



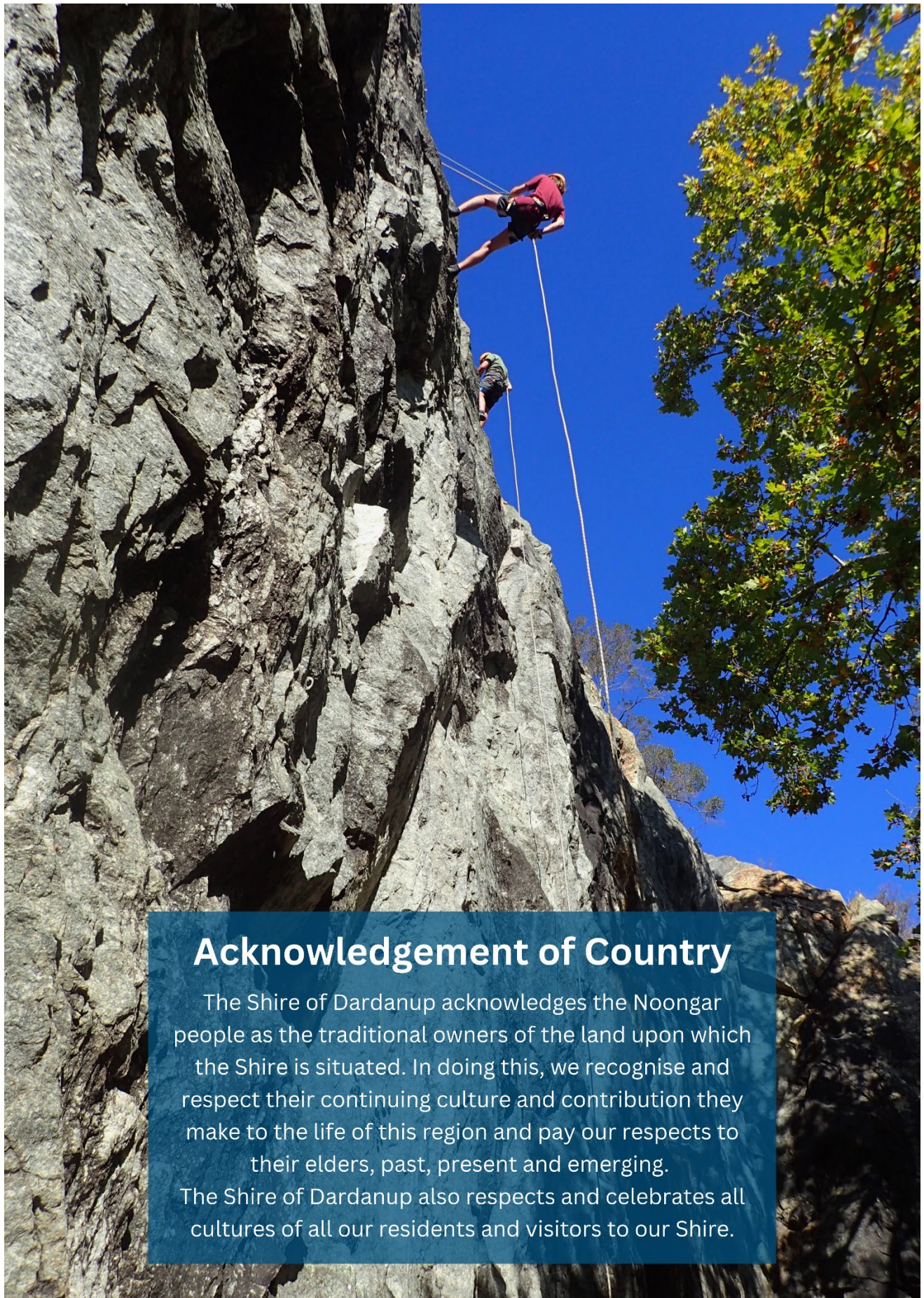
Shire of Dardanup



Annual Report 2022/23

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Acknowledgement of Country

The Shire of Dardanup acknowledges the Noongar people as the traditional owners of the land upon which the Shire is situated. In doing this, we recognise and respect their continuing culture and contribution they make to the life of this region and pay our respects to their elders, past, present and emerging. The Shire of Dardanup also respects and celebrates all cultures of all our residents and visitors to our Shire.

Shire President's Message:

It is with great pride and enthusiasm that I present my inaugural President's Message for the Shire of Dardanup's Annual Report 2022/23.

Although this Annual Report technically covers a period before my time as Shire President started, I am honoured to present this report to our community.

Stepping into the footsteps of the esteemed former President, Mick Bennett, is a privilege, and I am committed to upholding the legacy of leadership and community spirit that he has left behind. I was fortunate to work alongside with Mick for many years and will value his friendship and commitment to this Shire.



Reflecting on the past year, our Shire has witnessed significant progress and growth.

Our capital works program saw some key projects completed, including the upgrades to Carramar Park in Dardanup, rural and urban road and bridge projects, the Wells Recreation Reserve Change Rooms, the first stage of the Eaton Recreation Centre Upgrades and the New Dardanup Heritage Trail to name a few.

A calendar highlight was the Dardanup town site celebrating 100 years, with a full day of activities known by locals as "The Dardy Party". This milestone event was about celebrating the unique community and history of the town, which has evolved so much in the 100 years since its gazettal.

It's great to see the Shire's new Library, Administration and Community building in Eaton progressing well and we look forward to that opening in the new year. These endeavours have not only enhanced our infrastructure and facilities but have also laid the foundation for a more active and connected future.

A key part of our achievements lies in the collaborative efforts between the Shire of Dardanup and all tiers of government and key stakeholders. This collaboration is pivotal in ensuring a high quality of life and wellbeing for the residents and professionals who call our shire home.

In my roles as Deputy Shire President for two years, I was honoured to be Council's Audit and Risk Committee Chair. Alongside the remarkable team at the Shire of Dardanup, I am proud to have delivered solid financial audits. We believe in good governance, tight risk management and regulatory compliance, which has shown with our impeccable annual audits.

The Shire of Dardanup is embarking on a transformative journey with the implementation of a new Enterprise Resource Planning system to enhance the efficiency and effectiveness of its operations. By streamlining processes and centralising data, the Shire aims to optimise its internal operations, resulting in cost savings and improved service delivery to the community.

Thanks to each member of our community for making our Shire a great place to live. I am honoured to serve in this capacity and extend my sincere gratitude to everyone who has played a role in shaping our vibrant community.

Cr Tyrrell Gardiner
Shire President

CEO's Message:

As we reflect on the accomplishments of the past year, I am pleased to announce that our commitment to good governance and financial excellence has once again been validated with an unqualified audit.

The report underscores the Shire's unwavering dedication to robust financial management and governance practices.

Despite economic challenges, we've successfully delivered on essential infrastructure and facility needs while alleviating the burden on ratepayers. Maintaining a rate revenue increase of 6% in line with our long-term financial plan, despite a more than 7% CPI, showcases our ongoing efforts to maximise the value of every ratepayer dollar.

The Federal Government's economic stimulus funding enabled us to accelerate community infrastructure projects, a testament to our agility and dedication. A total of almost \$4 million in State, Federal and other grant funding facilitated the prompt delivery of crucial projects.

Key highlights include:

- A healthy Capital Works Program totalling \$14.2 million in major and minor works projects.
- Construction of our new \$1.1 million changeroom facilities at Wells Recreation Park in Dardanup was completed in late 2022.
- The Dardanup Civic Precinct Upgrade, which was the creation of a picturesque Civic Precinct connecting Dardanup's main street, town and hall to Carramar Park through the former volunteer fire brigade and depot site.
- Continued delivery of a range of community events and programs through our collaborations with our key partners including Lotterywest, Healthway, Tronox, the Lions Clubs, J&P Metals and Outback 4WD for the Summer in Your Park series, have enriched community engagement.

A number of key projects have progressed and will be completed in 2023/24 including:

- New night lights at the Bunbury and Districts Softball Association Grounds.
- Eaton Oval Clubrooms R & J Fishwick Pavilion.
- New Library, Admin and Community Building in Eaton.
- Eaton Recreation Centre Renovation and Expansion – Stage 2.

The Place-Based Advisory Groups, established in 2019, continued to play a vital role in shaping our community's future by providing valuable input on the Community Facility Plans and the recently completed Place Plans for Dardanup and Eaton.

With great pride, I present the Shire of Dardanup's Annual Report for 2022/23, anticipating another year of exciting progress and community collaboration.

André Schönfeldt

Chief Executive Officer



OUR VISION

The Shire of Dardanup is a healthy, self-sufficient and sustainable community that is connected and inclusive, and where our culture and innovation are celebrated.

OUR VALUES

The Shire of Dardanup is building a culture where openness and transparency are the norm, and where we all hold ourselves accountable to deliver excellence for our customers and community.



OUR COUNCIL

The Shire of Dardanup is established under the provisions of the Local Government Act 1995. Council is made up of nine elected members who each serve a four-year term, with elections held every two years. The term for the peer-elected Shire President and Deputy President is two years.



Cr Michael Bennett
Shire President



Cr Tyrrell Gardiner
Deputy Shire President



Cr Patricia Perks



Cr Ellen Lilly



Cr Peter Robinson



Cr Stacey Gillespie



Cr Luke Davies



Cr Mark Hutchinson



Cr Janice Dow

FUNCTION OF LOCAL GOVERNMENT

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

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

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

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

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

About Us:

The Shire of Dardanup spans over 526.6 square kilometres comprising of urban areas, commercial and industrial development, townships surrounded by rural farming, vineyards and tourism, and state forest.

The result is a diverse and unique community with varying needs, challenges and opportunities. In recognition of this, the Shire has identified five distinct places:

- Eaton/Millbridge.
- Dardanup.
- Burekup.
- Ferguson Valley and Surrounds, and
- Wanju/Waterloo.

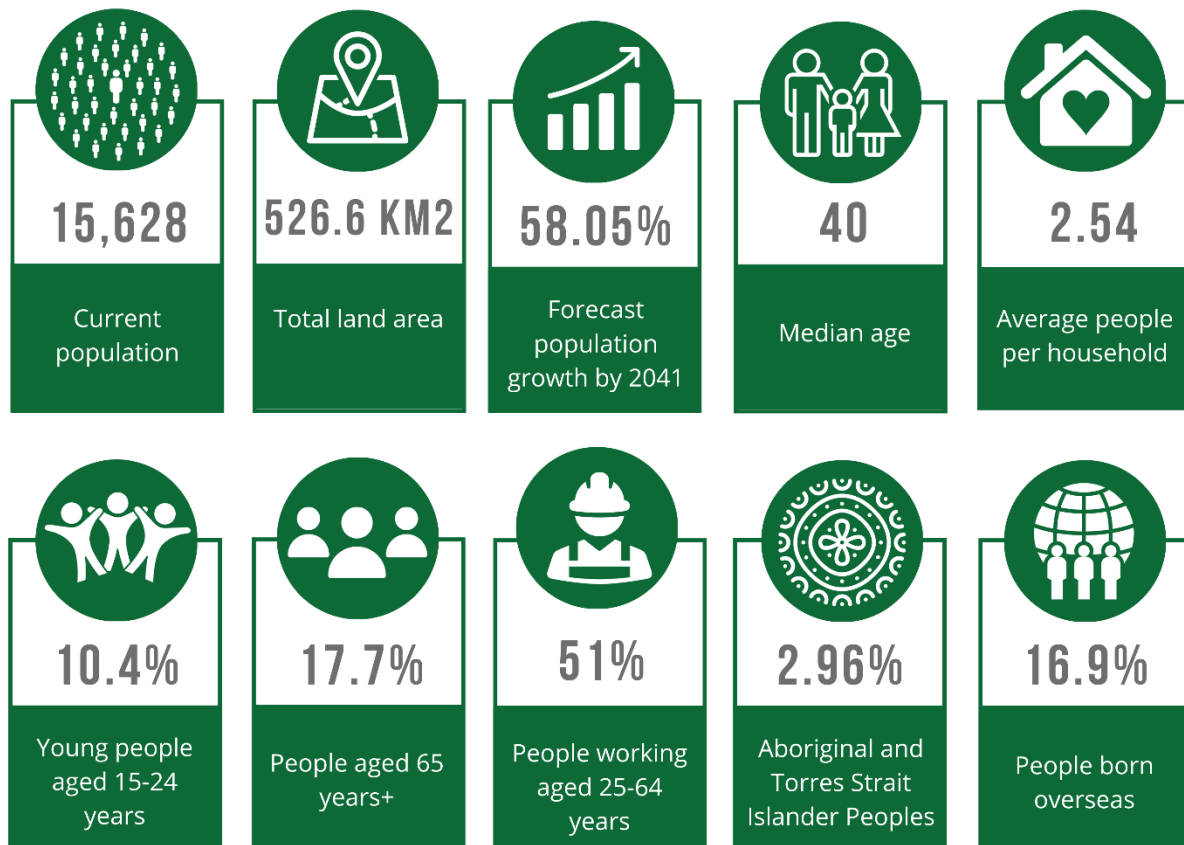
Dardanup has a growing community with an annual growth rate of 2.08% (Forecast ID: Dardanup Population Summary 2016-2041).

