



2021/22 ANNUAL REPORT



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FUNCTION OF LOCAL GOVERNMENT

The Local Government Act 1995 gives local governments freedom to make decisions for their communities, promotes public participation, and demands accountability, efficiency and effectiveness in local government.

This requires strategic thinking by local government, including how to:

- ⊗ Best respond to community needs;
- ⊗ Ensure public participation and accountability in local government processes; and
- ⊗ Respond to the growing demand for more efficient and effective local government.

In addition to dealing with constantly changing legislative requirements and reforms, local governments are asking themselves, “What is the best way to organise physical, financial and human resources to achieve a competitive and productive organisation that meets the needs and desires of the community we serve?”

In fulfilling its role, Council sets the Shire of Meekatharra’s strategic direction, oversees the Council’s finances and resources, determines its policies, and ensures that the Council’s statutory and community responsibilities are performed effectively and efficiently.

OUR VISION & VALUES

The Shire of Meekatharra is committed to building and sustaining Our Vision as a place for community opportunity and prosperity that is supported by a culture of openness and transparency that is best practice, and where we all hold ourselves accountable to deliver excellence for our customers and community.





I am pleased to present to the rate payers and residents of the Shire of Meekatharra my report for the year ending 30th June 2022. This Annual Report has been prepared by the section managers of the Shire, with the oversight of the Chief Executive Officer. I thank our staff for their excellent work in preparing this report for our Council and our community. Our staff and contractors continue to perform to a very high standard whilst managing to maintain full compliance and sound management processes.

In June 2021 Council adopted the 2021/2022 budget to meet its statutory requirements and objectives. The budget for the 2021/2022 financial year included a moderate rate increase for residential properties and was granted ministerial approval for mining tenement differential rating, which was necessary to ensure the Shire continued to deliver much needed infrastructure and services to its community.

Our construction crew and contractors continue to do a great job maintaining our huge rural road network and we completed a large road construction program again in the year. We upgraded and sealed a total of 26 kilometres of road; a further 20 kilometres on Landor Road and 6 kilometres on Ashburton Downs Road. These programs were partly funded by Federal Government funding; the Building Better Regions Fund (BBRF) Program, the Local Roads and Community Infrastructure Program and the Roads to Recovery Program – \$2.6M in total funding matched by \$2.6M of Council funding. We also continued minor sealing works around the townsite and the airport.

I am pleased to advise the community that the long awaited and overdue Meekatharra Hospital replacement project finally commenced in early 2022 after extended lobbying by the Council to the WA Country Health Service and the Minister for Health. Council has been assisted in this lobbying process by the community and its neighbouring regional local governments. We look forward to the project progressing expediently

in the 2022/23 year. Other major projects commenced and/or completed in the 2021/22 year were:

- Completion and gazettal of Councils Dogs 2021 and Public Cemeteries 2021 local laws.
- Completion of the Abra Mining Pty Ltd Road Access & Maintenance Deed Agreement for the use of the Ashburton Downs Road by the mining company.
- Development of Road Access & Maintenance Deed Agreement(s). Newcam Minerals for the use of the Landor Meekatharra Road to the intended Mt Gould mining operations, Technology Metals Australia for their intended mining (vanadium) operations at Gabanintha and Yarrabubba, and Australian Vanadium Limited for their intended mining (vanadium) operations at Gabanintha.
- Commencement of Town Park Mural Wall project by artist Helen Ansell with completion expected early 2022/23 year.
- Commencement of several community development projects such as the Lions (Skate) Park, the Main Street Median Strip and the Town Entry Wall Statements. We expect these projects to be well underway or completed in the 2022/23 year.
- Demolition of two derelict staff houses and major refurbishment of other Council staff housing.
- Major upgrade to the Meekatharra Aerodrome runway, apron and taxi way lighting.

This financial year also saw the commencement of the sale of a majority of our ageing plant and equipment in the depot. The first round of auctions was held in February 2022 and a second round in May 2022. Approximately half of the plant and equipment was sold that included large items such as the two Scrapers, with a third and final round scheduled for later in the 2022 year. Replacement of the ageing plant also commenced and will be continued in the 2022/23 year with budget allocation. Several staff changes occurred during the 2021/22 year and I wish to acknowledge the departure of Councils long serving CEO, Mr Roy McClymont and wish him and his wife Nikki all the best for the future. Equally the departure of Councils DCEO, Ms Krys East is acknowledged as she has moved closer to her family on the coast and the departure of Peter Cox later in the 2021/22 year as our Work and Services Manager.

I congratulate our newly elected councillors being Judy Holden, Barkley Day and Maurice Anderson and welcome them to the team and thank all my fellow Councillors

for their support, dedication and hard work during the year. I also extend my gratitude to the Deputy Shire President, Cr Mark Smith for his support and assistance during the year. Former long standing Deputy President, Cr Peter Clancy retired at the October 2021 elections and I also extend my gratitude to him for his support and wish him well in his relocation back to the city.

The role of Councillor can be quite challenging and it is very pleasing for me to be able to work with this group of Councillors. I would also like to congratulate all of the Shire staff on their achievements and continuing commitment to fulfilling our projects and programmes. I commend this report to the community of Meekatharra.

Harvey Nichols

President Shire of Meekatharra



CHIEF EXECUTIVE OFFICER'S REPORT



It is with great pleasure that I present my Chief Executive Officer (CEO) Report for the 2021/2022 Shire of Meekatharra Annual Report. The 2021/22 Annual Report for the Shire of Meekatharra represents approximately seven and a half months of my tenure as CEO for the Shire of Meekatharra. In doing so, I acknowledge Council's previous CEO, Mr Roy McClymont who I replaced in November 2021. Mr McClymont served as Council's CEO for approximately fifteen years which is a commendable achievement, especially in today's modern local government environment. I would also like to acknowledge the support I have received during my tenure to date from all the elected members and the staff. Without this positive support my role would not have been easy.

Significant Highlights and Challenges 2021/22

The significant highlights and challenges for Council in the 2021/22 year can be summarized as follows:

- Governance – Cr Judy Holden and Cr Barkley Day were appointed as Councilors in November 2021 with Cr Maurice Anderson being elected unopposed in April 2022 following the resignation of Cr Phil Moses in February 2022.
- Appointment of William Buck Audit and Assurance Services as the new auditors for Council in the 2021/22 financial year for a three year term in accordance with the new legislation introduced by the WA Government Office of the Auditor General.
- Ashburton Downs Road – negotiations completed with Abra Mining Pty Ltd in May 2022 with the Road Access and Maintenance Agreement having been finalized for the use of the road by the mining company. The Agreement is in place for the life of the mine site and requires the mining company to be responsible for the complete maintenance of the road network to Council's standards and approval.
- Council completed the review of some of its existing and out of date local laws that commenced in the 2020/21 year and were formally gazetted in October 2021. A total of three local laws were gazetted being;
 - *Dogs Local Law 2021,*

- *Cemeteries Local Law 2021, and*
- *Bush Fire Brigades Local 2021.*

Two other local laws being the Health Local Law 2021 and the Local Government Property and Public Places Local Law 2021 underwent the required advertising and public consultation process and are expected to be gazetted early in the 2022/23 year.

- Council Plant and Infrastructure – Council commenced the sale process of aged plant and infrastructure, primarily located at the depot. The first round of sale by auction was in February 2022 with the second round of auction sales in May 2022. A third and final round of auction sales is scheduled for the 2022/23 year. Replacement of new plant and infrastructure commenced in the later part of the 2021/22 year with budget provision being made for further new plant purchases in the 2022/23 budget.
- Community development projects – newly appointed Community Development & Servicers Manager (Svenja Clare) continued with existing projects as well as commencing new projects that include the Lions (Skate) Park, the Town Entry Wall Statements, Main Street Median Strip remediation, Picture Gardens refurbishment and the swimming pool renovations. The Town Mural Wall project was completed in May 2022 by artist Helen Ansell.
- Lloyds Plaza – the café at Lloyds Plaza was leased to Mama Moon’s Bakery who took occupation in May 2022.
- Council continued to provide financial assistance to many community organizations and individuals throughout the 2021/22 year for community events and programs. This included cash donations and in kind support of resources and materials.
- Integrated Strategic Plans – commenced the process of reviewing Councils Long Term Financial Plan, Corporate Business Plan and Asset Management Plan in the 2021/22 year.
- Meekatharra Outback Festival and Races – the 2021 Meekatharra Outback Festival and Races were held in September 2021 and once again was very successful.
- Airport – major upgrade to the Meekatharra Aerodrome runway, apron and taxi way lighting.
- Rural Road Network – the Councils Construction Crew have continued progress on the Ashburton Downs Road and the Landor Meekatharra Road. This includes continuing to seal the first (SLK) six to twelve kms of the Ashburton Downs Road and the preparation of sections of the Landor Meekatharra Road for sealing. Council continued with the use of dedicated contractors for the Flood Damage work that is expected to be completed in the 2022/23 year. Floodways and maintenance grading on several of Councils rural road network continued.
- Building, Health and Planning Statistics – building statistics for the period were steady in comparison to the previous year with five building permits having been issued. Health inspections continued at both town commercial premises and mining camp facilities with one unsatisfactory notice having issued. The required update of

Councils Town Planning Scheme and Strategy commenced in the latter part of the year and is expected to progress in the 2022/23 year.

- Human Resources –

- Staff recruitment - Council welcomed the following staff members to the organization;

Mrs Svenja Clare promoted internally as Community Development and Services Manager in February 2022. Ms Runny Vong as Assistant Finance Officer and later being promoted to Finance Officer role. Mr Paul Templeton as Projects and Maintenance Officer in February 2022. Ms Felicity Anderson as Executive Assistant and Records Officer in March 2022. Mr Danny Humphries as Works and Services Manager in March 2022. Mr Peter Dittrich as Deputy Chief Executive Officer in April 2022, Mr Andrew Mann as Plant Operator in March 2022, Mr Sydney Anderson as Town Maintenance/Plant Operator/General Hand in April 2022, Mr Alan Humphries as Grader Operator in April 2022 and Mr Kezang Dorji as Assistant Finance Officer in May 2022. Several casual outdoor, indoor and Recreation/Youth services staff progressively throughout the 2021/22 year.

