway. The airstrip for Kookynie is adjacent to the townsite.

### Dog and Cat Registrations

All cats over six months of age must be sterilised and microchipped. All dogs over two years must be sterilised, unless exempt, and microchipped.

All residential cats and dogs must be registered with the Shire of Menzies. Registrations are due on 1 November each year.

### Community Services

The Shire of Menzies provides an extensive variety of services for the community under a wide range of legislation.

Services provided include: Building Control; Bush Fire Control & Fire Prevention; Cemeteries (Tourism Value and Maintenance Only); Citizenship Ceremonies; Crossovers; Demolition Permits; Dog Control; Environmental Health; Library Services; Street Bins; Media Releases; Playground Equipment; Public Buildings for Hire; Public Toilets; Recreation/Sporting Facilities; Roads and Footpaths; Rubbish Collection; Street Lighting; Traffic Control Works; Local Emergency Management Committee (LEMC); Weed Control on Reserves; Planning Controls; Parks and Reserves; Youth Activities and School Holiday Programs.

The Shire provide financial and/or other support to a number of organisations such as Menzies Community School; Royal Flying Doctor Service; Menzies Volunteer Bushfire Brigade; Menzies Classic Cycle Race; Golden Quest Trail Association; Menzies St John Ambulance Sub Centre; Tjuntjuntjara Community; and Menzies Aboriginal Corporation.

# Statutory Compliance

## Access to Council documents

The following documents are available for inspection at the Council Administration Office and the Town Library free of charge. Copies of the documents can be made available, although some will incur a charge to cover the cost of photocopying. The Local Government Act 1995 does stipulate minimum requirements for documents to be made available for public inspection, and these include:

- Minutes and Agenda of Council and Committee Meetings
- Policy Manual, Annual Budgets Annual Report
- Annual Financial Statements
- Council Local Laws
- Town Planning Scheme
- Town Planning Policy Manual
- Financial Interest Register.

## State Records Act 2000

The State Records Act 2000 requires the Shire to maintain and dispose of all records in the prescribed manner.

Standard 2, Principle 6 – Compliance: Government organisations ensure their employees comply with the record keeping plan. Rationale: An organisation and its employees must comply with the organisation’s record keeping plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

Minimum Compliance Require-

ments: The record keeping plan is to provide evidence that:

The efficiency and effectiveness of the organisation’s record keeping system is evaluated not less than once every 5 years.

The organisation conducts a record keeping training program, when required.

The efficiency and effectiveness of the record keeping training program is reviewed from time to time. The organisation’s induction program addresses employee roles and responsibilities in regard to their compliance with the organisation’s record keeping plan.

## Compliance Audit Return

All local governments are required to carry out an annual Compliance Audit Return (CAR) for the period 1 January to 31 December as specified by the Local Government Act 1995. The CAR includes a range of compliance categories to be met. The Completed CAR for 2022 was received by Council at its March 2023 meeting and was subsequently submitted to the Department of Local Government prior to 31 March 2023 in accordance with Regulations 14 and 15 of the Local Government (Audit) Regulations 1996.

## Freedom of Information Statement

The Shire of Menzies is responsible for the good governance of the district and carries out functions as required including statutory compliance and provision of facilities and services.





The Council meets once each month to make decisions relating to the policy and direction of the Shire. All meetings are open to the public and the meeting dates and venues are advertised to the public. Members of the public are able to ask questions during public question time at the commencement of each meeting.

Council maintains records relating to each property within the Shire and also records relating to the function and administration of the Shire including minutes of meetings, financial interests register, register of delegations, rates book, electoral roll, financial statements and local laws.

These documents can be inspected at the Shire Office, Shenton Street Menzies, Monday to Friday between the hours of 8.30am and 4.30pm. Changes to personal information should be made in writing.

Requests for information under the Freedom of Information Act can be sent to the Chief Executive Officer, Shire of Menzies, PO Box 4 Menzies WA 6436. The Shire of Menzies received no applications under the Freedom of Information Act 1992. A copy of the Council's FOI statement is available on the website.

### Disclosure of annual salaries

Regulation 19B of the Local Government (Administration) Regulation 1996 requires the Shire to include the following information in its Annual Report:

The number of employees of the Shire entitled to an annual salary of \$130,00 or more; and the number of employees with an annual salary entitlement that falls within each band of \$10,000 over \$130,000.

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$130,000 or more for 2022/2023:

\$ from	\$ to	Number of employees
130,000	139,999	1
140,000	149,999	2
160,000 (CEO)	169,999	1
200,000 (CEO)	209,999	2

Note: The amount paid to the CEO includes the total remuneration package, as defined in the *Salaries and Allowances Act 1975*.



### Primary and Annual Returns

In accordance with Section 5.75 and 5.76 of the Local Government Act 1995 all relevant persons lodged an Annual Return by the due date of 31 August 2023 and a primary return within 3 months of their start date. All returns are managed by the Chief Executive Officer and are available for viewing by members of the public upon request.

### Complaints

For the purpose of Section 5.121 of the Local Government Act 1995 Council must report entries recorded in the Register of Complaints during the financial year.

Council did not receive any complaints during the 2022/23 financial year.

### Public Interest Disclosure

The Public Interest Disclosure Act 2003 facilitates the disclosure of public interest information, and provides for the protection of those making such disclosure and those who are subject of the disclosures. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken.

The Chief Executive Officer has complied with the obligation under the Act. The Shire of Menzies had no Public

Interest Disclosures during the reporting period 2022/23.

### Competitive Neutrality

This principle deals with ensuring that government business operations have no advantage or disadvantage in comparison with the private sector. The Shire of Menzies complied with this principle.

### Legislative Review

All local governments are required to assess which of their local laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome.

Where necessary Clause 7 legislation review principles will be complied with and the Shire of Menzies remains committed to reviewing its existing local laws, as well as proposed local laws.

### Public participation

Members of the public have a number of opportunities to put forward their views on particular items before the Council. These include deputations to Council and public question time available at each Council meeting; submissions; petitions; and written requests. Elected members are also available to discuss issues relevant to the Council.

# Disability Services Plan

The Shire of Menzies is committed to ensuring that the community is accessible for persons with disabilities, their families and their carers.

Persons with disabilities who live in country areas should be given the support to remain in the community of their own choice. The Disability Services Act 1999 requires Council to report on its Disability Services Plan achievements within its Annual Report.

Council adopted the Disability Access and Inclusion Plan July 2020 to June 2025 on 28 January 2021 and submits a progress reports to the Disability Services Commission on an annual basis. Many of the outcomes and strategies identified within the plan are being implemented on an ongoing basis.

