



Annual Report

2023/2024



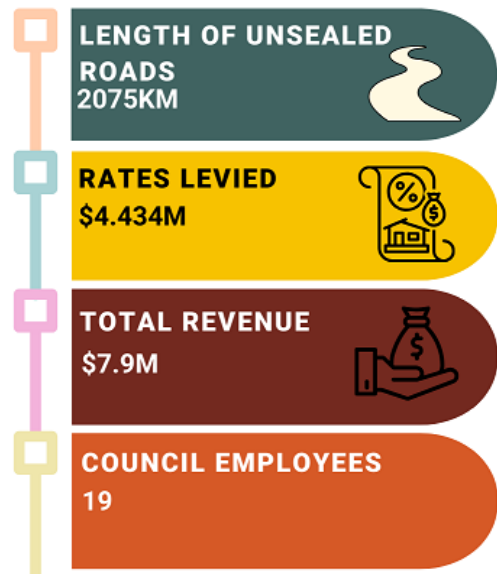
The Shire of Menzies respectfully acknowledges the local Indigenous peoples, the Traditional Custodians of the land upon which it conducts its business, and pays respect to Elders Past, Present and Emerging.



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STATISTICS



OTHER INTERESTING FACTS

TOURIST ATTRACTIONS

Lake Ballard & the Inside Australia Exhibit, Niagara Dam, Lady Shenton Building, Goongarrie Cottages, Spinifex Art Centre, Mt Menzies, Mt Owen Stargazing Spot, Golden Quest Discovery Trail



LOCAL INDUSTRIES

Gold mining, nickel mining, potash salt mining, emerald mining, pastoral, tourism, prospecting



SIGNIFICANT LOCAL EVENTS

Menzies Cyclassic
Menzies Discovery Day





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 1,025 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 District 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 artworks.





Shire President's Report

As we reflect on the events and activities of the 2023/2024 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 2023/2024 Draft Budget continues to deliver services and facilities across all programs. The budget maintains focus on roads renewal, buildings, as well as on renewing other assets at sustainable levels. Capital roadworks of \$7.5 million are proposed, with over \$5.6 million being directly funded from State and Federal sources, and contribution agreement with the City of Kalgoorlie

Major capital works expenditure includes the construction of new staff accommodations, which are now completed; Government Regional Officer Housing (GROH); the refurbishment of the Lady Shenton building; and the completion of various Local Road Community Infrastructure Program (LRCIP) phase 3 work programs. The southern car park coming in from Kalgoorlie is nearing completion, CCTV has been installed and is working well along with a mobile CCTV trailer. The shade structure at Tjuntjuntjara has been completed and Marmion Village reserve improvements are completed. Additionally, under LRCIP phase 4, projects such as the Marmion Village Access Improvement, Menzies Skate Park, and the sealing of Kensington Street are underway.

Proposed renewal and plant upgrades for the 2023/2024 financial year include the replacement of P0207 Hino 300 auto rubbish truck, an upgrade of the CEO vehicle, and replacement trailer accommodation.

Heavy rains at the start of 2024 have seen a lot of damage on roads. Work has begun on getting flood damage reports into Disaster Recovery Funding Arrangements Western Australia (DRFAWA) to claim funding for repairs.

The Cycclassic in June 2023 went off well, with riders battling strong winds on day one and rain on day two.

The Menzies Discovery Day on 14 October 2023 was a success, with stalls, food vans, bouncy castles, and a performance by the Desert Stars band

Paul Warner
Shire President

Council Members



Shire President—Paul Warner
Term Expires: 2025



Deputy President- Sudhir Sudhir
Term Expires: 2027



Councillor—Greg Dwyer
Term Expires: 2025



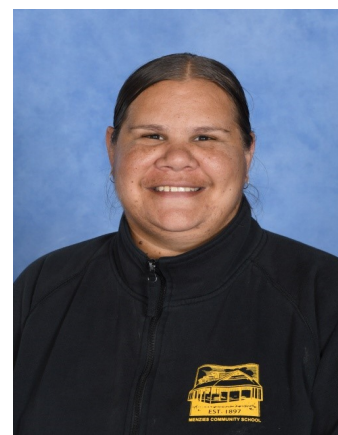
Councillor—Jill Dwyer
Term Expires: 2025



Councillor—Andrew Tucker
Term Expires: 2025



Councillor—Ian Baird
Term Expires: 2027



Councillor—Cr Kristie-Lee Tucker
Term Expires: 2027

Council Membership of Committees

INTERNAL COMMITTEES

Committee	Members
Audit and Risk Committee	Cr Sudhir Sudhir, Cr Paul Warner and Cr Andrew Tucker
Tourism and Economic Development Advisory Committee	Cr Sudhir Sudhir, Cr Andrew Tucker and Cr Kristie Tucker

EXTERNAL COMMITTEES

Committee	Members
Northern Goldfields Working Group (NGWG)	Cr Paul Warner and Chief Executive Officer
Lake Ballard Association (Inc)	Cr Sudhir Sudhir and Community Development Manager
Goldfields Voluntary Regional Organisation of Councils (GVROC)	Cr Paul Warner, Cr Sudhir Sudhir and Chief Executive Officer
Regional Roads Group (RRG)	Cr Andrew Tucker, Cr Sudhir Sudhir and Chief Executive Officer
Local Emergency Management Committee (LEMC)	Cr Paul Warner, Cr Sudhir Sudhir, Chief Executive Officer and Works Manager
Golden Quest Discovery Trail (GQDT)	Chief Executive Officer

Councillor Meetings and Attendance FY 2023/2024

Ordinary Council Meetings				
	In Person	Electronic	Leave of Absence	Apologies
Cr Paul Warner	9	1		
Cr Sudhir Sudhir	8	2		
Cr Greg Dwyer	10			
Cr Jill Dwyer	8	2		
Cr Andrew Tucker	9	1		
Cr Ian Baird	5	3		2
Cr Kristie-Lee Tucker	7			
Audit and Risk Committee Meetings				
	In Person	Electronic	Leave of Absence	Apologies
Cr Paul Warner	3			
Cr Sudhir Sudhir	3			
Cr Andrew Tucker	3			
Tourism and Economic Development Advisory Committee Meetings				
	In Person	Electronic	Leave of Absence	Apologies
Cr Sudhir Sudhir	1			
Cr Andrew Tucker	1			
Cr Kristie Tucker	1			