- Staff departures - Councils Chief Executive Officer, Mr Roy McClymont. Councils Deputy Chief Executive Officer, Ms Kryss East. Councils Community Development and Services Manager, Ms Tralee Cable, Councils Works and Services Manager, Mr Peter Cox, Ms Helen Clare as Assistant Finance Officer and Councils Executive Assistant, Ms Karen Clare.

Conclusion

The financial position of Council at the conclusion of 2021/22 remains sound with a minor surplus being recorded for the year and Council remaining debt free. As noted above, the new auditors William Buck Audit and Assurance Services were appointed for Council by the Office of the Auditor General and the unqualified audit report for 2021/22 year demonstrates compliance with the accounting and financial regulations. Councils financial compliance can be verified in the attached Audited Financial Statements and Report completed by Councils auditors and appended to this Annual Report. The accompanying Auditors Management Letter raised some minor management control issues requiring Council attention prior to the next scheduled audit that will be addressed by Councils finance department, the DCEO and the CEO.

The 2021/22 year has been a very busy year for Council with many projects and plans having commenced and either well underway or nearing completion. I would like to take this opportunity to thank all the staff, councilors and the community for their continuing support. The staff continue to display a dedicated and supportive attitude and I know this commitment and dedication will continue. I would also like to thank all current councilors for

demonstrating their support to me in my role of CEO. I look forward to building on the positive working relationship we have formed for the betterment of the community.

In concluding, there is no doubt that much of the work of the Shire of Meekatharra revolves around positively looking forward to ensure a vibrant and sustainable organization to serve its community. I look forward to enjoying my tenure as CEO of the Shire of Meekatharra to ensure this occurs in partnership with the elected members, staff and community of the town and district.

Kelvin J Matthews
Chief Executive Officer



ABOUT US

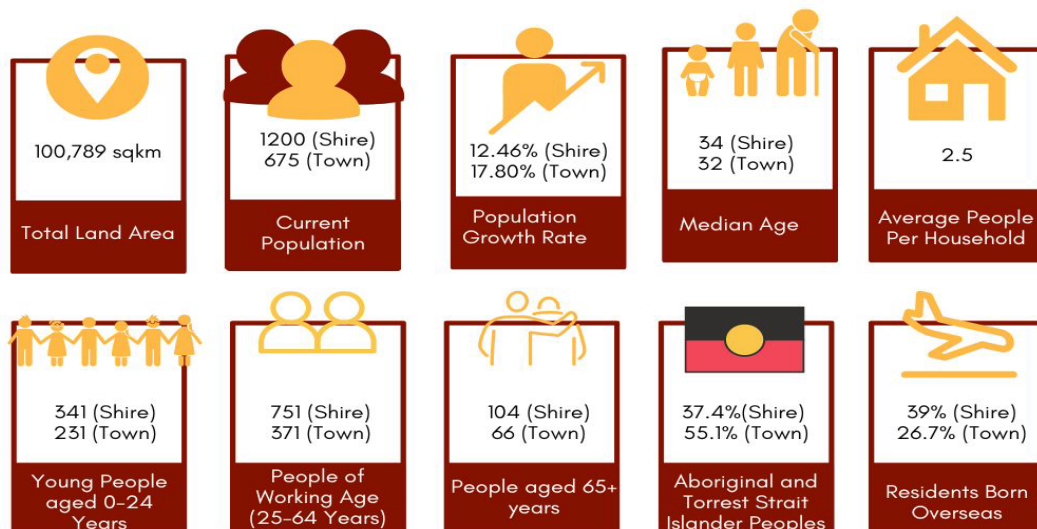
The Shire of Meekatharra spans over 100,700 square kilometres. The Shire consists of three localities being Meekatharra, Peak Hill and Nannine; two aboriginal communities of Yulga Jinna and Buttah Windee; and the aboriginal education centre of Karalundi. Meekatharra contains the majority of the population. Within the Shire there are numerous recreational facilities, including the sporting complex and gymnasium, youth centre, swimming pool, squash court and a regional airport.

The Shire economy is based on a mix of mining, retail, manufacturing, construction, and pastoral farming. There is limited retail industry, but a sound commercial base, with local businesses remaining relatively constant. The area has a series of tourist attractions that has recently included being a part of the Murchison Geo Region. The future economic viability of Meekatharra is optimistic, but significantly dependent upon the mining sector, with the result being a diverse and unique community with varying needs, challenges and opportunities.

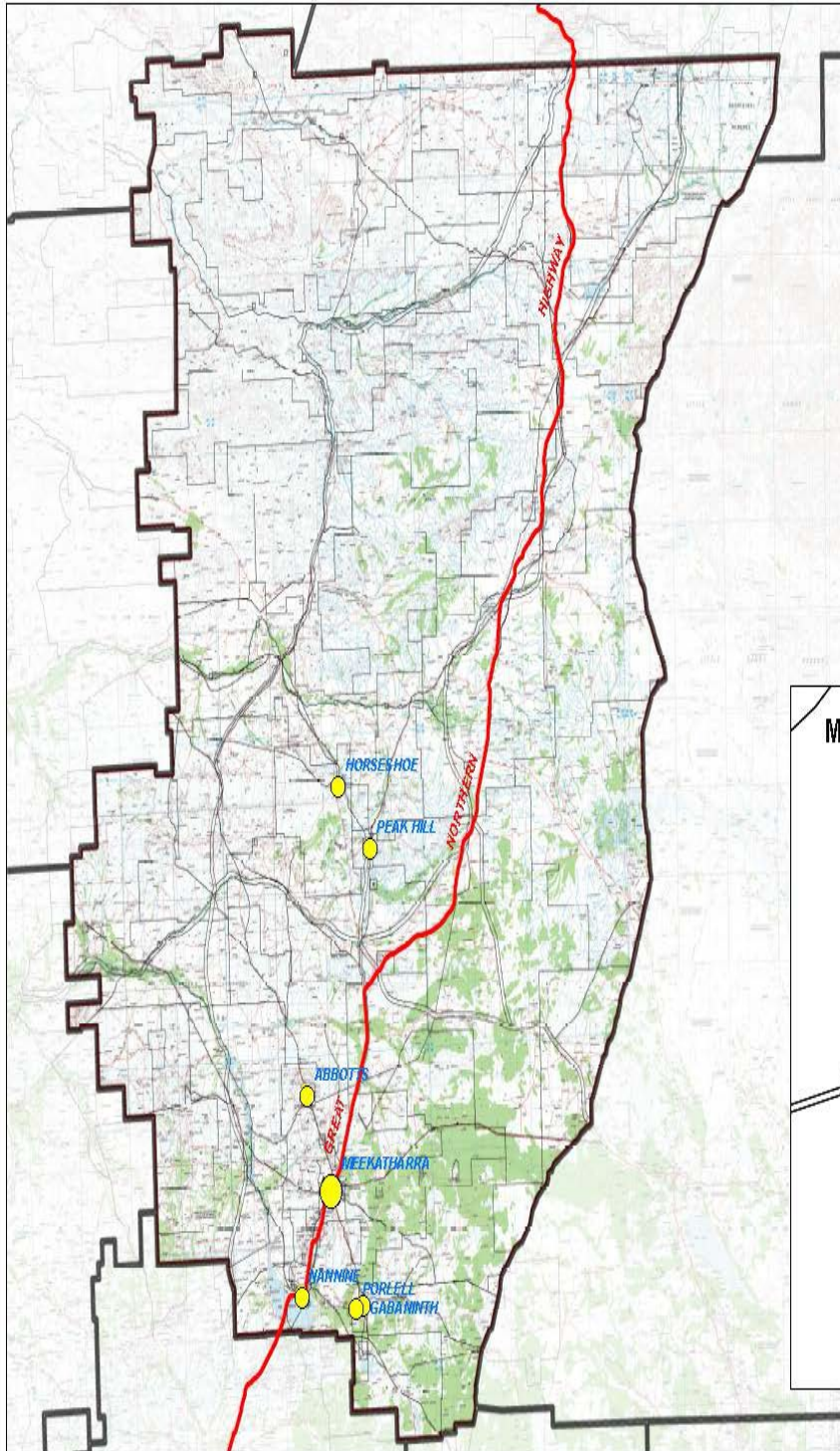
OUR COMMUNITY

2021 Census

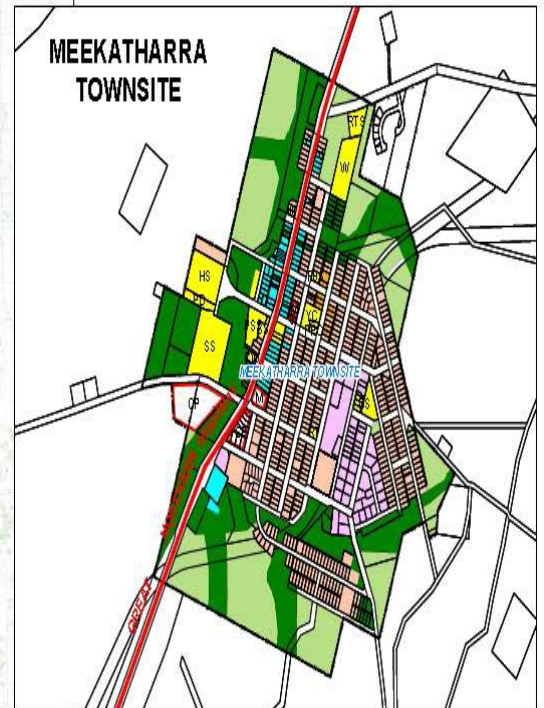
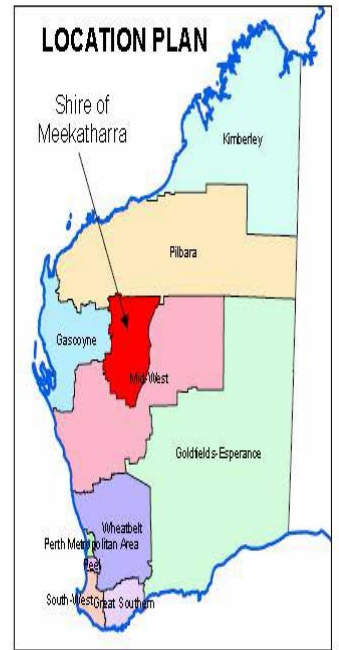
Shire of Meekatharra Demographics



Australian Bureau of Statistics



NOT TO SCALE



ELECTED MEMBER ATTENDANCE AT COUNCIL MEETINGS 2021/2022

	Ordinary Meeting of Council	Special Meeting of Council	Annual Electors Meeting	Audit Committee Meetings	Health Building & Town Planning Committee Meetings
Total meetings held	12	2	1	2	12
Cr Harvey Nichols	12	2	1	2	12
+Cr Peter Clancy	4	0	0	0	4
Cr Mark Smith	11	2	1	1	11
Cr David Hodder	12	0	1	2	12
Cr Matthew Hall	11	0	1	2	11
*Cr Phillip Moses	5	0	1	1	5
#Cr Judith Holden	5	2	0	1	5
#Cr Barkley Day	7	2	1	1	7
^Cr Maurice Anderson	2	1	0	0	2

Notes:

+ Cr Peter Clancy retired at the October 2021 ordinary election.