Eaton and Millbridge comprise more than 77% of the current population of the Shire in less than 1.6% of the total land area.



The Valley Frame – the first installation completed in what will become a 15-stop public art trail, designed to attract visitors to the region and support local business. The sculpture is the work of renowned South West multi-disciplinary artist Andrew Frazer and is located at the Pile Road pull-in bay and scenic view-point.

Our Community:



Data source: Australian Bureau of Statistics 2021 Census of Population and Housing and 2023 Forecast id.com.au.

Demographics:

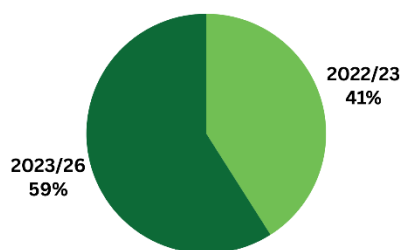
Australian Bureau of Statistics Census Data (2021) suggests Millbridge and Burekup have the largest number of families with children given the higher number of people per household (3 and 2.9 respectively), lower median age (29 and 35 respectively), and highest percentage of children aged 0-14 years at over 28% of the total population of each area.

Conversely, Dardanup records a higher median age (42 years) and over 17% of the population over 65 years indicating an ageing population in this area.

The Dardanup Shire's population is forecast to increase to 18,570 (22%) by 2031 and to 24,701 (62%) by 2041 (Forecast.ID) in-line with the future development of Wanju. In 2021, the dominant age structure for persons in Shire of Dardanup was ages 5 to 9, which accounted for 7.3% of the total persons. The largest increase in persons between 2021 and 2031 is forecast to be in ages 75 to 79, which is expected to increase by 277 and account for 4.0% of the total persons. The largest five-year age group in 2031 is 0 to 4 years, with a total of 1,285 persons (Forecast.ID).

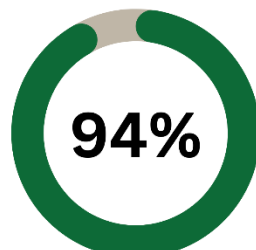
ID data that suggests Dardanup, Dardanup West, Picton East and surrounding areas will record the highest population growth from 2021 to 2041 at 46.5% forecast growth. The second highest growth area will be Eaton (East) 34.5%, followed by Burekup and District (22.7%), Eaton (West) 11.9% and Wanju (9.0%)

Corporate Performance 2022/23

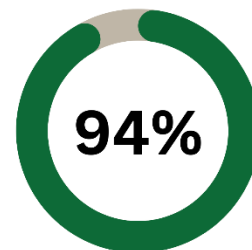


116

Initiatives/Projects



Delivered



On Budget

This Corporate Performance scorecard combines outcomes of initiatives listed in Council's Corporate Business Plan plus Capital and Major Projects listed in the Annual Budget. The organisation completed or is on track with 72% of the initiatives within the Corporate Business Plan and Annual Budget within the intended timeframe.

Some of those reported to be "On Hold", "Delayed" or "Carried Forward" are waiting on external approvals, grants or processes which are not within the influence of the Shire.

The Council Plan adopted in May 2022 sets out a total of 116 initiatives/projects, 48 of which were intended to be implemented or progressed to 2022/23. In 2022/23, Council remained on track with 45 of the 48 initiatives/projects.

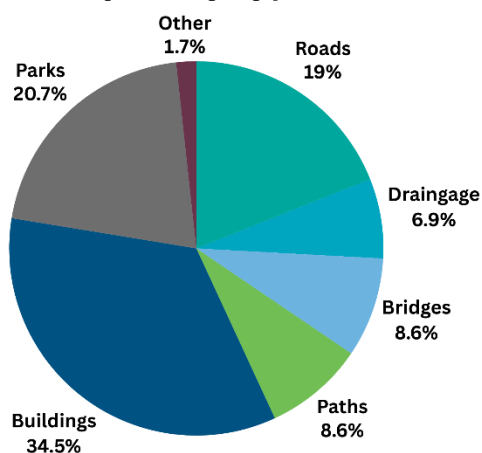
With regard to the Capital Works budget, Council set out to complete 58 projects across our various assets. Also, 44 (76%) of the 58 Capital Works projects were completed in 2022/23, while 54 of the 58 projects (93%) remain within the budget.

\$14.2M
Capital Expenditure

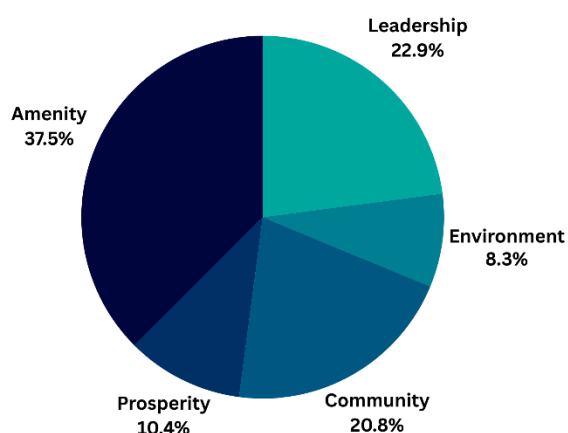
\$5.27M
Capital Grants

58
Projects

**Capital and Major
Projects by Type**



**Corporate Business plan
Initiatives by Objective**



Financial Snapshot:

The following provides a snapshot of the Council's Operating Income and Expenditure for 2022/23. More detailed information can be found in the Financial Statements at the end of this Annual Report.

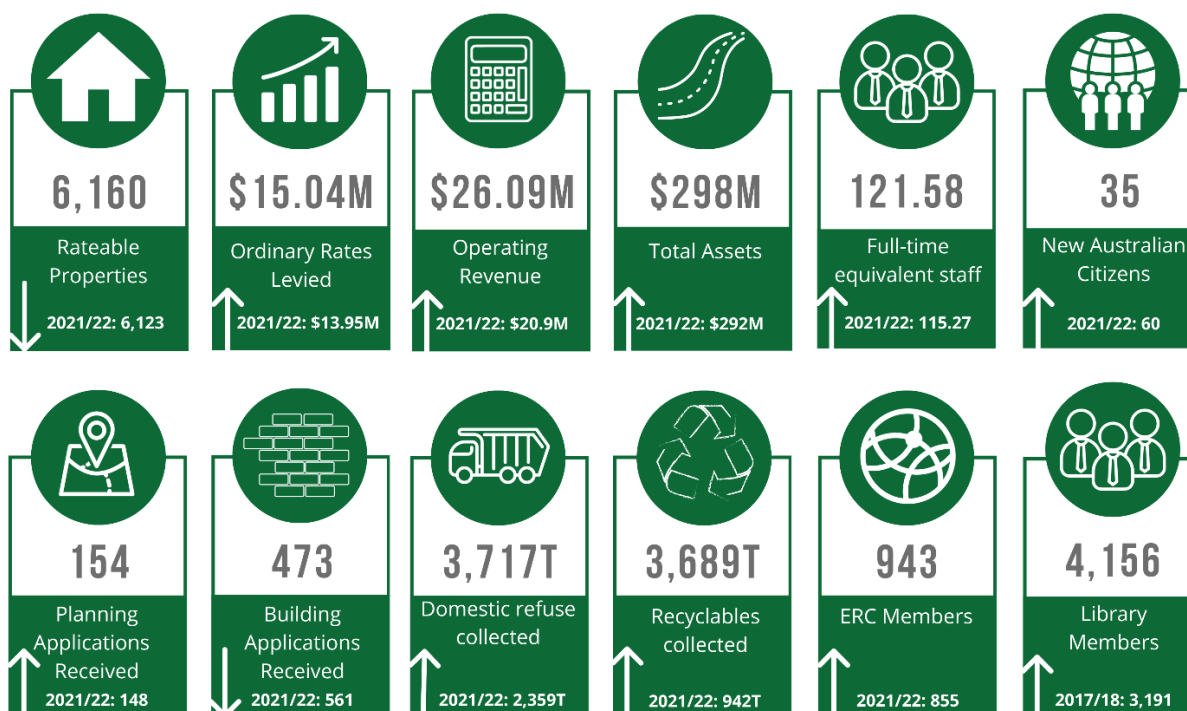
Total Operating Revenue:

- Rates: \$15,037,329
- Operating Grants and Contributions: \$2,893,101
- Fees and Charges: \$3,876,080
- Interest Earnings: \$871,363
- Other Revenue: \$3,352,629
- Profit on Asset Disposals: \$59,645

Total Operating Expenditure:

- Employee Costs: \$11,561,261
- Materials and Contracts: \$5,802,137
- Utility Charges: \$627,520
- Depreciation: \$6,860,300
- Finance Costs: \$181,652
- Insurance: \$355,267
- Other Expenditure: \$498,959
- Loss on Asset Disposals: \$945,897

Statistics Snapshot:

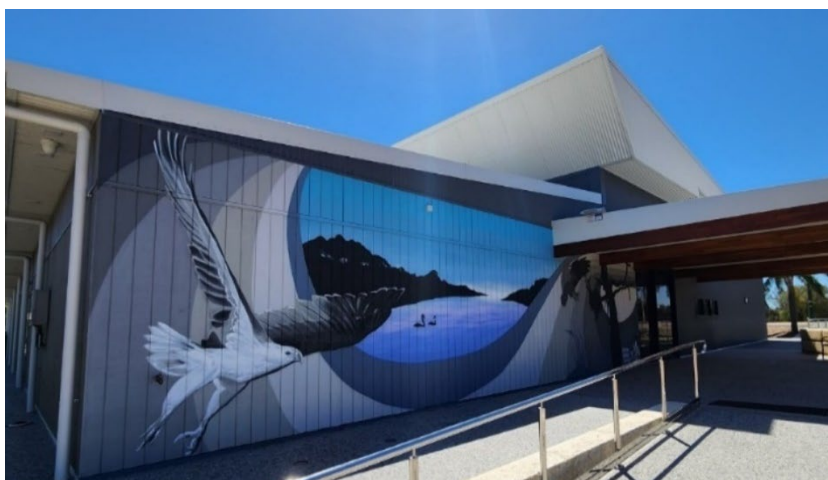


New Facilities and Infrastructure:

During the 2022/23 financial year, a number of major and minor capital works projects were commenced or completed, with capital works totaling \$14.2 million.

Some of these included:

- Sporting facility upgrades for the new Wells Recreation Reserve Changerooms, and new balustrade for the Glen Huon Playground. Plus, a new mural at the Eaton Bowling Club.



- Parks and Reserves upgrade and expansion for Watson Reserve, Cadell Park, Peninsula Lakes, Glen Huon Oval landscaping, Hands Creek and Eaton Foreshore.
- The Dardanup Civic Precinct Upgrade, which was the creation of a picturesque Civic Precinct connecting Dardanup's main street, town and hall to Carramar Park through the former volunteer fire brigade and depot.
- The new Dardanup Heritage Trail covers 12 historic locations across the townsite telling the fascinating stories of first inhabitants. Further signage extends to the nearby areas of Waterloo, Ferguson and Wellington Mills. Each sign displays a QR code linking to more details on the Dardanup Heritage Collective website.
- Upgrades and improvements to Volunteer Bushfire Brigade Facilities for Joshua/Crooked Brook, Dardanup Central and Upper Ferguson.
- Upgrades to two playgrounds, Lofthouse Park received new play equipment, with a water fountain for dogs and lighting already completed, while Cadell Park in Millbridge received new play equipment and shade sails. The new East Millbridge "Karrak Park" also opened.
- Construction underway for the new Administration, Library and Community Centre.
- In addition to routine maintenance of townsite and rural bridges, conducting urgent bridge repairs to the Pile Road bridge.
- Major road reconstruction, widening and sealing works for portions of Ferguson Road upgrade stage 1, Pile Road, Venn Road, Pratt Road, Glen Huon Boulevard - Eaton Drive intersection upgrade, Clarke Street and Hynes Road.

Event Highlights:

Through our ongoing program of free community events, programs, workshops and activities held in locations throughout the Shire, 539 initiatives were completed in the 2022/23 financial year. Some of the highlights included:

- Dardanup Townsite turns 100 with the big “Dardy Party”.
- LiveLighter Summer in Your Park series including Summer Sounds and Movies by Moonlight Youth Movie Night; Storytime in the Park.
- The Poppy Project – installation for Remembrance Day and community poppy craft sessions.
- Festive Auslan Course.
- Tronox Spring Out Festival.
- Youth Week: “Becoming: With others we dream.
- Youth Basketball Tournament.
- Crafternoons with Kate at the Library.
- Author Talks.
- Seniors Day Morning Tea.
- Teddy Bears' Picnic; and
- Possum Night Walk.



Achievements:

The Shire of Dardanup's Council Plan 2022/2032 was endorsed by Council in July 2022, and combines Council's 10-year Strategic Community Plan and four-year Corporate Business Plan.

The Council Plan sets out objectives in the following key performance areas:

- ✓ Leadership
- ✓ Environment
- ✓ Community
- ✓ Prosperity
- ✓ Amenity



Council Plan:

Objective 1: Community

We have a safe and vibrant community that is inclusive and welcoming for all ages and interests.