When Council is addressing the issue of accessibility to Shire facilities and functions it is aware that by providing better access for persons with disabilities it is providing better access for the whole community. The Shire works continuously to improve footpaths and access ways around the Menzies townsite as part of recognising the Disability Access and Inclusion Plan (DAIP).

The Disability Services Commission requires Local Governments to report on the six outcomes relating to DAIPs annually.

## Outcome 1: Services and Events

Council is continually adapting our existing services to ensure persons with disabilities have the same opportunities as other people to access the services of, and any events organised by the Shire.

## Outcome 2: Buildings and Other Facilities

Council also continues with improvements to buildings and footpath infrastructure to assist with both wheelchair and gopher access.

## Outcome 3: Information

Whenever necessary, persons with disabilities

can receive information from the Shire in a format that will enable them to access the information easily and readily .

Information produced by the Shire of Menzies is available in various formats and accessible to persons with disabilities. Anyone requiring information in different format are encouraged to contact the Shire Office.

Council also has a website which enables ease of access to public documents, information and other Council related data.

## Outcome 4: Level and Quality of Service

The staff are always encouraged to be aware of the needs of persons with disabilities to ensure they receive the same level and quality of service as other people receive.

Staff at the Shire of Menzies are made aware that persons with disabilities may have different needs.

## Outcome 5: Complaints

Persons with disabilities have the same opportunities as other people to make complaints to staff, and can be via written letters, email, SMS or verbally.

Persons with disabilities are able to make complaints and can do this via written letters, email, SMS or verbally.

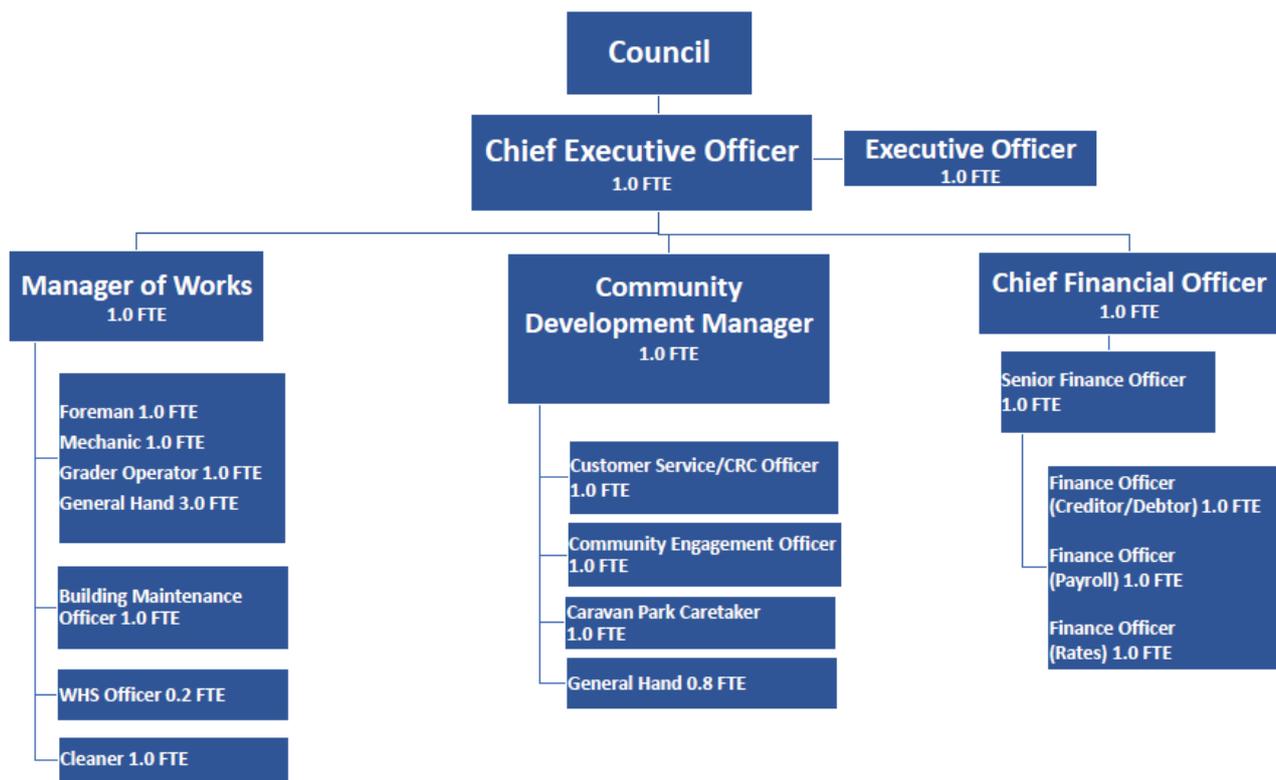
## Outcome 6: Public Consultation

Council provides many ways for people to participate in public consultation and are open to discuss any.

Council has made the DAIP available on the website for the community to access. The community is also given the opportunity to comment on the DAIP prior to it being adopted by the Council.



# Organisational Structure



Total Number of Staff: 21.0 FTE (Adopted 30 March 2023)

## Service Provision

### Manager of Works

looks after the following areas:

Menzies Town Services; Camping Grounds and Facilities; Maintenance Grading; Kookynie Town Services; Airstrips; Council Properties maintenance, planning and inspection.

### Chief Financial Officer

looks after the following areas:

Rates Accounts Receivable; Payroll; Accounts Payable; Financial Reporting; Asset Management (Financial).

### Community Development Manager

looks after the following areas:

Lady Shenton Building Services; Visitor Centre (Tourism); Community Resource Centre; Collections and History; Library; Menzies Post Office; Community Activities and Events; Caravan Park Management.

