

VINCENT STREET HERITAGE WALK

Vincent Street
HERITAGE
Walk



Vincent Street Heritage Walk

A PLACE FOR COMMUNITY CONNECTIONS

'In the spirit of reconciliation the Shire of Beverley acknowledges the Traditional Custodians of the land on which this heritage walk is located. We pay our respect to their Elders past and present.'

Step back in time with the Vincent Street Heritage Walk. All the unique places that you will see and experience on this Heritage Walk has cultural heritage significance to the Community of Beverley.

Individual interpretive signage pedestals are placed throughout Vincent Street.

Download our unique Augmented Reality App 'Vincent Street Heritage Walk' to view the following significant places:



- You are here
- | | | |
|-----------------------------|----------------------------|-----------------------|
| 1. Beverley Fire Station | 11. Charles Sturt | 21. Bank of New South |
| 2. Beverley Town Hall | 12. Beverley School | 22. White Hall |
| 3. Beverley Post Office | 13. Town & Railway Hotel | 23. Council Building |
| 4. National Bank | 14. Beverley District Road | 24. James Braxton |
| 5. Pharmacy | 15. Hotel | 25. Beverley |
| 6. Beverley Hospital | 16. Police Station | 26. Beverley |
| 7. Community Centre | 17. Beverley Cemetery | 27. Beverley |
| 8. Beverley Railway Station | 18. Beverley Cemetery | 28. Beverley |
| 9. Post Office | 19. Beverley Cemetery | 29. Beverley |
| 10. New Mercantile | 20. Beverley Cemetery | 30. Beverley |
| 11. Hotel | 21. Beverley | 31. Beverley |
| 12. Kardinia | 22. Beverley | 32. Beverley |



SHIRE OF BEVERLEY

ANNUAL REPORT 2022/23

CORNERSTONE
18

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STATEMENT BY SHIRE PRESIDENT

This has been a year of consolidation for the Council after all the work and disruption that was incurred during the reconstruction of Vincent Street. With the 12-month warranty period concluding, management are preparing a report for the contractors to make-good the defects that have been identified.

While no further major infrastructure projects have been undertaken, there remain a number that are in the pipeline. These projects are entirely dependent upon grant funding as the Shire has little room to move in terms of borrowing to fund these projects.

The most pressing is the swimming pool. I have written on this in a number of Blarney reports but it is worth repeating. A full-scale redevelopment plan was drafted by consultants at the direction of the Shire some years ago. This was done after Councillors conducted a field trip to neighbouring Shires to view the work they had undertaken on their swimming pools.

The original estimate on the Beverley plan was \$5,000,000. This cost was considered to be a significant hurdle to completing the project so it was deferred while grant funding was sought. In 2021 the project was again put out for a cost assessment and the estimate came back at \$11,000,000. Today, that cost we estimate to have increased to something in excess of \$13,000,000.

Despite this, Council recognises that, with the facilities being over 60 years of age, an attempt must be made to at least attend to some of the basic functions. The first stage considered to be most pressing is the pump room, plumbing, and filtration system. Installation of a wet deck and disabled access is also required. Shire will borrow a further \$1,000,000 and seek grant funding for the balance to commence this.

This loan will extend Shire borrowings to their limit as Council set a preferred target for a limit on borrowings some years ago to be no more than 75% of the total rate revenue in a calendar year. Due to pressures experienced, borrowings have now exceeded this target and will reach about 90% of total rate revenue in a calendar year.

Excess borrowings for any organisation put pressure on the solvency of the organisation and this has been demonstrated through some Local Governments having Administrators being appointed to rectify the financial situation.

While facilities within the town are important to make Beverley a desirable place to live and visit, The Council recognises that the roads and particularly bridges within Shire boundaries are vital to the safety of all who travel. Farming is also bringing pressure to bear with ever larger and heavier road trains and machinery requiring wider roads and safer bridges. This is now receiving the priority it deserves and we are working closely with Main Roads to achieve these improvements. Of great concern though is the costs of these projects which have blown out. An example is the small bridge on the West Talbot road which is now quoted at a price in excess of \$6,000,000.



All this has been impacted by the severe storm in March which caused severe damage to many of the roads in the district. The damage was such that the Shire recognised that the cost of repairs was going to be beyond Shire resources. An application was made to DFES to have the area declared a disaster area to enable an application for disaster funding. The total cost of these repairs is estimated to be in excess of \$3,000,000. Frustratingly, the time taken to go through the process is long and trying. The declaration has now been made but further delays will occur as an actual estimate needs to be made by a consultant before tenders are called.

All of this may sound depressing but I can assure the community that the Council retains a positive attitude and working with management we know we can achieve much.

And on a positive note, I would like to remind the community that as part of the Vincent Street redevelopment, a Heritage Trail was established along Vincent Street to highlight the various heritage buildings. This project was nominated for the Western Australian Heritage Awards for 2022.

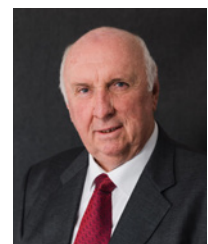
At a ceremony on Perth on Friday 25th November I attended the presentation of awards with Stefan de Beer, Manager of Planning and Development Services, and Ashleigh Fleay, Project Officer, at the WA Museum. We were delighted when the Beverley project was announced the winner. It was a privilege to be able to accept this award on behalf of the Shire and community, and heartening to have positive feedback from the judges who considered this project of an outstanding quality.

By the time of publication of the Annual Report, three Council positions will have been filled at the elections. This is a reduction of one under the new legislation. Three Councillors are retiring this year and they are Peter Gogol, Tim Seed, and Matt Norman. Peter has served 16 years as Councillor and provided significant input during his time. Tim has served 8 years and is finding work commitments too demanding to continue while Matt is experiencing the same pressures after 2 years.

To these gentlemen I offer the Shire and Community's sincere thanks for taking on these roles and for their various contributions during their tenure.

I would also like to conclude by acknowledging the commitment and work by all the staff at the Shire during a year that has proved challenging. To the CEO, Stephen Gollan, I commend his leadership and commitment to Beverley.

Cr David White
Shire President



STATEMENT BY THE CHIEF EXECUTIVE OFFICER

I am pleased to present the 2022/23 Annual Report to elected members, ratepayers and residents.

The 22/23 financial year was another busy year. Councillors and staff continued to plan, manage and implement initiatives that invest in the sustainable future of Beverley on behalf of our community.

In 2022/23 rate levels increased a modest 5% as interest rates and CPI began increasing. Shire staff are constantly seeking external funding to lessen the burden on ratepayers whilst still moving forward with capital projects and improving facilities.

The Shire was very pleased to support, both financially and in-kind, the 'Spring Back to Beverley' community event in September 2022. Also used as a soft opening for the Vincent Street re-development, the event was a celebration of the 150 year anniversary of the Beverley Road Board and the Dead Finish Museum. The weekend event was opened by the Minister for Local Government Hon. John Carey MLA and was attended by past and present residents and visitors alike. I would like to thank all the volunteers and staff who joined the working group to make the event a great success.

The Vincent Street Streetscape Project was officially completed in October 2022. Unfortunately the project was significantly delayed and I acknowledge the patience of local businesses and the community as Council pushed to the finish line. The street is now aesthetically pleasing with new plantings, lighting, safe crossings, level footpaths and underground power.

As part of the announced Local Government Reforms in September 2022, Council were forced to conduct a "Review of System of Representation" in November and December. Outcomes from Council's review and the Minister for Local Governments reforms will now see the introduction of recorded Council meetings and Beverley reducing from nine councillors to seven councillors over the next two election cycles. The Shire of Beverley would have preferred to remain with nine Councillors for reasons such as being in a smaller Community, there is a high probability to have issues reaching a quorum if there is illness, declarations of interest, leave of absence or other work/community commitments amongst the Councillors. Council also believe that nine Councillors increases a better representation of the spread of ratepayers across the Shire. Nonetheless, Council will still work hard with a decreased number in the future to achieve the best outcomes for the Community.

Council are still active in reducing the Shire's environmental footprint and in doing so installed solar panels at the Beverley Swimming Pool. Not only is it more sustainable but it is significantly reducing some costs associated with the pool.

Another highlight to benefit the Beverley Community was the completion of the Cemetery Record Digitisation Project for our townsite cemeteries. Drone aerial surveying and the input of manual records created high resolution images so that families, friends and visitors are able to conduct real time research on the Chronicle database.



Throughout the financial year, the Shire outside crew activities include infrastructure works, construction programs, maintenance programs and gardening. Staffing was an issue throughout 22-23 due to retirements, long term injuries and direct wage competition from the mining sector, however the Shire managed to eventually fill all positions and I thank the outside team for their work to catch up on the various programs when numbers were low.

Background planning throughout 22-23 included the Beverley Swimming Pool; Headworks cost & construction for land to install workers accommodation; redevelopment of the Old School Building; and accession of the Old Nurses Quarters. All these planning initiatives will be dependent on external funding.

In May 2023, Council commenced a major review of the Strategic Community Plan 2017-2027 including a whole of community review and workshop. Whilst attendance at the workshop was low, I am very pleased that many clubs and individuals participated via the survey. This vital document guides planning, direction and grant funding applications for the services and facilities and ongoing advancement of our community.

Thank you to the Shire President Cr David White, Elected Members and Shire Staff for their commitment to the community. The 2022-23 year was difficult in periods due to the delay completing the main street, imposed Local Government reforms, ever increasing capital costs and decreasing government grants, however the positives of an activated main street, successful large scale community events and a positive community spirit make Beverley a great place to live, work and advocate.

Mr Stephen Gollan
Chief Executive Officer



YOUR COUNCIL



Elected Council 2021-2023 (Standing Back Row L to R): Cr Don Davis, Cr Chris Lawlor (Deputy President), Mr Stephen Gollan (CEO) Cr David White (Shire President), Cr Alan Sattler, Cr John Maxwell and Mr Simon Marshall (Deputy CEO). (Seated Front Row L to R): Cr Peter Gogol, Cr Matt Norman, Cr Susan Martin and Cr Tim Seed.

COUNCIL MEETINGS

An Ordinary meeting of Council is held on the fourth Tuesday of each month excluding January (11 in total). There were no Special Meetings of Council in 2022/23.

Council has four active Committees:

The **Audit and Risk Committee** met three times during the financial year. Cr's Norman, White and Lawlor are members of the Audit and Risk Committee. The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to Financial Reporting, Internal Control & Risk Management Systems, Annual Business Plans, Internal Audits, External Audits and Other Investigations.

The **Corporate Strategy Committee** met once during the financial year. All Council members are members of the Corporate Strategy Committee. The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to Strategic Planning, Budget, Asset Management, Policies and Integrated Planning.

The **Works Committee** met once during the financial year. Cr's Sattler, Davis, Lawlor and Seed are members of the Works Committee. The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to Roads, Plant and Equipment, Footpaths, Community Spaces and Environmental matters.

The **Cropping Committee** was not required to meet this financial year. Cr's Seed, Sattler and White are members of the Cropping Committee. The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to the Community Cropping Program.



2022/23 MEETING ATTENDANCE

| COUNCILLOR | ORDINARY MEETINGS | COMMITTEE MEETINGS |
|-----------------------------|-------------------|--------------------|
| Cr David White (P) | 11 | 4 |
| Cr Chris Lawlor (DP) | 11 | 5 |
| Cr Don Davis | 11 | 4 |
| Cr Peter Gogol | 11 | 4 |
| Cr Susan Martin | 11 | 2 |
| Cr John Maxwell | 11 | 4 |
| Cr Matt Norman | 9 | 4 |
| Cr Alan Sattler | 6 | 2 |
| Cr Tim Seed | 8 | 1 |

(P) - President

(DP) – Deputy President



COUNCILLOR TRAINING REPORT 2022/23

From October 2019 all newly and re-elected Councillors are required to complete Council Member Essentials.

WALGA's Council Member Essentials encompasses all five of the required training courses. This training has been specifically developed to deliver the essential skills and knowledge required by an Elected Member to perform their role as defined in the Local Government Act 1995.

The five courses are:

- Understanding Local Government;
- Conflicts of Interest;
- Serving on Council;
- Understanding Financial Reports and Budgets; and
- Meeting Procedures

All nine Shire of Beverley Councillors have completed the five courses.

Council has adopted a Councillor Training and Professional Development Policy and through this policy, Councillors are encouraged to request additional training if they so wish.