Highlight: ENLIGHTEN 2022 digital art installation makes Eaton skatepark dazzle

Eaton's new skatepark lit up in a dazzling display of colour on Saturday, 1 October 2022 as a digital art installation was unveiled at a new flagship community event.

The Shire of Dardanup launched EnLighten, a one-night-only event designed to shed light on the people, places and moments that bring happiness to the community through a playful exploration of light and digital technologies. Created by Illuminart, the installation told stories using projection technology that wrapped over the sculptural forms of the skatepark, transforming it into an immersive digital landscape.

Content for EnLighten was generated by community groups such as Manea College design students, visual arts students at South West Regional TAFE, Grace Christian School and Dardanup Primary School, BREC's Kick Start My Art project, Milligan House and South West Aboriginal Health Services.

Summer in Your Park creates connection, vibrancy

The Fuel to Go & Play Summer in Your Park Series is returned to the Shire of Dardanup this December, January and February!

The partnership between the Shire of Dardanup and Fuel to Go & Play saw parks come to life in summer with 23 exciting free family-friendly events in outdoor locations across the shire.



The event series is funded by Council with additional support from Healthway through a \$10,000 Fuel to Go & Play grant.

Tronox Spring Out Festival transforms Foreshore

Eaton Foreshore was transformed into a wonderland for the young and young at heart once again as the Tronox Spring Out Festival returned to the Shire of Dardanup for a seventh year in 2022.

The much-loved free community festival took place on Sunday, October 30 2022. celebrating National Children's Week and the Indigenous Kambarang season. The Spring Out festival featured a stacked line-up of entertainment for children and families.

The festival also saw the Fremantle Dockers Fan and Community team attend for the first time, providing football workshops for footy enthusiasts and potential future footy stars. Local elder Joe Northover also featured as part of the festival, telling pop-up stories of the Colлие River.



Festive AUSLAN Choir Receives National Recognition

Our Southern Ports Festive AUSLAN Choir received an Honourable Mention in the National Awards for Local Government (NALG), an annual celebration of local government achievements in Australia.

The winners for each award category were selected via a public voting system back in March. The community Christmas choir was convened by the Shire of Dardanup and sang and presented carols in sign language as part of a December 2022 festive-themed outdoor movie night in Burekup. With funding from Southern Ports, the Festive AUSLAN Choir project was created and implemented by the Shire's Place and Community Events Team.

In preparation for the performance, 24 community members aged between 8 and 70 years attended an eight-week AUSLAN course by Kelly Hope from CODA (Child of Deaf Adult) Services. Participants learned the signing of basic words, fingerspelling and six Christmas songs. The AUSLAN Choir joined with Vocal Fusion Youth Choir at the Movies by Moonlight event in Burekup, part of the Shire's Summer in Your Park series attended by almost 420 patrons.



Eaton Recreation Centre hits record-breaking membership numbers

The Eaton Recreation Centre provides a range of health, fitness, sporting, childcare, and recreational opportunities, plus events for the community.

Our Centre boasts a 24-hour gym, Group Fitness Classes, Café, Creche and Vacation Care program, and three competition multi-purpose courts. The Centre hit a record-breaking membership of 1095 members!

Courts are being utilised to maximum capacity and the centre hosts two major dance groups Top Jazz and Elite Eisteddfod



The Centre is also the home to clubs including South West Slammers, WABL and NBL, Eaton Basketball Association, Souwest Jets, South West Netball Football League and Eaton Netball Association, showcasing some incredible talent from our grassroots players to professional athletes.

Libraries offer huge range of programs, events and services

It's been a busy year in our Shire of Dardanup Libraries with a huge range of programs, events and services for the community.

The Library welcomed nationally recognised WA Authors like Rachel Johns, Anthea Hodgson and Brooke Dunnell. School holidays programs were a highlight with Mario Kart Challenges, drawing workshops, reading challenges, craft activities, Sensory Story Times, live music and community barbecues.

The Libraries have provided a safe hub for community to learn and share knowledge with our TECH 20s and "How to use your mobile phone workshops". Library staff provide essential services to seniors and community members who need extra support. The book Delivery Service travelled to Dardanup, Burekup, Bethanie Villages and the Ferguson Valley providing important connections.

Much of the focus has also been on planning the move to the new Library, Administration and Community Building in early 2024. This will be the first time the Eaton Community Library will be co-located with our other civic services, which will create a better connection with the community.



Council Plan:

Objective 2: Environment

There is a healthy and balanced respect for the environment, while retaining our lifestyle values, community spirit and identity.

Highlight – Timber focus for sustainable buildings currently under construction

The Shire of Dardanup is embracing the use of environmentally friendly materials, particularly timber, in the construction of its key infrastructure projects.

This strategic choice aligns with the Council's overarching goal to contribute to the well-being of the environment and reduce the ecological footprint of its operations.

Three notable buildings currently under construction exemplify the Shire's commitment to sustainable practices:

- The new "R & J Fishwick Pavilion,"
- The Library, Community, and Administration Building in Eaton, and the
- Wells Recreation Reserve Change Rooms.

All buildings are being developed with a keen focus on utilising traditional and emerging sustainable building materials. This deliberate preference for eco-friendly materials not only aligns with the Shire's values but also reflects a proactive approach to addressing environmental challenges.

By integrating sustainability into the construction of these key structures, the Shire is setting a precedent for responsible urban development that respects both the natural landscape and the unique identity and lifestyle values of the community.



FOGO service making good ground in diverting waste from landfill

The Shire's Food Organics and Garden Organics (FOGO) bin service has provided a giant leap towards diverting more waste from landfill.

Through education and awareness campaigns, the Shire has empowered its community to make informed choices about waste disposal, resulting in a notable decrease in FOGO contamination truck rejection events monitored by the Bunbury Harvey Regional Council (BHRC).

The success of this initiative highlights the effectiveness of collaborative efforts between local authorities and residents in creating sustainable waste management practices.

More community education support was provided through an ongoing program of school workshop presentations by Shire of Dardanup waste contractor Veolia, plus community workshops and information disseminated via communications channels including the Shire of Dardanup website, Facebook page and community newsletters.



New Local Heritage List endorsed by Council

A list of local heritage places was created by the Shire of Dardanup as part of an upcoming review of the existing Local Heritage Strategy (LHS).

Identifying heritage places in the LHS supports the sharing of community history, development of education programs and heritage trails and helps local governments to identify how heritage places will be protected through the heritage list.

Council endorsed the Local Heritage List after a period of community consultation in 2022 for people to provide input on identification of heritage places.

Council Plan:

Objective 3: Amenity

Our facilities and infrastructure make the Shire an attractive and desirable place to live, work and visit.



Highlight: New changeroom facilities at Wells Recreation Park in Dardanup

Construction of our new \$1.1 million changeroom facilities at Wells Recreation Park in Dardanup was complete late 2023.

The building is yet another example of Council's Wood Encouragement Policy in action which recognises timber as a renewable and low carbon footprint building material. The new changerooms will deliver both male and female change facilities for the first time and support increasing participation of girls and women across a range of local sporting clubs.

This project has been funded by Council with support from the Australian Cricket Infrastructure Fund plus a \$50,000 bequest by the late Mr Alexander Poad – who was dedicated to community service throughout his life – and facilitated by the Dardanup Branch of the Australian Red Cross.

Local Planning Scheme

The Shire of Dardanup is in the process of replacing its current Town Planning Scheme No. 3 with the draft Local Planning Scheme No. 9 (LPS9). This legal document guides and regulates land development within the Shire, outlining permissible activities and associated administrative processes.

The review of local planning schemes in Western Australia, mandated by the Planning and Development (Local Planning Schemes) Regulations 2015, aims to standardize schemes across the state. In collaboration with the Department of Planning, Lands and Heritage, the Shire has diligently worked on drafting LPS9.

In February 2023, the draft LPS9 was open for public comment until May, and the Shire received submissions from the community, government departments, and service agencies. Councillors will decide on the next steps for advancing the scheme in 2023.

New East Millbridge Playground “Karrak Park” opened in 2023

The construction of the new East Millbridge Playground by contractor Active Discovery was completed late 2023. Located on public open space between Millbridge Boulevard and Dennison Link, this playground is designed to cater specifically for younger community members.

Council resolved at its May 2023 meeting to name the reserve area Karrak Park, pending consultation with Local Traditional Owners. "Karrak" is the Noongar word for the Red-Tailed Black Cockatoo. The project, initiated in response to a 2020 petition to the Council, exemplifies remarkable community collaboration. Noteworthy milestones include an online community brainstorm in January 2022 to assist with playground design and the naming of the Reserve in March 2023.

The playground features play equipment suitable for the 0-4 age group, shade sails, fencing, a circuit path, nature play opportunities, softfall material, a welcome sign with funding acknowledgment, seating with space for prams and wheelchair access, and a bin.



New R & J Fishwick Pavilion to boost Eaton’s junior football and cricket clubs

In February, Collie-Preston MLA Jodie Hanns announced the Shire of Dardanup had been successful in its application to the State Government’s Community Sporting Recreation and Facilities Fund for \$700,000 towards a new multi-sports pavilion for Eaton’s junior football and cricket clubs.

The new Pratt Road Pavilion will be named the “R & J Fishwick Pavilion” after local residents Reg & Jocey Fishwick, whose commitment to the Eaton Junior football Club and wider community goes back to the 1950s.



The project is due for completion in 2022/23 and will be a real benefit for local grassroots sport and enable provision of both male and female changerooms.

Council Plan:

Objective 4: Prosperity

The Shire has a vibrant, diversified economy built from our pillars of agriculture, forestry, manufacturing, mining and tourism.

Highlight: Youth Work experience opportunities a success at the Shire facilities

During the 2022/23 year, we had 10 students successfully complete work placement programs across a range of Shire Departments.

Students ranged from Year 10 students completing workplace familiarisation programs, Year 11 and 12 students completing placement as part of their Cert III qualifications, and university students completing essential field experience as part of their degree.

We had students from Eaton Community College, Australind Senior High School, Bunbury Catholic College, Newton Moore Senior High School, Our Lady of Mercy College, The Australian Institute of Fitness, and Edith Cowan University.

Many students identified a particular area of interest for their placement, with the Eaton Recreation Centre proving a popular choice.

For students who are unsure of their career options, we provide a tailored “Taste of Local Government” program where the students are exposed to a number of different areas of interest throughout the organisation.



Designated Area Migration Agreement for South West

Western Australia's South West region will look to fill critical labour shortages for business and industry with the Federal Government creating a Designated Area Migration Agreement (DAMA) with the Shire of Dardanup in December 2021.

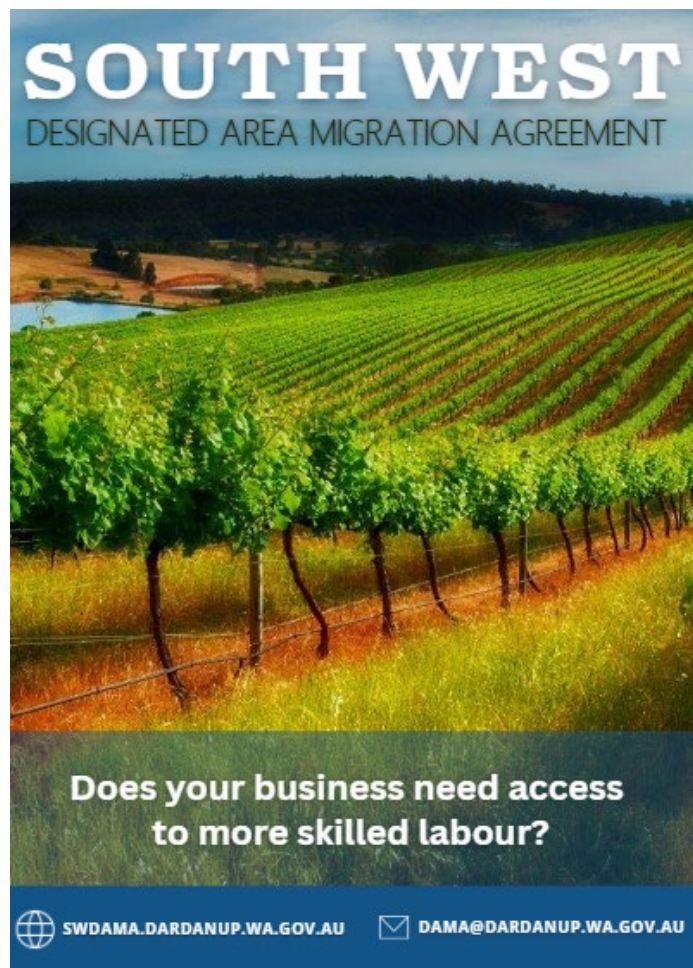
The South West was the eighth region in Australia to enter a five-year agreement with the Commonwealth aimed at ensuring skilled migrants contribute through employment in key roles where Australian workers are not available.

The DAMA allows employers to bring in skilled workers under the labour agreement stream of the Temporary Skill Shortage Visa that may provide a pathway to permanent residency, benefiting the South West region long-term in both business and community.