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

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

*An inclusive and welcoming community, celebrating our heritage and place.*

Principal place of business:  
124 Shenton Street  
Menzies WA 6435

**SHIRE OF MENZIES  
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 Menzies 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 8 day of December 2023



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Chief Executive Officer

Glenda Teede

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Name of Chief Executive Officer

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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	2(a),24	4,179,686	4,100,270	3,631,717
Grants, subsidies and contributions	2(a)	4,056,177	3,406,392	3,170,973
Fees and charges	2(a)	319,830	242,085	288,111
Interest revenue	2(a)	336,207	101,500	51,552
Other revenue	2(a)	24,859	30,451	105,459
		<u>8,916,759</u>	<u>7,880,698</u>	<u>7,247,812</u>
<b>Expenses</b>				
Employee costs	2(b)	(2,261,701)	(2,562,797)	(2,119,726)
Materials and contracts		(2,222,229)	(2,770,434)	(2,074,282)
Utility charges		(101,665)	(114,910)	(103,461)
Depreciation		(2,260,053)	(1,961,063)	(2,130,098)
Finance costs	2(b)	0	0	(17)
Insurance		(115,163)	(135,278)	(173,088)
Other expenditure	2(b)	(164,331)	(454,410)	(199,375)
		<u>(7,125,142)</u>	<u>(7,998,892)</u>	<u>(6,800,047)</u>
		<u>1,791,617</u>	<u>(118,194)</u>	<u>447,765</u>
Capital grants, subsidies and contributions	2(a)	1,941,477	3,648,940	2,094,381
Profit on asset disposals		0	4,231	2,031
Loss on asset disposals		(92,083)	(20,827)	(835)
Fair value adjustments to financial assets at fair value through profit or loss	4	0	0	999
Loss on revaluation of Infrastructure - parks and ovals	9(a)	(31,053)	0	0
		<u>1,818,341</u>	<u>3,632,344</u>	<u>2,096,576</u>
<b>Net result for the period</b>		<b>3,609,958</b>	<b>3,514,150</b>	<b>2,544,341</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	52,954,252	0	0
<b>Total other comprehensive income for the period</b>		<b>52,954,252</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>56,564,210</b>	<b>3,514,150</b>	<b>2,544,341</b>

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



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

	NOTE	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	17,795,819	15,460,254
Trade and other receivables	5	434,055	774,304
Inventories	6	17,234	16,438
Other assets	7	813,398	273,723
<b>TOTAL CURRENT ASSETS</b>		19,060,506	16,524,719
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	506	0
Other financial assets	4	19,451	19,451
Property, plant and equipment	8	12,032,928	10,572,491
Infrastructure	9	173,846,812	121,430,134
<b>TOTAL NON-CURRENT ASSETS</b>		185,899,697	132,022,076
<b>TOTAL ASSETS</b>		204,960,203	148,546,795
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	237,659	378,682
Other liabilities	13	868,495	858,257
Employee related provisions	14	161,180	207,824
<b>TOTAL CURRENT LIABILITIES</b>		1,267,334	1,444,763
<b>NON-CURRENT LIABILITIES</b>			
Employee related provisions	14	50,641	24,014
<b>TOTAL NON-CURRENT LIABILITIES</b>		50,641	24,014
<b>TOTAL LIABILITIES</b>		1,317,975	1,468,777
<b>NET ASSETS</b>		203,642,228	147,078,018
<b>EQUITY</b>			
Retained surplus		27,086,972	23,916,004
Reserve accounts	27	11,774,835	11,335,845
Revaluation surplus	15	164,780,421	111,826,169
<b>TOTAL EQUITY</b>		203,642,228	147,078,018

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2021</b>		20,404,265	12,303,243	111,826,169	144,533,677
Comprehensive income for the period					
Net result for the period		2,544,341	0	0	2,544,341
Total comprehensive income for the period		2,544,341	0	0	2,544,341
Transfers from reserve accounts	27	969,767	(969,767)	0	0
Transfers to reserve accounts	27	(2,369)	2,369	0	0
<b>Balance as at 30 June 2022</b>		23,916,004	11,335,845	111,826,169	147,078,018
Comprehensive income for the period					
Net result for the period		3,609,958	0	0	3,609,958
Other comprehensive income for the period	15	0	0	52,954,252	52,954,252
Total comprehensive income for the period		3,609,958	0	52,954,252	56,564,210
Transfers from reserve accounts	27	108,230	(108,230)	0	0
Transfers to reserve accounts	27	(547,220)	547,220	0	0
<b>Balance as at 30 June 2023</b>		27,086,972	11,774,835	164,780,421	203,642,228

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



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

	NOTE	2023 Actual \$	2022 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates		4,237,113	3,718,437
Grants, subsidies and contributions		4,072,466	2,982,549
Fees and charges		319,830	344,361
Interest revenue		336,207	51,552
Goods and services tax received		651,002	691,586
Other revenue		24,859	105,459
		<u>9,641,477</u>	<u>7,893,944</u>
<b>Payments</b>			
Employee costs		(2,268,614)	(2,046,520)
Materials and contracts		(2,899,301)	(2,927,427)
Utility charges		(101,665)	(103,461)
Finance costs		0	(17)
Insurance paid		(115,163)	(173,088)
Goods and services tax paid		(617,965)	(138,359)
Other expenditure		(164,331)	(199,375)
		<u>(6,167,039)</u>	<u>(5,588,247)</u>
<b>Net cash provided by operating activities</b>		<u>3,474,438</u>	<u>2,305,697</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment	8(a)	(387,494)	(1,204,792)
Payments for construction of infrastructure	9(a)	(2,937,648)	(3,732,436)
Capital grants, subsidies and contributions		2,167,179	2,198,407
Proceeds from sale of property, plant & equipment		19,090	57,274
<b>Net cash (used in) investing activities</b>		<u>(1,138,873)</u>	<u>(2,681,547)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments for principal portion of lease liabilities	26	0	(2,363)
<b>Net cash (used in) financing activities</b>		<u>0</u>	<u>(2,363)</u>
<b>Net increase (decrease) in cash held</b>		2,335,565	(378,213)
Cash at beginning of year		<u>15,460,254</u>	<u>15,838,467</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>17,795,819</u>	<u>15,460,254</u>