Stephen Gollan
Chief Executive Officer



ACHIEVEMENTS

During the 2022/23 Financial Year Council achieved the following:

| STRATEGIC ACTIVITIES | OUTCOME |
|---|--|
| <p>1. Maintain Moderate Rate Increases</p> | <p>Council resolved to increase Rates by 5% in 2022/23 reflecting increasing costs due to COVID-19 lead supply shortages.</p> <p>Further, Council maintained its 10% discount for Rates paid by the discount date. The Shire of Beverley is the only Local Government Authority that continues to offer such an incentive in the State.</p> |
| <p>2. Vincent Street Streetscape</p> | <p>Construction of the Vincent St Streetscape project concluded in October 2022 drawing to a close one of the biggest undertakings Council has progressed in recent times.</p> <p>The project was funded through the Building Better Regions program (\$1.5M), Local Roads and Community Infrastructure (\$954,000), Roads to Recovery (\$300,000) and RAC (\$200,000).</p> <p>Council also raised a loan of \$1M (2022/23) and the utilised Reserve funds to ensure adequate financial resources were available to deliver the project.</p> <p>The final result has delivered a pedestrian focused streetscape allowing safe and easy access to our Mainstreet businesses. The reintroduction of street trees and garden beds will create vibrancy in years to come as the plantings mature.</p> <p>Also incorporated with the development was the Vincent St Heritage Interactive Walk which was awarded the winner of the 2022 WA Heritage Award for the Heritage Tourism Product category.</p> |
| <p>3. Road Construction</p> | <p>Council invested \$1.00 Million in road construction works (excluding the Vincent St works) during 2022/23.</p> <p>This represents 32% of Councils capital expenditure for the year.</p> <p>Road construction works for 2022/23 covered 20.4 Km.</p> |
| <p>4. Closing Surplus Position</p> | <p>Council achieved a closing surplus position for the 2022/23 financial year of \$2.63 Million.</p> <p>This includes an advanced payment of \$1.43M in financial assistance grants.</p> |
| <p>5. Maintain Acceptable Debt Levels</p> | <p>Council did not raise any loans during the 2022/23 financial year.</p> <p>Council's overall debt as at 30 June 2023 was \$2.12M.</p> <p>Council's debt servicing ratio, which compares operating surplus to principal and interest expenses, strengthened to 8.84.</p> <p>Council's internal ratio of Rates to Debt, which expresses Rates raised as a multiple of debt levels was 1.46.</p> <p>Council intends to raise \$1M in loan funds in 2023/24 to partially fund Swimming Pool upgrades.</p> |



KEY STRATEGIC ACTIVITIES FOR 2023/24

The following are the key activities funded in the 2023/24 Annual Budget and these will contribute in achieving the strategic vision, goals and outcomes detailed in the Shire's Strategic Community Plan.

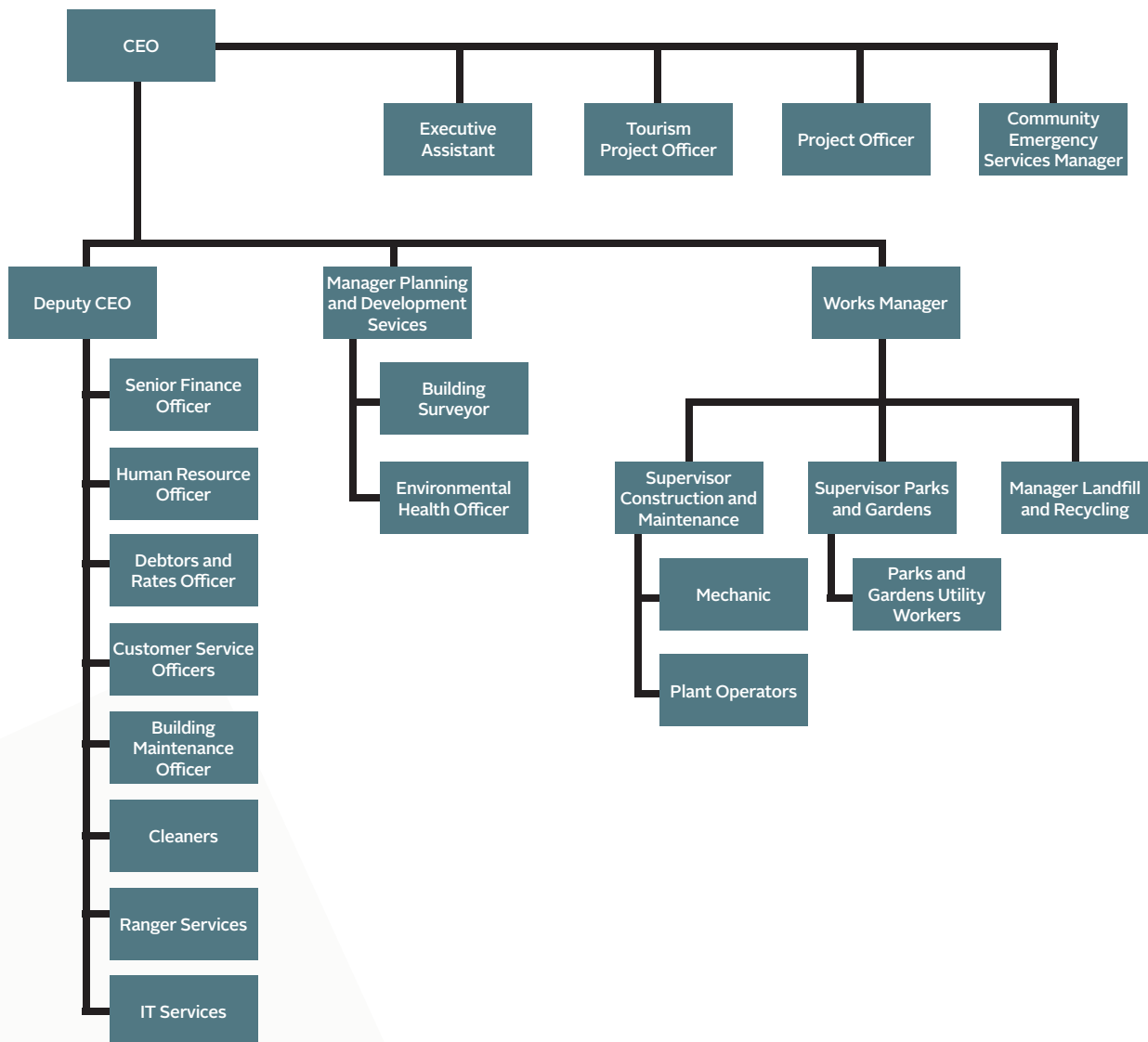
| STRATEGIC ACTIVITIES | PLANNED WORKS | TIMELINE |
|---|---|---------------------------|
| Swimming Pool Upgrade – Stage 1 | Completion of upgrade works to the swimming pool including renewal of plant room and filtration infrastructure, access ramp and steps, renewal of diving blocks, paving renewal and general landscaping works. | Complete by October 2024. |
| Old School Building – Civic Centre Upgrade | Completion of upgrade works to the Old School Building including relocation of toilet block and general internal renovation works to allow the relocation of the Council Chambers and the creation of a dedicated civic ceremony space. | Complete by June 2024. |
| Electric Vehicle (EV) Fast Charger | Install an EV fast charger at the Cornerstone to attract EV visitors to Town. It is planned to leverage State Government funding as it becomes available. | Complete by June 2024. |
| Bridge Works | Work on Bridge 3203 Kokeby East Road scheduled to be undertaken in 2022/23 have been carried over, in addition, work on Bridge 3205 Bremner Road has been included in the 23/24 Capital works program. | Complete by June 2024. |
| Road Construction | Ongoing upgrade and renewal works across the Shire including Waterhatch, Edison Mill and Mawson Roads and a continued 2nd seal, gravel resheeting, roadside spraying and tree lopping program. | Complete by June 2024. |



ORGANISATIONAL STRUCTURE

The Shire of Beverley staff members are part of the corporate structure headed by the Chief Executive Officer. This corporate approach ensures that staff members work towards achieving common goals.

The Shire's staff are organised across four Divisions, Community Services, Corporate Services, Infrastructure Services and Technical Services. Whilst the Chief Executive Officer is responsible for the overall management of the organisation, each Division has its own Senior Officer who oversees the functioning of their respective Division. The Corporate Management Team implements and administers the policies of the Elected Members.



LEGISLATIVE COMPLIANCE

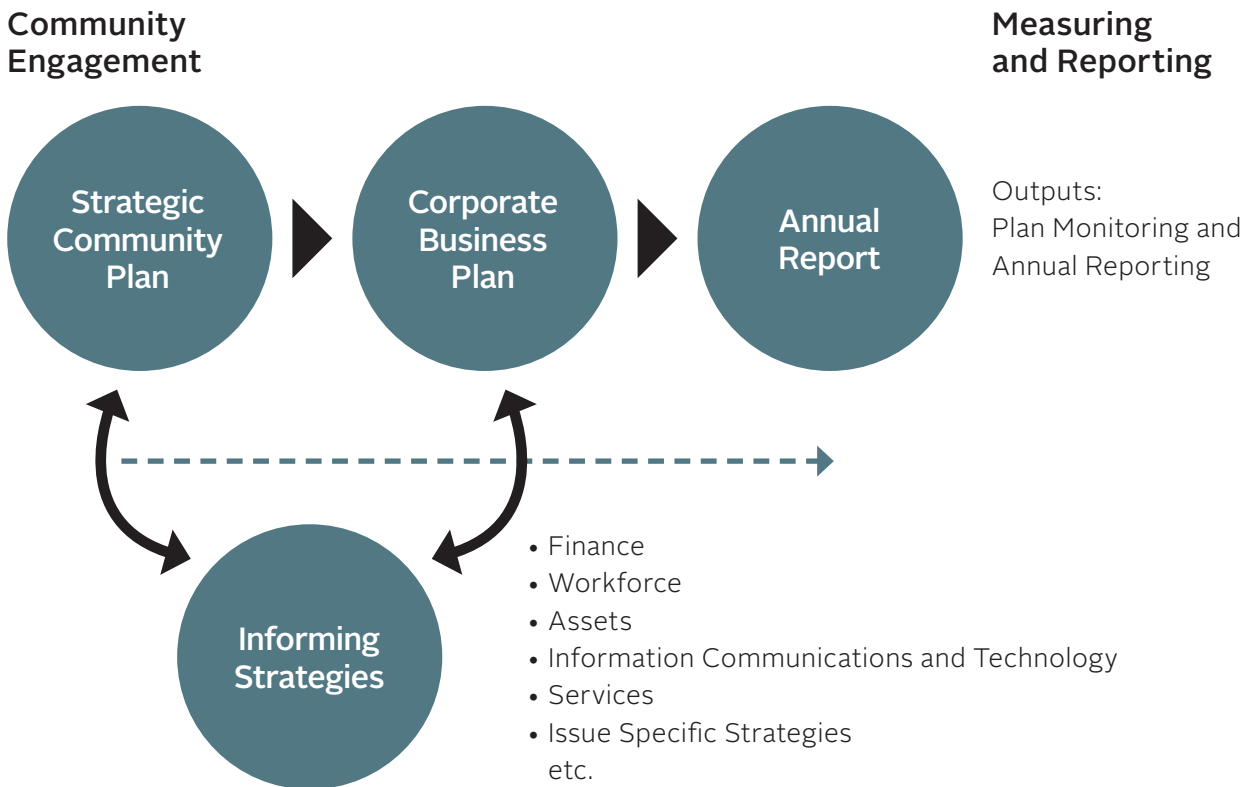
INTEGRATED PLANNING AND REPORTING (IPR) FRAMEWORK

The IPR framework is designed to establish community priorities and linking this information into different parts of a local government’s functions.

The IPR framework requirements are outlined in the Local Government (Administration) Regulations Division 3 – Planning for the Future.

The minimum requirements of the Regulations stipulate that the Local Government is to produce a Strategic Community Plan covering a period of no less than 10 years and a Corporate Business Plan covering a period of at least four years.

The diagram below illustrates the different elements of the IPR:



ELEMENTS OF INTEGRATED PLANNING AND REPORTING FRAMEWORK



STRATEGIC COMMUNITY PLAN

Our Strategic Community Plan 2017-2027 is a Council visionary forward planning document based on community feedback, our current position and desired position.

REVIEW

Council completed a Minor Review of the Strategic Community Plan in June 2021. A full review commenced in May 2023 with a Council Workshop. Community Consultation was then open for an 8 week period with a workshop held on 8 June 2023. Council are expected to adopt the reviewed plan in November 2023.

Throughout 2022-23, Council's vision, values, priorities and goals remain as:

OUR VISION:

A vibrant and progressive community which values its history in a welcoming and friendly place to live, work and visit. Beverley is the place to BE!