Payments to Council Members

FY 2023/2024

	Meeting Fees	President and Deputy Allowance	ICT Allowance	Travel Reimbursement	Total
Cr Paul Warner	\$16,248.00	\$12,916.00	\$1,100.00	\$1,545.00	\$31,809.00
Cr Sudhir Sudhir	\$9,791.00	\$3,229.00	\$1,100.00	\$1,516.00	\$15,636.00
Cr Greg Dwyer	\$13,665.00	\$7,750.00	\$1,100.00	\$5,978.00	\$28,493.00
Cr Jill Dwyer	\$9,791.00		\$1,100.00	\$800.00	\$11,691.00
Cr Andrew Tucker	\$9,791.00		\$1,100.00		\$10,891.00
Cr Ian Baird	\$9,791.00	\$1,722.00	\$1,100.00	\$7,275.00	\$19,888.00
Cr Kristie-Lee Tucker	\$6,527.00		\$733.00		\$7,260.00
Cr Rohan Baird	\$3,264.00		\$367.00	\$769.00	\$4,400
Total Payable	\$78,868.00	\$25,617	\$7,700	\$17,883.00	\$130,068.00

Capital Grants, Subsidies and Contribution

Capital Grants, Subsidies and	2023	2024
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	
Marmion Village Access Improvement		\$197,445
Menzies Skate Park		\$350,000
Sealing of Kensinton Street		\$315,778
Total	\$1,094,890	\$863,223

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 on 27 June 2024 and Strategic Resource Plan incorporating

The capital projects in the Annual Budget are determined in accordance with the Shire's Strategic Com-

the Long Term Financial Plan was adopted in November 2021.

There were no significant changes to these corporate documents following the major review of the Strate-

munity Plan. Major projects for 2024/2025 include:

Project	Projected Cost
Road Upgrade and Maintenance (Menzies, Kookynie & Tjuntjuntjara)	\$4,832,833
Lady Shenton Building Restoration	\$250,000
Niagara Dam Maintenance Stage 1	\$250,000
Old Post Office Restoration Work	\$894,000
Housing & Other Properties Upgrade	\$709,000
Plants & Equipment Replacement	\$1,189,000
GROH House	\$1,233,050
House and Land Menzies	\$550,000
Menzies Playground and Waterpark upgrade	\$600,000



CEO's Report

The 2023/2024 year has presented another set of challenges; however, the impact of these changes on staff and leadership has been significant. Despite this, the Shire of Menzies has achieved many positive outcomes during the financial year.

Key projects for the 2023/2024 financial year include:

Local Road and Community Infrastructure Programs (LRCIP)

The LRCIP Phase 3 projects began in the previous year and Council was granted an extension of the due date to the end of June 2024. Projects that were successfully completed include the installation of CCTV, the Tjuntjuntjara meeting structure, town greening, and the sealing of parking on the south side of Menzies township. An additional extension was granted to 31 December 2024 to complete the tourism signage project.

Work programs for LRCIP Phase 4 were approved during the 2023/2024 financial year, with projects to be completed by the end of June 2025. These initiatives include improving access to Marmion Village, constructing a new skate park in Menzies, and sealing access to water reservoirs on Kensington Street. These projects are expected to enhance future use by the Menzies community. Several projects were commenced late in the financial year, with planning well underway and progressing well.

Staff Housing

The project to construct new units at 29A Reid and 29B Reid Street has been completed, providing additional accommodation for staff and Shire contractors in the future. The Government Regional Officers Housing (GROH) program is progressing according to schedule with Modular

WA, aiming for completion by mid-2025.

Roads and Other Projects

Major road construction, including work on Cutline Road, has been postponed due to severe weather events affecting road access. The Shire and relevant parties are collaborating closely to ensure progress continues into the 2024/2025 financial year.

Restoration work on the Lady Shenton building is ongoing, with completion expected by the end of 2024. Additionally, heritage architects have been engaged in assessing progress and planning to maintain and restore the Old Post Office building and Niagara Dam. Reports and tenders for the required works will be invited as part of the 2024/2025 budget.

The Shire has sought ownership of several land blocks in the Menzies townsite. The ownership deed was completed in the early financial year 2024/2025. These blocks can be utilised in the future for housing, commercial development, or for the expansion of the caravan park.

Financially, the Shire of Menzies is in a strong position, having accumulated \$13,137.616 in Reserve Funds, however, it is essential to note that the surplus is inflated due to several uncompleted works. A new loan has been introduced in early 2024/2025 for the purpose of supporting the Government Regional Officer Housing Program which is a build to lease project.

The Annual Audit this year identified several issues categorised as moderate and minor. One of these issues has been addressed in previous audits, while others are new and have been considered in the overall improvement plan

Council and Administration

The Shire of Menzies has made significant progress across several areas of governance and community engagement and continues to seek opportunities for further improvement.

RoadWise Council

In September 2023, the Shire accepted an invitation from WALGA to join the RoadWise Council. Demonstrating commitment to road safety, the Shire was recognised with a 1 Ribbon Award in August 2024.

October 2024 Elections

The local government elections saw three Councillors elected. Cr Sudhir Sudhir and Cr Ian Baird were successfully re-elected, and Cr Kristie Tucker joined the Council.

Elected Members' Professional Development

- Cr Sudhir Sudhir achieved his Diploma in Local Government in September 2023.
- Cr Paul Warner followed, completing his diploma in September 2024.
- All elected members have completed their mandatory training, reflecting their dedication to governance excellence.

Audit Process

The Council adopted the Audited Financial Report, Management Report, and Audit Findings for the financial year ending June 2024 on 31 October 2024. The early conclusion of this process underscores the Council's commitment to financial accountability and transparency.

Community Engagement

The 'Community Catch Up with the CEO' initiative was reinstated and now occurs on the first Wednesday of every month, providing an open platform for dialogue with community members.

Leadership Transition

The Acting CEO role held by Robert Stewart concluded in October 2023, when Glenda Teede was appointed as the permanent CEO.

Events

The Shire actively supported and participated in several key events:

Cyclassic Event: Held on the 1st and 2nd of June 2024, this event featured spectacular fireworks, creating a memorable experience for attendees.

Menzies Discovery Day: On 14 October 2023, the Shire hosted a vibrant day of activities, including jumping castles, stalls, music, food trucks, face painting, games, water play, and helicopter rides over Lake Ballard.

Menzies Community School Students' Trip to the Gold Coast: In August 2023, the Shire collaborated with the Menzies Aboriginal Corporation and the School Council to

support a student trip to the Gold Coast. The Acting CEO received heartfelt thank-you letters from the students, sharing their enjoyment and learnings from the experience.