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



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

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates	24	4,179,686	4,100,270	3,631,717
Grants, subsidies and contributions		4,056,177	3,406,392	3,170,973
Fees and charges		319,830	242,085	288,111
Interest revenue		336,207	101,500	51,552
Other revenue		24,859	30,451	105,459
Profit on asset disposals		0	4,231	2,031
Fair value adjustments to financial assets at fair value through profit or loss	4	0	0	999
		<u>8,916,759</u>	<u>7,884,929</u>	<u>7,250,842</u>
<b>Expenditure from operating activities</b>				
Employee costs		(2,261,701)	(2,562,797)	(2,119,726)
Materials and contracts		(2,222,229)	(2,770,434)	(2,074,282)
Utility charges		(101,665)	(114,910)	(103,461)
Depreciation		(2,260,053)	(1,961,063)	(2,130,098)
Finance costs		0	0	(17)
Insurance		(115,163)	(135,278)	(173,088)
Other expenditure		(164,331)	(454,410)	(199,375)
Loss on asset disposals		(92,083)	(20,827)	(835)
Loss on revaluation of non-current assets		(31,053)	0	0
		<u>(7,248,278)</u>	<u>(8,019,719)</u>	<u>(6,800,882)</u>
Non-cash amounts excluded from operating activities	25(a)	2,364,383	1,977,659	2,151,424
<b>Amount attributable to operating activities</b>		<u>4,032,864</u>	<u>1,842,869</u>	<u>2,601,384</u>
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		1,941,477	3,648,940	2,094,381
Proceeds from disposal of assets		19,090	40,000	57,274
		<u>1,960,567</u>	<u>3,688,940</u>	<u>2,151,655</u>
<b>Outflows from investing activities</b>				
Purchase of property, plant and equipment	8(a)	(387,494)	(5,433,021)	(1,204,792)
Purchase and construction of infrastructure	9(a)	(2,937,648)	(7,136,954)	(3,732,436)
		<u>(3,325,142)</u>	<u>(12,569,975)</u>	<u>(4,937,228)</u>
<b>Amount attributable to investing activities</b>		<u>(1,364,575)</u>	<u>(8,881,035)</u>	<u>(2,785,573)</u>
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Transfers from reserve accounts	27	108,230	4,294,927	969,767
		<u>108,230</u>	<u>4,294,927</u>	<u>969,767</u>
<b>Outflows from financing activities</b>				
Payments for principal portion of lease liabilities	26	0	0	(2,363)
Transfers to reserve accounts	27	(547,220)	(1,315,921)	(2,369)
		<u>(547,220)</u>	<u>(1,315,921)</u>	<u>(4,732)</u>
<b>Amount attributable to financing activities</b>		<u>(438,990)</u>	<u>2,979,006</u>	<u>965,035</u>
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
Surplus or deficit at the start of the financial year	25(b)	3,950,218	4,059,160	3,169,372
Amount attributable to operating activities		4,032,864	1,842,869	2,601,384
Amount attributable to investing activities		(1,364,575)	(8,881,035)	(2,785,573)
Amount attributable to financing activities		(438,990)	2,979,006	965,035
<b>Surplus or deficit after imposition of general rates</b>	25(b)	<u>6,179,517</u>	<u>0</u>	<u>3,950,218</u>

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



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

**1. BASIS OF PREPARATION**

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

**Local Government Act 1995 requirements**

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

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

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

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

**The local government reporting entity**

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

**Judgements and estimates**

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

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

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

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

**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 Revenue from Contracts with Customers*
- These amendments have no material impact on the current annual financial report

**New accounting standards for application in future years**

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

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

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

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

SHIRE OF MENZIES  
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
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 - sale of stock	Community Resource Centre stock	Single point in time	Payment in full on sale	Refund for faulty goods	At point of sale
Other revenue - commission	Commissions on licensing and bus ticket sales	Over time	Payment in full on sale	None	When assets are controlled

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	4,179,686	0	4,179,686
Grants, subsidies and contributions	6,904	0	0	4,049,273	4,056,177
Fees and charges	227,194	0	55,128	37,508	319,830
Interest revenue	0	0	48,815	287,392	336,207
Other revenue	4,188	0	0	20,671	24,859
Capital grants, subsidies and contributions	0	1,941,477	0	0	1,941,477
<b>Total</b>	<b>238,286</b>	<b>1,941,477</b>	<b>4,283,629</b>	<b>4,394,844</b>	<b>10,858,236</b>

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	3,631,717	0	3,631,717
Grants, subsidies and contributions	1,096	0	0	3,169,877	3,170,973
Fees and charges	217,910	0	33,401	36,800	288,111
Interest revenue	0	0	51,552	0	51,552
Other revenue	4,071	0	0	101,388	105,459
Capital grants, subsidies and contributions	0	2,094,381	0	0	2,094,381
<b>Total</b>	<b>223,077</b>	<b>2,094,381</b>	<b>3,716,670</b>	<b>3,308,065</b>	<b>9,342,193</b>

SHIRE OF MENZIES  
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 \$
<b>Interest revenue</b>		
Interest on reserve account funds	234,000	2,369
Trade and other receivables overdue interest	45,268	44,187
Other interest revenue	56,939	4,996
	336,207	51,552

The 2023 original budget estimate in relation to:  
Trade and other receivables overdue interest was \$44,000.

**Fees and charges relating to rates receivable**

Charges on instalment plan	5,890	6,550
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The 2023 original budget estimate in relation to:  
Charges on instalment plan was \$7,000.

(b) Expenses

**Auditors remuneration**

- Audit of the Annual Financial Report	61,200	46,000
- Other services – grant acquittals	6,500	3,873
	67,700	49,873

**Employee Costs**

Employee benefit costs	2,121,348	2,086,455
Other employee costs	140,353	33,271
	2,261,701	2,119,726

**Finance costs**

Lease liabilities	0	17
	0	17

**Other expenditure**

Impairment losses on rates and statutory receivables	31,091	58,470
Sundry expenses	133,240	140,905
	164,331	199,375

**SHIRE OF MENZIES**  
**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		17,795,819	15,460,254
<b>Total cash and cash equivalents</b>		<b>17,795,819</b>	<b>15,460,254</b>
Held as			
- Unrestricted cash and cash equivalents		5,152,489	3,266,152
- Restricted cash and cash equivalents	16	12,643,330	12,194,102
		<b>17,795,819</b>	<b>15,460,254</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

**Restricted financial assets**

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

**4. OTHER FINANCIAL ASSETS**

	2023	2022
	\$	\$
<b>Non-current assets</b>		
Financial assets at fair value through profit or loss	19,451	19,451
	<b>19,451</b>	<b>19,451</b>
<b>Financial assets at fair value through profit or loss</b>		
Units in Local Government House Trust - opening balance	19,451	18,452
Movement attributable to fair value increment	0	999
Units in Local Government House Trust - closing balance	<b>19,451</b>	<b>19,451</b>

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

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
<b>Current</b>		
Rates and statutory receivables	518,992	594,451
Trade receivables	83,187	387,873
GST receivable	113,308	146,345
Receivables for employee related provisions	22,697	22,697
Allowance for credit losses of other receivables	(304,129)	(377,062)
	<u>434,055</u>	<u>774,304</u>
<b>Non-current</b>		
Rates and statutory receivables	506	0
	<u>506</u>	<u>0</u>

**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 or for the construction of recognisable non financial assets as part of the ordinary course of business.