WE VALUE:

- The contributions made by our community towards an inclusive, active, diverse and friendly community
- Our natural resources and our place in the natural environment
- Economic diversity and opportunistic growth
- Forward thinking leadership and good governance

COUNCIL PRIORITIES:

1. Our investments support or facilitate employment and local business growth.
2. Our people, the community and quality of life are important to our success.
3. Our relationships bring financial, social, health and environmental benefits to the organisation and residents.

GOALS:

The Strategic Plan has 12 goals covering Infrastructure, Economic Development, Our People, Our Location and Governance.

Achievements of the 2022/23 financial year are listed on the following pages.

2022/23 STRATEGIC COMMUNITY PLAN ACHIEVEMENTS

The following objectives as outlined in the Shire of Beverley's Strategic Community Plan were achieved during the 2022/23 financial year:

INFRASTRUCTURE – GOAL 1

- **Shire infrastructure is prepared for economic gains and increase in our population:** Council invested \$1.00M in road construction which covered 20.4km of roads. \$430,000 was invested in plant renewal which included a new Grader.

INFRASTRUCTURE – GOAL 2

- **Community infrastructure of significance, economic value and history adds to our identity:** The Shire installed a Heritage Trail Walk on Vincent Street. The trail includes a trail head marker, place signage and an interactive QR App. The Heritage Trail Walk was the 2022 Winner of the WA Heritage Awards in the Heritage Tourism Product Category.

ECONOMIC DEVELOPMENT – GOAL 3

- **To have land available for domestic and commercial growth:** Council are preparing a grant application to complete headworks on available land on Hunt Road for the purpose of providing Workers Accommodation.

ECONOMIC DEVELOPMENT – GOAL 4

- **Vincent Street is activated and aesthetically improved:** The Vincent Street Streetscape Project was completed in late 2022. The street has been beautified with new street lighting, footpaths, underground power, seating, safe pedestrian crossings and the inclusion of a heritage trail.



ECONOMIC DEVELOPMENT – GOAL 5

- **Existing businesses can grow in Beverley and new business are attracted:** Council continues to support new business through approval of Planning Applications and Building Licences (where applicants meet all required conditions).

Council continues to support CRISP Wireless in their grant funding applications to enable better internet connectivity for the Shire of Beverley. Three new mobile towers have been installed to support business which includes primary producers, and residents. Fast and secure internet connectivity cannot be understated. Improving connectivity will see business remain and grow in Beverley.

ECONOMIC DEVELOPMENT – GOAL 6

- **Beverley has a unique identity in the region and is well visited:** Council supported the “Spring Back to Beverley 2022” event, both financially and in-kind, which celebrated 150 years of the Dead Finish Museum and 150 years of the Beverley Roads Board. The event was attended by the Minister for Local Government, many visitors, ex-residents and current residents.

Council continues to support and sponsor community events including the annual Beverley Agricultural Show and Beverley Rose Show.

OUR PEOPLE – GOAL 7

- **Increase all forms of club participation:** the Shire allocated \$25,000 to two rounds of Community Grants that are open to all incorporated groups. In 2022/23, the entire allocation was distributed to nine community groups and clubs.

OUR PEOPLE – GOAL 8

- **Beverley continues to be an inclusive, friendly and caring community:** Council continues to work towards providing universal access to all Council facilities where possible. In 2022/23 Vincent Street was redeveloped and includes new disabled parking bays close to facilities and level footpaths.

Further upgrades to the footpath around Beverley District High School were completed.

OUR PEOPLE – GOAL 9

- **We have a healthy and safe community:** Council has a representative on the Early Years Network Committee, the Alex Miles Lodge Committee and the Local Health Advisory Group. Each Councillor reports back to Council on the various Committee's progress.

The Community Emergency Services Manager has held training to ensure our Bush Fire Control Officers, Bush Fire Volunteers and Shire Staff meet the minimum required standards to attend a fire ground.

The Local Emergency Management Group meets quarterly and is represented by Council, Fire Control Officers, Beverley Police, Beverley Hospital, Beverley District High School and the Beverley CWA. The Local Emergency Plan is updated at each meeting.

OUR LOCATION – GOAL 10

- **Rivers, lakes and reserves are an attraction for locals and visitors:** The Brooking St Reserve and Dale River Reserve are managed by the Shire and now complete with tables and chairs for locals and visitors to enjoy.

OUR LOCATION – GOAL 11

- **We aim to protect, manage and preserve our natural environment:** Solar power has been installed at the Beverley Swimming Pool reducing Council's use of non-renewable power sources and at the same time reducing operating expenses.

The Shire continues mitigation works along the Avon River to clear vital paths in case of fire or other disasters.

Water captured by Council's Storm Water Harvesting Dams and treated water provided by the Water Corporation is continuing to sustain the Town Oval and the main street gardens.



GOVERNANCE – GOAL 12

- Council leads the organisation and engages with the community in an accountable and professional manner:**
 Community consultation was held for the review of the Strategic Community Plan.
 Council works closely with its Auditors to ensure all legislative requirements are met and that the Annual Report and Annual General Meeting with the Beverley Ratepayers are held in a timely manner.

INFORMING STRATEGIES

CORPORATE BUSINESS PLAN

The Shire of Beverley's Corporate Business Plan demonstrates how Council is going to achieve the Communities aspirations as identified in the Strategic Community Plan covering a medium term, four year time frame.

The Corporate Business Plan was adopted in 2014 and provides direction to the CEO regarding medium term operational and capital investment parameters.

A desktop review of the Corporate Business Plan is completed annually as part of the annual budgeting process.

There were no modifications made to the Shire of Beverley's Corporate Business Plan in the 2022/23 financial year. A full review has begun and is running concurrently with the Strategic Community Plan.

10 YEAR LONG TERM FINANCIAL PLAN (LTFP)

The LTFP reflects detailed financial workings based on achieving the objectives of the Strategic Community Plan and incorporating elements of workforce planning and asset management. The LTFP 2020 - 2030 was revised and adopted in 2019.

4 YEAR WORKFORCE PLAN (WFP)

The WFP, first adopted in 2013 and reviewed in 2019, provides a detailed management plan of Council's workforce which reflects the staffing requirements required to achieve the objectives of the Strategic Community Plan. The WFP was reviewed as part of the LTFP review process.

10 YEAR INFRASTRUCTURE ASSET MANAGEMENT PLAN (IAMP)

The IAMP, first adopted in 2013, reflects the renewal requirements of Council's infrastructure assets.

The 10 Year Infrastructure Asset Management Plan was reviewed in 2019/20 to assist in informing the review of the 10 year Long Term Financial Plan.

10 YEAR BUILDINGS ASSET MANAGEMENT PLAN (BAMP)

The BAMP, first adopted in 2012, reflects the renewal requirements of Council's building assets.

The 10 Year Building Asset Management Plan was reviewed in 2019/20. The BAMP assists in informing the review of the 10 Year Long Term Financial Plan.

10 YEAR PLANT REPLACEMENT PROGRAM (PRP)

The PRP, first adopted in 2015 and reviewed annually by Council reflects Council's Plant replacement requirements.



NATIONAL COMPETITION POLICY

The introduction of the National Competition Policy requires all local governments to include in the Annual Report, statements relating to the following:

THE STRUCTURAL REFORM OF PUBLIC MONOPOLIES

The intention of the Structural Reform of Public Monopolies, is that:

- There is a separation of regulatory and commercial functions of Public Monopolies.
- There is a separation of natural monopolistic operations and potentially competitive activities of Public Monopolies.
- There is a separation of potential competitive activities into a number of smaller, essentially independent business units.

The Shire of Beverley is not considered a natural monopoly, nor does it conduct any business activity that can be considered a Public Monopoly. Therefore the principle of structural reform of Public Monopolies does not apply to the Shire of Beverley.

COMPETITIVE NEUTRALITY

For significant local government business enterprises, which are classified as 'Public Financial Enterprises', local government will, where appropriate:

- Adopt a corporatisation model for those local government business enterprises.
- Impose on significant business enterprises:
 - Full Commonwealth, State and Territory taxes on tax equivalent systems;
 - Debt guarantee fees directed towards off-setting the competitive advantages provided by government guarantees; and
 - Those regulations to which private sector businesses are normally subject, such as those relating to the protection of the environment and planning and approval processes, on an equivalent basis to private sector competitors.

These principles have been designed to ensure that a local government has no unfair advantage over any competitor in the market place.

These principles only apply to business activities that receive more than \$200,000 in annual income, of which the Shire of Beverley has none, and therefore do not apply to the Shire of Beverley.

Council has not received any allegations of non compliance with Competitive Neutrality Principles from the private sector.

LEGISLATION REVIEW

In accordance with the National Competition Policy, all Local Laws are currently being reviewed.



DISABILITY ACCESS AND INCLUSION PLAN

The Disability Services Act 1993 was amended in December 2004, creating a requirement of public authorities to develop and implement Disability Access and Inclusion Plans (DAIPs). These Plans had to be fully developed by July 2007, and replaced and built on the achievements of Disability Service Plans (DSPs).

A complete review of the 2013-2018 plan was completed in November 2018 with Council adopting the DAIP 2018-2023 in December 2018.

Planning for the new 2023 – 2028 DAIP has commenced and will be finalised in December 2023.

A DAIP progress report is completed annually and forwarded to the Disability Services Commission. The 2022/23 progress report was completed and submitted in June 2023.

The following overarching strategies have been developed to address each of the seven desired outcome areas of the Disability Services Act from feedback gained in the consultation process.

OUTCOME 1

People with disability have the same opportunities as other people to access the services of, and any events organised by the Shire of Beverley.

| STRATEGY |
|---|
| Ensure that people with Disability are consulted on their needs for services and the accessibility of current services. |
| Monitor Shire services to ensure equitable access and inclusion. |
| Develop links between the DAIP and other Shire Integrated plans. |
| Shire organised or funded events are accessible to people with Disability. |
| Promote Disability Services and programs available within our Shire and neighbouring Shires. |



OUTCOME 2

People with disability have the same opportunities as other people to access the buildings and other facilities of the Shire of Beverley.

| STRATEGY |
|---|
| Ensure that all Shire buildings and facilities are physically accessible to people with Disability. |
| Ensure that all new or redevelopment work to public buildings and applications incorporates universal access and meets BCA standards. |
| Improvements to the accessibility and safe crossing on the main roads (Vincent Street) in Beverley. |
| Advocate to local businesses the requirements for and benefits flowing from the provision of accessible venues. |
| Ensure that all recreational areas are accessible. |
| Ensure that ACROD parking meets the needs of people with disability in terms of visibility, quantity and location. |

OUTCOME 3

People with disability receive information from the Shire of Beverley in a format that will enable them to access the information as readily as other people are able to access it.

| STRATEGY |
|---|
| Improve community awareness of Shire information being available in alternative formats. |
| Improve employee awareness of accessible information needs and how to provide information in other formats. |
| Ensure that the Shire's website meets accessibility guidelines. |

OUTCOME 4

People with disability receive the same level and quality of service from the employees of a public authority as other people receive from the employees of the Shire of Beverley.

| STRATEGY |
|---|
| Ensure that all employees, current and new, are aware of disability and access issues and have the skills to provide appropriate service and information. |
| Ensure that all elected members are aware of the Disability Access and Inclusion Plan and Shire's commitment to it. |



OUTCOME 5

People with disability have the same opportunities as other people to make complaints to a public authority.

STRATEGY

Ensure that feedback and grievance mechanisms are known and accessible for people with Disability and are acted upon.

OUTCOME 6

People with disability have the same opportunities as other people to participate in any public consultation by a public authority.

STRATEGY

Ensure that people with disability are actively consulted about the DAIP and any other significant Shire planning processes.

Ensure that all Shire public consultations, forums, workshops and meetings are inclusive and accessible and people with disability are aware of them.

OUTCOME 7

People with disability have the same opportunities as other people to maintain employment with the Shire of Beverley.

STRATEGY

Ensure that inclusive recruitment practices are undertaken when advertising all employment positions.

Improve methods of attracting, recruiting and retaining people with disability.



PUBLIC INTEREST DISCLOSURE

PUBLIC INTEREST

The Public Interest Disclosure Act 2003 (the Act), aims to facilitate and encourage the disclosure of public interest information, and to provide protection for those who have made disclosures, and for those about whom disclosures are made.

The Shire of Beverley does not tolerate corrupt or other improper conduct, including mismanagement of public resources, and the exercise of the public functions of the Shire and its officers, employees and contractors.

The Shire is committed to the aims and objectives of the Act, and recognises the value and importance of contributions of staff to enhance administrative and management practices, and supports disclosures being made by staff regarding corrupt or other improper conduct.