*Cr Phil Moses resigned from Council 10 February/2021.

Crs Judith Holden and Barkley Day were elected/appointed in November 2021.

^ Cr Maurice Anderson was elected in April 2021.

REGISTER OF MINOR COMPLAINTS

Section 5.121 of the Local Government Act 1995 (Register of certain complaints of minor breaches) requires the Complaints Officer (being the CEO) for each local government to maintain a register of complaints which records all complaints that result in action under section 5.110(6)(b) or (c) of the Act (Conduct of Certain Officials).

Section 5.53 (2) (hb) of the Local Government Act 1995 requires that details of entries made under section 5.121 during the financial year be recorded in the register of complaints, including —

- i) The number of complaints recorded in the register of complaints; and
 - ii) How the recorded complaints were dealt with;
- be included in the Annual Report of Council.

No remuneration or allowances were paid by the Shire under Schedule 5.1 clause 9, and no amount was ordered under section 5.110(6) (b)(iv) to be paid by a person against whom a complaint was made under section 5.107(1), 5.109(1) or 5.114(1). These clauses deal with remuneration, allowances and amounts ordered to be paid as a result of complaints against Council Members.

EMPLOYEE REMUNERATION

The Local Government Act 1995 requires Council to provide the number of employees who are entitled to an annual salary of \$130,000 or more, and to break those employees into salary bands of \$10,000.

For the 2021-22 period the Shire of Meekatharra had 4 employees whose salary exceeded \$130,000.

Of these employees:

- . One employee had a salary of between \$130,000 and \$140,000
- . One employee had a salary of between \$140,000 and \$150,000
- . One employee had a salary of between \$150,000 and \$160,000
- . One employee had a salary of between \$200,000 and \$210,000



NATIONAL COMPETITION POLICY

The Competition Principles Agreement is an inter-government agreement between the Commonwealth and State/Territory Governments that sets out how government will apply National Competition Policy principles to public sector organisations within their jurisdiction.

The WA State Government released a Policy Statement effective from July 1996 called the Clause 7 Statement, which forms part of the Competition Principles Agreement. The Council has reviewed all areas of operation to determine the existence or otherwise of significant business activities.

For the purpose of competitive neutrality, a significant business activity is defined as an activity with an income in excess of \$200,000 p.a., which is not a regulatory service (community service obligation), and not already contracted out.

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

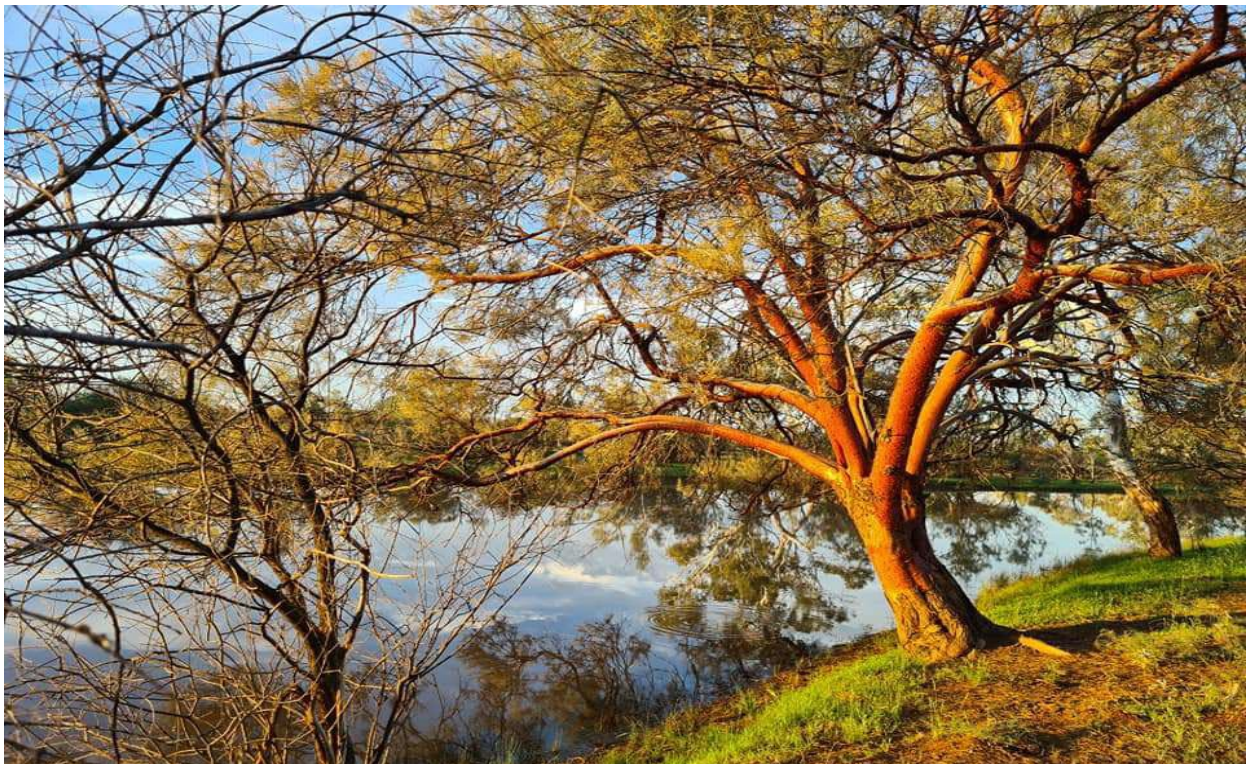


FREEDOM OF INFORMATION

Part 5 of the Freedom of Information Act 1992 requires an agency such as Local Governments to prepare and publish an Information Statement. The Shire of Meekatharra has produced an Information Statement which can be inspected via Council's website or by contacting the Shire Office.

The Information Statement contains information on the type of documents available to the public and how to access those documents.

No Freedom of Information requests were made during the reporting period.



PUBLIC INTEREST DISCLOSURES

The Public Interest Disclosure Act 2003 facilitates the disclosure of public interest information and provides protection for those making such disclosures and those who are the subject of disclosure. The Act provides a system for the matters disclosed to be investigated and for appropriate action to be taken. This legislation is often referred to as the “whistleblower” Act, and provides for the reporting of serious wrongdoing within the State public sector and local government as well as providing the mechanism for responding to reports.

The Chief Executive Officer has complied with all obligations under the Act including:

1. Appointing the Deputy Chief Executive Officer as the Public Interest Disclosure (PID) Officer for the organisation;
2. Publishing an internal procedure relating to the Shires obligations; and
3. Providing protection from detrimental action or the threat of detrimental action for any employee of the Shire who makes an appropriate disclosure of public interest information.

The Shire of Meekatharra PID Officer did not receive any complaints or requests during the 2021/22 reporting period.



DISABILITY ACCESS & INCLUSION PLAN

The Western Australia Disability Services Act requires all Local Governments to develop and implement a Disability Access and Inclusion Plan (DAIP) to ensure that people with disabilities have equal access to its facilities and services.

Other legislation underpinning access and inclusion includes the Western Australia Equal Opportunity Act (1984) and the Commonwealth Disability Discrimination Act 1992, both of which make discrimination on the basis of a person's disability unlawful. The Shire of Meekatharra is committed to facilitating the inclusion of people with disabilities through the improvement of access to its facilities and services.

During 2021/22, the Shire of Meekatharra continued to implement the seven strategies which have been outlined within its Disability Access and Inclusion Plan. A continuous review is undertaken to ensure any events, functions and services organised by the Shire of Meekatharra are accessible for people with a disability.

The Shires Disability Access & Inclusion Plan can be downloaded from the shire website by clicking on this link:

<https://www.meekashire.wa.gov.au/documents/315/daip-plan-2017-2021>



RECORD KEEPING PLAN

The State Records Act 2000 provides for the keeping of State records and related items. Section 19 of the Act requires each government organisation have a Record Keeping Plan (RKP) that has been approved by the State Records Commission.

The RKP dictates which records are created by an organisation, how they are stored and maintained, and whether they are ultimately destroyed. It is the primary means of providing evidence of compliance with the Act and that best practices have been implemented throughout the organisation.

In accordance with Section 17 of the Act, the Shire of Meekatharra and all its employees are legally required to comply with the contents of this Plan.

The Shire of Meekatharra's Record Keeping Plan for the period 2020 to 2025 was approved by the State Records Commission in August 2020 and reflects the Council's ongoing commitment to best practice in records management, as well as its commitment to developing the technologies which will allow it to keep pace with the demands of an ever-increasingly complex information environment.

Shire of Meekatharra's record keeping policies and practices continue to be guided by the State Records Office.