The Shire of Dardanup administers the process for accessing the South West DAMA which is open to businesses operating in any of the 12 local government areas covered by the agreement:

- City of Busselton
- City of Bunbury
- Shire of Capel
- Shire of Collie
- Shire of Augusta/Margaret River
- Shire of Boyup Brook
- Shire of Bridgetown/Greenbushes
- Shire of Dardanup
- Shire of Donnybrook/Balingup
- Shire of Harvey
- Shire of Manjimup
- Shire of Nannup

The Shire of Dardanup has an appointed Migration Agreement Officer to facilitate access for businesses to the South West DAMA.



Council Plan:

Objective 5: Leadership

We have strong civic leadership supported by responsible and transparent corporate governance.

Highlight: Community Survey update Council Plan

Residents and businesses still rate Shire of Dardanup performance well above the industry average, however results of our recent MARKYT Community Scorecard have revealed clear community priorities for future focus.

Our performance was rated in 2023 at 71 per cent by the 1,032 respondents to the Scorecard survey – 6 points above the industry average of 65 per cent but a 2 per cent drop on our 2021 Scorecard result from 606 respondents.

Top three priorities identified by the community were:

- Community safety and crime prevention;
- Waste management;
- Seniors' services and facilities.

Services rated highest by the community and receiving a score above the industry average were:

- Economic development and job creation;
- Development of local town centre;
- Planning and building approvals.

Other areas where responses indicated community satisfaction included Future planning; Playgrounds parks and reserves; Sporting facilities; Boat ramps and Festivals and events.

Services rated lowest by the community and receiving a score below the industry average were:

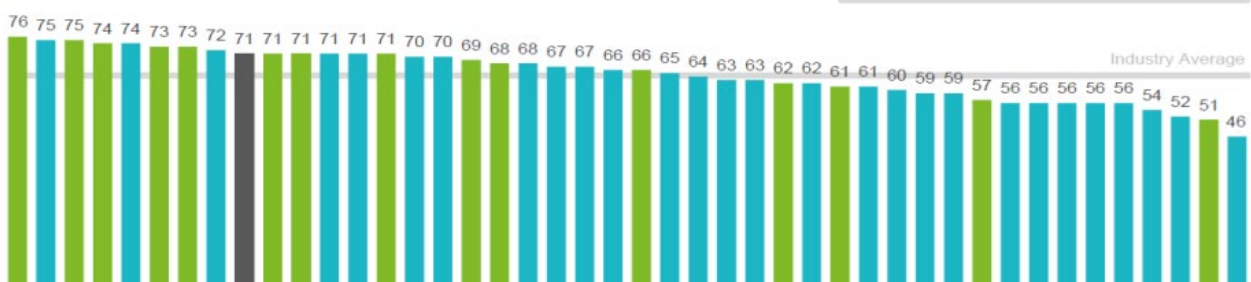
- Waste Management;
- Library Services;
- Environmental Health.

Other areas where responses indicated a level of community dissatisfaction were Recognition of First Nations People and Conservation and environmental management.

The 'Overall Performance Index Score' is a combined measure of the Shire of Dardanup as a 'place to live' and as a 'governing organisation'. The Shire of Dardanup's overall performance index score is 71 out of 100, 6 index points above the industry average.

Overall Performance Index Score
average of 'place to live' and 'governing organisation'

■ Shire of Dardanup
■ Metropolitan Councils
■ Regional Councils



Youth Advisory Group celebrates YouthFest

Dardanup Hall was transformed into a wonderland for the young and young at heart as the Shire of Dardanup celebrated Youth Week WA.

The Shire of Dardanup's youth advisory group presented YouthFest, on Friday, 14 April 2023.



Developed by the Shire's youth advisory group after expressing a passion for ideas around personal flourishing, this year's event was centered around the theme of Becoming: With others we dream. The event showcased a range of local Youth Stallholders, selling their creative wares with this being the first opportunity for many of these youth to run their own small business stalls.

The event also provided young people opportunities to engage with local emergency services in a fun, family-friendly and interactive environment.

Attractions on the day included the RAC Rescue helicopter VR experience, Australian Army Cadets giant inflatable obstacle course, sensory zone, youth market stalls, a dunk tank run by WA Police and Cadets, food trucks and live entertainment from local musicians Dan White, Imogen Pinelli and Maya Ixchell. Over 500 people attended to support the event which was a great success!

New Library, Administration and Community Building

Our new Library, Administration and Community Building is under construction in Eaton and due for opening in early 2024.

The new building will aim to provide a new heart for connecting community in the centre of Eaton and include a high standard public library, Makerspace to foster connection through creativity and shared interests, a mixed-use community hub with meeting space for local groups, civic spaces, the Shire's new administration offices and commercial spaces.

Statutory Reports:

Disability Access and Inclusion Plan

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

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

The Shire of Dardanup seeks to ensure services, facilities and information are inclusive and accessible to everyone, regardless of abilities - and where possible – adopts a leadership position to encourage other service providers to ensure their services also contribute to an accessible and inclusive community for all.

The Disability Access and Inclusion Plan (DAIP) sets out the detail of Council's commitments in pursuit of this objective and earlier this year, the Plan underwent its 5-yearly review. Following a period of community and stakeholder engagement including our successful Project Connect event, face-to-face meetings and an online survey, Council endorsed a refreshed Draft DAIP at its June 2023 Council meeting.

During 2022/23, the Shire of Dardanup continued to implement strategies which have been outlined within its Disability Access and Inclusion Plan.

State Records Act

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

The RKP dictates which records are created by an organisation, how they are stored and maintained, and whether they are ultimately destroyed. It is the primary means of providing evidence of compliance with the Act and that best practices have been implemented throughout the organisation. In accordance with Section 17 of the Act, the Shire of Dardanup and all its employees are legally required to comply with the contents of this Plan.

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

Information Document Services

The Shire has employed a customised SharePoint application (known as TARDIS) as the document manager front end to the RecordPoint record keeping system since July 2015. TARDIS is deployed as a decentralised system, with all officers managing their own information management, while RecordPoint manages compliance with the State Records Act 2000 (WA). RecordPoint is managed by the Information Document Services office, a division of Information Services department. The SharePoint element of TARDIS was upgraded during 2023 to improve the performance of the approved record keeping system as a whole.

The Information Document Services department continues to place strong emphasis on records training for all new and existing staff members, with the dual objectives of making it easier to effectively use the information management systems and to reduce the incidence of non-compliance with the State Records Act. Where appropriate, record keeping inductions occur for all new staff, comprising of two mandatory introductory sessions over three days, with a follow-up session with another records officer two weeks later. Content includes a guide to each officer's record keeping responsibilities, and a relevant in-person training session in the use of the approved record keeping system. Information Document Services staff continue to offer personal information management support to all staff on request, either in targeted sessions or individually.

A major project launched in 2020 to digitise as many of the Shire's paper-based records as possible is ongoing. This project continues to provide all Shire officers with quicker access to files, and enhanced data searching within those files, especially when compared to previous digitisation, which was often basic and sometimes incomplete. It is delivering a more efficient experience to officers at all levels in the organisation. It is also reducing the risks associated with unique and vulnerable paper documents.

IDS staff are delegated to manage Freedom of Information applications and reviews. As at 30 October 2023, three information requests were received but none proceeded to a valid Freedom of Information access application. One outstanding access application was withdrawn after escalation to external review by the Office of the Information Commissioner.

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 that details of entries made under section 5.121 during the financial year in the register of complaints, including —

- i) The number of complaints recorded in the register of complaints; and
- ii) How the recorded complaints were dealt with;

be included in the Annual Report of Council.

The Shire of Dardanup Complaints Officer received no Complaints in 2022/23 which required referral to the Standards Panel for the Panel's attention.

Employee Remuneration

In accordance with the *Local Government (Administration) Regulations 1996 (Reg 19B(2))* set out below in bands of \$10,000, is the number of employees that are entitled to an annual Salary of \$130,000 or more.

<u>Salary Range</u>	<u>2022/23 Actual</u>	<u>2021/22 Actual</u>
\$130,000 - \$139,999	0	0
\$140,000 - \$149,999	0	0
\$150,000 - \$159,999	0	0
\$160,000 - \$169,999	0	0
\$170,000 - \$179,999	0	0
\$180,000 - \$189,999	1	3
\$190,000 - \$199,999	2	0
\$200,000 - \$209,999	1	1
\$210,000 - \$219,999	0	0

In accordance with the *Local Government (Administration) Regulations 1996 (Reg 19B(e))*, the remuneration paid to the CEO during 2022/23 was \$247,713.

Public Interest Disclosures

The Deputy CEO is appointed as Council's Public Interest Disclosures Officer under the Public Interest Disclosures Act 2003. This legislation is often referred to as the "whistleblower" Act and provides for the reporting of serious wrongdoing within the State public sector and local government as well as providing the mechanism for responding to reports.

The Shire of Dardanup Public Interest Disclosures Officer did not receive any complaints in 2022/23.

Trading Undertakings and Major Trading Undertakings

In accordance with the *Local Government (Administration) Regulations 1996 (Reg 19BB)*, Council did not participate in any trading undertakings or major trading undertakings during the 2022/23 financial year.

Major Land Transactions

In accordance with the *Local Government (Administration) Regulations 1996 (Reg 19BC)*, Council did not undertake any Major Land Transactions during the 2022/23 financial year.

Capital Grants, Subsidies and Contributions

In accordance with the *Local Government (Administration) Regulations 1996 (Reg 19BE)*, set out below is the amount of all capital grants, subsidies and contributions, for replacing and renewing assets, that were received by the local government during the 2022/23 financial year and the previous 2 financial years:

	Capital Grants	Subsidies	Contributions
2022/23	\$2,366,547	\$0	\$2,906,792
2021/22	\$6,024,997	\$0	\$1,413,893
2020/21	\$3,598,309	\$0	\$1,671,257

President and Council Member Fees, Expenses and Allowances; Meeting Attendance; and Demographics

In accordance with the *Local Government (Administration) Regulations 1996 (Reg 19B and 19BD)*, set out below are the fees, expenses or allowances paid during the 2022/23 financial year to Council members; the number of Council and committee meetings attended by each Council member during the financial year; the gender, linguistic background and country of birth of Council members; the Council member age bands; and any Council member who identifies as Aboriginal or Torres Strait Islander:

	Fees & Allowances Paid \$	Council Meetings Attended	Committee Meetings Attended	Gender	Linguistic Background	Country of Birth	Age Band Years	Aboriginal or Torres Strait Islander
Elected member - Shire President (1)								
President's annual allowance	28,411	12	11	Male	English	Australia	Over 64	No
Meeting attendance fees	19,482							
Annual allowance for ICT expenses	2,625							
Travel and accommodation expenses	981							
	51,499							
Elected member - Deputy President (2)								
Deputy President's annual allowance	7,103	12	7	Male	English	Australia	55-64	No
Meeting attendance fees	12,582							
Annual allowance for ICT expenses	2,625							
Travel and accommodation expenses	0							
	22,310							
Elected member (3)								
Meeting attendance fees	12,582	10	8	Female	English	Australia	35-44	No
Other expenses	0							
Annual allowance for ICT expenses	2,625							
Travel and accommodation expenses	0							
	15,207							
Elected member (4)								
Meeting attendance fees	8,388	12	5	Female	English	Australia	45-54	No
Annual allowance for ICT expenses	1,750							
Travel and accommodation expenses	0							
	10,138							

Elected member (5)								
Meeting attendance fees	12,582	11	2	Male	English	Australia	Over 64	No
Annual allowance for ICT expenses	2,625							
Travel and accommodation expenses	0							
	15,207							
Elected member (6)								
Meeting attendance fees	12,582	9	0	Female	English	Australia	45-54	No
Other expenses	0							
Annual allowance for ICT expenses	2,625							
Travel and accommodation expenses	0							
	15,207							
Elected member (7)								
Meeting attendance fees	12,582	8	1	Male	English	Australia	25-34	No
Annual allowance for ICT expenses	2,625							
Travel and accommodation expenses	0							
	15,207							
Elected member (8)								
Meeting attendance fees	12,582	11	6	Male	English	Australia	Over 64	No
Child care expenses	1,565							
Other expenses	0							
Annual allowance for ICT expenses	2,625							
Travel and accommodation expenses	0							
	16,772							
Elected member (9)								
Meeting attendance fees	12,275	8	1	Female	English	Australia	Over 64	No
Annual allowance for ICT expenses	2,625							
Travel and accommodation expenses	0							
	15,207							
	176,754							

Financial Reports:

Guide to understanding the Financial Statements

The 2022/23 financial statements show how the Shire of Dardanup performed during the financial year and the overall position at the end of the financial year, 30 June 2023.

The financial statements are prepared in accordance with the *Australian Accounting Standards* as they apply to local government and in accordance with the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*. The financial statements must be certified by the Chief Executive Officer, and audited by an independent auditor appointed through the Office of Auditor General.

Financial Statements

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

- Statement of Comprehensive Income by Nature or Type.
- Statement of Financial Position.
- Statement of Changes in Equity.
- Statement of Cash Flows.
- Statement of Financial Activity.

Statement of Comprehensive Income by Nature or Type

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

Statement of Financial Position

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

Statement of Changes in Equity

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

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

Statement of Cash Flows

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

Statement of Financial Activity

A statement showing the level of rates raised to finance the delivery of programs and any surplus/deficit at the end of the financial year. This Statement was formerly referred to as the Rate Setting Statement.