During the 2022/23 Financial Year there were no disclosures made under the Act.



RECORD KEEPING PLAN

The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed manner.

Principal 6 - Compliance: Government Organisations ensure their employees comply with the Record Keeping Plan.

RATIONALE

An Organisation and its employees must comply with the Organisation's Record Keeping Plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

MINIMUM COMPLIANCE REQUIREMENTS

The Record Keeping Plan is to provide evidence to adduce that:

1. The efficiency and effectiveness of the organisation's record keeping system is evaluated not less than once every 5 years.
2. The Organisation conducts a record keeping program.
3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time.
4. The Organisation's induction program addresses employee roles and responsibilities in regards to their compliance with the Organisation's Record Keeping Plan.

The Shire of Beverley has complied with items 1 to 4.

In the updated Plan 2020-25, the Shire of Beverley has committed to increasing staff awareness of the disposal program for records kept offsite, including understanding and awareness on how to access offsite records; and the development of a Records Disaster Recovery Plan, to include the following strategies:

- Centralised storage location of Vital Records for easy removal or recovery.
- A Register of Vital Records, listing where vital records are stored in hardcopy and electronically and how they would be recovered after a disaster.
- Coordinating details for the salvaging and documenting of damaged records, along with planning an alternative work area.
- Installation of a Records Disaster Recovery Bin.

In 2021-22 the Shire of Beverley developed its Vital Record Register and Records Disaster Recovery Plan.

In 2022-23 the Shire contracted an external contractor to assist with ongoing archiving and to review the efficiency and effectiveness of our record keeping program. Several recommendations were made and staff are working towards implementation.

REGISTER OF MINOR COMPLAINTS

Section 5.121 of the Local Government Act 1995 (Register of Certain Complaints of Minor Breaches), requires the Complaints Officer 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 disclosure in the Annual Report of details of entries made under Section 5.121 during the financial year in the Register of Complaints, including:

- i. The number of complaints recorded on the register of complaints;
- ii. How the recorded complaints were dealt with; and
- iii. Any other details that the Regulations may require.

In accordance with these requirements, it is advised that no complaints or minor breaches under the Local Government Act 1995 were received during 2022/23.



FREEDOM OF INFORMATION

Section 96 of the Freedom of Information Act requires local governments to publish an Information Statement.

In summary, the Shire of Beverley's Statement indicates that the Shire of Beverley is responsible for the good governance of the Shire, and carries out functions as required, including statutory compliance and provision of services and facilities.

All Council meetings are open to the public, and meeting dates and venues are advertised on a regular basis. Members of the public are invited to ask questions during Public Question Time, shortly after the commencement of each meeting.

The Shire of Beverley maintains records relating to the function and administration of the Shire, each property within the Shire, and includes such documents as the Minutes of Meetings, Rate Book, Town Planning Scheme, Local Laws, Codes of Conduct, Register of Financial Interests, Register of Delegated Authority, Financial Statements, and Electoral Rolls. These documents can be inspected free of charge at the Shire Office, 136 Vincent Street, Beverley, during office hours.

No Freedom of Information requests were received in 2022/23.

**2022/23 ANNUAL
FINANCIAL REPORT**



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

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

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

Signed on the 17th day of August 2023



CEO

Stephen P Gollan
Name of CEO

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

| | NOTE | 2023 Actual | 2023 Budget | 2022 Actual |
|---|---------|-------------------|------------------|------------------|
| | | \$ | \$ | \$ |
| Revenue | | | | |
| Rates | 28,2(a) | 3,082,199 | 3,087,781 | 2,932,607 |
| Grants, subsidies and contributions | 2(a) | 2,196,711 | 715,395 | 2,074,783 |
| Fees and charges | 2(a) | 883,449 | 714,764 | 812,987 |
| Interest revenue | 2(a) | 160,270 | 74,687 | 35,081 |
| Other revenue | 2(a) | 283,364 | 424,882 | 487,763 |
| | | 6,605,993 | 5,017,509 | 6,343,221 |
| Expenses | | | | |
| Employee costs | 2(b) | (2,357,170) | (2,387,077) | (2,188,326) |
| Materials and contracts | | (1,624,980) | (2,297,228) | (1,474,120) |
| Utility charges | | (208,500) | (198,572) | (234,835) |
| Depreciation | | (2,373,032) | (2,400,096) | (2,379,431) |
| Finance costs | 2(b) | (93,459) | (86,323) | (85,247) |
| Insurance | | (235,956) | (236,285) | (229,584) |
| Other expenditure | 2(b) | (131,192) | (83,975) | (113,757) |
| | | (7,024,289) | (7,689,556) | (6,705,300) |
| | | (418,296) | (2,672,047) | (362,079) |
| Capital grants, subsidies and contributions | 2(a) | 1,555,691 | 2,030,994 | 3,096,186 |
| Profit on asset disposals | | 50,000 | 62,000 | 64,207 |
| Loss on asset disposals | | 0 | (31,000) | (17,959) |
| Loss on revaluation of Infrastructure assets | 9(a) | (1,599,573) | 0 | 0 |
| | | 6,118 | 2,061,994 | 3,142,434 |
| Net result for the period | | (412,178) | (610,053) | 2,780,355 |
| Other comprehensive income for the period | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes in asset revaluation surplus | 19 | 77,258,712 | 0 | 0 |
| Total other comprehensive income for the period | 19 | 77,258,712 | 0 | 0 |
| Total comprehensive income for the period | | 76,846,534 | (610,053) | 2,780,355 |

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



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

| | NOTE | 2023 \$ | 2022 \$ |
|--------------------------------------|-------|--------------------|--------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 3 | 5,180,566 | 5,731,785 |
| Trade and other receivables | 5 | 479,417 | 440,031 |
| Inventories | 6 | 9,932 | 19,124 |
| Other assets | 7 | 204,187 | 540,517 |
| TOTAL CURRENT ASSETS | | 5,874,102 | 6,731,457 |
| NON-CURRENT ASSETS | | | |
| Trade and other receivables | 5 | 161,235 | 148,045 |
| Other financial assets | 4 | 61,117 | 58,365 |
| Property, plant and equipment | 8 | 31,617,666 | 31,996,579 |
| Infrastructure | 9 | 140,931,964 | 64,135,531 |
| TOTAL NON-CURRENT ASSETS | | 172,771,982 | 96,338,520 |
| TOTAL ASSETS | | 178,646,084 | 103,069,977 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 14 | 548,074 | 1,194,835 |
| Other liabilities | 15 | 124,789 | 333,560 |
| Lease liabilities | 11(a) | 6,837 | 6,837 |
| Borrowings | 16 | 117,135 | 138,425 |
| Employee related provisions | 17 | 432,155 | 397,892 |
| TOTAL CURRENT LIABILITIES | | 1,228,990 | 2,071,549 |
| NON-CURRENT LIABILITIES | | | |
| Trade and other payables | 14 | 0 | 280,078 |
| Lease liabilities | 11(a) | 0 | 6,837 |
| Borrowings | 16 | 2,001,138 | 2,118,273 |
| Employee related provisions | 17 | 52,493 | 76,311 |
| TOTAL NON-CURRENT LIABILITIES | | 2,053,631 | 2,481,499 |
| TOTAL LIABILITIES | | 3,282,621 | 4,553,048 |
| NET ASSETS | | 175,363,463 | 98,516,929 |
| EQUITY | | | |
| Retained surplus | | 47,528,330 | 47,991,699 |
| Reserve accounts | 31 | 2,280,551 | 2,229,360 |
| Revaluation surplus | 19 | 125,554,582 | 48,295,870 |
| TOTAL EQUITY | | 175,363,463 | 98,516,929 |

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

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

| | NOTE | RETAINED SURPLUS \$ | RESERVE ACCOUNTS \$ | REVALUATION SURPLUS \$ | TOTAL EQUITY \$ |
|---|------|---------------------------|---------------------------|------------------------------|-----------------------|
| Balance as at 1 July 2021 | | 44,609,993 | 2,830,711 | 48,295,870 | 95,736,574 |
| Comprehensive income for the period | | | | | |
| Net result for the period | | 2,780,355 | 0 | 0 | 2,780,355 |
| Other comprehensive income for the period | 19 | 0 | 0 | 0 | 0 |
| Total comprehensive income for the period | | 2,780,355 | 0 | 0 | 2,780,355 |
| Transfers from reserve accounts | 31 | 1,107,806 | (1,107,806) | 0 | 0 |
| Transfers to reserve accounts | 31 | (506,455) | 506,455 | 0 | 0 |
| Balance as at 30 June 2022 | | 47,991,699 | 2,229,360 | 48,295,870 | 98,516,929 |
| Comprehensive income for the period | | | | | |
| Net result for the period | | (412,178) | 0 | 0 | (412,178) |
| Other comprehensive income for the period | 19 | 0 | 0 | 77,258,712 | 77,258,712 |
| Total comprehensive income for the period | | (412,178) | 0 | 77,258,712 | 76,846,534 |
| Transfers from reserve accounts | 31 | 548,201 | (548,201) | 0 | 0 |
| Transfers to reserve accounts | 31 | (599,392) | 599,392 | 0 | 0 |
| Balance as at 30 June 2023 | | 47,528,330 | 2,280,551 | 125,554,582 | 175,363,463 |

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



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

| | NOTE | 2023 Actual \$ | 2022 Actual \$ |
|--|-------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | | |
| Rates | | 3,082,199 | 2,932,608 |
| Operating grants, subsidies and contributions | | 2,196,711 | 2,074,783 |
| Fees and charges | | 883,449 | 812,985 |
| Interest revenue | | 160,270 | 35,082 |
| Other revenue | | 160,363 | (125,643) |
| | | 6,482,992 | 5,729,815 |
| Payments | | | |
| Employee costs | | (2,346,726) | (2,172,057) |
| Materials and contracts | | (2,409,133) | (1,474,120) |
| Utility charges | | (208,500) | (234,835) |
| Finance costs | | (93,459) | (78,024) |
| Insurance paid | | (235,956) | (229,584) |
| Other expenditure | | (131,192) | 573,064 |
| | | (5,424,966) | (3,615,556) |
| Net cash provided by (used in) operating activities | 20(b) | 1,058,026 | 2,114,259 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for financial assets at amortised cost - bonds | | (292,066) | (11,988) |
| Payments for purchase of property, plant & equipment | | (624,401) | (1,123,988) |
| Payments for construction of infrastructure | | (2,507,012) | (5,238,520) |
| Capital grants, subsidies and contributions | | 1,555,691 | 3,096,186 |
| Proceeds from financial assets at amortised cost - contract assets | | 342,837 | 0 |
| Proceeds from financial assets at amortised cost - self supporting loans | | 10,968 | 14,284 |
| Proceeds from sale of property, plant & equipment | | 50,000 | 564,826 |
| Net cash provided by (used in) investing activities | | (1,463,983) | (2,699,200) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of borrowings | 30(a) | (138,425) | (122,529) |
| Payments for principal portion of lease liabilities | 30(d) | (6,837) | (6,837) |
| Proceeds from new borrowings | 30(a) | 0 | 1,000,000 |
| Net cash provided by (used In) financing activities | | (145,262) | 870,634 |
| Net increase (decrease) in cash held | | (551,219) | 285,693 |
| Cash at beginning of year | | 5,731,785 | 5,446,092 |
| Cash and cash equivalents at the end of the year | 20(a) | 5,180,566 | 5,731,785 |