ASSET OPERATIONS & EXPENDITURE 2021/22

The 2021/22 year provided for just over \$8m in capital expenditure. This included:



- Approximately \$12m was spent on operational Flood Damage works as a result of the cyclone event in February 2020. The work was undertaken by Council appointed contractors at various locations throughout the Shire and is expected to be completed in the 2022/23 year.



- Approximately \$3.3m was spent on construction sealing works on the Landor Meekatharra road. The work was undertaken by council's construction crew together with appointed contractors at various SLK locations on the road and will continue in the 2022/23 year.



- Approximately \$1.6m was spent on construction sealing works on the Ashburton Downs Road. The work was undertaken by Councils Construction Crew together with appointed bitumen contractor at various SLK locations on the road and will continue in the 2022/23 year.



- Plant capital purchases included new Loader at \$323k, several light vehicles at total cost of \$264k, Roller at \$185k, Fuso Bus at \$128k and various small plant and equipment at approximately \$20k.
- Disposal of disused obsolete plant items at the depot by auction in February/March 2022 realized approximately \$386k in revenue. A



second and third final plant auction is scheduled for late 2022.

- Purchase of several houses including the premises at 81 Darlot Street for \$155k and premises at 69 McCleary Street for \$197k, both the latter to be used as staff housing, and
- Commencement of Lions (Skate) Park project at cost of circa \$200k.



PLANNING FOR THE FUTURE

STRATEGIC COMMUNITY PLAN 2020 – 2030

The Shire of Meekatharra's Strategic Community Plan 2020-2030 is Council's future vision and represents a clear direction for the next ten years and was the overarching strategy document for 2021/2022, which reflects the long-term aspirations and goals of the Meekatharra community. *The Strategic Community Plan 2020-2030* focusses on the following five themes:

Objectives - Our Vision in Action

We will work towards our vision through the following objectives across five domains;

- 1. **Social** – Contribute to a community that is connected, healthy, and engaged in creating the future they want*
- 2. **Natural Environmental** – Maintain and preserve the natural environment, enhancing the 'remote' experience of Meekatharra.*
- 3. **Built Environment** – Deliver and maintain assets and infrastructure that respond to community need*
- 4. **Economic** – Encourage a diversity of locally operating businesses to maximise employment opportunities*
- 5. **Governance** – Ensure effective, efficient use of Shire resources and provide leadership for the community*

A major review of the Shire's Strategic Community Plan (SCP) commenced in late 2020 that involved significant engagement with the community. The SCP will be reviewed again in the 2022/23 year. A review of other integrated plans such as the Asset Management Plan, the Corporate Business Plan and Long Term Financial Plan commenced in 2021/22 year with some nearing completion that will be available to the community in that year. Copies of all available plans are available at the Shire Office if you wish to peruse them.



PROJECTS COMING SOON 2022-25

Fully Funded

- Shire of Meekatharra Town Hall air conditioning refurbishment.
- Shire of Meekatharra Lions (Skate) Park project – funded by Council with some external funding assistance.
- Shire of Meekatharra Town Entry Statements.
- Shire of Meekatharra Swimming Pool refurbishment - funded by Council with some external funding assistance.
- Meekatharra Airport sealing of main runway, apron and taxiway - funded by Council contribution with some external funding assistance.
- Further bitumen sealing of sections of the Landor Meekatharra Road and the Ashburton Downs Road - funded by Council contribution with external funding assistance, and
- Murchison Geo Region Signage upgrade and installation.

External Funding Support Required

- Meekatharra Main Street Median Strip project.
- Shire of Meekatharra Lions (Skate) Park project.
- Shire of Meekatharra Swimming Pool refurbishment.
- Meekatharra Picture Gardens refurbishment.
- Meekatharra Airport sealing of runway, apron and taxiway, and
- Further bitumen sealing of sections of the Landor Meekatharra Road and the Ashburton Downs Road – State and Federal Government funding.



FINANCIAL REPORTS

Guide to understanding the Financial Statements

The 2021/22 financial statements reveal's how the Shire of Meekatharra performed during the financial year and the overall position at the end of the financial year, 30 June 2022. The financial statements are prepared in accordance with the Australian Accounting Standards as they apply to local government and in accordance with the Local Government Act 1995 and the Local Government (Financial Management) Regulations 1996. The financial statements must be certified by the Chief Executive Officer, and audited by an independent auditor appointed through the Office of the Auditor General.

Financial Statements

The financial statements consist of five financial reports, explanatory notes supporting the reports and endorsement from the Chief Executive Officer and the independent auditor's report. The five financial reports are:

- Statement of Comprehensive Income by Nature or Type.
- Statement of Financial Position.
- Statement of Changes in Equity.
- Statement of Cash Flows, and
- Rate Setting Statement

Statement of Comprehensive Income by Nature or Type

The Statement of Comprehensive Income measures the Council's performance over the year. The Statement of Comprehensive Income by Nature or Type provides a breakdown of the operating income and expenditure for the year, excluding the capital costs of buildings or assets. It lists the sources of revenue and expenditure incurred during the financial year in relation to the Council's 'operations'. Expenses do include an item for depreciation which is the value of the assets used up during the year.

Statement of Financial Position

The Statement of Financial Position shows the assets that the Shire of Dardanup owns and its liabilities (money that the Council owes). It is further broken down into 'Current' and 'Non-current'. Current means those assets and liabilities that are expected to be recouped, consumed or settled within the next 12 months; and Non-Current refers to those assets and liabilities that have an economic life extending beyond 12 months. The calculated difference between 'Assets' less 'Liabilities' is classified as 'Net Assets' or 'Equity'.

Statement of Changes in Equity

The Statement of Changes in Equity summarises the changes in the Council's equity for the year. A change in equity from the previous year may result from:

- A surplus or deficit from the year's operations.
- Use of money from, or transfer to, the Council's Reserve Accounts, and
- A change in value of non-current assets following a revaluation of a class of assets.

Statement of Cash Flows

The Statement of Cash Flows summarises the Council's cash payments and receipts for the year, and the level of cash at hand at the end of the financial year. Cash in this statement refers to bank deposits and investments capable of being quickly converted to cash. Cash flow arises from operating activities, investing activities and financing activities.

Rate Setting Statement

A statement showing the level of rates raised to finance the delivery of programs and any surplus/deficit at the end of the financial year.

Notes to the Statements

The Notes to the Statements are an informative section of the report and enable the reader to understand the basis on which the values shown in the statements are established. The Notes also advise if there has been any change to the Accounting Standards, Policy or Legislation that has impacted on the preparation of the statements. Within the six Financial Statements, there is a 'Note' number column to indicate which Note the reader can refer to for additional information.

Financial Ratios

As a result of recent local government reforms, changes have been made to the *Local Government (Financial Management) Regulations 1996* and the *Local Government (Audit) Regulations 1996*. From the 2021/22 financial year, financial ratios are no longer required to be reported, or audited, in the Annual Financial Report.

SHIRE OF MEEKATHARRA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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

A place of opportunities, a place of prosperity

Principal place of business:
54 Main Street
MEEKATHARRA WA 6642

**SHIRE OF MEEKATHARRA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

The attached financial report of the Shire of Meekatharra for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Meekatharra at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 16TH day of DECEMBER 2022



Chief Executive Officer

Kelvin Matthews

Kelvin John Matthews
Chief Executive Officer

SHIRE OF MEEKATHARRA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Revenue				
Rates	23(a),2(a)	4,892,325	4,752,175	4,651,030
Operating grants, subsidies and contributions	2(a)	5,244,021	2,125,021	4,136,521
Fees and charges	2(a)	1,403,443	1,305,450	1,292,321
Interest earnings	2(a)	141,455	132,803	299,957
Other revenue	2(a)	302,780	344,521	401,968
		11,984,024	8,659,970	10,781,797
Expenses				
Employee costs		(1,828,531)	(2,036,571)	(1,499,405)
Materials and contracts		(12,443,681)	(3,452,325)	(2,245,829)
Utility charges		(372,946)	(379,411)	(354,087)
Depreciation	9(a)	(5,924,951)	(7,532,730)	(7,522,811)
Insurance		(280,041)	(227,158)	(226,687)
Other expenditure	2(b)	(193,795)	(282,671)	(188,807)
		(21,043,945)	(13,910,866)	(12,037,626)
		(9,059,921)	(5,250,896)	(1,255,829)
Non-operating grants, subsidies and contributions	2(a)	14,207,029	13,654,391	4,361,870
Profit on asset disposals	9(b)	18,678	10,884	-
Loss on asset disposals	9(b)	(336,664)	(112,315)	-
Fair value adjustments to financial assets at fair value through profit or loss		2,998	-	1,939
		13,892,041	13,552,960	4,363,809
Net result for the period	22(b)	4,832,120	8,302,064	3,107,980
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	-	-	4,300,369
Total other comprehensive income for the period	13	-	-	4,300,369
Total comprehensive income for the period		4,832,120	8,302,064	7,408,349

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

William Buck Audit (WA) Pty Ltd



SHIRE OF MEEKATHARRA
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	29,678,533	9,574,586
Trade and other receivables	5	2,886,349	1,220,695
Other financial assets	4(a)	-	21,136,920
Inventories	6	108,550	100,012
TOTAL CURRENT ASSETS		32,673,432	32,032,213
NON-CURRENT ASSETS			
Other financial assets at amortised cost	4(b)	58,353	55,355
Property, plant and equipment	7	20,085,539	19,997,956
Infrastructure	8	102,853,548	102,583,769
TOTAL NON-CURRENT ASSETS		122,997,440	122,637,080
TOTAL ASSETS		155,670,872	154,669,293
CURRENT LIABILITIES			
Trade and other payables	10	980,189	1,993,689
Other liabilities	11	682,471	3,283,530
Employee related provisions	12	179,016	369,103
TOTAL CURRENT LIABILITIES		1,841,676	5,646,322
NON-CURRENT LIABILITIES			
Employee related provisions	12	1,564	27,459
TOTAL NON-CURRENT LIABILITIES		1,564	27,459
TOTAL LIABILITIES		1,843,240	5,673,781
NET ASSETS		153,827,632	148,995,512
EQUITY			
Retained surplus		65,820,491	62,238,675
Reserve accounts	25	22,387,224	21,136,920
Revaluation surplus	13	65,619,917	65,619,917
TOTAL EQUITY		153,827,632	148,995,512