**Other receivables**

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

**Measurement**

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

**Classification and subsequent measurement**

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

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

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

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

**6. INVENTORIES**

	Note	2023	2022
Current		\$	\$
Fuel and materials		17,234	16,438
		17,234	16,438

The following movements in inventories occurred during the year:

Balance at beginning of year	16,438	15,211
Inventories expensed during the year	(77,814)	(109,257)
Additions to inventory	78,610	110,484
Balance at end of year	17,234	16,438

**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 MENZIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**7. OTHER ASSETS**

	<u>2023</u>	<u>2022</u>
	\$	\$
<b>Other assets - current</b>		
Contract assets	813,398	273,723
	<u>813,398</u>	<u>273,723</u>

**Disclosure of opening and closing balances related to contracts with customers**

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

<u>Note</u>	<u>30 June 2023 Actual</u>	<u>30 June 2022 Actual</u>
	\$	\$
Contract assets	813,398	273,723
Total other assets from contracts with customers	<u>813,398</u>	<u>273,723</u>

**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.

**Contract assets**

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

Impairment of assets associated with contracts with customers is nil.

SHIRE OF MENZIES  
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.

Note	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings not subject to operating lease	Land and buildings subject to operating lease	Total land and buildings	Furniture and equipment	Plant and equipment	Work in progress	Total property, plant and equipment
	\$	\$	\$	\$	\$		\$	\$	\$	\$
Balance at 1 July 2021	556,500	2,391,344	5,193,780	8,141,624	375,250	8,516,874	77,701	1,627,048	1,000	10,222,623
Additions	0	24,424	556,719	581,143	199,082	780,225	0	343,394	81,173	1,204,792
Disposals	(17,200)	0	0	(17,200)	0	(17,200)	0	(38,878)	0	(56,078)
Depreciation	0	(103,890)	(257,600)	(361,490)	(19,750)	(381,240)	0	(417,606)	0	(798,846)
Transfers	0	0	1,000	1,000	0	1,000	(77,701)	77,701	(1,000)	0
<b>Balance at 30 June 2022</b>	<b>539,300</b>	<b>2,311,878</b>	<b>5,493,899</b>	<b>8,345,077</b>	<b>554,582</b>	<b>8,899,659</b>	<b>0</b>	<b>1,591,659</b>	<b>81,173</b>	<b>10,572,491</b>
<b>Comprises:</b>										
Gross balance amount at 30 June 2022	539,300	2,511,417	6,003,797	9,054,514	594,082	9,648,596	0	2,851,661	81,173	12,581,430
Accumulated depreciation at 30 June 2022	0	(199,539)	(509,898)	(709,437)	(39,500)	(748,937)	0	(1,260,002)	0	(2,008,939)
<b>Balance at 30 June 2022</b>	<b>539,300</b>	<b>2,311,878</b>	<b>5,493,899</b>	<b>8,345,077</b>	<b>554,582</b>	<b>8,899,659</b>	<b>0</b>	<b>1,591,659</b>	<b>81,173</b>	<b>10,572,491</b>
Additions	0	41,023	154,180	195,203	16,275	211,478	0	37,748	138,268	387,494
Disposals	(30,000)	0	0	(30,000)	0	(30,000)	0	0	(81,173)	(111,173)
Revaluation increments / (decrements) transferred to revaluation surplus	71,700	684,994	1,275,356	2,032,050	15,174	2,047,224	0	0	0	2,047,224
Depreciation	0	(104,545)	(282,515)	(387,060)	(29,771)	(416,831)	0	(417,325)	0	(834,156)
Transfers to infrastructure	9	0	0	0	0	0	0	(28,952)	0	(28,952)
<b>Balance at 30 June 2023</b>	<b>581,000</b>	<b>2,933,350</b>	<b>6,640,920</b>	<b>10,155,270</b>	<b>556,260</b>	<b>10,711,530</b>	<b>0</b>	<b>1,183,130</b>	<b>138,268</b>	<b>12,032,928</b>
<b>Comprises:</b>										
Gross balance amount at 30 June 2023	581,000	2,933,350	6,640,920	10,155,270	556,260	10,711,530	0	2,860,457	138,268	13,710,255
Accumulated depreciation at 30 June 2023	0	0	0	0	0	0	0	(1,677,327)	0	(1,677,327)
<b>Balance at 30 June 2023</b>	<b>581,000</b>	<b>2,933,350</b>	<b>6,640,920</b>	<b>10,155,270</b>	<b>556,260</b>	<b>10,711,530</b>	<b>0</b>	<b>1,183,130</b>	<b>138,268</b>	<b>12,032,928</b>

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

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

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	2	Market approach using recent observable market data for similar properties	Independent Registered Valuer	June 2023	Price per hectare
Buildings - non-specialised	2 & 3	Market approach using recent observable market data for similar properties, cost approach using current replacement cost	Independent Registered Valuer	June 2023	Improvements to land using construction costs (Level 2) and current condition, residual values and remaining useful life assessments (Level 3) inputs.
Buildings - specialised	2 & 3	Market approach using recent observable market data for similar properties, cost approach using current replacement cost	Independent Registered Valuer	June 2023	Improvements to land using construction costs (Level 2) and current condition, residual values and remaining useful life assessments (Level 3) inputs.

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

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

<b>(ii) Cost</b>					
<b>Furniture and equipment</b>		Cost	Cost		Purchase cost
<b>Plant and equipment</b>		Cost	Cost		Purchase cost

**SHIRE OF MENZIES**  
**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.

	Note	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - parks and ovals	Infrastructure - other	Infrastructure - work in progress	Total Infrastructure
		\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>		113,782,413	789,858	263,030	4,165,255	25,964	119,026,520
Additions		3,331,514	0	163,947	236,975	0	3,732,436
Depreciation		(1,156,142)	(22,863)	(9,243)	(140,574)	0	(1,328,822)
Transfers		25,964	0	0	0	(25,964)	0
<b>Balance at 30 June 2022</b>		115,983,749	766,995	417,734	4,261,656	0	121,430,134
<b>Comprises:</b>							
Gross balance at 30 June 2022		120,571,653	924,710	448,420	4,863,402	0	126,808,185
Accumulated depreciation at 30 June 2022		(4,587,904)	(157,715)	(30,686)	(601,746)	0	(5,378,051)
<b>Balance at 30 June 2022</b>		115,983,749	766,995	417,734	4,261,656	0	121,430,134
Additions		2,731,670	0	0	115,218	90,760	2,937,648
Revaluation increments / (decrements) transferred to revaluation surplus		50,807,379	(2,557)	0	102,206	0	50,907,028
Revaluation (loss) / reversals transferred to profit or loss		0	0	(31,053)	0	0	(31,053)
Depreciation		(1,202,626)	(22,863)	(44,885)	(155,523)	0	(1,425,897)
Transfers from plant and equipment	8	21,268	0	31,654	(23,970)	0	28,952
<b>Balance at 30 June 2023</b>		168,341,440	741,575	373,450	4,299,587	90,760	173,846,812
<b>Comprises:</b>							
Gross balance at 30 June 2023		184,987,550	852,150	756,000	6,880,000	90,760	193,566,460
Accumulated depreciation at 30 June 2023		(16,646,110)	(110,575)	(382,550)	(2,580,413)	0	(19,719,648)
<b>Balance at 30 June 2023</b>		168,341,440	741,575	373,450	4,299,587	90,760	173,846,812