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

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

| | NOTE | 2023 Actual \$ | 2023 Budget \$ | 2022 Actual \$ |
|---|-------|----------------------|----------------------|----------------------|
| OPERATING ACTIVITIES | | | | |
| Revenue from operating activities | | | | |
| Rates | 28 | 3,082,199 | 3,087,781 | 2,932,607 |
| Grants, subsidies and contributions | | 2,196,711 | 715,395 | 2,074,783 |
| Fees and charges | | 883,449 | 714,764 | 812,987 |
| Interest revenue | | 160,270 | 74,687 | 35,081 |
| Other revenue | | 280,612 | 424,882 | 484,765 |
| Profit on asset disposals | | 50,000 | 62,000 | 64,207 |
| Fair value adjustments to financial assets at fair value through profit or loss | 4 | 2,752 | 0 | 2,998 |
| | | <u>6,655,993</u> | <u>5,079,509</u> | <u>6,407,428</u> |
| Expenditure from operating activities | | | | |
| Employee costs | | (2,357,170) | (2,387,077) | (2,188,326) |
| Materials and contracts | | (1,624,980) | (2,297,228) | (1,474,120) |
| Utility charges | | (208,500) | (198,572) | (234,835) |
| Depreciation | | (2,373,032) | (2,400,096) | (2,379,431) |
| Finance costs | | (93,459) | (86,323) | (85,247) |
| Insurance | | (235,956) | (236,285) | (229,584) |
| Other expenditure | | (131,192) | (83,975) | (113,757) |
| Loss on asset disposals | | 0 | (31,000) | (17,959) |
| Loss on revaluation of non-current assets | | (1,599,573) | 0 | 0 |
| | | <u>(8,623,862)</u> | <u>(7,720,556)</u> | <u>(6,723,259)</u> |
| Non-cash amounts excluded from operating activities | 29(a) | 3,887,262 | 2,369,097 | 2,295,362 |
| Amount attributable to operating activities | | <u>1,919,393</u> | <u>(271,950)</u> | <u>1,979,531</u> |
| INVESTING ACTIVITIES | | | | |
| Inflows from investing activities | | | | |
| Capital grants, subsidies and contributions | | 1,555,691 | 2,030,994 | 3,096,186 |
| Proceeds from disposal of assets | | 50,000 | 194,000 | 564,827 |
| Proceeds from financial assets at amortised cost - self supporting loans | | 10,968 | 10,968 | 14,285 |
| | | <u>1,616,659</u> | <u>2,235,962</u> | <u>3,675,298</u> |
| Outflows from investing activities | | | | |
| Purchase of property, plant and equipment | 8(a) | (624,401) | (1,508,500) | (1,123,988) |
| Purchase and construction of infrastructure | 9(a) | (2,507,012) | (3,205,687) | (5,238,520) |
| | | <u>(3,131,413)</u> | <u>(4,714,187)</u> | <u>(6,362,508)</u> |
| Amount attributable to investing activities | | <u>(1,514,754)</u> | <u>(2,478,225)</u> | <u>(2,687,210)</u> |
| FINANCING ACTIVITIES | | | | |
| Inflows from financing activities | | | | |
| Proceeds from borrowings | 30(a) | 0 | 0 | 1,000,000 |
| Transfers from reserve accounts | 31 | 548,201 | 967,070 | 1,107,806 |
| | | <u>548,201</u> | <u>967,070</u> | <u>2,107,806</u> |
| Outflows from financing activities | | | | |
| Repayment of borrowings | 30(a) | (138,425) | (138,424) | (122,529) |
| Payments for principal portion of lease liabilities | 30(d) | (6,837) | (6,837) | (6,837) |
| Transfers to reserve accounts | 31 | (599,392) | (489,749) | (506,455) |
| | | <u>(744,654)</u> | <u>(635,010)</u> | <u>(635,821)</u> |
| Amount attributable to financing activities | | <u>(196,453)</u> | <u>332,060</u> | <u>1,471,985</u> |
| MOVEMENT IN SURPLUS OR DEFICIT | | | | |
| Surplus or deficit at the start of the financial year | 29(c) | 2,418,115 | 2,418,115 | 1,653,810 |
| Amount attributable to operating activities | | 1,919,393 | (271,950) | 1,979,531 |
| Amount attributable to investing activities | | (1,514,754) | (2,478,225) | (2,687,210) |
| Amount attributable to financing activities | | (196,453) | 332,060 | 1,471,985 |
| Surplus or deficit after imposition of general rates | 29(c) | <u>2,626,301</u> | <u>0</u> | <u>2,418,116</u> |

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



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

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 Shire to measure any vested improvements at zero cost.

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 32 of the financial report.

Judgements and estimates

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimated useful life of intangible assets

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

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

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



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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

| Revenue Category | Nature of goods and services | When obligations typically satisfied | Payment terms | Returns/Refunds/Warranties | Timing of revenue recognition |
|--|---|--------------------------------------|---|---|--|
| Rates | General rates | Over time | Payment dates adopted by Council during the year | None | When rates notice is issued |
| 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 term transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Output method based on project milestones and/or completion date matched to performance obligations |
| Grants, subsidies or contributions with no contractual commitments | General appropriations and contributions with no reciprocal commitment | No obligations | Payment in full in advance or part payments made periodically | None | When assets are controlled |
| Fees and charges-licences, registrations, approvals | Building, planning, development and animal management, having the same nature as a licence | Single point in time | Full payment prior to issue | None | On payment of the licence, registration or approval |
| Fees and charges-Pool inspections | Compliance safety check | Single point in time | Equal proportion based on an equal annual fee | None | After inspection complete based on a four year cycle |
| Fees and charges-Other inspections | Regulatory food, health and safety | Single point in time | Full payment prior to inspection | None | After inspection complete |
| Fees and charges-Waste management | Kerbside collection service | Over time | Payment on an annual basis in advance | None | Output method based on regular weekly and fortnightly periods as proportionate to collection service |
| Fees and charges-Property hire | Use of Halls and other facilities | Single point in time | Payment in full in advance | Refund if event cancelled | On entry or at conclusion of hire |
| Fees and charges-Commercial lease | Lease of office facilities | Over time | Fixed term transfer of funds based on agreed lease terms | None | Output method over lease term matched to access right |
| Fees and charges-Memberships | Community Gym and Pool Memberships | Over time | Payment in full in advance | None | Output method over 12 months matched to access right |
| Fees and charges-Other goods and services | Cemetery services, Library fees, private works | Single point in time | Payment in full in advance | None | Output method based on provision of service or completion of works |
| Fees and charges-Fines | Fines issued for breaches of local laws | Single point in time | Payment in full within defined time | None | When fine notice is issued |
| Other Revenue-Commissions | Commissions on transport licencing and building levies | Single point in time | Payment in full on sale | None | When assets are controlled |
| Other Revenue-Reimbursements | Insurance claims | Single point in time | Payment in arrears for claimable event | None | When claim is agreed |
| Fees and charges - sale of scrap | Sale of excess items no longer required for operations | Single point in time | In full in advance | None | At point of sale |
| Other revenue - private works | Contracted private works | Single point in time | Monthly in arrears | None | At point of service |

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue Recognition

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

For the year ended 30 June 2023

| Nature | Contracts with customers \$ | Capital grant/contributions \$ | Statutory Requirements \$ | Other \$ | Total \$ |
|---|--------------------------------|-----------------------------------|------------------------------|----------------|------------------|
| Rates | 0 | 0 | 3,082,199 | 0 | 3,082,199 |
| Grants, subsidies and contributions | 183,367 | 0 | 1,999,935 | 13,409 | 2,196,711 |
| Fees and charges | 841,589 | 0 | 41,860 | 0 | 883,449 |
| Interest revenue | 136,078 | 0 | 0 | 24,192 | 160,270 |
| Other revenue | 7,909 | 0 | 65,377 | 210,078 | 283,364 |
| Capital grants, subsidies and contributions | 0 | 1,555,691 | 0 | 0 | 1,555,691 |
| Total | 1,168,943 | 1,555,691 | 5,189,371 | 247,679 | 8,161,684 |

For the year ended 30 June 2022

| Nature | Contracts with customers \$ | Capital grant/contributions \$ | Statutory Requirements \$ | Other \$ | Total \$ |
|---|--------------------------------|-----------------------------------|------------------------------|----------------|------------------|
| Rates | 0 | 0 | 2,932,607 | 0 | 2,932,607 |
| Grants, subsidies and contributions | 134,031 | 0 | 1,801,149 | 139,603 | 2,074,783 |
| Fees and charges | 768,512 | 0 | 44,475 | 0 | 812,987 |
| Interest revenue | 11,374 | 0 | 0 | 23,707 | 35,081 |
| Other revenue | 68,033 | 0 | 66,660 | 353,070 | 487,763 |
| Capital grants, subsidies and contributions | 0 | 3,096,186 | 0 | 0 | 3,096,186 |
| Total | 981,950 | 3,096,186 | 4,844,891 | 516,380 | 9,439,407 |

| Note | 2023 Actual \$ | 2022 Actual \$ |
|--|----------------------|----------------------|
| Assets and services acquired below fair value | | |
| The Shire has not received any contributed assets nor does it utilise any volunteer services. | | |
| Interest revenue | | |
| Interest on reserve account funds | 72,108 | 7,972 |
| Trade and other receivables overdue interest | 24,192 | 3,447 |
| Other interest revenue | 63,970 | 3,402 |
| | 160,270 | 14,821 |
| The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$2,500. | | |
| Fees and charges relating to rates receivable | | |
| Charges on instalment plan | 2,820 | 3,560 |
| The 2023 original budget estimate in relation to: Charges on instalment plan was \$4,000. | | |
| (b) Expenses | | |
| Auditors remuneration | | |
| - Audit of the Annual Financial Report | 28,000 | 22,810 |
| - Other services – Grant acquittals | 2,700 | 400 |
| - Other services – Deferred Pensioner Rates Certification | 500 | 400 |
| - Other services – Financial Mangement Systems Review | 7,894 | 0 |
| | 39,094 | 23,610 |
| Employee Costs | | |
| Employee benefit costs | 2,347,724 | 2,183,885 |
| Other employee costs | 9,446 | 4,441 |
| | 2,357,170 | 2,188,326 |
| Finance costs | | |
| Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss | 93,459 | 85,247 |
| | 93,459 | 85,247 |
| Other expenditure | | |
| Sundry expenses | 131,192 | 113,757 |
| | 131,192 | 113,757 |



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

3. CASH AND CASH EQUIVALENTS

| Note | 2023 | 2022 |
|--|------------------|------------------|
| | \$ | \$ |
| Cash at bank and on hand | 1,628,346 | 2,876,799 |
| Term deposits | 3,552,220 | 2,854,986 |
| Total cash and cash equivalents | 5,180,566 | 5,731,785 |
| Held as | | |
| - Unrestricted cash and cash equivalents | 2,900,013 | 2,876,799 |
| - Restricted cash and cash equivalents | 2,280,553 | 2,854,986 |
| | 5,180,566 | 5,731,785 |

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.

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

Non-current assets

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance

Movement attributable to fair value increment

Units in Local Government House Trust - closing balance

| 2023 | 2022 |
|--------|--------|
| \$ | \$ |
| 61,117 | 58,365 |
| 61,117 | 58,365 |
| 58,365 | 55,367 |
| 2,752 | 2,998 |
| 61,117 | 58,365 |

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

SIGNIFICANT ACCOUNTING POLICIES

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.

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

Financial assets at fair value through profit or loss

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

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

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

5. TRADE AND OTHER RECEIVABLES

| Note | 2023 \$ | 2022 \$ |
|------------------------------------|----------------|----------------|
| Current | | |
| Rates and statutory receivables | 372,352 | 324,975 |
| Trade receivables | 86,890 | 53,893 |
| Other receivables | 0 | 10,968 |
| GST receivable | 20,175 | 50,195 |
| | <u>479,417</u> | <u>440,031</u> |
| Non-current | | |
| Pensioner's rates and ESL deferred | 161,235 | 148,045 |
| | <u>161,235</u> | <u>148,045</u> |

The carrying amounts of the trade and other receivables include receivables which are subject to a factoring arrangement. Under the factoring arrangement, the Shire of Beverley has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables, late payment and credit risk remains with the Shire of Beverley, therefore the Shire continues to recognise the transferred assets in their entirety. The amount repayable under the factoring arrangement is presented as a secured borrowing under other loans at Note 16. The Shire considers that the held to collect business model remains appropriate for these receivables and continues measuring them at amortised cost.

Disclosure of opening and closing balances related to contracts with customers

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

| Note | 30 June 2023 Actual \$ | 30 June 2022 Actual \$ | 1 July 2021 Actual \$ |
|---|---------------------------------|---------------------------------|--------------------------------|
| Trade and other receivables from contracts with customers | 93,523 | 64,996 | 72,771 |
| Contract assets | 197,553 | 540,382 | 100,000 |
| Total trade and other receivables from contracts with customers | <u>291,076</u> | <u>605,378</u> | <u>172,771</u> |

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other Receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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



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

6. INVENTORIES

| Note | 2023 | 2022 |
|--|--------------|---------------|
| Current | \$ | \$ |
| Fuel and materials | 9,932 | 19,124 |
| | 9,932 | 19,124 |
| The following movements in inventories occurred during the year: | | |
| Balance at beginning of year | 19,124 | 10,282 |
| Inventories expensed during the year | (180,988) | (208,473) |
| Additions to inventory | 171,796 | 217,315 |
| Balance at end of year | 9,932 | 19,124 |

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

7. OTHER ASSETS

Other assets - current

Accrued income
Contract assets

| | 2023 | 2022 |
|--|----------------|----------------|
| | \$ | \$ |
| | 6,634 | 135 |
| | 197,553 | 540,382 |
| | <u>204,187</u> | <u>540,517</u> |

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Contract assets

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

Impairment of assets associated with contracts with customers are detailed at Note 2(b).