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



William Buck Audit (WA) Pty Ltd

**SHIRE OF MEEKATHARRA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		58,987,266	21,280,349	61,319,548	141,587,163
Comprehensive income for the period					
Net result for the period		3,107,980	-	-	3,107,980
Other comprehensive income for the period	13	-	-	4,300,369	4,300,369
Total comprehensive income for the period		3,107,980	-	4,300,369	7,408,349
Transfers from reserves	25	1,100,000	(1,100,000)	-	-
Transfers to reserves	25	(956,571)	956,571	-	-
Balance as at 30 June 2021		62,238,675	21,136,920	65,619,917	148,995,512
Comprehensive income for the period					
Net result for the period		4,832,120	-	-	4,832,120
Total comprehensive income for the period		4,832,120	-	-	4,832,120
Transfers from reserves	25	196,381	(196,381)	-	-
Transfers to reserves	25	(1,446,685)	1,446,685	-	-
Balance as at 30 June 2022		65,820,491	22,387,224	65,619,917	153,827,632

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



**SHIRE OF MEEKATHARRA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		4,886,683	5,447,175	5,240,300
Operating grants, subsidies and contributions		645,952	2,125,021	7,609,230
Fees and charges		1,429,876	1,305,450	1,219,100
Interest received		141,455	115,706	299,957
Goods and services tax received		1,805,742	906,163	724,648
Other revenue		302,780	344,521	401,968
		9,212,488	10,244,036	15,495,203
Payments				
Employee costs		(1,986,698)	(1,736,571)	(1,487,754)
Materials and contracts		(13,508,516)	(3,562,325)	(769,984)
Utility charges		(372,946)	(379,411)	(354,087)
Insurance paid		(280,041)	(227,158)	(226,687)
Goods and services tax paid		(1,510,195)	(800,000)	(953,002)
Other expenditure		(193,795)	(282,671)	(188,807)
		(17,852,191)	(6,988,136)	(3,980,321)
Net cash provided by (used in) operating activities	14(b)	(8,639,703)	3,255,900	11,514,882
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	7(a)	(1,987,298)	(4,236,805)	(757,349)
Payments for construction of infrastructure	8(a)	(4,999,010)	(20,503,394)	(11,268,786)
Non-operating grants, subsidies and contributions		14,207,029	13,654,391	4,361,870
Proceeds from financial assets at amortised cost		21,136,920	-	143,429
Proceeds from sale of property, plant & equipment	9(b)	386,009	882,800	-
Net cash provided by (used in) investing activities		28,743,650	(10,203,008)	(7,520,836)
Net increase (decrease) in cash held		20,103,947	(6,947,108)	3,994,046
Cash at beginning of year		9,574,586	29,983,077	5,580,540
Cash and cash equivalents at the end of the year	14(a)	29,678,533	23,035,969	9,574,586

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

William Buck Audit (WA) Pty Ltd

**SHIRE OF MEEKATHARRA
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	24(b)	5,618,074	9,430,864	6,860,278
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Operating grants, subsidies and contributions		5,244,021	2,125,021	4,136,521
Fees and charges		1,403,443	1,305,450	1,292,321
Interest earnings		141,455	132,803	299,957
Other revenue		302,780	344,521	401,968
Profit on asset disposals	9(b)	18,678	10,884	-
Fair value adjustments to financial assets at fair value through profit or loss		2,998	-	1,939
		7,113,375	3,918,679	6,132,706
Expenditure from operating activities				
Employee costs		(1,828,531)	(2,036,571)	(1,499,405)
Materials and contracts		(12,443,681)	(3,452,325)	(2,245,829)
Utility charges		(372,946)	(379,411)	(354,087)
Depreciation	9(a)	(5,924,951)	(7,532,730)	(7,522,811)
Insurance		(280,041)	(227,158)	(226,687)
Other expenditure		(193,795)	(282,671)	(188,807)
Loss on asset disposals	9(b)	(336,664)	(112,315)	-
		(21,380,609)	(14,023,181)	(12,037,626)
Non-cash amounts excluded from operating activities	24(a)	6,023,957	7,634,161	7,532,522
Amount attributable to operating activities		(8,243,277)	(2,470,341)	1,627,602
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		14,207,029	13,654,391	4,361,870
Proceeds from disposal of assets	9(b)	386,009	882,800	-
Purchase of property, plant and equipment	7(a)	(1,987,298)	(4,236,805)	(757,349)
Purchase and construction of infrastructure	8(a)	(4,999,010)	(20,503,394)	(11,268,786)
		7,606,730	(10,203,008)	(7,664,265)
Amount attributable to investing activities		7,606,730	(10,203,008)	(7,664,265)
FINANCING ACTIVITIES				
Transfers to reserves (restricted assets)	25	(1,446,685)	(1,959,690)	(956,571)
Transfers from reserves (restricted assets)	25	196,381	450,000	1,100,000
Amount attributable to financing activities		(1,250,304)	(1,509,690)	143,429
Surplus/(deficit) before imposition of general rates		3,731,223	(4,752,175)	967,044
Total amount raised from general rates	23(a)	4,892,325	4,752,175	4,651,030
Surplus/(deficit) after imposition of general rates	24(b)	8,623,548	-	5,618,074

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

William Buck Audit (WA) Pty Ltd

SHIRE OF MEEKATHARRA
FOR THE YEAR ENDED 30 JUNE 2022
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SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with the Local Government Act 1995 and accompanying regulations.

Local Government Act 1995 requirements
Section 6.4(2) of the Local Government Act 1995 read with the Local Government (Financial Management) Regulations 1996 prescribe that the financial report be prepared in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The Local Government (Financial Management) Regulations 1996 specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero cost. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

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

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

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

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

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

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services.	Over time.	Fixed terms transfer of funds based on agreed milestones and reporting.	Contract obligation if project not complete.	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared.
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government.	Over time.	Fixed terms transfer of funds based on agreed milestones and reporting.	Contract obligation if project not complete.	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared.
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment.	No obligations.	Not applicable.	Not applicable.	When assets are controlled.
Property hire and entry	Use of halls and facilities.	Single point in time.	In full in advance.	Refund if event cancelled. Refunds limited to exceptional circumstances - not usually provided.	On payment.
Memberships	Gym and pool membership.	Over time.	Payment in full in advance.	Refund if event cancelled. Refunds limited to exceptional circumstances - not usually provided.	On payment and issue of access card.
Fees and charges for other goods and services	Cemetery services, library fees, rental income, reinstatements and private works.	Single point in time.	Payment in full in advance.	None.	Output method based on provision of service or completion of works.
Sale of stock	Aviation fuel, Diesel fuel and visitor centre	Single point in time.	In full in advance, on 15 day credit.	Refund for faulty goods.	Output method based on goods.
Reimbursements	On-charge of expenses & Insurance claims.	Single point in time.	Payment in arrears for claimable event.	None.	When claim is agreed.

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 or types of goods or services is provided in the table below:

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	4,892,325	-	4,892,325
Operating grants, subsidies and contributions	5,244,021	-	-	-	5,244,021
Fees and charges	1,403,443	-	-	-	1,403,443
Interest earnings	-	-	-	141,455	141,455
Other revenue	302,780	-	-	-	302,780
Non-operating grants, subsidies and contributions	-	14,207,029	-	-	14,207,029
Total	6,950,244	14,207,029	4,892,325	141,455	26,191,053

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES (Continued)

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	4,651,030	-	4,651,030
Operating grants, subsidies and contributions	4,136,521	-	-	-	4,136,521
Fees and charges	1,292,321	-	-	-	1,292,321
Interest earnings	-	-	-	299,957	299,957
Other revenue	401,968	-	-	-	401,968
Non-operating grants, subsidies and contributions	0	4,361,870	-	-	4,361,870
Total	5,830,810	4,361,870	4,651,030	299,957	15,143,667

Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings			
Interest on reserve funds	82,434	48,263	212,891
Rates instalment and penalty interest (refer Note 23(b))	58,428	78,540	83,900
Other interest earnings	593	6,000	3,166
	141,455	132,803	299,957
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report	33,825	45,000	29,900
- Other services	-	-	1,400
	33,825	45,000	31,300
Other expenditure			
Sundry expenses	193,795	282,671	188,807
	193,795	282,671	188,807

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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	2022	2021
	\$	\$
	29,678,533	9,574,586
14(a)	29,678,533	9,574,586
	6,608,838	9,574,586
14(a)	23,069,695	24,420,450
	29,678,533	33,995,036

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

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

Details of restrictions on financial assets can be found at Note 14.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Financial assets at amortised cost

Term deposits

Held as

- Restricted other financial assets at amortised cost

	2022	2021
	\$	\$
	-	24,420,450
	-	24,420,450
14(a)	-	24,420,450
	58,353	55,355
	58,353	55,355
	58,353	55,355

(b) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 21 (i)) due to the observable market rates.

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

Financial assets at fair value through profit and loss

The Shire classifies the following financial assets at fair value through profit and 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 not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 19.

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

5. TRADE AND OTHER RECEIVABLES

Current

	Note	2022 \$	2021 \$
Rates receivable		782,244	791,620
Trade and other receivables		2,154,276	157,266
GST receivable		70,138	365,685
Allowance for credit losses of trade and other receivables	19(b)	(64,825)	(2,352)
Allowance for credit losses of rates receivables	19(b)	(55,484)	(91,524)
		2,886,349	1,220,695

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 19.

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 value is considered immaterial.