Community Resource Centre

The Community Resource Centre introduced several new initiatives in 2023 and 2024:

- **Information Technology (IT) Help:** Launched in July 2023, this service runs until June 2024, providing valuable IT support to the community.
- **Game Nights:** Running from November 2023 to February 2024, these nights offer a fun, engaging activity for residents.
- **Online Booking for Caravan Park:** Launched in July 2023, this system improves convenience and efficiency for visitors.
- **Community Feedback Sessions:** Starting in June 2024, sessions with the Community Development Manager occur every second Tuesday of the month, encouraging dialogue and collaboration with community members.
- **Astrotourism Town:** In October 2024, Menzies officially became an Astrotourism town through Astrotourism WA, enhancing its appeal as a destination for stargazing enthusiasts.

Others

Celebration of Life:

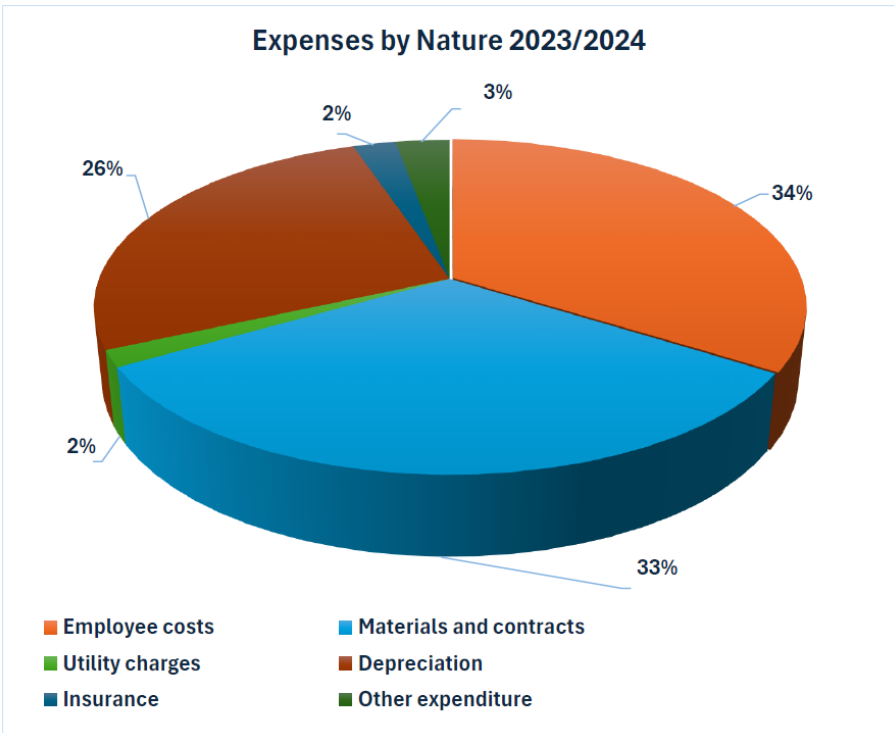
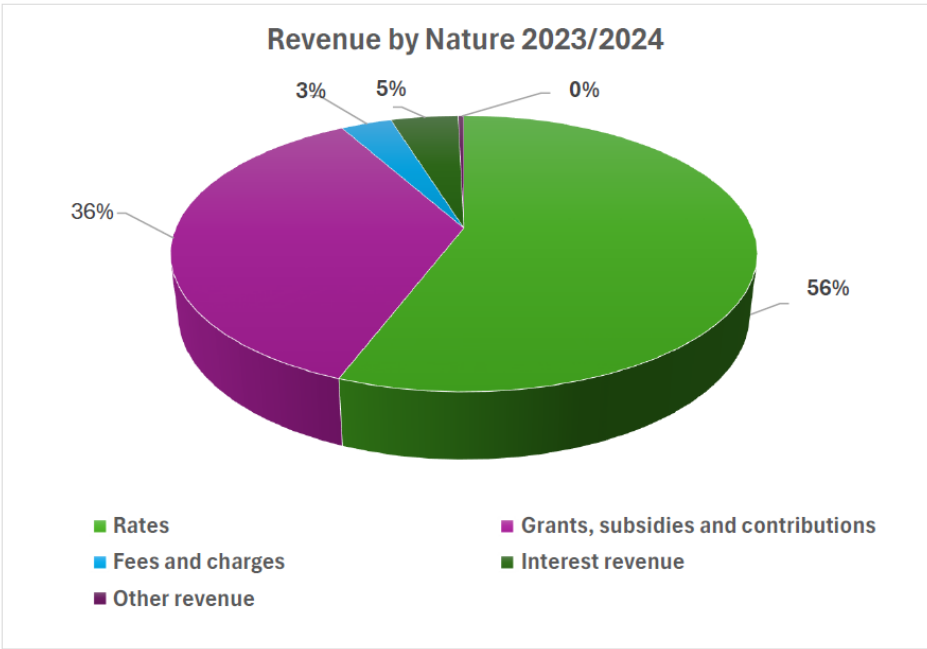
- Mr. Bartley Blizzard, a respected and well-known community member, was laid to rest at Menzies Cemetery in August 2023.
- Mr. Stephen John Tonkin, a former Councillor, passed away in October 2024. He is fondly remembered for his 40 years of service in local government, including several years as Shire President.

Finally, I would like to express my gratitude to the Shire staff for their dedication and professionalism throughout the year, and I would also like to acknowledge the Councillors and Community Volunteers for their contributions to making the Shire of Menzies a wonderful place to live.

Peter Bentley
Acting 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 2024 and for which there are more details in the attached audited financial statements.



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
- 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 2023 was received by Council at its February 2024 meeting and was subsequently submitted to the Department of Local Government prior to 31 March 2024 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 two 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 2023/2024:

\$ from	\$ to	Number of employees
130,000	139,999	1
140,000	149,999	2
190,000 (CEO)	199,999	1

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 2024 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 2023/24 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 2023/24.

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.