Non-current assets held for sale (Continued)

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 8(i).



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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

| Note | Land | Buildings - non-specialised | Buildings - specialised | Total land and buildings | Furniture and equipment | Plant and equipment | Total property, plant and equipment |
|--|-----------|-----------------------------|-------------------------|--------------------------|-------------------------|---------------------|-------------------------------------|
| | \$ | \$ | \$ | | \$ | \$ | \$ |
| Balance at 1 July 2021 | 2,457,196 | 8,931,794 | 18,985,273 | 30,374,263 | 124,356 | 1,902,262 | 32,400,881 |
| Additions | 0 | 47,783 | 266,094 | 313,877 | 0 | 810,111 | 1,123,988 |
| Disposals | (23,000) | (207,883) | (5,418) | (236,301) | 0 | (282,276) | (518,577) |
| Depreciation | 10(a) 0 | (203,834) | (522,930) | (726,764) | (31,481) | (251,468) | (1,009,713) |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at 30 June 2022 | 2,434,196 | 8,567,860 | 18,723,019 | 29,725,075 | 92,875 | 2,178,629 | 31,996,579 |
| Comprises: | | | | | | | |
| Gross balance amount at 30 June 2022 | 2,434,196 | 10,108,803 | 25,829,550 | 38,372,549 | 222,896 | 4,165,783 | 42,761,228 |
| Accumulated depreciation at 30 June 2022 | 0 | (1,540,939) | (7,106,535) | (8,647,474) | (130,021) | (1,987,154) | (10,764,649) |
| Accumulated impairment loss at 30 June 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at 30 June 2022 | 2,434,196 | 8,567,864 | 18,723,015 | 29,725,075 | 92,875 | 2,178,629 | 31,996,579 |
| Additions | 0 | 105,335 | 49,396 | 154,731 | 39,670 | 430,000 | 624,401 |
| Disposals | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluation increments / (decrements) transferred to revaluation surplus | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assets classified as held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation | 10(a) 0 | (203,226) | (527,400) | (730,626) | (33,788) | (238,900) | (1,003,314) |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at 30 June 2023 | 2,434,196 | 8,469,973 | 18,245,011 | 29,149,180 | 98,757 | 2,369,729 | 31,617,666 |
| Comprises: | | | | | | | |
| Gross balance amount at 30 June 2023 | 2,434,196 | 10,214,137 | 25,878,945 | 38,527,278 | 262,566 | 4,240,783 | 43,030,627 |
| Accumulated depreciation at 30 June 2023 | 0 | (1,744,165) | (7,633,936) | (9,378,101) | (163,809) | (1,871,051) | (11,412,961) |
| Accumulated impairment loss at 30 June 2023 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at 30 June 2023 | 2,434,196 | 8,469,972 | 18,245,009 | 29,149,177 | 98,757 | 2,369,732 | 31,617,666 |

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

| Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of Valuation | Date of Last Valuation | Inputs Used |
|--|-----------------------------|--|-------------------------------|-------------------------------|--|
| (i) Fair Value | | | | | |
| Land and buildings | | | | | |
| Land | 2 | Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology | Independent registered valuer | June 2021 | Price per hectare / market borrowing rate |
| Buildings - non-specialised | 2 | Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology | Independent registered valuer | June 2021 | Price per square metre / market borrowing rate |
| Buildings - specialised | 3 | Cost approach using current replacement cost | Independent registered valuer | June 2021 | Construction costs and current condition, residual values and remaining useful life assessments inputs |
| <p>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.</p> <p>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.</p> | | | | | |
| (ii) Cost | | | | | |
| Furniture and equipment | | N/A | Cost | Not applicable | N/A |
| Plant and equipment | | N/A | Cost | Not applicable | N/A |



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

9. INFRASTRUCTURE

(a) Movements in Balances

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

| Note | Infrastructure - Roads | Infrastructure - Bridges | Infrastructure - Footpaths | Infrastructure - Drainage | Infrastructure - Parks and Ovals | Total Infrastructure |
|--|---------------------------|-----------------------------|-------------------------------|------------------------------|-------------------------------------|----------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2021 | 26,975,013 | 29,129,674 | 667,938 | 2,032,909 | 1,461,195 | 60,266,729 |
| Additions | 2,925,543 | 0 | 1,960,321 | 352,656 | 0 | 5,238,520 |
| Revaluation increments / (decrements) transferred to revaluation surplus | 0 | 0 | 0 | 0 | 0 | 0 |
| Revaluation (loss) / reversals transferred to profit or loss | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation | 10(a) (822,389) | (385,142) | (37,944) | (49,658) | (74,585) | (1,369,718) |
| Balance at 30 June 2022 | 29,078,167 | 28,744,532 | 2,590,315 | 2,335,907 | 1,386,610 | 64,135,531 |
| Comprises: | | | | | | |
| Gross balance at 30 June 2022 | 41,797,483 | 42,227,546 | 3,853,629 | 3,055,856 | 2,034,941 | 92,969,455 |
| Accumulated depreciation at 30 June 2022 | (12,719,316) | (13,483,014) | (1,263,314) | (719,949) | (648,331) | (28,833,924) |
| Balance at 30 June 2022 | 29,078,167 | 28,744,532 | 2,590,315 | 2,335,907 | 1,386,610 | 64,135,531 |
| Additions | 1,508,474 | 67,939 | 918,800 | 11,799 | 0 | 2,507,012 |
| Revaluation increments / (decrements) transferred to revaluation surplus | 91,484,521 | (15,722,229) | (538,682) | 1,397,227 | 637,875 | 77,258,712 |
| Revaluation (loss) / reversals transferred to profit or loss | 0 | 0 | (1,599,573) | 0 | 0 | (1,599,573) |
| Depreciation | 10(a) (822,389) | (385,142) | (37,944) | (49,658) | (74,585) | (1,369,718) |
| Balance at 30 June 2023 | 121,248,773 | 12,705,100 | 1,332,916 | 3,695,275 | 1,949,900 | 140,931,964 |
| Comprises: | | | | | | |
| Gross balance at 30 June 2023 | 146,218,680 | 26,426,529 | 1,813,884 | 5,421,254 | 3,121,127 | 183,001,474 |
| Accumulated depreciation at 30 June 2023 | (24,969,907) | (13,721,429) | (480,968) | (1,725,979) | (1,171,227) | (42,069,510) |
| Balance at 30 June 2023 | 121,248,773 | 12,705,100 | 1,332,916 | 3,695,275 | 1,949,900 | 140,931,964 |

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

9. 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 current replacement cost | Independent registered valuer | June 2023 | Construction costs and current condition, residual values and remaining useful life assessments inputs |
| Infrastructure - Bridges | 3 | Cost approach using current replacement cost | Independent registered valuer | June 2023 | Construction costs and current condition, residual values and remaining useful life assessments inputs |
| Infrastructure - Footpaths | 3 | Cost approach using current replacement cost | Independent registered valuer | June 2023 | Construction costs and current condition, residual values and remaining useful life assessments inputs |
| Infrastructure - Drainage | 3 | Cost approach using current replacement cost | Independent registered valuer | June 2023 | Construction costs and current condition, residual values and remaining useful life assessments inputs |
| Infrastructure - Parks and Ovals | 3 | Cost approach using current replacement cost | Independent registered valuer | June 2023 | Construction costs and current condition, residual values and remaining useful life assessments inputs |

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

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



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

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

| Asset Class | Useful life |
|--|-----------------|
| Buildings | 25 to 50 years |
| Furniture and equipment | 3 to 10 years |
| Plant and equipment | 5 to 50 years |
| Sealed roads and streets | |
| formation | not depreciated |
| pavement | 40 years |
| seal | |
| - bituminous seals | 15 years |
| - asphalt surfaces | 15 years |
| Gravel roads | |
| formation | not depreciated |
| pavement | 40 years |
| Footpaths - slab | 48 years |
| Bridges | 100 years |
| Water supply piping and drainage systems | 54 years |
| Parks and Ovals | 25 years |

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

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

Depreciation on revaluation

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

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

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a).

Impairment

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

Gains or losses on disposal

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



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

11. LEASES

| | 2023 Actual | 2022 Actual |
|------------------------------|------------------------|------------------------|
| | \$ | \$ |
| (a) Lease Liabilities | | |
| Current | 6,837 | 6,837 |
| Non-current | 0 | 6,837 |
| 30(d) | 6,837 | 13,674 |

The Shire has one lease relating to the provision of a photocopier. The lease term is 3 years with fixed repayments.

Secured liabilities and assets pledged as security

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

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 30(d).

Right-of-use assets - measurement

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

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

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

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

11. LEASES (Continued)

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

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

Less than 1 year

1 to 2 years

2 to 3 years

3 to 4 years

4 to 5 years

> 5 years

| | 2023 Actual \$ | 2022 Actual \$ |
|--|----------------------|----------------------|
| | 44,791 | 101,554 |
| | 20,977 | 58,304 |
| | 18,377 | 20,977 |
| | 18,377 | 20,503 |
| | 18,377 | 18,377 |
| | 10,594 | 28,971 |
| | 131,493 | 248,686 |
| Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease | | |
| Rental income | 101,975 | 99,769 |

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

Rental income

The Shire leases cropping land, office space and houses to staff and aged persons with rentals payable at varying frequency. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The staff houses are not considered investment property as they are leased for use in the supply of services to the community.

The aged persons housing are not considered investment property as the primary purpose is provision of community housing.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases.

Expectations about the future residual values are reflected in the fair value of the properties.

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

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

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

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

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



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

12. INTANGIBLE ASSETS

The Shire had no intangible assets to report during the reporting period.

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

13. INVESTMENT PROPERTY

The Shire had no investment property to report during the reporting period.



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

14. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
Bonds and deposits held

Non Current

Bonds and deposits held

| | 2023 | 2022 |
|-----------------------------|----------------|------------------|
| | \$ | \$ |
| Sundry creditors | 366,481 | 1,016,831 |
| Prepaid rates | 121,219 | 114,369 |
| Accrued payroll liabilities | 60,374 | 51,647 |
| Bonds and deposits held | 0 | 11,988 |
| | 548,074 | 1,194,835 |
| Non Current | | |
| Bonds and deposits held | 0 | 280,078 |
| | 0 | 280,078 |

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

Prepaid rates

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

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

15. OTHER LIABILITIES

Current

Contract liabilities

| | 2023 | 2022 |
|---|-----------|-----------|
| | \$ | \$ |
| Contract liabilities | 124,789 | 333,560 |
| | 124,789 | 333,560 |
| Reconciliation of changes in capital grant/contribution liabilities | | |
| Opening balance | 333,560 | 462,862 |
| Additions | 45,420 | 297,310 |
| Revenue from capital grant/contributions held as a liability at the start of the period | (254,191) | (426,612) |
| | 124,789 | 333,560 |
| Expected satisfaction of capital grant/contribution liabilities | | |
| Less than 1 year | 124,789 | 333,560 |
| | 124,789 | 333,560 |

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate.



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

16. BORROWINGS

| | Note | 2023 | | | 2022 | | |
|---------------------------------|-------|---------|-------------|-----------|---------|-------------|-----------|
| | | Current | Non-current | Total | Current | Non-current | Total |
| Secured | | \$ | \$ | \$ | \$ | \$ | \$ |
| Debentures | | 117,135 | 2,001,138 | 2,118,273 | 138,425 | 2,118,273 | 2,256,698 |
| Total secured borrowings | 30(a) | 117,135 | 2,001,138 | 2,118,273 | 138,425 | 2,118,273 | 2,256,698 |

Secured liabilities and assets pledged as security

Debentures are secured by a floating charge over the assets of the Shire of Beverley.

The Shire of Beverley has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 years.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 28(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 30(a).

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

17. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

| | <u>2023</u> | <u>2022</u> |
|--|----------------|----------------|
| | \$ | \$ |
| Current provisions | | |
| Employee benefit provisions | | |
| Annual Leave | 234,281 | 254,683 |
| Long Service Leave | 197,874 | 143,209 |
| | <u>432,155</u> | <u>397,892</u> |
| Total current employee related provisions | 432,155 | 397,892 |
| Non-current provisions | | |
| Long Service Leave | 52,493 | 76,311 |
| | <u>52,493</u> | <u>76,311</u> |
| Total non-current employee related provisions | 52,493 | 76,311 |
| Total employee related provisions | <u>484,648</u> | <u>474,203</u> |

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: | <u>Note</u> | <u>2023</u> | <u>2022</u> |
|---|-------------|----------------|----------------|
| | | \$ | \$ |
| Less than 12 months after the reporting date | | 432,155 | 397,892 |
| More than 12 months from reporting date | | 52,493 | 76,311 |
| | | <u>484,648</u> | <u>474,203</u> |

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

18. OTHER PROVISIONS

The Shire had no other provisions to report during the reporting period.