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

6. INVENTORIES

	Note	2022 \$	2021 \$
Current			
Fuel and materials		108,550	100,012
		108,550	100,012

The following movements in inventories occurred during the year:

Balance at beginning of year	100,012	98,549
Inventories expensed during the year	(869,069)	(673,977)
Additions to inventory	877,607	675,440
Balance at end of year	108,550	100,012

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Note	Land \$	Buildings \$	Total land and buildings	Furniture and equipment \$	Plant And Equipment \$	Total property, plant and equipment \$
Balance at 1 July 2020		728,200	14,222,683	14,950,883	162,815	5,285,162	20,398,860
Additions		-	333,264	333,264	33,480	390,605	757,349
Depreciation	9(a)	-	(754,131)	(754,131)	(36,328)	(367,794)	(1,158,253)
Balance at 30 June 2021		728,200	13,801,816	14,530,016	159,967	5,307,973	19,997,956
Comprises:							
Gross balance amount at 30 June 2021		728,200	14,555,948	15,284,148	236,713	6,044,489	21,565,350
Accumulated depreciation at 30 June 2021		-	(754,132)	(754,132)	(76,746)	(736,516)	(1,567,394)
Balance at 30 June 2021		728,200	13,801,816	14,530,016	159,967	5,307,973	19,997,956
Additions		-	1,054,028	1,054,028	39,513	893,757	1,987,298
Disposals		-	-	-	-	(703,995)	(703,995)
Depreciation	9(a)	-	(767,721)	(767,721)	(37,679)	(390,320)	(1,195,720)
Balance at 30 June 2022		728,200	14,088,123	14,816,323	161,801	5,107,415	20,085,539
Comprises:							
Gross balance amount at 30 June 2022		728,200	15,609,976	16,338,176	276,226	6,234,251	22,848,653
Accumulated depreciation at 30 June 2022		-	(1,521,853)	(1,521,853)	(114,425)	(1,126,836)	(2,763,114)
Balance at 30 June 2022		728,200	14,088,123	14,816,323	161,801	5,107,415	20,085,539

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2/3	Market approach using recent observable market data for similar properties	Independent Valuation	June 2020	Price per square metre.
Buildings - non-specialised	2/3	Market approach using recent observable market data for similar properties	Independent Valuation	June 2020	Market sales evidence.
Buildings -specialised	3	Cost approach using depreciated replacement cost (Net revaluation method)	Independent Valuation	June 2020	Rate per square metre 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.					
(ii) Cost					
Furniture and equipment	N/A	Cost	Not Applicable		N/A
Plant and equipment	N/A	Cost	Not Applicable		N/A

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Airport	Infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$	\$
Balance at 1 July 2020	84,575,152	162,187	4,455,469	4,186,362	93,379,170
Additions	11,141,482	-	-	127,305	11,268,787
Revaluation increments / (decrements) transferred to revaluation surplus	1,888,296	22,350	1,772,171	617,552	4,300,369
Depreciation	9(a) (5,505,724)	(15,789)	(410,252)	(432,793)	(6,364,558)
Balance at 30 June 2021	92,099,206	168,748	5,817,388	4,498,426	102,583,768
Comprises:					
Gross balance at 30 June 2021	92,099,206	168,748	5,817,389	4,498,426	102,583,769
Balance at 30 June 2021	92,099,206	168,748	5,817,389	4,498,426	102,583,769
Additions	4,961,283	-	5,999	31,728	4,999,010
Depreciation	9(a) (3,896,141)	(13,937)	(420,502)	(398,652)	(4,729,232)
Balance at 30 June 2022	93,164,348	154,811	5,402,886	4,131,502	102,853,547
Comprises:					
Gross balance at 30 June 2022	97,060,489	168,748	5,823,389	4,530,154	107,582,780
Accumulated depreciation at 30 June 2022	(3,896,141)	(13,937)	(420,502)	(398,652)	(4,729,232)
Balance at 30 June 2022	93,164,348	154,811	5,402,887	4,131,502	102,853,548

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure Roads	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure Footpaths	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Parks and Ovals	3	Cost approach using current replacement cost	Independent Valuation	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure Airport	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure Other	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent Valuation	June 2021	Construction costs and current condition (Level 2), 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 to determine the fair value of infrastructure using level 3 inputs.

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Buildings	7(a)	767,721	755,107	754,131
Furniture and equipment	7(a)	37,679	36,570	36,328
Plant And Equipment	7(a)	390,320	368,269	367,794
Infrastructure - Roads	8(a)	3,896,141	5,512,840	5,505,724
Infrastructure - Other	8(a)	398,652	433,354	432,793
Infrastructure - Footpaths	8(a)	13,937	15,808	15,789
Infrastructure - Airport	8(a)	420,501	410,782	410,252
		5,924,951	7,532,730	7,522,811

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	10 - 40 years
Office Furniture & Equipment	1 - 20 years
Plant & Equipment	1 - 20 years
Roads - Unformed	Not Depreciated
Roads - Formed	Not Depreciated
Roads - Gravel	5 -10 years
Roads - Sealed	1 - 50 years
Kerbing & Footpaths	10 - 40 years
Infrastructure Other	10 - 20 years
Drains & Sewers	80 years
Infrastructure Airport	20 years

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant And Equipment	703,995	386,009	18,678	(336,664)	984,231	882,800	10,884	(112,315)	-	-	-	-
	703,995	386,009	18,678	(336,664)	984,231	882,800	10,884	(112,315)	-	-	-	-

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Plant and Equipment				
Other property and services				
Various items of plant	703,995	386,009	18,678	(336,664)
	703,995	386,009	18,678	(336,664)
	703,995	386,009	18,678	(336,664)

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

Revaluation

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

Revaluation (continued)

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

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of assets 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.

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

Gains 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.

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. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

10. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued salaries and wages
 ATO Liabilities
 Bonds and deposits held

2022	2021
\$	\$
772,333	1,744,595
68,282	83,300
86,148	28,161
43,587	43,759
9,839	93,874
980,189	1,993,689

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the 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 revenue for the prepaid rates that have not been refunded.

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

11. OTHER LIABILITIES

Current

Contract liabilities

Reconciliation of changes in contract liabilities

Opening balance

Additions

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

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

Reconciliation of changes in capital grant/contribution liabilities

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year

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.

2022	2021
\$	\$
682,471	3,283,530
682,471	3,283,530
3,283,530	0
307,971	3,283,530
(2,909,030)	0
682,471	3,283,530
682,471	3,283,530

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Non-current capital grant/contribution liabilities fair values 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 21(i)) due to the unobservable inputs, including own credit risk.

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

12. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave

Long Service Leave

Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
Annual Leave	91,606	129,448
Long Service Leave	87,410	239,655
	179,016	369,103
Long Service Leave	1,564	27,459
	1,564	27,459
	180,580	396,562

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. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
Less than 12 months after the reporting date	93,170	319,538
More than 12 months from reporting date	87,410	77,024
	180,580	396,562

Expected reimbursements of employee related provisions from other WA local governments included within other receivables

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Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees.

Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

13. REVALUATION SURPLUS

	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation Increment	Total Movement on Revaluation	2021 Closing Balance
	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land	738,200	-	738,200	738,200	-	-	738,200
Revaluation surplus - Buildings	8,192,494	-	8,192,494	8,192,494	-	-	8,192,494
Revaluation surplus - Furniture and equipment	51,866	-	51,866	51,866	-	-	51,866
Revaluation surplus - Plant And Equipment	4,112,907	-	4,112,907	4,112,907	-	-	4,112,907
Revaluation surplus - Infrastructure - Roads	43,476,797	-	43,476,797	41,588,501	1,888,296	1,888,296	43,476,797
Revaluation surplus - Infrastructure - Footpaths	219,815	-	219,815	197,465	22,350	22,350	219,815
Revaluation surplus - Infrastructure - Other	3,181,646	-	3,181,646	2,564,094	617,552	617,552	3,181,646
Revaluation surplus - Infrastructure - Airport	5,646,192	-	5,646,192	3,874,021	1,772,171	1,772,171	5,646,192
	65,619,917	-	65,619,917	61,319,548	4,300,369	4,300,369	65,619,917

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	29,678,533	23,035,969	9,574,586
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	23,069,695	-	3,283,530
- Financial assets at amortised cost	4	-	22,880,886	21,136,920
		23,069,695	22,880,886	24,420,450
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	25	22,387,224	22,880,886	21,136,920
Restricted contract liabilities from contracts with customers	11	682,471	-	3,283,530
Total restricted financial assets		23,069,695	22,880,886	24,420,450

**(b) Reconciliation of Net Result to Net Cash Provided
By Operating Activities**

Net result		4,832,120	8,302,064	3,107,980
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(2,998)	-	(1,939)
Depreciation/amortisation		5,924,951	7,532,730	7,522,811
(Profit)/loss on sale of asset		317,986	101,431	-
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(1,665,654)	784,066	458,702
(Increase)/decrease in inventories		(8,538)	40,000	(1,463)
Increase/(decrease) in trade and other payables		(1,013,500)	150,000	1,495,480
Increase/(decrease) in employee related provisions		(215,982)	-	11,651
Increase/(decrease) in contract liabilities		(2,601,059)	-	3,283,530
Non-operating grants, subsidies and contributions		(14,207,029)	(13,654,391)	(4,361,870)
Net cash provided by/(used in) operating activities		(8,639,703)	3,255,900	11,514,882

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit	1,000,000	1,000,000
Bank overdraft at balance date	-	-
Credit card limit	5,000	5,000
Credit card balance at balance date	(4,120)	(633)
Total amount of credit unused	1,000,880	1,004,367

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

15. CONTINGENT LIABILITIES

The Shire of Meekatharra has identified the following sites, in relation to land owned, vested or leased, that is known to be, or suspected of being contaminated. Remediation plans will be completed by December 2023.

Current Landfill Site

Crown Reserve 45111 Meekatharra – Lot 191 on Plan 218548 and Lot 192 on Plan 412642

Shire Depot

Crown Reserve 38927 Meekatharra – Lot 832 on Plan 21584, Lot 500 on Plan 69309 and Lot 850 on Plan 185176

Other

Two mining tenement sites have been identified by the Department of Water and Environment Regulation as being “contaminated – remediation required”. In accordance with the Mining Act 1979, the responsibility for the rehabilitation of this land is with the tenement site lessee, and both sites are leased. As such, the Shire has no provision for rehabilitation as at 30 June 2022.

16. CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	336,737	1,550,541
	336,737	1,550,541
Payable:		
- not later than one year	336,737	1,550,541

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

17. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Elected member Cr H Nichols			
President's annual allowance	17,500	20,000	20,000
Meeting attendance fees	9,400	6,525	8,200
Travel and accommodation expenses	-	-	1,099
	26,900	26,525	29,299
Elected member Cr P Clancy			
President's annual allowance	-	-	-
Deputy President's annual allowance	1,458	5,000	5,000
Meeting attendance fees	2,200	6,525	4,200
	3,658	11,525	9,200
Elected member Cr M Hall			
Meeting attendance fees	5,930	6,525	5,300
Travel and accommodation expenses	4,683	-	4,257
	10,613	6,525	9,557
Elected member Cr P Moses			
Meeting attendance fees	2,550	6,525	5,300
	2,550	6,525	5,300
Elected member Cr M Smith			
Deputy President's annual allowance	2,500	0	0
Meeting attendance fees	6,950	6,525	6,400
	9,450	6,525	6,400
Elected member Cr D Hodder			
Meeting attendance fees	7,030	6,525	5,500
	7,030	6,525	5,500
Elected member Cr B Day			
Meeting attendance fees	4,750	6,525	-
Travel and accommodation expenses	6,576	-	-
	11,326	6,525	-
Elected member Cr J Holden			
Meeting attendance fees	3,650	6,525	-
	3,650	6,525	-
Elected member Cr M Anderson			
Meeting attendance fees	1,650	-	-
	1,650	-	-
Elected member Crs Binsiar/Curley			
Meeting attendance fees	-	-	900
	-	-	900
Not specifically allocated			
Travel and accommodation expenses	-	16,109	-
	-	16,109	-
TOTAL	76,827	93,309	66,156
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
	2022 Actual \$	2022 Budget \$	2021 Actual \$
President's annual allowance	17,500	20,000	20,000
Deputy President's annual allowance	3,958	5,000	5,000
Meeting attendance fees	44,110	52,200	35,800
Travel and accommodation expenses	11,259	16,109	5,356
17(b)	76,827	93,309	66,156

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

17. RELATED PARTY TRANSACTIONS (Continued)

(b) Key Management Personnel (KMP) Compensation

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	774,570	988,796
Post-employment benefits	93,035	126,658
Employee - other long-term benefits	16,229	21,070
Employee - termination benefits	196,071	40,544
Council member costs	76,827	66,156
17(a)	1,156,732	1,243,224

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs

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

(c) Transactions with related parties

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

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

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

	2022 Actual	2021 Actual
	\$	\$
Sale of goods and services	146,829	40,597
Purchase of goods and services	96,960	95,564
Post employee benefits - other related parties		

(d) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

18. TRADING UNDERTAKINGS

The Shire acts as an agent for Air BP providing aviation fuel to customers at the airport. Council provides the service to ensure the ongoing viability of regular public transport flights to Meekatharra. The figures below are included in the Shire's Financial Statements.

	2022 Actual	2021 Actual
	\$	\$
Operating Income	176,928	117,095
Operating Expenses	(170,793)	(129,305)
Change in Net Assets resulting	6,135	(12,210)
<u>Statement of Financial Position</u>		
Current Assets		
Cash at Bank	64,138	64,470
	64,138	64,470
Current Liabilities		
Trade Creditors		
Shire of Meekatharra	64,138	(64,470)
	64,138	(64,470)
Equity		
Opening Balance	-	-
Cash Transferred to/(from Muni)	6,135	12,210
Change in Net Assets	(6,135)	(12,210)
Closing Balance	-	-

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

19. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.00%	29,678,533	-	7,512,142	22,166,391
2021					
Cash and cash equivalents	0.01%	9,574,586	-	9,078,066	497,520
Financial assets at amortised cost - term deposits	0.39%	21,136,920	21,136,920	-	-

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	75,121	90,790

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

19. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The Shire applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.31%		
Gross carrying amount	571,991	67,010	31,839	111,404	782,244	
Loss allowance	5,000	6,003	9,576	34,905	55,484	5
30 June 2021						
Rates receivable						
Expected credit loss	2.99%	6.93%	10.40%	30.06%		
Gross carrying amount	357,885	127,555	83,325	210,683	779,448	
Loss allowance	10,697	8,837	8,664	63,325	91,524	5

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Less than 30 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.56%		
Gross carrying amount	2,013,273	3,794	21,237	115,972	2,154,276	
Loss allowance	-	-	-	64,825	64,825	5
30 June 2021						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	6.88%		
Gross carrying amount	80,724	5,438	36,919	34,185	157,266	
Loss allowance	-	-	-	2,352	2,352	5

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

19. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
	\$	\$	\$	\$	\$	\$
Opening loss allowance as at 1 July	91,524	-	2,352	-	-	-
Unused amount reversed	(36,040)	91,524	62,473	2,352	-	-
Closing loss allowance at 30 June	55,484	91,524	64,825	2,352	-	-

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

19. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 14(c).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2022					
Trade and other payables	980,189	-	-	980,189	980,189
Other liabilities	682,471	-	-	682,471	682,471
	1,662,660	-	-	1,662,660	1,662,660

2021

Trade and other payables	1,993,689	-	-	1,993,689	1,993,689
Other liabilities	3,283,530	-	-	3,283,530	3,283,530
	5,277,219	-	-	5,277,219	5,277,219

**SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

20. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Subsequent to balance date a claim was made against the Shire. The claim was settled and the Shire's expected liability is limited to \$5,000 on the assumption of the claim being paid out by the Shire's insurer. No provision has been made in the Financial report to this effect.

21. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

k) Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

22. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE	Administration and operation of facilities and services to members of council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING	Rates, general purpose government grants and interest revenue. Costs associated with raising of rates, collection of debts and other funding activities within this programme.
LAW, ORDER, PUBLIC SAFETY	Supervision of various by-laws, fire prevention, emergency services and animal control. Operation of Council's Ranger services.
HEALTH	Food quality and pest control, monitoring and control of environmental health. Contract operation for health issues within the community.
EDUCATION AND WELFARE	Provision and maintenance of various premises in support of community services including the Community Resource Centre. Financial assistance on a needs arise basis for the community's education and welfare. Provision, maintenance and support for the community youth centre.
HOUSING	Maintenance of staff and rental housing.
COMMUNITY AMENITIES	Rubbish collection services, operation of tip, noise control, administration of the town planning scheme, maintenance of cemeteries, storm water drainage maintenance and operation and maintenance of sewerage schemes.
RECREATION AND CULTURE	Maintenance of halls, swimming pool, recreation centres and various reserves, operation of library, TV and Radio broadcasting.
TRANSPORT	Construction and maintenance of streets, roads, bridges; cleaning and lighting of streets, depot maintenance and airport maintenance.
ECONOMIC SERVICES	The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and building controls.
OTHER PROPERTY AND SERVICES	Private works operations and miscellaneous plant operations, overheads and administration costs initially charged here are reallocated to the relevant function area.

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

22. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Income excluding grants, subsidies and contributions			
Governance	-	80	-
General purpose funding	5,079,693	4,903,668	4,999,174
Law, order, public safety	4,989	4,120	2,672
Health	10,820	6,104	2,880
Education and welfare	10,655	29,300	5,913
Housing	45,212	29,500	49,719
Community amenities	116,030	144,426	111,127
Recreation and culture	79,595	147,854	138,004
Transport	1,254,828	1,061,001	1,135,635
Economic services	91,619	95,120	41,243
Other property and services	68,238	124,660	160,848
	6,761,679	6,545,833	6,647,215
Grants, subsidies and contributions			
General purpose funding	4,787,411	1,588,711	3,696,120
Law, order, public safety	14,051	12,100	17,685
Education and welfare	114,695	121,810	113,559
Recreation and culture	550,000	642,908	10,515
Transport	13,984,893	13,337,884	4,660,512
Economic services	-	76,000	-
	19,451,050	15,779,413	8,498,391
Total Income	26,212,729	22,325,246	15,145,606
Expenses			
Governance	(588,846)	(731,275)	(535,124)
General purpose funding	(249,107)	(233,176)	(209,385)
Law, order, public safety	(155,413)	(203,537)	(147,145)
Health	(135,492)	(152,473)	(131,560)
Education and welfare	(697,873)	(826,523)	(635,100)
Housing	(66,401)	(29,500)	(55,615)
Community amenities	(491,335)	(702,681)	(458,705)
Recreation and culture	(1,445,153)	(1,765,344)	(1,422,916)
Transport	(16,683,605)	(8,523,214)	(7,806,769)
Economic services	(516,355)	(617,129)	(417,919)
Other property and services	(351,029)	(238,330)	(217,388)
Total expenses	(21,380,609)	(14,023,182)	(12,037,626)
Net result for the period	4,832,120	8,302,064	3,107,980

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

22. FUNCTION AND ACTIVITY (Continued)

(c) Fees and Charges (including Service Charges)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
General purpose funding	10,884	14,600	11,680
Law, order, public safety	4,989	4,000	2,553
Health	10,820	5,831	2,880
Education and welfare	1,000	-	-
Housing	25,656	25,000	28,758
Community amenities	116,030	138,426	105,242
Recreation and culture	52,148	75,452	29,762
Transport	1,124,801	979,620	1,081,572
Economic services	45,398	52,120	20,377
Other property and services	11,717	10,400	9,497
	1,403,443	1,305,449	1,292,321

(d) Total Assets

	2022	2021
	\$	\$
Governance	24,156	28,727
General purpose funding	32,623,235	11,407,441
Law, order, public safety	405,769	432,081
Education and welfare	1,595,468	1,478,047
Housing	3,302,181	2,924,030
Community amenities	489,847	2,782,332
Recreation and culture	6,227,896	10,301,014
Transport	101,381,207	113,992,497
Economic services	2,573,658	3,820,062
Other property and services	7,047,456	7,503,062
	155,670,872	154,669,293