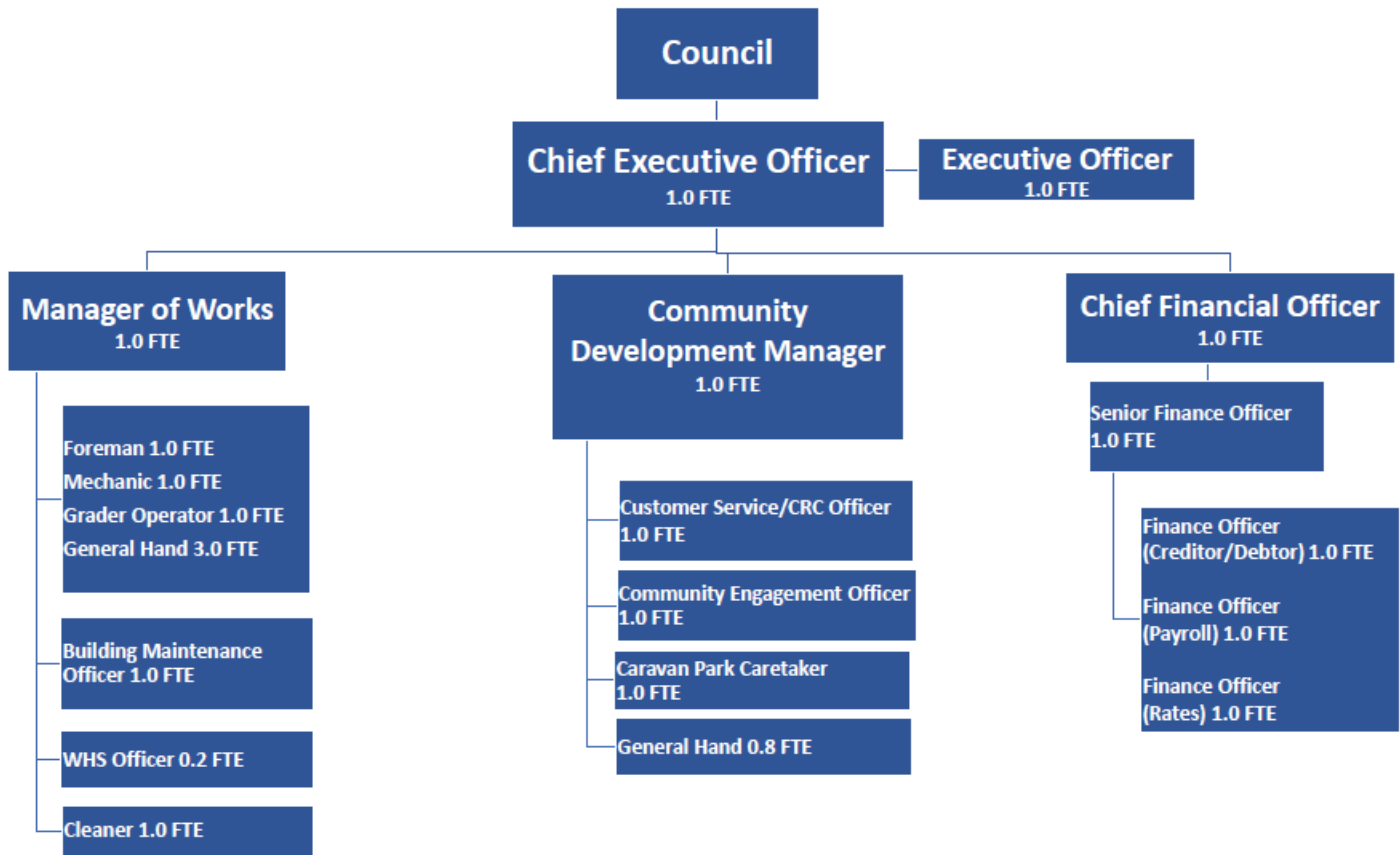
Outcome 6: Public Consultation

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.



124 Shenton Street

PO Box 4

Menzies WA 6436

Phone: (08) 9024 2041

Email: admin@menzies.wa.gov.au

ABN: 70 799 264 783

SHIRE OF MENZIES
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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

The Shire will endeavour to provide the community services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life.

Principal place of business:
124 Shenton Street
Menzies WA 6436

**SHIRE OF MENZIES
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

*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 2024 and the financial position as at 30 June 2024.

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

Signed on the

01

day of

November

2024



Acting CEO

Kristy Van Kuyl

Name of Acting CEO



SHIRE OF MENZIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
Revenue				
Rates	2(a),23	4,434,860	4,335,810	4,179,686
Grants, subsidies and contributions	2(a)	2,858,093	558,417	4,056,177
Fees and charges	2(a)	265,803	240,205	319,830
Interest revenue	2(a)	352,247	301,000	336,207
Other revenue	2(a)	31,097	30,450	24,859
		7,942,100	5,465,882	8,916,759
Expenses				
Employee costs	2(b)	(2,454,079)	(2,896,464)	(2,261,701)
Materials and contracts		(2,374,213)	(2,627,425)	(2,222,229)
Utility charges		(116,451)	(110,200)	(101,665)
Depreciation		(1,920,400)	(2,140,427)	(2,260,053)
Finance costs		0	(26,085)	0
Insurance		(165,687)	(163,583)	(115,163)
Other expenditure	2(b)	(209,396)	(601,711)	(164,331)
		(7,240,226)	(8,565,895)	(7,125,142)
		701,874	(3,100,013)	1,791,617
Capital grants, subsidies and contributions	2(a)	3,409,473	6,986,077	1,941,477
Profit on asset disposals		32,522	43,894	0
Loss on asset disposals		(88,160)	0	(92,083)
Fair value adjustments to financial assets at fair value through profit or loss	4	1,342	0	0
Loss on revaluation of infrastructure - parks and ovals	9(a)	0	0	(31,053)
		3,355,177	7,029,971	1,818,341
Net result for the period		4,057,051	3,929,958	3,609,958
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	0	0	52,954,252
Total other comprehensive income for the period	15	0	0	52,954,252
Total comprehensive income for the period		4,057,051	3,929,958	56,564,210

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



SHIRE OF MENZIES
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	NOTE	2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	3	19,260,716	17,795,819
Trade and other receivables	5	932,888	434,055
Inventories	6	11,331	17,234
Other assets	7	345,869	813,398
TOTAL CURRENT ASSETS		20,550,804	19,060,506
NON-CURRENT ASSETS			
Trade and other receivables	5	1,541	506
Other financial assets	4	20,793	19,451
Property, plant and equipment	8	13,116,984	12,032,928
Infrastructure	9	175,816,105	173,846,812
TOTAL NON-CURRENT ASSETS		188,955,423	185,899,697
TOTAL ASSETS		209,506,227	204,960,203
CURRENT LIABILITIES			
Trade and other payables	12	312,395	237,659
Other liabilities	13	1,273,346	868,495
Employee related provisions	14	148,022	161,180
TOTAL CURRENT LIABILITIES		1,733,763	1,267,334
NON-CURRENT LIABILITIES			
Employee related provisions	14	73,185	50,641
TOTAL NON-CURRENT LIABILITIES		73,185	50,641
TOTAL LIABILITIES		1,806,948	1,317,975
NET ASSETS		207,699,279	203,642,228
EQUITY			
Retained surplus		29,781,242	27,086,972
Reserve accounts	26	13,137,616	11,774,835
Revaluation surplus	15	164,780,421	164,780,421
TOTAL EQUITY		207,699,279	203,642,228