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

**9. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
<b>Infrastructure - roads</b>	2 & 3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2023	Construction costs (Level 2) and current conditions, residual values and remaining useful life assessments (Level 3) inputs.
<b>Infrastructure - footpaths</b>	2 & 3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2023	Construction costs (Level 2) and current conditions, residual values and remaining useful life assessments (Level 3) inputs.
<b>Infrastructure - parks and ovals</b>	2 & 3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2023	Construction costs (Level 2) and current conditions, residual values and remaining useful life assessments (Level 3) inputs.
<b>Infrastructure - other</b>	2 & 3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2023	Construction costs (Level 2) and current conditions, residual values and remaining useful life assessments (Level 3) inputs.
<b>Infrastructure - work in progress</b>		Cost	Cost		Purchase cost

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

**10. FIXED ASSETS**

**Depreciation**

**Depreciation rates**

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

<b>Asset Class</b>	<b>Useful life</b>
Land - freehold land	not depreciated
Buildings - non-specialised	20 to 50 years
Buildings - specialised	20 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	4 to 50 years
Infrastructure - roads	
Sealed roads and streets	
formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Infrastructure - footpaths	20 years
Infrastructure - other	
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Infrastructure - parks and ovals	10 to 50 years
Right-of-use (buildings)	Based on the remaining lease term
Right-of-use (plant and equipment)	Based on the remaining lease term

SHIRE OF MENZIES  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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10. FIXED ASSETS (Continued)

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

**Initial recognition and measurement for assets held at cost**

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

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

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

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

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

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

**Revaluation**

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

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

**Revaluation (continued)**

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

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

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

**Depreciation**

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

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

**Depreciation on revaluation**

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (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 MENZIES  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

11. LEASES

(a) Right-of-Use Assets

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

	2023 Actual	2022 Actual
	\$	\$
Depreciation on right-of-use assets	0	(2,430)
Finance charge on lease liabilities	0	(17)
<b>Total amount recognised in the statement of comprehensive income</b>	<b>0</b>	<b>(2,447)</b>
Total cash outflow from leases	0	(2,380)
	26	0

**Secured liabilities and assets pledged as security**

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

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

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

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

**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.

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

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

	2023 Actual	2022 Actual
	\$	\$
Less than 1 year	28,135	28,135
1 to 2 years	17,902	28,135
2 to 3 years	5,000	17,902
3 to 4 years	1,667	5,000
4 to 5 years	0	1,667
	52,704	80,839

**Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease**

Rental income	24,115	23,198
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**SIGNIFICANT ACCOUNTING POLICIES**

**The Shire as Lessor**

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

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

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

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

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

**12. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
 Prepaid rates  
 Accrued payroll liabilities  
 ATO liabilities  
 Bonds and deposits held  
 Other payables

	2023	2022
	\$	\$
	124,063	79,030
	26,830	44,356
	31,123	15,630
	33,028	35,417
	15,046	9,541
	7,569	194,708
	237,659	378,682

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

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

**Prepaid rates**

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

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

**13. OTHER LIABILITIES**

	2023	2022
	\$	\$
<b>Current</b>		
Contract liabilities	0	215,464
Capital grant/contributions liabilities	868,495	642,793
	868,495	858,257
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	215,464	0
Additions	0	215,464
Revenue from contracts with customers included as a contract liability at the start of the period	(215,464)	0
	0	215,464
<p>The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$3,000 (2022: \$218,463)</p> <p>The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.</p>		
<b>Reconciliation of changes in capital grant/contribution liabilities</b>		
Opening balance	642,793	538,767
Additions	868,495	642,793
Revenue from capital grant/contributions held as a liability at the start of the period	(642,793)	(538,767)
	868,495	642,793
<b>Expected satisfaction of capital grant/contribution liabilities</b>		
Less than 1 year	409,681	642,793
1 to 2 years	458,814	0
	868,495	642,793

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

**14. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	124,637	125,744
Long service leave	36,543	82,080
	<b>161,180</b>	<b>207,824</b>
<b>Total current employee related provisions</b>	<b>161,180</b>	<b>207,824</b>
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	50,641	24,014
	<b>50,641</b>	<b>24,014</b>
<b>Total non-current employee related provisions</b>	<b>50,641</b>	<b>24,014</b>
<b>Total employee related provisions</b>	<b>211,821</b>	<b>231,838</b>

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

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

**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 MENZIES  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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15. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	2022 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	552,943	71,700	624,643	552,943	552,943
Revaluation surplus - Buildings - non-specialised	3,419,463	729,383	4,148,846	3,419,463	3,419,463
Revaluation surplus - Buildings - specialised	1,387,003	1,246,141	2,633,144	1,387,003	1,387,003
Revaluation surplus - Infrastructure - roads	105,024,947	50,807,379	155,832,326	105,024,947	105,024,947
Revaluation surplus - Infrastructure - footpaths	673,339	(2,557)	670,782	673,339	673,339
Revaluation surplus - Infrastructure - other	768,474	102,206	870,680	768,474	768,474
	111,826,169	52,954,252	164,780,421	111,826,169	111,826,169

**SHIRE OF MENZIES**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**16. RESTRICTIONS OVER FINANCIAL ASSETS**

	Note	2023 Actual \$	2022 Actual \$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	12,643,330	12,194,102
		<u>12,643,330</u>	<u>12,194,102</u>
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	27	11,774,835	11,335,845
Contract liabilities	13	0	215,464
Capital grant liabilities	13	868,495	642,793
<b>Total restricted financial assets</b>		<u>12,643,330</u>	<u>12,194,102</u>

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

Bank overdraft limit		0	0
Bank overdraft at balance date		0	0
Credit card limit		37,500	25,000
Credit card balance at balance date		(12,444)	(3,159)
<b>Total amount of credit unused</b>		<u>25,056</u>	<u>21,841</u>

**SHIRE OF MENZIES  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**18. CONTINGENT LIABILITIES**

The Shire of Menzies has in compliance with the Contaminated Sites Act 2003 section 11 listed one site to be possible sources of contamination: - Memorial M995306 ML, Lot 8 on Plan 222795 as shown in the certificate of title 1096/558 known as Shenton Street, Menzies WA 6436. The Shire has commenced investigation to determine the presence and scope of 'contamination, assess the risk and degree with the Department of Water and Environment Regulation the need and criteria for remediation, the Shire is unable to accurately quantify its clean-up liabilities for potentially contaminated sites. The Shire is continuing to monitor the sites and will progressively undertake site investigations and remediation on a risk based approach. This approach is consistent with the Department of Water and Environment Regulation guidelines.