Notes to the Statements

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

Financial Ratios

Under the *Local Government (Financial Management) Regulations 1996* and the *Local Government (Audit) Regulations 1996*, financial ratios are no longer required to be reported, or audited, in the Annual Financial Report. However, a voluntary disclosure is provided in the Annual Report.

	22/23	21/22	20/21	19/20
	Actual	Actual	Actual	Actual
Current ratio	1.297	1.328	1.512	1.270
Asset consumption ratio	0.755	0.928	0.653	0.642
Asset renewal funding ratio	0.867	1.271	1.601	1.100
Asset sustainability ratio	1.287	2.001	1.312	0.901
Debt service cover ratio	8.231	3.892	4.368	14.774
Operating surplus ratio	-0.032	-0.182	-0.181	0.012
Own source revenue coverage ratio	0.865	0.742	0.754	0.848

Overall Council is in good financial health, and this is reflected in its financial ratios illustrated above.

Statement by the Chief Executive Officer and Independent Auditor's Report

The Annual Financial Report and supporting notes require certification by the Chief Executive Officer under the *Local Government Act 1995*; as a written declaration that the Statements fairly present the Shire of Dardanup's financial position and performance in compliance with applicable accounting standards and relevant legislation.

The Independent Audit Report provides an external and independent opinion on the Financial Statements. It provides the reader with the scope of audit work undertaken and expresses an audit opinion formed on this basis. The audit opinion relates to the fairness aspects and the statutory compliance of the Financial Statements.

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

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

The Shire of Dardanup is a healthy, self-sufficient and sustainable community, that is connected and inclusive, and where our culture and innovation are celebrated.

Principal place of business:
Shire of Dardanup
1 Council Drive
EATON WA 6232

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

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

STATEMENT BY CEO

The accompanying financial report of the Shire of Dardanup 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 20th day of November 2023



André Schönfeldt
Chief Executive Officer



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

	NOTE	2023 Actual	2023 Budget	2022 Actual Restated *
		\$	\$	\$
Revenue				
Rates	2(a),26	15,037,329	15,021,963	14,307,664
Grants, subsidies and contributions	2(a)	2,893,101	2,457,135	2,984,793
Fees and charges	2(a)	3,876,080	3,331,234	3,409,896
Interest revenue	2(a)	871,363	269,350	190,871
Other revenue	2(a)	3,352,629	29,226	19,439
		26,030,502	21,108,908	20,912,663
Expenses				
Employee costs	2(b)	(11,561,261)	(11,453,887)	(10,564,139)
Materials and contracts		(5,802,137)	(5,284,883)	(6,550,689)
Utility charges		(627,520)	(571,758)	(573,880)
Depreciation		(6,860,300)	(6,017,969)	(5,619,217)
Finance costs	2(b)	(181,652)	(204,976)	(108,244)
Insurance		(355,267)	(339,527)	(318,720)
Other expenditure	2(b)	(498,959)	(386,447)	(416,236)
		(25,887,096)	(24,259,447)	(24,151,125)
		143,406	(3,150,539)	(3,238,462)
Capital grants, subsidies and contributions	2(a)	5,273,339	5,179,259	7,438,890
Profit on asset disposals		59,645	2,942,186	36,297
Loss on asset disposals		(945,897)	0	(73,533)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	3,686	0	3,997
		4,390,773	8,121,445	7,405,651
Net result for the period		4,534,179	4,970,906	4,167,189
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	0	0	68,244,336
Total other comprehensive income for the period	17	0	0	68,244,336
Total comprehensive income for the period		4,534,179	4,970,906	72,411,525

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

* Refer to note 31 for correction of prior year error.

SHIRE OF DARDANUP
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTE	2023	2022 Restated *
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	29,585,676	15,051,169
Trade and other receivables	5	715,261	1,257,406
Other financial assets	4(a)	0	7,114,531
Inventories	6	38,783	14,282
Other assets	7	334,497	286,634
TOTAL CURRENT ASSETS		30,674,217	23,724,022
NON-CURRENT ASSETS			
Trade and other receivables	5	139,769	143,597
Other financial assets	4(b)	81,490	77,804
Property, plant and equipment	8	50,025,332	45,324,462
Infrastructure	9	217,130,036	217,096,550
Right-of-use assets	11(a)	230,739	447,313
TOTAL NON-CURRENT ASSETS		267,607,366	263,089,726
TOTAL ASSETS		298,281,583	286,813,748
CURRENT LIABILITIES			
Trade and other payables	12	3,486,035	2,831,190
Other liabilities	13	964,271	877,449
Lease liabilities	11(b)	141,270	194,754
Borrowings	14	456,556	392,533
Employee related provisions	15	1,664,462	1,636,069
Other provisions	16	0	0
TOTAL CURRENT LIABILITIES		6,712,594	5,931,995
NON-CURRENT LIABILITIES			
Other liabilities	13	261,660	261,660
Lease liabilities	11(b)	96,117	260,327
Borrowings	14	8,299,934	2,056,490
Employee related provisions	15	242,262	271,516
Other provisions	16	186,910	83,833
TOTAL NON-CURRENT LIABILITIES		9,086,883	2,933,826
TOTAL LIABILITIES		15,799,477	8,865,821
NET ASSETS		282,482,106	277,947,927
EQUITY			
Retained surplus		57,684,519	58,694,264
Reserve accounts	29	24,596,016	19,052,092
Revaluation surplus	17	200,201,571	200,201,571
TOTAL EQUITY		282,482,106	277,947,927

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

* Refer to note 31 for correction of prior year error.

SHIRE OF DARDANUP
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		51,740,275	21,838,892	131,957,235	205,536,402
Comprehensive income for the period					
Net result for the period		4,167,189	0	0	4,167,189
Other comprehensive income for the period	17 & 31	0	0	68,244,336	68,244,336
Total comprehensive income for the period		4,167,189	0	68,244,336	72,411,525
Transfers from reserve accounts	29	13,956,121	(13,956,121)	0	0
Transfers to reserve accounts	29	(11,169,321)	11,169,321	0	0
Balance as at 30 June 2022		58,694,264	19,052,092	200,201,571	277,947,927
Restated balance at 1 July 2022		58,694,264	19,052,092	200,201,571	277,947,927
Comprehensive income for the period					
Net result for the period		4,534,179	0	0	4,534,179
Total comprehensive income for the period		4,534,179	0	0	4,534,179
Transfers from reserve accounts	29	7,491,066	(7,491,066)	0	0
Transfers to reserve accounts	29	(13,034,990)	13,034,990	0	0
Balance as at 30 June 2023		57,684,519	24,596,016	200,201,571	282,482,106

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

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

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		15,168,037	14,245,005
Grants, subsidies and contributions		3,180,935	2,631,115
Fees and charges		3,871,581	3,573,290
Interest revenue		871,363	190,871
Goods and services tax received		0	2,429,607
Other revenue		3,352,629	19,439
		26,444,545	23,089,327
Payments			
Employee costs		(11,455,602)	(10,735,655)
Materials and contracts		(5,381,711)	(7,551,093)
Utility charges		(627,520)	(573,880)
Finance costs		(181,652)	(110,003)
Insurance paid		(355,267)	(318,720)
Goods and services tax paid		216,095	(2,290,922)
Other expenditure		(498,959)	(416,236)
		(18,284,616)	(21,996,509)
Net cash provided by (used in) operating activities		8,159,929	1,092,818
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment		(7,997,353)	(6,621,731)
Payments for construction of infrastructure		(3,582,886)	(4,714,844)
Capital grants, subsidies and contributions		2,948,250	5,325,508
Proceeds for financial assets at amortised cost		7,114,531	5,485,765
Proceeds from financial assets at fair values through profit and loss		0	0
Proceeds from sale of property, plant & equipment		1,776,083	243,274
Net cash provided by (used in) investing activities		258,625	(282,028)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	28(a)	(392,533)	(333,977)
Payments for principal portion of lease liabilities	28(d)	(191,514)	(188,703)
Proceeds from new borrowings	28(a)	6,700,000	320,000
Net cash provided by (used in) financing activities		6,115,953	(202,680)
Net increase (decrease) in cash held		14,534,507	608,110
Cash at beginning of year		15,051,169	14,443,059
Cash and cash equivalents at the end of the year		29,585,676	15,051,169

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

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

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	26	14,660,639	14,651,497	13,953,139
Rates excluding general rates	26	376,690	374,466	354,525
Grants, subsidies and contributions		2,893,101	2,457,135	2,984,793
Fees and charges		3,876,080	3,331,234	3,409,896
Interest revenue		871,363	269,350	190,871
Other revenue		3,352,629	29,226	19,439
Profit on asset disposals		59,645	2,942,186	36,297
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	3,686	0	3,997
		26,093,833	24,055,094	20,952,957
Expenditure from operating activities				
Employee costs		(11,561,261)	(11,453,887)	(10,564,137)
Materials and contracts		(5,802,137)	(5,284,883)	(6,550,689)
Utility charges		(627,520)	(571,758)	(573,880)
Depreciation		(6,860,300)	(6,017,969)	(5,619,217)
Finance costs		(181,652)	(204,976)	(108,244)
Insurance		(355,267)	(339,527)	(318,720)
Other expenditure		(498,959)	(386,447)	(416,236)
Loss on asset disposals		(945,897)	0	(73,533)
		(26,832,993)	(24,259,447)	(24,224,656)
Non-cash amounts excluded from operating activities	27(a)	7,747,852	3,305,231	5,670,008
Amount attributable to operating activities		7,008,692	3,100,878	2,398,309
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		5,273,339	5,179,259	7,438,890
Proceeds from disposal of assets		1,776,083	5,025,000	243,274
		7,049,422	10,204,259	7,682,164
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(9,243,253)	(17,562,955)	(6,621,731)
Purchase and construction of infrastructure	9(a)	(4,823,303)	(5,062,409)	(4,714,844)
		(14,066,556)	(22,625,364)	(11,336,575)
Non-cash amounts excluded from investing activities	27(b)	(460,913)	(233,448)	(2,113,811)
Amount attributable to investing activities		(7,478,047)	(12,654,553)	(5,768,222)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	28(a)	6,700,000	7,000,000	320,000
Transfers from reserve accounts	29	7,491,066	13,715,412	13,956,121
		14,191,066	20,715,412	14,276,121
Outflows from financing activities				
Repayment of borrowings	28(a)	(392,533)	(529,714)	(333,977)
Payments for principal portion of lease liabilities	28(d)	(191,514)	(238,834)	(188,703)
Transfers to reserve accounts	29	(13,034,990)	(10,440,476)	(11,169,321)
		(13,619,037)	(11,209,024)	(11,692,001)
Amount attributable to financing activities		572,029	9,506,389	2,584,120
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	27(c)	175,393	184,453	961,190
Amount attributable to operating activities		7,008,692	3,100,878	2,398,309
Amount attributable to investing activities		(7,478,047)	(12,654,553)	(5,768,222)
Amount attributable to financing activities		572,029	9,506,389	2,584,120
Surplus or deficit after imposition of general rates	27(c)	278,067	137,167	175,393

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

SHIRE OF DARDANUP
FOR THE YEAR ENDED 30 JUNE 2023
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SHIRE OF DARDANUP
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 except for disclosure requirements of:

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

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 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 30 of the financial report.

Judgements and estimates

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

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

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

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

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
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 DARDANUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	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.

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	14,660,639	376,690	15,037,329
Grants, subsidies and contributions	2,893,101	0	0	0	2,893,101
Fees and charges	0	0	199,827	3,676,253	3,876,080
Interest revenue	0	0	116,199	755,164	871,363
Other revenue	3,331,270	0	0	21,359	3,352,629
Capital grants, subsidies and contributions	5,273,339	0	0	0	5,273,339
Total	11,497,710	0	14,976,665	4,829,466	31,303,841

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	13,953,139	354,525	14,307,664
Grants, subsidies and contributions	2,984,793	0	0	0	2,984,793
Fees and charges	0	0	200,425	3,209,471	3,409,896
Interest revenue	0	0	110,658	80,213	190,871
Other revenue	19,439	0	0	0	19,439
Capital grants, subsidies and contributions	0	7,438,890	0	0	7,438,890
Total	3,004,232	7,438,890	14,264,222	3,644,209	28,351,553

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual \$	2022 Actual \$
Assets and services acquired below fair value		
Contributed assets	2,486,317	0
	2,486,317	0
Interest revenue		
Interest on reserve account funds	489,090	67,300
Trade and other receivables overdue interest	116,199	110,658
Other interest revenue	266,074	12,913
	871,363	190,871
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$114,986.		
Fees and charges relating to rates receivable		
Charges on instalment plan	81,964	74,921
The 2023 original budget estimate in relation to: Charges on instalment plan was \$87,080.		
Other revenue		
Revenue from sale of land inventory (Lot 601)	3,331,270	0
Revenue from fuel tax credits	21,359	19,439
	3,352,629	19,439

(b) Expenses

Auditors remuneration		
- Audit of the Annual Financial Report	42,000	36,600
- Other services – grant acquittals	5,550	14,010
	47,550	50,610
Employee Costs		
Employee benefit costs	11,561,261	10,564,137
Other employee costs	0	0
	11,561,261	10,564,137
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	181,652	108,244
	181,652	108,244
Other expenditure		
Sundry expenses	498,959	416,236
	498,959	416,236

SHIRE OF DARDANUP
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	29,585,676	15,051,169
Total cash and cash equivalents	29,585,676	15,051,169
Held as		
- Unrestricted cash and cash equivalents	4,989,660	3,113,608
- Restricted cash and cash equivalents	24,596,016	11,937,561
	29,585,676	15,051,169

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Term deposits

Held as

- Restricted other financial assets at amortised cost

(b) 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
	\$	\$
	0	7,114,531
	0	7,114,531
	0	7,114,531
	0	7,114,531
18(a)	0	7,114,531
	0	7,114,531
	81,490	77,804
	81,490	77,804
	77,804	73,807
	3,686	3,997
	81,490	77,804

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 25 (i)) due to the observable market rates).