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 2024

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2022		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	26	108,230	(108,230)	0	0
Transfers to reserve accounts	26	(547,220)	547,220	0	0
Balance as at 30 June 2023		27,086,972	11,774,835	164,780,421	203,642,228
Comprehensive income for the period					
Net result for the period		4,057,051	0	0	4,057,051
Total comprehensive income for the period		4,057,051	0	0	4,057,051
Transfers from reserve accounts	26	1,161,543	(1,161,543)	0	0
Transfers to reserve accounts	26	(2,524,324)	2,524,324	0	0
Balance as at 30 June 2024		29,781,242	13,137,616	164,780,421	207,699,279

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 2024

	NOTE	2024 Actual \$	2023 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		4,278,858	4,237,113
Grants, subsidies and contributions		2,969,755	4,072,466
Fees and charges		265,803	319,830
Interest revenue		352,247	336,207
Goods and services tax received		718,900	651,002
Other revenue		31,097	24,859
		8,616,660	9,641,477
Payments			
Employee costs		(2,442,882)	(2,268,614)
Materials and contracts		(1,840,873)	(2,899,301)
Utility charges		(116,451)	(101,665)
Insurance paid		(165,687)	(115,163)
Goods and services tax paid		(746,374)	(617,965)
Other expenditure		(209,396)	(164,331)
		(5,521,663)	(6,167,039)
Net cash provided by operating activities		3,094,997	3,474,438
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(1,880,644)	(387,494)
Payments for construction of infrastructure	9(a)	(3,191,440)	(2,937,648)
Capital grants, subsidies and contributions		3,399,287	2,167,179
Proceeds from sale of property, plant & equipment		42,697	19,090
Net cash (used in) investing activities		(1,630,100)	(1,138,873)
Net increase in cash held		1,464,897	2,335,565
Cash at beginning of year		17,795,819	15,460,254
Cash and cash equivalents at the end of the year		19,260,716	17,795,819

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 2024

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	23	4,141,746	4,141,746	4,022,359
Rates excluding general rates	23	293,114	194,064	157,327
Grants, subsidies and contributions		2,858,093	558,417	4,056,177
Fees and charges		265,803	240,205	319,830
Interest revenue		352,247	301,000	336,207
Other revenue		31,097	30,450	24,859
Profit on asset disposals		32,522	43,894	0
Fair value adjustments to financial assets at fair value through profit or loss	4	1,342	0	0
		7,975,964	5,509,776	8,916,759
Expenditure from operating activities				
Employee costs		(2,454,079)	(2,896,464)	(2,261,701)
Materials and contracts		(2,374,213)	(2,627,425)	(2,222,229)
Utility charges		(116,451)	(110,200)	(101,665)
Depreciation		(1,920,400)	(2,140,427)	(2,260,053)
Finance costs		0	(26,085)	0
Insurance		(165,687)	(163,583)	(115,163)
Other expenditure		(209,396)	(601,711)	(164,331)
Loss on asset disposals		(88,160)	0	(92,083)
Loss on revaluation of non-current assets		0	0	(31,053)
		(7,328,386)	(8,565,895)	(7,248,278)
Non cash amounts excluded from operating activities	24(a)	1,983,047	2,093,989	2,364,383
Amount attributable to operating activities		2,630,625	(962,130)	4,032,864
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		3,409,473	6,986,077	1,941,477
Proceeds from disposal of assets		42,697	80,000	19,090
		3,452,170	7,066,077	1,960,567
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(1,880,644)	(5,013,177)	(387,494)
Purchase and construction of infrastructure	9(a)	(3,191,440)	(9,947,828)	(2,937,648)
		(5,072,084)	(14,961,005)	(3,325,142)
Amount attributable to investing activities		(1,619,914)	(7,894,928)	(1,364,575)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	25(a)	0	650,000	0
Transfers from reserve accounts	26	1,161,543	4,640,924	108,230
		1,161,543	5,290,924	108,230
Outflows from financing activities				
Repayment of borrowings	25(a)	0	(53,627)	0
Transfers to reserve accounts	26	(2,524,324)	(2,510,699)	(547,220)
		(2,524,324)	(2,564,326)	(547,220)
Amount attributable to financing activities		(1,362,781)	2,726,598	(438,990)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	24(b)	6,179,517	6,130,460	3,950,218
Amount attributable to operating activities		2,630,625	(962,130)	4,032,864
Amount attributable to investing activities		(1,619,914)	(7,894,928)	(1,364,575)
Amount attributable to financing activities		(1,362,781)	2,726,598	(438,990)
Surplus or deficit after imposition of general rates	24(b)	5,827,447	0	6,179,517

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



SHIRE OF MENZIES
FOR THE YEAR ENDED 30 JUNE 2024
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SHIRE OF MENZIES

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

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.

Critical accounting estimates and judgements

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

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

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

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

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - note 8
 - Infrastructure - note 9
- Measurement of employee benefits - note 14

Fair value hierarchy information can be found in note 22

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements.

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 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

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 2021-7c 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

These amendments are not expected to have any material impact on the financial report on initial application.

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

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

- AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements

These amendments may result in additional disclosures in the case of applicable finance arrangements.

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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, 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	Kiosk and visitor 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 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	4,434,860	0	4,434,860
Grants, subsidies and contributions	102,977	0	0	2,755,116	2,858,093
Fees and charges	217,319	0	5,281	43,203	265,803
Interest revenue	0	0	65,485	286,762	352,247
Other revenue	0	0	0	31,097	31,097
Capital grants, subsidies and contributions	0	3,337,470	0	72,003	3,409,473
Total	320,296	3,337,470	4,505,626	3,188,181	11,351,573

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
Total	238,286	1,941,477	4,283,629	4,394,844	10,858,236

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Interest revenue

Interest on reserve account	233,625	234,000
Trade and other receivables overdue interest	65,485	45,268
Other interest revenue	53,137	56,939

352,247 336,207

The 2024 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

5,730 5,890

The 2024 original budget estimate in relation to:
Charges on instalment plan was \$7,000.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	60,090	61,200
- Other services – grant acquittals	10,150	6,500

70,240 67,700

Employee Costs

Employee benefit costs	2,297,902	2,121,348
Other employee costs	156,177	140,353

2,454,079 2,261,701

Other expenditure

Impairment losses on rates and statutory receivables	40,705	31,091
Sundry expenses	168,691	133,240

209,396 164,331

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Total cash and cash equivalents

Held as
- Unrestricted cash and cash equivalents
- Restricted cash and cash equivalents

Note	2024	2023
	\$	\$
	19,260,716	17,795,819
	19,260,716	17,795,819
	4,849,754	5,152,489
16	14,410,962	12,643,330
	19,260,716	17,795,819

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

Bank overdrafts are reported as short term borrowings in current liabilities in the Statement of Financial Position.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation.