**19. CAPITAL COMMITMENTS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Contracted for:		
- capital expenditure projects	3,271,452	0
- plant & equipment purchases	53,687	0
	<u>3,325,139</u>	<u>0</u>
Payable:		
- not later than one year	3,325,139	0

SHIRE OF MENZIES  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
President's annual allowance	19,864	19,864	19,826
President's meeting attendance fees	19,410	19,410	19,448
President's other expenses	80	0	0
President's annual allowance for ICT expenses	1,100	1,100	1,100
President's travel and accommodation expenses	3,430	3,574	8,202
	<u>43,884</u>	<u>43,948</u>	<u>48,576</u>
Deputy President's annual allowance	4,966	4,966	4,966
Deputy President's meeting attendance fees	9,410	9,410	9,410
Deputy President's annual allowance for ICT expenses	1,100	1,100	1,100
Deputy President's travel and accommodation expenses	1,411	3,571	945
	<u>16,887</u>	<u>19,047</u>	<u>16,421</u>
All other council member's meeting attendance fees	47,050	47,050	43,913
All other council member's annual allowance for ICT expenses	5,500	5,500	5,133
All other council member's travel and accommodation expenses	9,843	17,855	7,735
	<u>62,393</u>	<u>70,405</u>	<u>56,781</u>
20(b)	<u>123,164</u>	<u>133,400</u>	<u>121,778</u>

(b) Key Management Personnel (KMP) Compensation

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

Short-term employee benefits	577,621	500,998
Post-employment benefits	78,970	53,512
Employee - other long-term benefits	60,077	16,896
Council member costs	20(a) <u>123,164</u>	<u>121,778</u>
	<u>839,832</u>	<u>693,184</u>

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

**20. RELATED PARTY TRANSACTIONS**

**Transactions with related parties**

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

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

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

	<u>2023 Actual</u> \$	<u>2022 Actual</u> \$
Sale of goods and services	10,500	1,572
Purchase of goods and services	23,619	0

**Related Parties**

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

*i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 20(a) and 20(b)

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

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

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

**21. JOINT ARRANGEMENTS**

**Share of joint operations**

The Shire ceased joint arrangement with the City of Kalgoorlie Boulder, Shires of Coolgardie, Dundas, Esperance, Laverton, Leonora, Ngaanyatjarraku, Ravensthorpe and Wiluna, as resolved during the Goldfields Voluntary Regional Organisation of Councils (GVROC) meeting on 29 July 2023.

The assets included in the joint venture was one tenth share as follows:-

<b>Statement of Financial Position</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
	<b>\$</b>	<b>\$</b>
Current assets	0	76,990
Non current assets	0	67,722
<b>Total assets</b>	<b>0</b>	<b>144,712</b>
Current liabilities	0	76,990
<b>Total equity</b>	<b>0</b>	<b>76,990</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Joint operations**

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

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

**SHIRE OF MENZIES  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

The Shire had no subsequent events occurring after the end of the reporting period.

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**j) Impairment of assets**

In accordance with Australian Accounting Standards the Shire's assets, other than inventories, are assessed at each reporting date to determine whether 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 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

SHIRE OF MENZIES  
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24. RATING INFORMATION

(a) General Rates

RATE TYPE		2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2021/22	
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value*	Actual Rate Revenue	Actual Interim Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Total Revenue	Actual Total Revenue
		\$		\$	\$	\$	\$	\$	\$	\$	\$
Vacant	Gross rental valuation	0.0894	5	10,712	958	192	1,150	958	0	958	1,652
General	Gross rental valuation	0.0892	31	1,696,196	151,301	0	151,301	151,301	0	151,301	215,795
Mining	Unimproved valuation	0.1713	230	17,306,859	2,964,665	(1,367)	2,963,298	2,964,665	0	2,964,665	2,599,477
Exploration Lease	Unimproved valuation	0.1553	394	4,256,136	660,978	57,311	718,289	643,896	0	643,896	557,243
Prospecting	Unimproved valuation	0.1529	233	659,607	100,854	1,757	102,611	96,960	0	96,960	82,738
Pastoral	Unimproved valuation	0.0858	20	665,453	57,096	0	57,096	57,096	0	57,096	44,764
Other	Unimproved valuation	0.0858	68	333,500	28,614	0	28,614	28,614	0	28,614	27,448
<b>Total general rates</b>			981	24,928,463	3,964,466	57,893	4,022,359	3,943,490	0	3,943,490	3,529,117
				<b>Minimum Payment</b>							
		\$									
<b>Minimum payment</b>											
Vacant	Gross rental valuation	200	200	42,323	40,000	0	40,000	40,000	0	40,000	39,600
General	Gross rental valuation	328	11	15,863	3,608	0	3,608	3,608	0	3,608	1,600
Mining	Unimproved valuation	328	60	44,728	19,680	0	19,680	19,680	0	19,680	11,000
Exploration Lease	Unimproved valuation	290	227	647,971	65,830	0	65,830	65,540	0	65,540	31,600
Prospecting	Unimproved valuation	257	97	55,877	24,929	0	24,929	24,672	0	24,672	17,800
Pastoral	Unimproved valuation	328	7	12,265	2,296	0	2,296	2,296	0	2,296	800
Other	Unimproved valuation	328	3	6,700	984	0	984	984	0	984	200
<b>Total minimum payments</b>			605	825,727	157,327	0	157,327	156,780	0	156,780	102,600
<b>Total general rates and minimum payments</b>			1,586	25,754,190	4,121,793	57,893	4,179,686	4,100,270	0	4,100,270	3,631,717
<b>Total Rates</b>							4,179,686			4,100,270	3,631,717
Rate instalment interest							8,875			7,000	7,020
Rate overdue interest							39,393			44,000	45,526