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. RATING INFORMATION

(a) General Rates

RATE TYPE		Rate in \$	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
Rate Description	Basis of valuation												
General rate				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gross Rental Value	Gross rental valuation	0.088869	311	3,851,440	342,274	(642)	-	341,632	342,274	1,000	4,000	347,274	344,843
Unimproved Value - Mining	Unimproved valuation	0.196101	973	20,521,762	4,024,338	177,445	(941)	4,200,842	4,024,338	-	-	4,024,338	3,866,252
Unimproved Value - Rural / Pastors	Unimproved valuation	0.074462	45	3,892,438	289,839	(37,482)	(37,834)	214,523	289,839	-	(44,576)	245,263	301,008
Sub-Total			1,329	28,265,640	4,656,451	139,321	(38,775)	4,756,997	4,656,451	1,000	(40,576)	4,616,875	4,512,102
Minimum payment				\$									
Gross Rental Value	Gross rental valuation	400	87	46,156	34,800	-	-	34,800	34,800	-	-	34,800	35,600
Unimproved Value - Mining	Unimproved valuation	350	299	279,966	104,650	-	-	104,650	104,650	-	-	104,650	107,450
Unimproved Value - Rural / Pastors	Unimproved valuation	350	23	19,831	8,050	-	-	8,050	8,050	-	-	8,050	8,050
Sub-Total			409	345,953	147,500	-	-	147,500	147,500	-	-	147,500	151,100
			1,738	28,611,593	4,803,951	139,321	(38,775)	4,904,497	4,803,951	1,000	(40,576)	4,764,375	4,663,202
Concessions on general rates (Refer note 23(d))								(12,172)				(12,200)	(12,172)
Total amount raised from general rates								4,892,325				4,752,175	4,651,030
Total Rates								4,892,325				4,752,175	4,651,030

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities*.

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. RATING INFORMATION (Continued)

(b) Specified Area Rate

The Shire did not levy a specified area rate during the current reporting period.

(c) Service Charges

The Shire did not levy a service charge during the current reporting period.

(d) Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/Concession	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
To be determined by Council.	Concession	Concession	0.00%	-	-	12,200	-	Council may provide concessions to Ratepayers.	
A185 - 22 McCleary Street	Concession	Concession	80%	-	636	-	636	Council provides an 80% concessional arrangement to Murchison Region Aboriginal Corporation due to an application for rates exemption under section 6.26 of the Act.	
A187 - 31 McCleary Street	Concession	Concession	80%	-	1,227	-	1,227		
A223 - 84 Darlot Street	Concession	Concession	80%	-	621	-	621		
A442 - 2 Trenfield Court	Concession	Concession	80%	-	577	-	577		
A7164	Concession	Concession	100%	-	841	-	841		
A7165	Concession	Concession	100%	-	813	-	813	Council provided an 100% concession to the Yugunya-Nya Community during the financial year following negotiations at SAT in 2021 for rate exemption.	
A7180	Concession	Concession	100%	-	841	-	841		
A7611	Concession	Concession	100%	-	813	-	813		
A7614	Concession	Concession	100%	-	841	-	841		
A7615	Concession	Concession	100%	-	813	-	813		
A7958	Concession	Concession	100%	-	4,148	-	4,149		
					12,171	12,200	12,172		

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	25/08/2021	0.0	0.00%	7.00%
Option Two				
First instalment	25/08/2021	15	3.00%	7.00%
Second instalment	29/01/2021	15	3.00%	7.00%
Third instalment	3/02/2022	15	3.00%	7.00%
Fourth instalment	9/03/2022	15	3.00%	7.00%

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Charges on instalment plan	6,255	10,300	7,380
Interest on installment plan	5,802	5,523	6,313
Interest on unpaid rates	52,626	73,017	77,587
	64,683	88,840	91,280

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

24. RATE SETTING STATEMENT INFORMATION

		2021/22 2021/22 (30 June 2022 Carried Forward)	2021/22 Budget (30 June 2022 Carried Forward)	2021/22 (1 July 2021 Brought Forward)	2020/21 (30 June 2021 Carried Forward)
Note		\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .					
Adjustments to operating activities					
	Less: Profit on asset disposals	9(b)	(18,678)	(10,884)	-
	Less: Movement in employee leave reserve and provisions		-	11,650	11,650
	Less: Fair value adjustments to financial assets at fair value through profit and loss		(2,998)	(1,939)	(1,939)
	Movement in employee benefit provisions (non-current)		(25,895)	-	-
	Add: Loss on disposal of assets	9(b)	336,664	112,315	-
	Add: Depreciation	9(a)	5,924,951	7,532,730	7,522,811
	Non-cash movements in non-current assets and liabilities:				
	Employee benefit provisions		(190,087)	-	-
Non-cash amounts excluded from operating activities			6,023,957	7,634,161	7,532,522
(b) Surplus/(deficit) after imposition of general rates					
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement 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	25	(22,387,224)	(22,880,886)	(21,136,920)
	Add: Current liabilities not expected to be cleared at end of year				
	- Employee related provisions	12	179,016	354,286	369,103
Total adjustments to net current assets			(22,208,208)	(22,526,600)	(20,767,817)
Net current assets used in the Rate Setting Statement					
	Total current assets		32,673,432	23,165,835	32,032,213
	Less: Total current liabilities		(1,841,676)	(639,235)	(5,646,322)
	Less: Total adjustments to net current assets		(22,208,208)	(22,526,600)	(20,767,817)
Net current assets used in the Rate Setting Statement			8,623,548	-	5,618,074

SHIRE OF MEEKATHARRA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

25. RESERVE ACCOUNTS

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation/agreement												
(a) Leave Reserve	398,160	-	-	398,160	426,622	963	-	427,585	394,216	3,944	-	398,160
(b) Plant Reserve	2,660,383	-	-	2,660,383	2,660,372	6,008	-	2,666,380	2,634,032	26,351	-	2,660,383
(c) Airport Reserve	953,396	-	-	953,396	953,393	2,153	-	955,546	943,953	9,443	-	953,396
(d) Airport Runway Reserve	2,943,192	341,910	-	3,285,102	2,943,179	458,394	(200,000)	3,201,573	2,914,039	29,153	-	2,943,192
(e) Building Reserve	1,251,218	681,175	(196,381)	1,736,012	1,451,211	903,277	(100,000)	2,254,488	1,436,843	14,375	(200,000)	1,251,218
(f) Industrial Park Reserve	849,846	-	-	849,846	849,842	1,919	-	851,761	841,428	8,418	-	849,846
(g) Infrastructure & Development Reserve	1,017,378	-	-	1,017,378	817,374	1,846	-	819,220	1,007,301	10,077	-	1,017,378
(h) Interpretive Centre Reserve	1,891,233	-	-	1,891,233	1,891,226	4,271	-	1,895,497	1,872,501	18,732	-	1,891,233
(i) Lloyd's Revitalisation Reserve	1,571,704	-	-	1,571,704	1,777,598	4,014	-	1,781,612	1,556,137	15,567	-	1,571,704
(j) Reseals & Rejuvenation Reserve	5,105,618	423,600	-	5,529,218	5,105,599	571,210	-	5,676,809	4,580,118	525,500	-	5,105,618
(k) Roads -Second / Final Seals Reserve	1,744,753	-	-	1,744,753	1,744,746	3,940	-	1,748,686	1,727,471	17,282	-	1,744,753
(l) Shire Water Reserve	322,648	-	-	322,648	322,647	729	-	323,376	319,452	3,196	-	322,648
(m) Swimming Pool Reserve	152,184	-	-	152,184	152,184	345	(150,000)	2,529	101,172	51,012	-	152,184
(n) Transport Reserve	61,207	-	-	61,207	61,203	138	-	61,341	951,686	9,521	(900,000)	61,207
(o) Covid 19 Emergency Response/Cashflow Supplement Reserve	214,000	-	-	214,000	214,000	483	-	214,483	-	214,000	-	214,000
	21,136,920	1,446,685	(196,381)	22,387,224	21,371,196	1,959,690	(450,000)	22,880,886	21,280,349	956,571	(1,100,000)	21,136,920

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

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	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	Ongoing	- To be used to fund annual and long service leave requirements.
(b) Plant Reserve	Ongoing	- To be used for the acquisition of major plant on an ongoing basis.
(c) Airport Reserve	Ongoing	- To be used to fund the capital improvements of the airport infrastructure.
(d) Airport Runway Reserve	Ongoing	- To be used to fund the future construction requirements of the airport runway.
(e) Building Reserve	Ongoing	- To be used for the future building requirements for Council purposes.
(f) Industrial Park Reserve	Ongoing	- To be used to fund the development of a new industrial park within the Shire.
(g) Infrastructure & Development Reserve	Ongoing	- To be used to development existing town infrastructure of a commercial or non commercial nature and fund projects deemed by Council to provide a necessary long term employment or economic benefit to the community.
(h) Interpretive Centre Reserve	Ongoing	- To be used to acquire and refurbish the Interpretive Centre.
(i) Lloyd's Revitalisation Reserve	Ongoing	- To be used to fund the renovations and building works as per Meeka Revitalisation plan at Lloyd's building.
(j) Reseals & Rejuvenation Reserve	Ongoing	- To be used to fund reseals and rejuvenation of sealed roads.
(k) Roads -Second / Final Seals Reserve	Ongoing	- To be used to fund final seals to roads that have previously been primer sealed.
(l) Shire Water Reserve	Ongoing	- To be used for capital water requirements of parks and gardens administered by the Shire.
(m) Swimming Pool Reserve	Ongoing	- To be used to fund retilling the swimming pool basins.
(n) Transport Reserve	Ongoing	- To be used to fund the expansion of the road network that cannot be met by operating income.
(o) Covid 19 Emergency Response/Cashflow Supplement Reserve	Ongoing	- To be used to provide assistance to local businesses and provision of critical services during the Covid-19 pandemic.



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Meekatharra

To the Councillors of the Shire of Meekatharra

Opinion

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

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 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 2022, 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 of the Shire is responsible for:

- 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 control 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 ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control 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 Meekatharra for the year ended 30 June 2022 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.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 December 2022