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

Financial assets at fair value through profit 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 DARDANUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

5. TRADE AND OTHER RECEIVABLES

Current

Note	2023	2022
	\$	\$
Rates and statutory receivables	420,195	465,832
Trade receivables	98,094	399,598
GST receivable	160,416	376,511
Allowance for credit losses of trade receivables	(1,950)	(5,543)
Fuel tax credits	6,036	1,904
Pensioner rates rebate	32,470	19,104
	715,261	1,257,406

Non-current

Pensioner rates and ESL deferred	139,769	143,597
	139,769	143,597

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

6. INVENTORIES

Note	2023	2022
	\$	\$
Current		
Materials - depot	32,002	7,122
Trading stock - Eaton Recreation Centre	6,781	7,159
Land held for resale		
Cost of acquisition	0	1
	38,783	14,282
The following movements in inventories occurred during the year:		
Balance at beginning of year	14,282	12,160
Inventories expensed during the year	0	(11,598)
Additions to inventory	24,501	13,720
Balance at end of year	38,783	14,282

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.

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the council's intentions to release for sale.

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

7. OTHER ASSETS

Other assets - current

Prepayments

Accrued income

2023	2022
\$	\$
68,997	41,896
265,500	244,738
334,497	286,634

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.

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.

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings not subject to operating lease	Land and buildings subject to operating lease	Total land and buildings	Furniture and equipment	Plant and equipment	Motor vehicles	Buildings - work in progress	Total property, plant and equipment
	\$	\$	\$	\$	\$		\$	\$	\$	\$	\$
Balance at 1 July 2021	7,160,000	30,218,149	0	37,378,149	0	37,378,149	286,821	82,214	2,155,203	2,116,480	42,018,867
Additions	0	3,267,870	0	3,267,870	0	3,267,870	58,484	404,668	823,181	2,067,528	6,621,731
Disposals	0	(70,235)	0	(70,235)	0	(70,235)	(3,288)	0	(206,987)	0	(280,510)
Depreciation	0	(1,240,542)	0	(1,240,542)	0	(1,240,542)	(76,057)	(38,953)	(310,832)	0	(1,666,384)
Transfers	0	475,194	0	475,194	0	475,194	0	0	0	(1,844,436)	(1,369,242)
Balance at 30 June 2022	7,160,000	32,650,436	0	39,810,436	0	39,810,436	265,960	447,929	2,460,565	2,339,572	45,324,462
Comprises:											
Gross balance amount at 30 June 2022	7,160,000	53,645,596	0	60,805,596	0	60,805,596	1,628,841	593,444	5,075,767	2,339,572	70,443,220
Accumulated depreciation at 30 June 2022	0	(20,995,160)	0	(20,995,160)	0	(20,995,160)	(1,362,881)	(145,515)	(2,615,202)	0	(25,118,758)
Balance at 30 June 2022	7,160,000	32,650,436	0	39,810,436	0	39,810,436	265,960	447,929	2,460,565	2,339,572	45,324,462
Additions*	1,246,000	753,597	0	1,999,597	0	1,999,597	98,066	5,215	579,139	6,561,236	9,243,253
Disposals	0	(2,307,325)	0	(2,307,325)	0	(2,307,325)	0	0	(50,687)	(19,374)	(2,377,386)
Depreciation	0	(1,284,487)	0	(1,284,487)	0	(1,284,487)	(69,787)	(52,053)	(283,926)	0	(1,690,253)
Transfers	0	547,281	0	547,281	0	547,281	0	0	0	(1,022,025)	(474,744)
Balance at 30 June 2023	8,406,000	30,359,502	0	38,765,502	0	38,765,502	294,239	401,091	2,705,091	7,859,409	50,025,332
Comprises:											
Gross balance amount at 30 June 2023	8,406,000	49,565,874	0	57,971,874	0	57,971,874	1,726,907	598,659	5,253,992	7,859,409	73,410,841
Accumulated depreciation at 30 June 2023	0	(19,206,372)	0	(19,206,372)	0	(19,206,372)	(1,432,668)	(197,568)	(2,548,901)	0	(23,385,509)
Balance at 30 June 2023	8,406,000	30,359,502	0	38,765,502	0	38,765,502	294,239	401,091	2,705,091	7,859,409	50,025,332

* Asset additions included additions received at substantially less than fair value:

During the year ended 30 June 2023	1,245,900	0	0	1,245,900	0	1,245,900	0	0	0	0	1,245,900
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SHIRE OF DARDANUP
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	Independent registered valuer	June 2021	Price per hectare / market borrowing rate
Buildings - non-specialised	3	Market approach using recent observable market data for properties	Independent registered valuer	June 2021	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 by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
(ii) Cost					
Furniture and equipment		N/A	Cost	Not applicable	N/A
Plant and equipment		N/A	Cost	Not applicable	N/A
Motor vehicles		N/A	Cost	Not applicable	N/A

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Other infrastructure - footpaths	Other infrastructure - drainage	Other infrastructure - parks and ovals	Other infrastructure - bridges	Other infrastructure - car parks	Other infrastructure - lighting	Roads - work in progress	Footpaths - work in progress	Drainage - work in progress	Parks and ovals - work in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	92,185,825	7,398,430	16,560,150	6,185,696	24,200,000	0	0	0	0	0	0	146,530,101
Additions	2,331,674	623,164	0	1,611,603	0	58,333	90,070	0	0	0	0	4,714,844
Revaluation increments / (decrements) transferred to revaluation surplus	50,847,232	6,007,356	5,988,057	7,471,741	0	1,289,053	2,127,985	0	0	0	0	73,731,424
Depreciation	(2,579,905)	(219,271)	(333,136)	(200,114)	(429,549)	0	0	0	0	0	0	(3,761,975)
Transfers	0	0	0	713,019	0	656,225	0	0	0	0	0	1,369,244
Balance at 30 June 2022	142,784,826	13,809,679	22,215,071	15,781,945	23,770,451	2,003,611	2,218,055	0	0	0	0	222,583,638
Comprises:												
Gross balance at 30 June 2022	164,384,485	19,118,187	30,919,477	24,136,700	38,959,000	3,910,819	2,841,328	0	0	0	0	284,269,996
Accumulated depreciation at 30 June 2022	(21,599,659)	(5,308,508)	(8,704,406)	(8,354,755)	(15,188,549)	(1,907,208)	(623,273)	0	0	0	0	(61,686,358)
Balance at 30 June 2022	142,784,826	13,809,679	22,215,071	15,781,945	23,770,451	2,003,611	2,218,055	0	0	0	0	222,583,638
Correction of error				(5,487,088)								(5,487,088)
Restated balance at 1 July 2022	142,784,826	13,809,679	22,215,071	10,294,857	23,770,451	2,003,611	2,218,055	0	0	0	0	217,096,550
Additions*	990,668	122,288	722,718	755,146	627,885	68,522	482,647	817,505	26,671	13,349	195,904	4,823,303
(Disposals)	0	0	0	(269,566)	0	0	0	(7,133)	0	0	0	(276,699)
Depreciation	(2,941,041)	(457,307)	(410,611)	(522,112)	(429,549)	(76,925)	(142,066)	0	0	0	0	(4,979,611)
Transfers	165,024	5,572	0	150,351	0	552	3,036	135,405	4,394	0	2,159	466,493
Balance at 30 June 2023	140,999,477	13,480,232	22,527,178	10,408,676	23,968,787	1,995,760	2,561,672	945,777	31,065	13,349	198,063	217,130,036
Comprises:												
Gross balance at 30 June 2023	165,540,177	19,246,047	31,642,195	15,952,205	39,586,885	3,979,893	3,327,011	945,777	31,065	13,349	198,063	280,462,667
Accumulated depreciation at 30 June 2023	(24,540,700)	(5,765,815)	(9,115,017)	(5,543,529)	(15,618,098)	(1,984,133)	(765,339)	0	0	0	0	(63,332,631)
Balance at 30 June 2023	140,999,477	13,480,232	22,527,178	10,408,676	23,968,787	1,995,760	2,561,672	945,777	31,065	13,349	198,063	217,130,036
* Asset additions included additions received at substantially less than fair value: During the year ended 30 June 2023	484,943	89,817	665,657	0	0	0	0					1,240,417

SHIRE OF DARDANUP
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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	Management valuation	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - footpaths	3	Cost approach using current replacement cost	Management valuation	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - drainage	3	Cost approach using current replacement cost	Management valuation	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - parks and ovals	3	Cost approach using current replacement cost	Management valuation	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - bridges	3	Cost approach using current replacement cost	Independent valuation	June 2021	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - car parks	3	Cost approach using current replacement cost	Management valuation	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - lighting	3	Cost approach using current replacement cost	Management valuation	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

SHIRE OF DARDANUP
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 - non-specialised	
- sub-structure	18 to 90 years
- super-structure	15 to 75 years
- roof	14 to 68 years
- finishing & fittings	8 to 38 years
- services	11 to 53 years
- site surround works	30 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 10 years
Motor vehicles	4 to 5 years
Work in progress	Not depreciated
Infrastructure Assets - Roads	
Sealed Roads and Streets	
- earthwork	Not depreciated
- pavement	30 to 80 years
- seal: bitumen	20 years
- seal: asphalt	40 years
- seal: brick paving	40 years
- kerbing	60 years
- drainage	40 years
Gravel Roads	
- earthwork	Not depreciated
- pavement	10 to 20 years
Infrastructure Assets - Pathways	
- concrete	50 years
- limestone	15 years
- paving	25 years
- asphalt	20 years
- timber	30 years
Infrastructure - Stormwater Drainage	50 to 75 years
Infrastructure - Parks and Reserves	
- playgrounds	15 years
- furniture	15 years
- turf	20 years
- gardens	15 years
- irrigation	12 to 40 years
- sporting infrastructure	15 to 25 years
- rubbish bin enclosures	15 years
- marine structures	20 years
- other structures	15 to 80 years
Infrastructure - Bridges	
- timber	80 years
- other	100 years
Infrastructure - Car Parks	
- earthwork	Not depreciated
- pavement	30 to 80 years
- seal: bitumen	20 years
- seal: asphalt	40 years
- seal: brick paving	40 years
- kerbing	60 years
- drainage	40 years
Infrastructure - Lighting	5 to 25 years
Right of use - land	Based on the remaining lease
Right of use - buildings	Based on the remaining lease
Right of use - plant and equipment	Based on the remaining lease
Right of use - furniture and fittings	Based on the remaining lease
Right of use - motor vehicles	Based on the remaining lease

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

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

Note	Right-of-use assets - land and buildings	Right-of-use assets - furniture and equipment	Right-of-use assets - plant and equipment	Right-of-use assets Total
	\$	\$	\$	\$
Balance at 1 July 2021	88,439	438,999	6,234	533,672
Additions	113,799	0	0	113,799
Gains/(losses) from sale and leaseback transactions	(30,302)	25,704	(4,702)	(9,300)
Depreciation	(38,505)	(150,821)	(1,532)	(190,858)
Balance at 30 June 2022	133,431	313,882	0	447,313
Gross balance amount at 30 June 2022	171,936	464,703	1,532	638,171
Accumulated depreciation at 30 June 2022	(38,505)	(150,821)	(1,532)	(190,858)
Balance at 30 June 2022	133,431	313,882	0	447,313
Gains/(losses) from sale and leaseback transactions	(26,138)	0	0	(26,138)
Depreciation	(48,653)	(141,783)		(190,436)
Balance at 30 June 2023	58,640	172,099	0	230,739
Gross balance amount at 30 June 2023	158,758	595,648	0	754,406
Accumulated depreciation at 30 June 2023	(100,118)	(423,549)		(523,667)
Balance at 30 June 2023	58,640	172,099	0	230,739

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

	2023 Actual	2022 Actual
	\$	\$
Depreciation on right-of-use assets	(190,436)	(190,858)
Finance charge on lease liabilities	(7,360)	(10,703)
Lease principal expense	(191,514)	(188,703)
Total amount recognised in the statement of comprehensive income	(389,310)	(390,264)
Total cash outflow from leases	(198,874)	(199,406)

(b) Lease Liabilities

Current	141,270	194,754
Non-current	96,117	260,327
	237,387	455,081

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 28(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 DARDANUP
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11. LEASES (Continued)

(c) 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

2023 Actual	2022 Actual
\$	\$
144,946	202,596
84,911	158,288
12,593	95,198
0	12,330
242,450	468,412

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

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
ATO liabilities
Bonds and deposits held
Accrued interest on long term borrowings
Accrued expenses
Prepaid revenue

2023	2022
\$	\$
1,624,075	1,149,276
970,687	885,616
218,644	171,847
30,146	0
538,979	584,732
101,879	28,572
0	6,565
1,625	4,582
3,486,035	2,831,190

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

13. OTHER LIABILITIES

	2023	2022
	\$	\$
Current		
Contract liabilities from contracts with customers - Grant Revenue	621,264	598,305
Capital grant/contributions liabilities - Developer Contributions	314,769	250,000
Other Liabilities from contracts with customers - Revenue	28,238	29,144
	<u>964,271</u>	<u>877,449</u>
Non-current		
Capital grant/contributions liabilities - Developer Contributions	261,660	261,660
	<u>261,660</u>	<u>261,660</u>
Reconciliation of changes in contract liabilities		
Opening balance	598,305	1,921,515
Additions	621,264	583,305
Revenue from contracts with customers included as a contract liability at the start of the period	(598,305)	(1,906,515)
	<u>621,264</u>	<u>598,305</u>
The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$1,597,393 (2022: \$1,047,905)		
The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.		
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	511,660	1,301,832
Additions	588,332	0
Revenue from capital grant/contributions held as a liability at the start of the period	(523,563)	(790,172)
	<u>576,429</u>	<u>511,660</u>
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	359,604	598,305
1 to 2 years	261,660	0
2 to 3 years	0	0
3 to 4 years	0	0
4 to 5 years	0	0
> 5 years	0	0
	<u>621,264</u>	<u>598,305</u>

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

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

14. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		456,556	8,299,934	8,756,490	392,533	2,056,490	2,449,023
Total secured borrowings	28(a)	456,556	8,299,934	8,756,490	392,533	2,056,490	2,449,023

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Dardanup.