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

19. REVALUATION SURPLUS

| | 2023 Opening Balance | Total Movement on Revaluation | 2023 Closing Balance | 2022 Opening Balance | Total Movement on Revaluation | 2022 Closing Balance |
|--|-------------------------------------|--|-------------------------------------|-------------------------------------|--|-------------------------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Revaluation surplus - Land and Buildings | 17,916,211 | 0 | 17,916,211 | 17,916,211 | 0 | 17,916,211 |
| Revaluation surplus - Plant and equipment | 436,388 | 0 | 436,388 | 436,388 | 0 | 436,388 |
| Revaluation surplus - Infrastructure - roads | 0 | 91,484,523 | 91,484,523 | 0 | 0 | 0 |
| Revaluation surplus - Infrastructure - footpaths | 538,684 | (538,684) | 0 | 538,684 | 0 | 538,684 |
| Revaluation surplus - Infrastructure - bridges | 25,921,379 | (15,722,229) | 10,199,150 | 25,921,379 | 0 | 25,921,379 |
| Revaluation surplus - Infrastructure - drainage | 1,798,258 | 1,397,227 | 3,195,485 | 1,798,258 | 0 | 1,798,258 |
| Revaluation surplus - Infrastructure - parks and ovals | 1,684,950 | 637,875 | 2,322,825 | 1,684,950 | 0 | 1,684,950 |
| | 48,295,870 | 77,258,712 | 125,554,582 | 48,295,870 | 0 | 48,295,870 |



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

20. 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 | 2023 Actual \$ | 2022 Actual \$ |
|--|------|----------------------|----------------------|
| Cash and cash equivalents | 3 | 5,180,566 | 5,731,785 |
| 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 | 2,280,553 | 2,854,986 |
| - Financial assets at amortised cost | 4 | 61,117 | 58,365 |
| | | <u>2,341,670</u> | <u>2,913,351</u> |
| The restricted financial assets are a result of the following specific purposes to which the assets may be used: | | | |
| Restricted reserve accounts | 31 | 2,280,551 | 2,229,360 |
| Capital grant liabilities | 15 | 124,789 | 333,560 |
| Total restricted financial assets | | <u>2,405,340</u> | <u>2,562,920</u> |

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

| | | | |
|---|--|------------------|------------------|
| Net result | | (412,178) | 2,780,355 |
| Non-cash items: | | | |
| Depreciation/amortisation | | 2,373,032 | 2,379,431 |
| (Profit)/loss on sale of asset | | (50,000) | (46,248) |
| Loss on revaluation of fixed assets | | 1,599,573 | 0 |
| Changes in assets and liabilities: | | | |
| (Increase)/decrease in trade and other receivables | | (123,001) | (597,340) |
| (Increase)/decrease in inventories | | 9,190 | (8,841) |
| Increase/(decrease) in trade and other payables | | (793,343) | 686,819 |
| Increase/(decrease) in employee related provisions | | 10,444 | 16,269 |
| Capital grants, subsidies and contributions | | (1,555,691) | (3,096,186) |
| Net cash provided by/(used in) operating activities | | <u>1,058,026</u> | <u>2,114,259</u> |

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

| | | | |
|--------------------------------------|--|---------------|---------------|
| Credit card limit | | 15,500 | 15,500 |
| Credit card balance at balance date | | (1,595) | (2,865) |
| Total amount of credit unused | | <u>13,905</u> | <u>12,635</u> |

Loan facilities

| | | | |
|--|--|------------------|------------------|
| Loan facilities - current | | 117,135 | 138,423 |
| Loan facilities - non-current | | 2,001,138 | 2,118,273 |
| Total facilities in use at balance date | | <u>2,118,273</u> | <u>2,256,696</u> |

Unused loan facilities at balance date

Nil Nil

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

21. CONTINGENT LIABILITIES

In compliance with the *Contaminated Sites Act 2003*,
The Shire has listed sites to be possible sources of contamination.
Details of those sites are:

Nil

22. CAPITAL COMMITMENTS

| | 2023 | 2022 |
|--------------------------------|---------|-----------|
| | \$ | \$ |
| Contracted for: | | |
| - capital expenditure projects | 0 | 1,530,000 |
| - plant & equipment purchases | 175,000 | 0 |
| | 175,000 | 1,530,000 |
| Payable: | | |
| - not later than one year | 175,000 | 1,530,000 |

The capital expenditure projects outstanding at the end of the current reporting period represent the purchase of four passenger vehicles where restricted supply has lead to a delay in orders being completed (the prior year commitment was for the Vincent Street Redvelopment project).



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

23. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

| Note | 2023 Actual \$ | 2023 Budget \$ | 2022 Actual \$ |
|-------------------------------------|----------------------|----------------------|----------------------|
| President's annual allowance | 5,500 | 5,500 | 5,500 |
| Deputy President's annual allowance | 1,375 | 1,375 | 1,375 |
| Meeting attendance fees | 40,900 | 40,900 | 38,200 |
| Annual allowance for ICT expenses | 23,369 | 22,360 | 32,729 |
| Travel and accommodation expenses | 0 | 5,000 | 306 |
| 23(b) | 71,144 | 75,135 | 78,110 |

(b) Key Management Personnel (KMP) Compensation

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

| Note | 2023 Actual \$ | 2022 Actual \$ |
|-------------------------------------|----------------------|----------------------|
| Short-term employee benefits | 515,840 | 486,199 |
| Post-employment benefits | 66,868 | 61,710 |
| Employee - other long-term benefits | 78,654 | 75,176 |
| Employee - termination benefits | 0 | 0 |
| Council member costs | 71,144 | 78,110 |
| 23(a) | 732,506 | 701,195 |

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

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

Council member costs

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

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

23. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

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

| | 2023 Actual | 2022 Actual |
|---|------------------------|------------------------|
| | \$ | \$ |
| Sale of goods and services | 19,604 | 17,698 |
| Purchase of goods and services | 0 | 0 |
| Short term employee benefits - other related parties | 0 | 0 |
| Payment of Council member costs (Refer to Note 23(a)) | 0 | 0 |
| Amounts outstanding from related parties: | | |
| Trade and other receivables | 279 | 0 |
| Amounts payable to related parties: | | |
| Trade and other payables | 0 | 0 |

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 23(a) and 23(b).

ii. Other Related Parties

During the previous year, a business controlled by a related party of a Key management personnel, leased commercial space at the the Cornerstone building.

The lease charges payable to the Shire amounted to \$19,604 in the current year (\$17,698 in the prior year).

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

iii. Entities subject to significant influence by the Shire

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



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

24. JOINT ARRANGEMENTS

The Shire had no joint arrangements in place during the reporting period.

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

25. INVESTMENT IN ASSOCIATES

The Shire had no investment in associates detail to report during the reporting period.



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

26. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There are no events subsequent to the reporting date that materially impact on this financial report.

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

27. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

ii) Impairment of assets

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

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

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



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

28. RATING INFORMATION

(a) General Rates

| RATE TYPE | | 2022/23 | 2022/23 | 2022/23 | 2022/23 | 2022/23 | 2022/23 | 2022/23 | 2022/23 | 2021/22 | |
|---|------------------------|---------------|----------------------------|-----------------------------------|---------------------------------|----------------------------------|----------------------------------|---------------------------------|---------------------------------|----------------------------------|----------------------------------|
| Rate Description | Basis of valuation | Rate in \$ | Number of Properties | Actual Rateable Value \$ | Actual Rate Revenue \$ | Actual Interim Rates \$ | Actual Total Revenue \$ | Budget Rate Revenue \$ | Budget Interim Rate \$ | Budget Total Revenue \$ | Actual Total Revenue \$ |
| Residential | Gross rental valuation | 0.12070 | 506 | 5,902,900 | 712,480 | 662 | 713,142 | 712,480 | 1,000 | 713,480 | 677,286 |
| Rural | Unimproved valuation | 0.07443 | 437 | 29,525,500 | 2,197,583 | (2,887) | 2,194,696 | 2,197,583 | 1,000 | 2,198,583 | 2,208,560 |
| Mining | Unimproved valuation | 0.07443 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total general rates | | | 943 | 35,428,400 | 2,910,063 | (2,225) | 2,907,838 | 2,910,063 | 2,000 | 2,912,063 | 2,885,846 |
| Minimum payment | | | | | | | | | | | |
| Residential | Gross rental valuation | 941 | 157 | 599,233 | 147,737 | 0 | 147,737 | 147,737 | 0 | 147,737 | 143,360 |
| Rural | Unimproved valuation | 941 | 294 | 2,916,360 | 276,654 | 0 | 276,654 | 276,654 | 0 | 276,654 | 144,256 |
| Mining | Unimproved valuation | 941 | 18 | 212,625 | 16,938 | 0 | 16,938 | 16,938 | 0 | 16,938 | 16,128 |
| Total minimum payments | | | 469 | 3,728,218 | 441,329 | 0 | 441,329 | 441,329 | 0 | 441,329 | 303,744 |
| Total general rates and minimum payments | | | 1,412 | 39,156,618 | 3,351,392 | (2,225) | 3,349,167 | 3,351,392 | 2,000 | 3,353,392 | 3,189,590 |
| Ex-gratia Rates | | | | | | | | | | | |
| CBH | Unimproved valuation | 0.07443 | 0 | 0 | 3,621 | 0 | 3,621 | 3,000 | 0 | 3,000 | 3,621 |
| Total amount raised from rates (excluding general rates) | | | 0 | 0 | 3,621 | 0 | 3,621 | 3,000 | 0 | 3,000 | 3,621 |
| Discounts | | | | | | | (270,455) | | | (268,111) | (258,213) |
| Concessions | | | | | | | (134) | | | (500) | (2,391) |
| Total Rates | | | | | | | 3,082,199 | | | 3,087,781 | 2,932,607 |
| Rate instalment interest | | | | | | | 2,466 | | | 4,000 | 3,281 |
| Rate overdue interest | | | | | | | 21,726 | | | 14,500 | 20,260 |

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

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

29. DETERMINATION OF SURPLUS OR DEFICIT

| | 2022/23 (30 June 2023 Carried Forward) | 2022/23 Budget (30 June 2023 Carried Forward) | 2021/22 (30 June 2022 Carried Forward) |
|---|---|---|---|
| Note | \$ | \$ | \$ |
| (a) Non-cash amounts excluded from operating activities | | | |
| The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> . | | | |
| Adjustments to operating activities | | | |
| Less: Profit on asset disposals | (50,000) | (62,000) | (64,207) |
| Less: Fair value adjustments to financial assets at fair value through profit or loss | (2,752) | 0 | (2,998) |
| Add: Loss on disposal of assets | 0 | 31,000 | 17,959 |
| Add: Loss on revaluation of fixed assets | 9(a) 1,599,573 | 0 | 0 |
| Add: Depreciation | 10(a) 2,373,032 | 2,400,097 | 2,379,431 |
| Non-cash movements in non-current assets and liabilities: | | | |
| Pensioner deferred rates | (13,197) | 0 | (13,217) |
| Employee benefit provisions | (19,394) | 0 | (21,606) |
| Non-cash amounts excluded from operating activities | 3,887,262 | 2,369,097 | 2,295,362 |
| (b) Non-cash amounts excluded from investing activities | | | |
| The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> . | | | |
| Adjustments to investing activities | | | |
| Nil | | | |
| (c) Surplus or deficit after imposition of general rates | | | |
| The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates. | | | |
| Adjustments to net current assets | | | |
| Less: Reserve accounts | 31 (2,280,551) | (1,752,045) | (2,229,360) |
| Add: Employee Leave Reserve Balance | 144,608 | 140,183 | 140,183 |
| Less: Restricted Bond Monies | 0 | 0 | (280,071) |
| Less: Financial assets at amortised cost - self supporting loans | 0 | 0 | (10,968) |
| Add: Current liabilities not expected to be cleared at end of year - Current portion of borrowings | 16 117,135 | 117,135 | 138,423 |
| Total adjustments to net current assets | (2,018,808) | (1,494,727) | (2,241,793) |
| Net current assets used in the Statement of Financial Activity | | | |
| Total current assets | 5,874,102 | 3,149,240 | 6,731,457 |
| Less: Total current liabilities | (1,228,990) | (1,654,513) | (2,071,549) |
| Less: Total adjustments to net current assets | (2,018,808) | (1,494,727) | (2,241,793) |
| Surplus or deficit after imposition of general rates | 2,626,304 | 0 | 2,418,115 |