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

4. OTHER FINANCIAL ASSETS

Non-current assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

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

2024	2023
\$	\$
20,793	19,451
20,793	19,451
19,451	19,451
1,342	0
20,793	19,451

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 2024

5. TRADE AND OTHER RECEIVABLES

Current

Rates and statutory receivables
Trade receivables
GST receivable
Receivables for employee related provisions
Allowance for credit losses of other receivables

Non-current

Rates and statutory receivables

2024	2023
\$	\$
686,976	518,992
440,861	83,187
140,782	113,308
5,021	22,697
(340,752)	(304,129)
932,888	434,055
1,541	506
1,541	506

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:

Contract assets
Total trade and other receivables from contracts with customers

Note	30 June 2024 Actual	30 June 2023 Actual
	\$	\$
7	302,771	813,398
	302,771	813,398

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their 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 2024

6. INVENTORIES

Current

Fuel and materials

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

2024	2023
\$	\$
11,331	17,234
11,331	17,234
17,234	16,438
(100,933)	(77,814)
95,030	78,610
11,331	17,234

MATERIAL ACCOUNTING POLICIES

General

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

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

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

7. OTHER ASSETS

	2024	2023
	\$	\$
Other assets - current		
Prepayments	43,098	0
Contract assets	302,771	813,398
	345,869	813,398

MATERIAL ACCOUNTING POLICIES

Other current assets

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

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.

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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.

	Assets not subject to operating lease			Assets subject to operating lease		Total Property					Plant and equipment		Total property, plant and equipment
	Land	Buildings - non-specialised	Buildings - specialised	Buildings - non-specialised	Buildings - specialised	Land	Buildings - non-specialised	Buildings - specialised	Work in progress	Total Property	Plant and equipment	Work in progress	
	\$	\$	\$	\$		\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	539,300	2,311,878	5,493,899	141,106	413,476	539,300	2,452,984	5,907,375	132,256	9,031,915	1,591,659	(51,083)	10,572,491
Additions	0	41,023	154,180	0	16,275	0	41,023	170,455	0	211,478	37,748	138,268	387,494
Disposals	(30,000)	0	0	0	0	(30,000)	0	0	0	(30,000)	0	(81,173)	(111,173)
Revaluation increments / (decrements) transferred to revaluation surplus	71,700	684,994	1,275,356	(29,216)	44,390	71,700	655,778	1,319,746	0	2,047,224	0	0	2,047,224
Depreciation	0	(104,545)	(282,515)	(3,750)	(26,021)	0	(108,295)	(308,536)	0	(416,831)	(417,325)	0	(834,156)
Transfers	0	0	0	0	0	0	0	0	0	0	(28,952)	0	(28,952)
Balance at 30 June 2023	581,000	2,933,350	6,640,920	108,140	448,120	581,000	3,041,490	7,089,040	132,256	10,843,786	1,183,130	6,012	12,032,928
Comprises:													
Gross balance amount at 30 June 2023	581,000	2,933,350	6,640,920	108,140	448,120	581,000	3,041,490	7,089,040	132,256	10,843,786	2,860,457	6,012	13,710,255
Accumulated depreciation at 30 June 2023	0	0	0	0	0	0	0	0	0	0	(1,677,327)	0	(1,677,327)
Balance at 30 June 2023	581,000	2,933,350	6,640,920	108,140	448,120	581,000	3,041,490	7,089,040	132,256	10,843,786	1,183,130	6,012	12,032,928
Additions	68,636	99,528	589,189	0	0	68,636	99,528	589,189	909,119	1,666,472	214,172	0	1,880,644
Disposals	0	0	0	0	0	0	0	0	(1,320)	(1,320)	(12,905)	0	(14,225)
Depreciation	0	(106,868)	(266,708)	(5,421)	(16,329)	0	(112,289)	(283,037)	0	(395,326)	(387,037)	0	(782,363)
Transfers	0	0	0	0	0	0	0	0	0	0	6,012	(6,012)	0
Balance at 30 June 2024	649,636	2,926,010	6,963,401	102,719	431,791	649,636	3,028,729	7,395,192	1,040,055	12,113,612	1,003,372	0	13,116,984
Comprises:													
Gross balance amount at 30 June 2024	649,636	3,032,878	7,230,109	108,140	448,120	649,636	3,141,018	7,678,229	1,040,055	12,508,938	3,008,034	0	15,516,972
Accumulated depreciation at 30 June 2024	0	(106,868)	(266,708)	(5,421)	(16,329)	0	(112,289)	(283,037)	0	(395,326)	(2,004,662)	0	(2,399,988)
Balance at 30 June 2024	649,636	2,926,010	6,963,401	102,719	431,791	649,636	3,028,729	7,395,192	1,040,055	12,113,612	1,003,372	0	13,116,984

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties	Independent Registered Valuer	June 2023	Price per square meter
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. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - parks and ovals	Infrastructure - other	Infrastructure - work in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	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	(31,053)
Depreciation	(1,202,626)	(22,863)	(44,885)	(155,523)	0	(1,425,897)
Transfers	21,268		31,654	(23,970)		28,952
Balance at 30 June 2023	168,341,440	741,575	373,450	4,299,587	90,760	173,846,812
Comprises:						
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)
Balance at 30 June 2023	168,341,440	741,575	373,450	4,299,587	90,760	173,846,812
Additions	2,866,707	0	0	141,850	182,883	3,191,440
(Disposals)	0	0	0	0	(84,110)	(84,110)
Depreciation	(854,457)	(16,636)	(40,850)	(226,094)	0	(1,138,037)
Balance at 30 June 2024	170,353,690	724,939	332,600	4,215,343	189,533	175,816,105
Comprises:						
Gross balance at 30 June 2024	187,854,257	852,150	756,000	7,021,850	189,533	196,673,790
Accumulated depreciation at 30 June 2024	(17,500,567)	(127,211)	(423,400)	(2,806,507)	0	(20,857,685)
Balance at 30 June 2024	170,353,690	724,939	332,600	4,215,343	189,533	175,816,105

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

9. INFRASTRUCTURE (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - roads	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.
Infrastructure - footpaths	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.
Infrastructure - parks and ovals	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.
Infrastructure - other	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.
Infrastructure - work in progress		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 2024

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings	13 to 120 years
Plant and equipment	5 to 10 years
Sealed roads and streets	
formation	not depreciated
pavement	80 years
seal	
- bituminous seals	15 years
- asphalt surfaces	15 years
Gravel roads	
formation	not depreciated
pavement	80 years
Footpaths - slab	30 to 60 years
Other infrastructure	10 to 100 years
Parks and Ovals	10 to 40 years
Right-of-use (buildings)	Based on the remaining lease term
Right-of-use (plant and equipment)	Based on the remaining lease term

Revision of useful lives of infrastructure

Following the revaluation of buildings and infrastructure at 30 June 2023 the estimated total useful lives of building and infrastructure were revised to align to the revaluation.