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

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 25(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 28(a).

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

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	793,334	833,762
Long service leave	830,521	732,123
Other employee leave provisions - rostered days off	40,607	70,184
	1,664,462	1,636,069
Total current employee related provisions	1,664,462	1,636,069
Non-current provisions		
Employee benefit provisions		
Long service leave	242,262	271,516
	242,262	271,516
Total non-current employee related provisions	242,262	271,516
Total employee related provisions	1,906,724	1,907,585

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

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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

16. OTHER PROVISIONS

	Provision for rehabilitation on leased land (Transfer Station)	Total
	\$	\$
Opening balance at 1 July 2022		
Current provisions	0	0
Non-current provisions	83,833	83,833
	83,833	83,833
 Additional provision	 103,077	 103,077
Balance at 30 June 2023	186,910	186,910
 Comprises		
Non-current	186,910	186,910
	186,910	186,910

Other provisions

Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Provisions

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

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

SHIRE OF DARDANUP
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FOR THE YEAR ENDED 30 JUNE 2023

17. REVALUATION SURPLUS

	2023 Opening Balance	2023 Change in Accounting Policy	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 * Closing Balance
	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	5,876,608	0	0	5,876,608	5,876,608	0	5,876,608
Revaluation surplus - Buildings - non-specialised	21,289,894	0	0	21,289,894	21,289,894	0	21,289,894
Revaluation surplus - Furniture and equipment	141,852	0	0	141,852	141,852	0	141,852
Revaluation surplus - Plant and equipment	61,467	0	0	61,467	61,467	0	61,467
Revaluation surplus - Motor vehicles	308,205	0	0	308,205	308,205	0	308,205
Revaluation surplus - Infrastructure - roads	108,194,691	0	0	108,194,691	57,347,459	50,847,232	108,194,691
Revaluation surplus - Other infrastructure - footpaths	12,432,829	0	0	12,432,829	6,425,473	6,007,356	12,432,829
Revaluation surplus - Other infrastructure - drainage	25,129,986	0	0	25,129,986	19,141,929	5,988,057	25,129,986
Revaluation surplus - Other infrastructure - parks and ovals	4,201,118	0	0	4,201,118	2,216,465 *	1,984,653	4,201,118
Revaluation surplus - Other infrastructure - bridges	19,147,884	0	0	19,147,884	19,147,884	0	19,147,884
Revaluation surplus - Other infrastructure - car parks	1,289,053	0	0	1,289,053	0	1,289,053	1,289,053
Revaluation surplus - Other infrastructure - lighting	2,127,985	0	0	2,127,985	0	2,127,985	2,127,985
	200,201,571	0	0	200,201,571	131,957,235	68,244,336	200,201,571

* Refer to note 31 for correction of prior year error.

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

18. 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	29,585,676	15,051,169
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	24,596,016	11,937,561
- Financial assets at amortised cost	4	0	7,114,531
		24,596,016	19,052,092
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	29	24,596,016	19,052,092
Total restricted financial assets		24,596,016	19,052,092

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

Net result	4,534,179	4,167,187
Non-cash items:		
Adjustments to fair value of financial assets at fair value through profit or loss	(3,686)	(3,997)
Depreciation/amortisation	6,860,300	5,619,217
(Profit)/loss on sale of asset	886,252	37,236
Assets received for substantially less than fair value	(2,486,317)	0
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	545,932	(219,274)
(Increase)/decrease in other assets	(47,863)	(126,503)
(Increase)/decrease in inventories	(24,501)	(2,122)
Increase/(decrease) in trade and other payables	654,845	(910,835)
Increase/(decrease) in employee related provisions	(861)	(31,057)
Increase/(decrease) in other provisions	103,077	0
Increase/(decrease) in other liabilities	86,822	(2,111,528)
Capital grants, subsidies and contributions	(2,948,250)	(5,325,508)
Net cash provided by/(used in) operating activities	8,159,929	1,092,816

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	15,000	15,000
Credit card balance at balance date	0	0
Total amount of credit unused	15,000	15,000

Loan facilities

Loan facilities - current	456,556	392,533
Loan facilities - non-current	8,299,934	2,056,490
Total facilities in use at balance date	8,756,490	2,449,023

Unused loan facilities at balance date	Nil	Nil
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SHIRE OF DARDANUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

19. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2023 Actual \$	2022 Actual \$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	24,596,016	11,937,561
- Financial assets at amortised cost	4	0	7,114,531
		24,596,016	19,052,092
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	29	24,596,016	19,052,092
Total restricted financial assets		24,596,016	19,052,092
20. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS			
Bank overdraft limit		0	0
Bank overdraft at balance date		0	0
Credit card limit		15,000	15,000
Credit card balance at balance date		0	0
Total amount of credit unused		15,000	15,000
Loan facilities			
Loan facilities - current		456,556	392,533
Loan facilities - non-current		8,299,934	2,056,490
Total facilities in use at balance date		8,756,490	2,449,023
Unused loan facilities at balance date		Nil	Nil

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

21. CONTINGENT LIABILITIES

The Shire does not have any contingent liabilities at year end.

22. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	1,067,335	115,236
	1,067,335	115,236
Payable:		
- not later than one year	1,067,335	115,236
Administration Building/Library Project	945,828	0
Eaton Oval Clubrooms	121,507	0
Eaton Skate Park	0	6,690
Cadell Park Upgrade	0	21,273
Cadell Park Renewal	0	46,364
Lofthouse Park	0	40,909

SHIRE OF DARDANUP
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	28,411	28,411	27,718
President's meeting attendance fees	19,482	19,482	19,007
President's annual allowance for ICT expenses	2,625	2,625	2,625
President's travel and accommodation expenses	981	500	442
	51,499	51,018	49,792
Deputy President's annual allowance	7,103	7,103	6,929
Deputy President's meeting attendance fees	12,582	12,582	12,275
Deputy President's annual allowance for ICT expenses	2,625	2,625	2,625
Deputy President's travel and accommodation expenses	0	500	0
	22,310	22,810	21,829
All other council member's meeting attendance fees	83,880	88,074	85,925
All other council member's child care expenses	1,565	2,200	1,508
All other council member's All other council member expenses	0	0	98
All other council member's annual allowance for ICT expenses	17,500	18,375	18,375
All other council member's travel and accommodation expenses	0	3,500	1,529
	102,945	112,149	107,435
23(b)	176,754	185,977	179,056

(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	1,880,532	1,890,367
Post-employment benefits	225,334	216,624
Employee - other long-term benefits	53,490	46,552
Employee - termination benefits	78,501	147,760
Council member costs	176,754	179,056
23(a)	2,414,611	2,480,359

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

23. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

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

The contract involved roadworks in the Shire, and amounted to \$265,941 in the current year (\$369,871 in the prior year).

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

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

24. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Events may occur between the end of the reporting period and the date when financial statements are verified by the Council. The Shire is not aware of, or in receipt of, any information or events that may impact or lead to any adjustment in the financial statements after the reporting period.

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

25. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

26. RATING INFORMATION

(a) General Rates

RATE TYPE				2022/23 Actual Rateable Value*	2022/23 Actual Rate Revenue	2022/23 Actual Interim Rates	2022/23 Actual Total Revenue	2022/23 Budget Rate Revenue	2022/23 Budget Interim Rate	2022/23 Budget Total Revenue	2021/22 Actual Total Revenue
Rate Description	Basis of valuation	Rate in \$	Number of Properties	\$	\$	\$	\$	\$	\$	\$	\$
General Rates - GRV: Residential	Gross rental valuation	0.103260	4,070	75,068,034	7,751,524	19,423	7,770,947	7,749,725	0	7,749,725	6,407,848
General Rates - GRV: Commercial	Gross rental valuation	0.103260	61	14,621,022	1,509,767	8,584	1,518,351	1,509,767	0	1,509,767	1,532,641
General Rates - GRV: Industrial	Gross rental valuation	0.103260	65	8,975,470	926,807	31,960	958,767	926,807	0	926,807	846,957
General Rates - GRV: Small Holding	Gross rental valuation	0.103260	369	8,638,608	892,023	12,616	904,639	892,023	111,668	1,003,691	832,014
General Rates - UV: Broad Acre Rur	Unimproved valuation	0.006362	491	277,244,500	1,763,829	(8,631)	1,755,198	1,763,581	0	1,763,581	1,684,001
General Rates - UV: Mining	Unimproved valuation	0.006362	0	0	0	0	0	0	0	0	0
Total general rates			5,056	384,547,634	12,843,950	63,952	12,907,902	12,841,903	111,668	12,953,571	11,303,461
Minimum payment											
		Minimum Payment \$									
General Rates - GRV: Residential	Gross rental valuation	1,547.50	833	9,969,546	1,289,068	44,340	1,333,408	1,290,615	0	1,290,615	2,229,027
General Rates - GRV: Commercial	Gross rental valuation	1,547.50	9	67,360	13,928	0	13,928	13,927	0	13,927	13,928
General Rates - GRV: Industrial	Gross rental valuation	1,547.50	49	505,650	75,827	127	75,954	75,828	0	75,828	68,090
General Rates - GRV: Small Holding	Gross rental valuation	1,547.50	65	531,830	100,587	33,877	134,464	100,588	0	100,588	137,854
General Rates - UV: Broad Acre Rur	Unimproved valuation	1,547.50	130	19,723,300	167,130	5,024	172,154	201,175	0	201,175	212,445
General Rates - UV: Mining	Unimproved valuation	1,547.50	18	253,357	61,900	(2,353)	59,547	27,855	0	27,855	27,508
Total minimum payments			1,104	31,051,043	1,708,440	81,015	1,789,455	1,709,988	0	1,709,988	2,688,852
Total general rates and minimum payments			6,160	415,598,677	14,552,390	144,967	14,697,357	14,551,891	111,668	14,663,559	13,992,313
Specified Area Rates		Rate in \$									
Bulk Waste Collection	Gross rental valuation	0.00132	4,720	83,442,010	109,769	464	110,233	109,726	0	109,726	102,893
Eaton Landscaping	Gross rental valuation	0.00293	4,461	90,508,822	264,837	1,620	266,457	264,740	0	264,740	251,632
Total amount raised from rates (excluding general rates)			9,181	173,950,832	374,606	2,084	376,690	374,466	0	374,466	354,525
Discounts / Waiver							(2,204)			(4,000)	(1,747)
Concessions							(34,514)			(12,062)	(37,427)
Total Rates							15,037,329			15,021,963	14,307,664
Rate instalment interest							65,185			65,986	48,784
Rate overdue interest							51,014			49,000	61,874

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

*Rateable Value at time of raising of rate.