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

30. BORROWING AND LEASE LIABILITIES

(a) Borrowings

| Purpose | Note | Actual | | | | | | Budget | | | | |
|------------------------------------|------|--------------------------|--------------------------|-------------------------------------|---------------------------|--------------------------|-------------------------------------|---------------------------|--------------------------|--------------------------|-------------------------------------|---------------------------|
| | | Principal at 1 July 2021 | New Loans During 2021-22 | Principal Repayments During 2021-22 | Principal at 30 June 2022 | New Loans During 2022-23 | Principal Repayments During 2022-23 | Principal at 30 June 2023 | Principal at 1 July 2022 | New Loans During 2022-23 | Principal Repayments During 2022-23 | Principal at 30 June 2023 |
| Recreation Centre | | \$ 698,712 | \$ 0 | \$ (47,102) | \$ 651,610 | \$ 0 | \$ (49,335) | \$ 602,275 | \$ 651,608 | \$ 0 | \$ (49,334) | \$ 602,274 |
| Cornerstone Community Centre | | 671,468 | 0 | (45,904) | 625,564 | 0 | (47,525) | 578,039 | 625,563 | 0 | (47,525) | 578,038 |
| Vincent Street Streetscape | | 0 | 1,000,000 | (20,476) | 979,524 | 0 | (41,565) | 937,959 | 979,524 | 0 | (41,565) | 937,959 |
| Total | | 1,370,180 | 1,000,000 | (113,482) | 2,256,698 | 0 | (138,425) | 2,118,273 | 2,256,695 | 0 | (138,424) | 2,118,271 |
| Self Supporting Loans | | | | | | | | | | | | |
| Bowling Greens | | 9,047 | 0 | (9,047) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Self Supporting Loans | | 9,047 | 0 | (9,047) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Borrowings | 16 | 1,379,227 | 1,000,000 | (122,529) | 2,256,698 | 0 | (138,425) | 2,118,273 | 2,256,695 | 0 | (138,424) | 2,118,271 |

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

Borrowing Finance Cost Payments

| Purpose | Note | Loan Number | Institution | Interest Rate | Date final payment is due | Actual for year ending 30 June 2023 | Budget for year ending 30 June 2023 | Actual for year ending 30 June 2022 |
|------------------------------------|------|-------------|-------------|---------------|---------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Recreation Centre | | 118 | WATC* | 4.68% | 10/05/2033 | \$ 36,642 | \$ 34,491 | \$ 36,994 |
| Cornerstone Community Centre | | 120 | WATC* | 3.50% | 12/04/2033 | 27,559 | 25,869 | 27,460 |
| Vincent Street Streetscape | | 121 | WATC* | 1.99% | 10/08/2041 | 29,057 | 25,963 | 20,308 |
| Total | | | | | | 93,258 | 86,323 | 84,762 |
| Total Finance Cost Payments | | | | | | 93,258 | 86,323 | 84,762 |

* WA Treasury Corporation

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

30. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2022/23

Council did not borrow any funds during the financial year.

(c) Unspent Borrowings

Council did not have any unspent borrowings at the balance date.

(d) Lease Liabilities

| Purpose | Note | Actual | | | | | | Budget | | | | |
|--------------------------------|-------|--------------------------|---------------------------|-------------------------------------|---------------------------|---------------------------|-------------------------------------|---------------------------|--------------------------|---------------------------|-------------------------------------|---------------------------|
| | | Principal at 1 July 2021 | New Leases During 2021-22 | Principal Repayments During 2021-22 | Principal at 30 June 2022 | New Leases During 2022-23 | Principal Repayments During 2022-23 | Principal at 30 June 2023 | Principal at 1 July 2022 | New Leases During 2022-23 | Principal Repayments During 2022-23 | Principal at 30 June 2023 |
| Photocopier lease | | \$ 20,511 | \$ 0 | \$ (6,837) | \$ 13,674 | \$ 0 | \$ (6,837) | \$ 6,837 | \$ 13,674 | \$ 0 | \$ (6,837) | \$ 6,837 |
| Total Lease Liabilities | 11(a) | 20,511 | 0 | (6,837) | 13,674 | 0 | (6,837) | 6,837 | 13,674 | 0 | (6,837) | 6,837 |

Lease Finance Cost Payments

| Purpose | Note | Lease Number | Institution | Interest Rate | Date final payment is due | Actual for year ending 30 June 2023 | Budget for year ending 30 June 2023 | Actual for year ending 30 June 2022 | Lease Term |
|------------------------------------|------|--------------|---------------|---------------|---------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------|
| | | | | | | \$ | \$ | \$ | |
| Photocopier lease | | 1072021 | Canon Finance | 2.60% | 1/07/2023 | 183 | 0 | 183 | 36 months |
| Total Finance Cost Payments | | | | | | 183 | 0 | 183 | |



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

| 31. RESERVE ACCOUNTS | 2023 | 2023 | 2023 | 2023 | 2023 | 2023 | 2023 | 2023 | 2022 | 2022 | 2022 | 2022 |
|---|-----------|-------------|-----------|-----------|-----------|-------------|-----------|-----------|-----------|-------------|-------------|-----------|
| | Actual | Actual | Actual | Actual | Budget | Budget | Budget | Budget | Actual | Actual | Actual | Actual |
| | Opening | Transfer to | Transfer | Closing | Opening | Transfer to | Transfer | Closing | Opening | Transfer to | Transfer | Closing |
| | Balance | | (from) | Balance | Balance | | (from) | Balance | Balance | | (from) | Balance |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Restricted by council | | | | | | | | | | | | |
| (a) Annual Leave Reserve | 140,188 | 3,123 | (143,311) | 0 | 140,188 | 2,804 | (142,992) | 0 | 139,689 | 499 | 0 | 140,188 |
| (b) Avon River Development Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 25,960 | 34 | (25,994) | 0 |
| (c) Building Reserve | 511,430 | 101,645 | (29,443) | 583,632 | 511,431 | 39,069 | (255,500) | 295,000 | 290,321 | 321,109 | (100,000) | 511,430 |
| (d) Community Bus Reserve | 39,653 | 1,251 | 0 | 40,904 | 39,653 | 1,943 | 0 | 41,596 | 38,016 | 1,637 | 0 | 39,653 |
| (e) Cropping Committee Reserve | 212,372 | 65,647 | (102,000) | 176,019 | 212,372 | 48,907 | (110,000) | 151,279 | 190,703 | 45,669 | (24,000) | 212,372 |
| (f) Emergency Services Reserve | 28,804 | 908 | 0 | 29,712 | 28,804 | 576 | 0 | 29,380 | 28,701 | 103 | 0 | 28,804 |
| (g) LSL and Gratuity Reserve | 0 | 144,613 | 0 | 144,613 | 0 | 142,992 | 0 | 142,992 | 0 | 0 | 0 | 0 |
| (h) ITC Renewal Reserve | 20,018 | 21,263 | 0 | 41,281 | 20,018 | 20,400 | 0 | 40,418 | 0 | 20,018 | 0 | 20,018 |
| (i) Plant Replacement Reserve | 244,870 | 56,364 | (200,000) | 101,234 | 244,868 | 54,897 | (247,500) | 52,265 | 418,970 | 50,900 | (225,000) | 244,870 |
| (j) Recreation Development Reserve | 584,534 | 93,576 | (73,447) | 604,663 | 584,535 | 83,897 | (150,000) | 518,432 | 577,460 | 7,074 | 0 | 584,534 |
| (k) Infrastructure Reserve | 167,138 | 55,728 | 0 | 222,866 | 167,138 | 53,343 | 0 | 220,481 | 551,030 | 1,108 | (385,000) | 167,138 |
| (l) Airfield Emergency Lighting Reserve | 40,273 | 1,272 | 0 | 41,545 | 40,273 | 805 | (41,078) | 0 | 40,130 | 143 | 0 | 40,273 |
| (m) Senior's Housing Reserve | 179,590 | 52,093 | 0 | 231,683 | 179,596 | 38,906 | (20,000) | 198,502 | 162,054 | 57,536 | (40,000) | 179,590 |
| (n) Mainstreet Redevelopment Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 307,402 | 410 | (307,812) | 0 |
| (o) Avondale Machinery Museum Reserve | 60,490 | 1,909 | 0 | 62,399 | 60,490 | 1,210 | 0 | 61,700 | 60,275 | 215 | 0 | 60,490 |
| | 2,229,360 | 599,392 | (548,201) | 2,280,551 | 2,229,366 | 489,749 | (967,070) | 1,752,045 | 2,830,711 | 506,455 | (1,107,806) | 2,229,360 |
| | 2,229,360 | 599,392 | (548,201) | 2,280,551 | 2,229,366 | 489,749 | (967,070) | 1,752,045 | 2,830,711 | 506,455 | (1,107,806) | 2,229,360 |

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

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

| Name of reserve account | Purpose of the reserve account |
|---|---|
| (a) Annual Leave Reserve | to be used to fund annual leave requirements. |
| (b) Avon River Development Reserve | to be used to develop the Avon River pool and surrounding environment. |
| (c) Building Reserve | to be used to fund the construction of new and renovation of existing Council buildings. |
| (d) Community Bus Reserve | to be used for the replacement of the Community Bus. |
| (e) Cropping Committee Reserve | to be used to fund Community Based projects and assist Community Groups. |
| (f) Emergency Services Reserve | to be used to acquire Emergency Service support equipment. |
| (g) LSL and Gratuity Reserve | to be used to fund Long Service Leave and Gratuity payment obligations. |
| (h) ITC Renewal Reserve | to be used for the replacement or upgrade of information technology and communication infrastructure and software. |
| (i) Plant Replacement Reserve | to be used for the purchase of major plant. |
| (j) Recreation Development Reserve | to be used to fund capital projects to enhance recreational pursuits. |
| (k) Infrastructure Reserve | to be used to fund infrastructure construction and maintenance projects including Roads, Bridges, Footpaths & Drainage. |
| (l) Airfield Emergency Lighting Reserve | to be used for the upgrade and maintenance of the Airfield runway lighting. |
| (m) Senior's Housing Reserve | to be used for the future development and current maintenance of Senior's Housing. |
| (n) Mainstreet Redevelopment Reserve | to be used for the future development of Vincent Street. |
| (o) Avondale Machinery Museum Reserve | to be used to fund Avondale Machinery Museum upgrades and special projects. |

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

32. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

| | 1 July 2022 | Amounts Received | Amounts Paid | 30 June 2023 |
|-------------------------------------|-------------|------------------|--------------|--------------|
| | \$ | \$ | \$ | \$ |
| Unclaimed Monies | 319 | 0 | 0 | 319 |
| Nomination Deposits | 0 | 0 | 0 | 0 |
| Second Hand Housing Deposits | 5,000 | 10,000 | 0 | 15,000 |
| Hunt Road Village Bonds | 5,502 | 1,200 | (1,044) | 5,658 |
| Subdivision Bonds | 10,000 | 0 | 0 | 10,000 |
| Key Bonds | 1,720 | 750 | (1,110) | 1,360 |
| Cleaning Bonds | 1,950 | 2,202 | (1,752) | 2,400 |
| Housing Rental Bonds | 500 | 2,250 | (500) | 2,250 |
| Funds Held On Behalf Of Community | 0 | 0 | 0 | 0 |
| Cat Trap Bonds | 50 | 0 | 0 | 50 |
| Project Retention Fee | 180,537 | 11,077 | (95,807) | 95,807 |
| Cornerstone Commercial Tenancy Bond | 5,328 | 720 | 0 | 6,048 |
| | 210,906 | 28,199 | (100,213) | 138,892 |





Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Beverley

To the Council of the Shire of Beverley

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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



Matters relating to the electronic publication of the audited financial report

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



Jordan Langford-Smith
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
1 November 2023

Councillors' Declaration

In accordance with a resolution of the Councillors of the Shire of Beverley, we state that:

1. In the opinion of the Councillors:
 - 1.1 the financial statements and notes of the Shire of Beverley are in accordance with the Local Government Act 1995 and Regulations, including:
 - (a) giving a true and fair view of the Shire of Beverley's financial position as at 30 June 2023 and of its performance for the year ended on that date; and,
 - (b) complying with applicable Australian Accounting Standards; and
 - 1.2 there are reasonable grounds to believe that the Shire of Beverley will be able to pay its debts as and when they become due and payable.

On behalf of the Council:



Cr DC White
President



Cr DJ Ridgway
Deputy President

Dated this 31st day of October 2023



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