The effect of the change was a net decrease in depreciation of \$297,676 mostly relating to infrastructure.

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

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

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

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

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

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

Measurement after recognition

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

Reportable Value

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

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

Revaluation

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

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

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

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

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

Depreciation

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

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

Depreciation on revaluation

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

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

Impairment

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

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

Gains or losses on disposal

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

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

11. LEASES

Lessor - Property, Plant and Equipment Subject to Lease

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

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

2024 Actual	2023 Actual
\$	\$
34,635	28,135
33,703	17,902
23,102	5,000
2,942	1,667
94,382	52,704
31,449	24,115

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

Rental income

MATERIAL 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 2024

12. TRADE AND OTHER PAYABLES

Current

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

2024	2023
\$	\$
38,662	124,063
39,847	26,830
29,882	31,123
36,080	33,028
33,230	15,046
4,290	7,569
130,404	0
312,395	237,659

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

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 2024

13. OTHER LIABILITIES

Current

Contract liabilities
Capital grant/contributions liabilities

Reconciliation of changes in contract liabilities

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

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$490,538 (2023: \$3,000).

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

Reconciliation of changes in capital grant/contribution liabilities

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

	2024	2023
	\$	\$
Contract liabilities	490,538	75,501
Capital grant/contributions liabilities	782,808	792,994
	1,273,346	868,495
Opening balance	75,501	215,464
Additions	490,538	75,501
Revenue from contracts with customers included as a contract liability at the start of the period	(75,501)	(215,464)
	490,538	75,501
Opening balance	792,994	642,793
Additions	683,119	792,994
Revenue from capital grant/contributions held as a liability at the start of the period	(693,305)	(642,793)
	782,808	792,994

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.

MATERIAL ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

Employee related other provisions

Employment on-costs

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Employee related other provisions

Employment on-costs

Total non-current employee related provisions

Total employee related provisions

	2024	2023
	\$	\$
Annual leave	120,924	105,179
Long service leave	3,989	30,838
	124,913	136,017
Employment on-costs	23,109	25,163
	23,109	25,163
Total current employee related provisions	148,022	161,180
Long service leave	61,759	42,735
	61,759	42,735
Employment on-costs	11,426	7,906
	11,426	7,906
Total non-current employee related provisions	73,185	50,641
Total employee related provisions	221,207	211,821

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

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

MATERIAL ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the 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
FOR THE YEAR ENDED 30 JUNE 2024

15. REVALUATION SURPLUS

	2024 Opening Balance	2024 Closing Balance	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	624,643	624,643	552,943	71,700	624,643
Revaluation surplus - Buildings - non-specialised	4,148,846	4,148,846	3,419,463	729,383	4,148,846
Revaluation surplus - Buildings - specialised	2,633,144	2,633,144	1,387,003	1,246,141	2,633,144
Revaluation surplus - Infrastructure - roads	155,832,326	155,832,326	105,024,947	50,807,379	155,832,326
Revaluation surplus - Infrastructure - footpaths	670,782	670,782	673,339	(2,557)	670,782
Revaluation surplus - Infrastructure - other	870,680	870,680	768,474	102,206	870,680
	164,780,421	164,780,421	111,826,169	52,954,252	164,780,421

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

16. RESTRICTIONS OVER FINANCIAL ASSETS

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:

	Note	2024 Actual \$	2023 Actual \$
- Cash and cash equivalents	3	14,410,962	12,643,330
		14,410,962	12,643,330
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	26	13,137,616	11,774,835
Contract liabilities	13	490,538	75,501
Capital grant liabilities	13	782,808	792,994
Total restricted financial assets		14,410,962	12,643,330

**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	37,500
Credit card balance at balance date	(1,598)	(12,444)
Total amount of credit unused	35,902	25,056

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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

	2024	2023
	\$	\$
Contracted for:		
- capital expenditure projects	1,333,496	3,271,452
- plant & equipment purchases	429,576	53,687
	1,763,072	3,325,139
Payable:		
- not later than one year	1,763,072	3,325,139

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2024 Actual	2024 Budget	2023 Actual
	\$	\$	\$
President's annual allowance	20,666	20,666	19,864
President's meeting attendance fees	16,248	20,122	19,410
President's other expenses	0	0	80
President's annual allowance for ICT expenses	1,100	1,100	1,100
President's travel and accommodation expenses	1,545	8,574	3,430
	39,559	50,462	43,884
Deputy President's annual allowance	4,951	5,167	4,966
Deputy President's meeting attendance fees	9,791	9,791	9,410
Deputy President's other expenses	100	0	0
Deputy President's annual allowance for ICT expenses	1,100	1,100	1,100
Deputy President's travel and accommodation expenses	1,516	8,571	1,411
	17,458	24,629	16,887
All other council member's meeting attendance fees	52,829	48,955	47,050
All other council member's other expenses	200	0	0
All other council member's annual allowance for ICT expenses	5,500	5,500	5,500
All other council member's travel and accommodation expenses	16,845	42,855	9,843
	75,374	97,310	62,393
20(b)	132,391	172,401	123,164

(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	637,263	577,621
Post-employment benefits	78,727	78,970
Employee - other long-term benefits	90,839	60,077
Council member costs	132,391	123,164
20(a)	939,220	839,832

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 2024

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:

	2024	2023
	Actual	Actual
	\$	\$
Sale of goods and services	0	10,500
Purchase of goods and services	0	23,619

Related Parties

The Shire's main related parties are as follows:

- i. Key management personnel
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Shire, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 20(a) and 20(b).
- ii. Other Related Parties
Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.
- iii. Entities subject to significant influence by the Shire
There were no such entities requiring disclosure during the current or previous year.

**SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

22. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

In accordance with Australian Accounting Standards the Shire's assets, other than inventories, are assessed at each reporting date to determine whether 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 except for non-financial assets that are:

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

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

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

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

23. RATING INFORMATION

(a) General Rates

RATE TYPE				2023/24 Actual Rateable Value*	2023/24 Actual Rate Revenue	2023/24 Actual Interim Rates	2023/24 Actual Total Revenue	2023/24 Budget Rate Revenue	2023/24 Budget Interim Rate	2023/24 Budget Total Revenue	2022/23 Actual Total Revenue
Rate Description	Basis of valuation	Rate in \$	Number of Properties	\$	\$	\$	\$	\$	\$	\$	\$
(i) General rates											
Vacant and Improved	Gross rental valuation	8.9400	36	1,716,320	153,439	0	153,439	153,439	0	153,439	152,451
Mining	Unimproved valuation	16.3934	231	18,903,738	3,098,965	0	3,098,965	3,098,965	0	3,098,965	2,963,298
Exploration and Prospecting	Unimproved valuation	14.7548	557	5,449,383	804,046	0	804,046	804,046	0	804,046	820,900
Pastoral and Other	Unimproved valuation	8.5300	88	999,953	85,296	0	85,296	85,296	0	85,296	85,710
Total general rates			912	27,069,394	4,141,746	0	4,141,746	4,141,746	0	4,141,746	4,022,359
(ii) Minimum payment											
Vacant and Improved	Gross rental valuation	200	211	48,774	42,200	23,824	66,024	42,200	0	42,200	43,608
Mining	Unimproved valuation	328	59	56,615	19,352	96,401	115,753	19,352	0	19,352	19,680
Exploration and Prospecting	Unimproved valuation	328	394	465,000	129,232	(20,363)	108,869	129,232	0	129,232	90,759
Pastoral and Other	Unimproved valuation	328	10	18,965	3,280	(812)	2,468	3,280	0	3,280	3,280
Total minimum payments			674	589,354	194,064	99,050	293,114	194,064	0	194,064	157,327
Total general rates and minimum payments			1,586	27,658,748	4,335,810	99,050	4,434,860	4,335,810	0	4,335,810	4,179,686
Rate instalment interest							13,442				8,875
Rate overdue interest							45,866				39,393

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
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

24. DETERMINATION OF SURPLUS OR DEFICIT

		2023/24	2023/24	2022/23
	Note	(30 June 2024	Budget	(30 June 2023
		Carried	(30 June 2024	Carried
		Forward)	Carried	Forward
		\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals		(32,522)	(43,894)	0
Less: Movement in liabilities associated with restricted cash		(13,158)	(2,544)	(44,927)
Less: Fair value adjustments to financial assets at fair value through profit or loss		(1,342)	0	0
Add: Loss on disposal of assets		88,160	0	92,083
Add: Loss on revaluation of fixed assets	9(a)	0	0	31,053
Add: Depreciation		1,920,400	2,140,427	2,260,053
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(1,035)	0	(506)
Employee benefit provisions		22,544	0	26,627
Non-cash amounts excluded from operating activities		1,983,047	2,093,989	2,364,383
(b) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	26	(13,137,616)	(9,644,611)	(11,774,835)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings		0	53,627	0
- Employee benefit provisions		148,022	207,824	161,180
Total adjustments to net current assets		(12,989,594)	(9,383,160)	(11,613,655)
Net current assets used in the Statement of Financial Activity				
Total current assets		20,550,804	10,042,180	19,060,506
Less: Total current liabilities		(1,733,763)	(659,020)	(1,267,334)
Less: Total adjustments to net current assets		(12,989,594)	(9,383,160)	(11,613,655)
Surplus or deficit after imposition of general rates		5,827,447	0	6,179,517

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

25. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget			
		Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	New Loans During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	Principal at 1 July 2023
GROH House Construction x 2		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total		0	0	0	0	0	0	0	0
Borrowing Finance Cost Payments									
Purpose	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023		
GROH House Construction x 2	N/A	WATC*	4.14%	N/A	\$ 0	\$ (26,085)	\$ 0		
Total Finance Cost Payments					0	(26,085)	0		

* WA Treasury Corporation

(b) New Borrowings - 2023/24

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2024 Actual	2024 Budget	2024 Actual	2024 Budget		
GROH House Construction x 2	WATC*	N/A	9	4.14%	\$ 0	\$ 650,000	\$ 0	\$ 0	\$ 0	\$ 0
					0	650,000	0	0	0	0

* WA Treasury Corporation

SHIRE OF MENZIES
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

26. RESERVE ACCOUNTS

	2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Actual Closing Balance	2024 Budget Opening Balance	2024 Budget Transfer to	2024 Budget Transfer (from)	2024 Budget Closing Balance	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	210,368	3,679	0	214,047	210,368	3,930	0	214,298	206,107	4,261	0	210,368
(b) Building reserve	3,234,402	966,837	(1,161,543)	3,039,696	3,234,402	960,431	(1,980,162)	2,214,671	3,192,928	65,892	(24,418)	3,234,402
(c) Plant reserve	1,801,730	31,431	0	1,833,161	1,801,730	33,663	(500,000)	1,335,393	1,765,297	36,433	0	1,801,730
(d) Road reserve	2,340,514	40,828	0	2,381,342	2,340,514	43,730	(550,000)	1,834,244	2,293,174	47,340	0	2,340,514
(e) Main Street reserve	144,086	2,504	0	146,590	144,086	2,692	0	146,778	141,160	2,926	0	144,086
(f) Staff Amenities reserve	405,535	7,066	0	412,601	405,535	7,577	0	413,112	397,322	8,213	0	405,535
(g) TV reserve	18,354	322	0	18,676	18,354	343	0	18,697	17,979	375	0	18,354
(h) Caravan Park reserve	438,455	7,651	0	446,106	438,455	8,192	0	446,647	429,588	8,867	0	438,455
(i) Bitumen reserve	619,404	10,798	0	630,202	619,404	11,573	(200,000)	430,977	606,885	12,519	0	619,404
(j) Rates creditors reserve	52,454	913	0	53,367	52,454	980	0	53,434	51,400	1,054	0	52,454
(k) Niagara Dam reserve	1,274,702	513,199	0	1,787,901	1,274,702	508,566	(850,762)	932,506	1,248,915	25,787	0	1,274,702
(l) Water reserve	223,733	3,901	0	227,634	223,734	4,180	(150,000)	77,914	301,323	6,222	(83,812)	223,733
(m) Waste Management reserve	361,054	310,143	0	671,197	361,054	306,746	0	667,800	59,814	301,240	0	361,054
(n) Former Post Office reserve	429,193	7,488	0	436,681	429,193	8,019	(410,000)	27,212	420,512	8,681	0	429,193
(o) Commercial Enterprise reserve	13,221	613,938	0	627,159	13,221	606,196	0	619,417	0	13,221	0	13,221
(p) Land Purchase reserve	207,630	3,626	0	211,256	207,630	3,881	0	211,511	203,441	4,189	0	207,630
	11,774,835	2,524,324	(1,161,543)	13,137,616	11,774,836	2,510,699	(4,640,924)	9,644,611	11,335,845	547,220	(108,230)	11,774,835

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

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

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Leave reserve	To be used to fund annual and long service leave requirements.
(b) 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 reserve	To be used 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 the resealing of roads.
(j) Rates creditors reserve	Established for future rate 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

2024

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 2024, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2024 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, 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 2024, but not the financial report and my auditor's report.

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

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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 2024 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.



Aram Madnack
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
6 November 2024