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 MENZIES  
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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	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	0	(4,231)	(2,031)
Less: Movement in liabilities associated with restricted cash	(44,927)	0	13,869
Less: Fair value adjustments to financial assets at fair value through profit or loss	0	0	(999)
Add: Loss on disposal of assets	92,083	20,827	835
Add: Loss on revaluation of infrastructure	9(a) 31,053	0	0
Add: Depreciation	10 2,260,053	1,961,063	2,130,098
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(506)	0	0
Employee benefit provisions	26,627	0	9,652
<b>Non-cash amounts excluded from operating activities</b>	<b>2,364,383</b>	<b>1,977,659</b>	<b>2,151,424</b>
<b>(b) Surplus or deficit after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	27 (11,774,835)	(8,356,840)	(11,335,845)
Add: Current liabilities not expected to be cleared at end of year			
- Employee benefit provisions	161,180	192,238	206,107
<b>Total adjustments to net current assets</b>	<b>(11,613,655)</b>	<b>(8,164,602)</b>	<b>(11,129,738)</b>
<b>Net current assets used in the Statement of Financial Activity</b>			
Total current assets	19,060,506	9,031,134	16,524,719
Less: Total current liabilities	(1,267,334)	(866,532)	(1,444,763)
Less: Total adjustments to net current assets	(11,613,655)	(8,164,602)	(11,129,738)
<b>Surplus or deficit after imposition of general rates</b>	<b>6,179,517</b>	<b>0</b>	<b>3,950,218</b>

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26. BORROWING AND LEASE LIABILITIES

Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal			Principal				Principal			
		Principal at 1 July 2021	New Leases During 2021-22	Repayments During 2021-22	Principal at 30 June 2022	New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Leases During 2022-23	Repayments During 2022-23	Principal at 30 June 2023
Smart Board		2,363	0	(2,363)	0	0	0	0	0	0	0	0
<b>Total Lease Liabilities</b>	11(a)	2,363	0	(2,363)	0	0	0	0	0	0	0	0

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term
Smart Board		IE1338	Your payment solution	2.10%	22/01/2022	\$ 0	\$ 0	\$ (17)	48 months
<b>Total Finance Cost Payments</b>						0	0	(17)	

SHIRE OF MENZIES  
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27. RESERVE ACCOUNTS	2023	2023	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual
	Opening	Transfer to	Transfer (from)	Closing	Opening	Transfer to	Transfer (from)	Closing	Opening	Transfer to	Transfer (from)	Closing
	Balance			Balance	Balance			Balance	Balance			Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>												
(a) Leave reserve	206,107	4,261	0	210,368	206,107	822	0	206,929	206,067	40	0	206,107
(b) Building reserve	3,192,928	65,892	(24,418)	3,234,402	3,192,928	12,735	(1,945,241)	1,260,422	3,462,259	669	(270,000)	3,192,928
(c) Plant reserve	1,765,297	36,433	0	1,801,730	1,765,297	7,041	(320,000)	1,452,338	1,922,975	371	(158,049)	1,765,297
(d) Road reserves	2,293,174	47,340	0	2,340,514	2,293,174	9,146	(383,312)	1,919,008	2,732,648	526	(440,000)	2,293,174
(e) Main Street reserve	141,160	2,926	0	144,086	141,160	563	0	141,723	141,133	27	0	141,160
(f) Staff Amenities reserve	397,322	8,213	0	405,535	397,322	1,585	0	398,907	397,246	76	0	397,322
(g) TV reserve	17,979	375	0	18,354	17,979	72	0	18,051	17,976	3	0	17,979
(h) Caravan Park reserve	429,588	8,867	0	438,455	429,588	1,713	(300,000)	131,301	429,505	83	0	429,588
(i) Bitumen reserve	606,885	12,519	0	619,404	606,885	2,421	0	609,306	606,768	117	0	606,885
(j) Rates creditors reserve	51,400	1,054	0	52,454	51,400	205	0	51,606	51,391	9	0	51,400
(k) Niagara Dam reserve	1,248,915	25,787	0	1,274,702	1,248,915	4,981	(936,374)	317,522	1,248,675	240	0	1,248,915
(l) Water reserve	301,323	6,222	(83,812)	223,733	301,323	1,202	0	302,525	301,266	57	0	301,323
(m) Waste Management reserve	59,814	301,240	0	361,054	59,814	300,239	0	360,053	59,802	12	0	59,814
(n) Former Post Office reserve	420,512	8,681	0	429,193	420,512	1,677	(410,000)	12,189	420,432	80	0	420,512
(o) Commercial Enterprise reserve	0	13,221	0	13,221	0	970,708	0	970,708	101,698	20	(101,718)	0
(p) Land Purchase reserve	203,441	4,189	0	207,630	203,441	811	0	204,252	203,402	39	0	203,441
	11,335,845	547,220	(108,230)	11,774,835	11,335,846	1,315,921	(4,294,927)	8,356,840	12,303,243	2,369	(969,767)	11,335,845

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
<b>Restricted by council</b>	
(a) Leave reserve	To be used to fund annual and long service leave requirements
(b) Building reserve	To be used for the acquisition of future buildings and renovation of existing building
(c) Plant reserve	To be used for the purchase of major plant.
(d) Road reserves	To be use to fund major road works
(e) Main Street reserve	Established for the beautification of the main street
(f) Staff Amenities reserve	Established for the purpose of providing staff housing and amenities
(g) TV reserve	To be used to fund upgrades to the rebroadcasting equipment.
(h) Caravan Park reserve	Established for the purpose of providing upgrades to the caravan park.
(i) Bitumen reserve	Established to fund resealing of roads
(j) Rates creditors reserve	Established for future rates claims
(k) Niagara Dam reserve	Established for ongoing upgrade of Niagara Dam valve workings and other maintenance
(l) Water reserve	To assist the Tjuntjunjarra community to achieve funding for a swimming pool
(m) Waste Management reserve	Provide for the statutory reinstatement and development of the reserve.
(n) Former Post Office reserve	For restoration and maintenance of the Former Post Office
(o) Commercial Enterprise reserve	To fund an activity or purchase with a view to producing a profit.
(p) Land Purchase reserve	To be used for purchase of selective properties with developmental potential.



# Auditor General

## INDEPENDENT AUDITOR'S REPORT 2023 Shire of Menzies

To the Council of the Shire of Menzies

### Opinion

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

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

In my opinion, the financial report is:

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

### Basis for opinion

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

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

### Other information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This auditor's report relates to the financial report of the Shire of Menzies 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.

Nayna Raniga  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
11 December 2023



124 Shenton Street

PO Box 4

Menzies WA 6436

Phone: (08) 9024 2041

Email: [admin@menzies.wa.gov.au](mailto:admin@menzies.wa.gov.au)

ABN: 70 799 264 783