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

27. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23 (30 June 2023 Carried Forward)	2022/23 Budget (30 June 2023 Carried Forward)	2022/23 (1 July 2022 Brought Forward)	2021/22 (30 June 2022 Carried Forward)
	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	(59,645)	(2,942,186)	(36,297)	(36,297)
Less: Movement in liabilities associated with restricted cash	(72,665)	229,448	0	0
Less: Fair value adjustments to financial assets at fair value through profit or loss	(3,686)	0	(3,997)	(3,997)
Add: Loss on disposal of assets	945,897	0	73,533	73,533
Add: Depreciation	6,860,300	6,017,969	5,619,217	5,619,217
Non-cash movements in non-current assets and liabilities:				
Financial assets at amortised cost	0	0	0	0
Pensioner deferred rates	3,828	0	(9,034)	(9,034)
Assets held for sale	0	0	0	0
Employee benefit provisions	(29,254)	0	26,586	26,586
Other provisions	103,077	0	0	0
Non-cash amounts excluded from operating activities	7,747,852	3,305,231	5,670,008	5,670,008
(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				
Movement in non-current capital grant/contribution liability	0	2,350	(15,000)	(15,000)
Movement in non-current capital grant/contribution liability - developer contributions	0	0	(501,763)	(501,763)
Movement in non-current capital expenditure provisions	(43)	0	(428)	(428)
Movement in current unspent non-operating grants associated with restricted cash	(516,334)	(235,798)	(1,308,211)	(1,308,211)
Movement in current unspent non-operating developer contributions associated with restricted cash	55,464	0	(288,409)	(288,409)
Non-cash amounts excluded from investing activities	(460,913)	(233,448)	(2,113,811)	(2,113,811)
(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	29 (24,596,016)	(12,603,415)	(19,052,092)	(19,052,092)
Less: Current assets not expected to be received at end of year				
- Contract liabilities from contracts with customers - revenue	0	18,202	0	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14 456,556	558,682	392,533	392,533
- Current portion of unspent non-operating grants held in reserve - grants	0	745,470	598,305	598,305
- Current portion of contract liability held in reserve - developer contributions	314,769	0	250,000	250,000
- Current portion of lease liabilities	11(b) 141,270	238,834	194,754	194,754
- Adjustment to current portion of lease liabilities	(135)	0	(133)	(133)
Total adjustments to net current assets	(23,683,556)	(11,042,227)	(17,616,633)	(17,616,633)
Net current assets used in the Statement of Financial Activity				
Total current assets	30,674,217	17,223,278	23,724,022	23,724,022
Less: Total current liabilities	(6,712,594)	(6,043,884)	(5,931,995)	(5,931,995)
Less: Total adjustments to net current assets	(23,683,556)	(11,042,227)	(17,616,633)	(17,616,633)
Surplus or deficit after imposition of general rates	278,067	137,167	175,393	175,393
(d) Determination of surplus or deficit				

The end of year surplus for the Shire is reported at \$278,067 against an adopted budgeted surplus of \$137,167 for the 2022/23 financial year. The surplus can be attributed to underspent expenditure and / or higher than budgeted revenue.

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

28. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget			
		Principal at	New Loans	Principal	Principal at 30	New Loans	Principal	Principal at 1	New Loans	Principal	Principal at
		1 July 2021	During 2021-22	Repayments	June 2022	During 2022-23	Repayments	July 2022	During 2022-23	Repayments	30 June 2023
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Community amenities											
Wanju Developer Contribution											
Plan/Waterloo Ind Park - Loan 70		750,000	0	(70,249)	679,751	0	(71,265)	685,557	0	(66,588)	618,970
Waste Bins (3 Bin System) - Loan 71		0	320,000	0	320,000	0	(43,150)	320,000	0	(43,150)	276,850
Recreation and culture											
Eaton Recreation Centre - Loan 59		192,573	0	(93,455)	99,118	0	(99,118)	99,117	0	(99,118)	(1)
Glen Huon Oval Club Rooms - Loan 69		924,296	0	(42,771)	881,525	0	(44,429)	881,525	0	(44,429)	837,096
Eaton Oval Club Rooms - Loan 72		0	0	0	0	700,000	0	0	1,000,000	(20,265)	979,735
Transport											
Depot Land - Loan 66		444,476	0	(61,038)	383,438	0	(63,548)	383,437	0	(63,548)	319,889
Economic services											
Gravel Pit Land - Panizza Road - Loan 61		66,648	0	(25,428)	41,220	0	(27,052)	41,220	0	(27,052)	14,168
Other property and services											
Administration Building Extensions - Loan 65		85,007	0	(41,036)	43,971	0	(43,971)	43,972	0	(43,971)	1
Eaton Administration/Library Building - Loan 73		0	0	0	0	6,000,000	0	0	6,000,000	(121,593)	5,878,407
Total		2,463,000	320,000	(333,977)	2,449,023	6,700,000	(392,533)	2,454,828	7,000,000	(529,714)	8,925,115

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
						\$	\$	\$
Community amenities								
Wanju Developer Contribution		70	WATC	1.44%	1/06/2031	(14,045)	(26,738)	(15,555)
Plan/Waterloo Ind Park - Loan 70								
Waste Bins (3 Bin System) - Loan 71		71	WATC	1.91%	4/02/2029	(7,614)	(7,821)	(3,384)
Recreation and culture								
Eaton Recreation Centre - Loan 59		59	WATC	5.87%	4/04/2023	(3,342)	(4,741)	(9,664)
Glen Huon Oval Club Rooms - Loan 69		69	WATC	3.84%	9/01/2037	(38,559)	(39,375)	(40,555)
Eaton Oval Club Rooms - Loan 72		72	WATC	4.66%	30/01/2043	(15,726)	(14,133)	0
Transport								
Depot Land - Loan 66		66	WATC	4.07%	1/08/2027	(16,439)	(17,510)	(19,368)
Economic services								
Gravel Pit Land - Panizza Road - Loan 61		61	WATC	6.19%	29/10/2023	(2,062)	(2,350)	(3,859)
Other property and services								
Administration Building Extensions - Loan 65		65	WATC	7.03%	28/03/2023	(1,844)	(2,650)	(5,156)
Eaton Administration/Library Building - Loan 73		73	WATC	4.45%	3/04/2043	(74,661)	(84,800)	0
Total						(174,292)	(200,118)	(97,541)
Total Finance Cost Payments						(174,292)	(200,118)	(97,541)

* WA Treasury Corporation

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

28. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2022/23

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2023 Actual	2023 Budget	2023 Actual	2023 Budget		
Eaton Oval Club Rooms - Loan 72	WATC	Debenture	20	4.66%	\$ 700,000	\$ 1,000,000	\$ (180,470)	\$ (1,000,000)	\$ 441,046	\$ 519,530
Eaton Administration/Library Building - Loan 73	WATC	Debenture	20	4.42%	6,000,000	6,000,000	(5,875,800)	(6,000,000)	3,587,311	124,200
					6,700,000	7,000,000	(6,056,270)	(7,000,000)	4,028,357	643,730

* WA Treasury Corporation

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2022	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2023
			\$	\$	\$	\$
Wanju Developer Contribution Plan/Waterloo Ind Park -	Debenture	1/06/2021	716,539	0	(145,957)	570,582
Eaton Oval Club Rooms - Loan 72	Debenture	30/01/2023	0	700,000	(180,470)	519,530
Eaton Administration/Library Building - Loan 73	Debenture	3/04/2023	0	6,000,000	(5,875,800)	124,200
			716,539	6,700,000	(6,202,227)	1,214,312

* WA Treasury Corporation

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

28. BORROWING AND LEASE LIABILITIES (Continued)

(d) Lease Liabilities

		Actual								Budget				
		Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Adjustment to Lease During 2021-22	Principal at 30 June 2022	New Leases During 2022- 23	Principal Repayments During 2022-23	Adjustment to Lease 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
Purpose	Note	\$	\$	\$		\$	\$	\$		\$	\$	\$		\$
Law, order, public safety														
Vehicle Lease 17		6,087	0	(1,532)	(4,555)	0	0	0	0	0	0	0	0	0
Community amenities														
Land Lease 2		50,658	0	(10,418)	1,390	41,630	0	(11,020)	1,250	31,860	39,354	0	(11,702)	27,652
Recreation and culture														
Cardio Fitness Equipment Lease 18		161,272	0	(44,197)	21,446	138,521	0	(45,169)	0	93,352	114,488	0	(46,784)	67,704
Other property and services														
Transportable Building Lease 1 / 26		40,012	113,799	(27,656)	(32,602)	93,553	0	(37,504)	(27,430)	28,619	93,805	0	(41,321)	52,484
IT Equipment Lease 3		1,444	0	(1,444)	0	0	0	0	0	0	1	0	0	1
IT Equipment Lease 4		16,003	0	(7,591)	0	8,412	0	(7,758)	0	654	8,412	0	(7,707)	705
IT Equipment Lease 5		902	0	(7,337)	6,435	0	0	0	0	0	0	0	0	0
IT Equipment Lease 6		1,032	0	(283)	(749)	0	0	0	0	0	1,032	0	0	1,032
IT Equipment Lease 7		57,637	0	(28,519)	0	29,118	0	(29,118)	0	0	29,118	0	(28,859)	259
IT Equipment Lease 19		30,510	0	(6,513)	0	23,997	0	(6,663)	0	17,334	23,997	0	(6,997)	17,000
IT Equipment Lease 20		14,616	0	(5,219)	0	9,397	0	(5,328)	0	4,069	9,397	0	(5,364)	4,033
IT Equipment Lease 21		16,949	0	(4,419)	(1,091)	11,439	0	(4,508)	0	6,931	12,515	0	(4,600)	7,915
IT Equipment Lease 22		58,763	0	(15,246)	0	43,517	0	(15,551)	0	27,966	43,441	0	(15,948)	27,493
IT Equipment Lease 23		16,612	0	(4,310)	0	12,302	0	(4,396)	0	7,906	12,288	0	(4,508)	7,780
IT Equipment Lease 25		67,214	0	(24,019)	0	43,195	0	(24,499)	0	18,696	43,195	0	(24,644)	18,551
Photocopies - Lease 24		0	0	0	0	0	0	0	0	0	18,782	0	0	18,782
New IT Lease - Hardware - Lease 27		0	0	0	0	0	0	0	0	0	0	52,200	(17,400)	34,800
New IT Lease - Software - Lease 28		0	0	0	0	0	0	0	0	0	0	69,000	(23,000)	46,000
Total Lease Liabilities	11(b)	539,711	113,799	(188,703)	(9,726)	455,081	0	(191,514)	(26,180)	237,387	449,825	121,200	(238,834)	332,191

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

(d) BORROWING AND LEASE LIABILITIES (Continued)

28. Lease Liabilities (Continued)

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
Law, order, public safety									
Vehicle Lease 17		17	Vehicle Leasing	2.00%	31/10/2021	0	0	(6)	24 months
Community amenities									
Land Lease 2		2	Simple Leasing	2.00%	16/04/2026	(1,010)	(239)	(1,262)	120 months
Recreation and culture									
Cardio Fitness Equipment Lease 18		18	Simple Leasing	2.20%	30/06/2025	(2,570)	(955)	(3,542)	60 months
Other property and services									
Transportable Building Lease 1 / 26		1 / 26	Simple Leasing		31/03/2024	(973)	(843)	(1,083)	27 months
IT Equipment Lease 3		3	Simple Leasing	2.20%	26/08/2021	0	0	(4)	60 months
IT Equipment Lease 4		4	Simple Leasing	2.20%	20/07/2023	(107)	(157)	(274)	60 months
IT Equipment Lease 5		5	Simple Leasing	2.10%	1/08/2021	0	0	(13)	36 months
IT Equipment Lease 6		6	Simple Leasing	2.10%	1/10/2021	0	0	0	36 months
IT Equipment Lease 7		7	Simple Leasing	2.10%	30/06/2023	(330)	(589)	(929)	48 months
IT Equipment Lease 19		19	Simple Leasing	2.30%	30/12/2025	(477)	(143)	(627)	72 months
IT Equipment Lease 20		20	Simple Leasing	2.10%	31/03/2024	(145)	(110)	(255)	48 months
IT Equipment Lease 21		21	Simple Leasing	2.00%	1/04/2025	(186)	(94)	(275)	48 months
IT Equipment Lease 22		22	Simple Leasing	2.00%	1/04/2025	(722)	(325)	(1,027)	48 months
IT Equipment Lease 23		23	Simple Leasing	2.00%	1/04/2025	(204)	(92)	(290)	48 months
IT Equipment Lease 25		25	Simple Leasing	2.00%	1/04/2024	(636)	(503)	(1,116)	36 months
Photocopies - Lease 24		24	N/A	N/A	N/A	0	0	0	N/A
New IT Lease - Hardware - Lease 27		27	N/A	N/A	N/A	0	(348)	0	N/A
New IT Lease - Software - Lease 28		28	N/A	N/A	N/A	0	(460)	0	N/A
Total Finance Cost Payments						(7,360)	(4,858)	(10,703)	

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

29. RESERVE ACCOUNTS

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation/agreement												
(a) Eaton Public Open Space Reserve	0	0	0	0	0	0	0	0	0	0	0	0
(b) Dardanup Public Open Space Reserve	0	0	0	0	0	0	0	0	0	0	0	0
(c) Burekup Public Open Space Reserve	72,651	931	0	73,582	72,500	394	0	72,894	72,500	151	0	72,651
(d) Eaton Drive - Access Construction Reserve	0	144,008	0	144,008	0	0	0	0	0	0	0	0
(e) Eaton Drive - Scheme Construction Reserve	0	248,625	0	248,625	0	0	0	0	11,332	0	(11,332)	0
(f) Collie River (Eaton Drive) Bridge Construction Reserve	514,376	192,983	(523,563)	183,796	432,533	2,350	(250,000)	184,883	1,290,500	2,716	(778,840)	514,376
(g) Unspent Specified Area Rate - Bulk Waste Collection Reserve	89,662	1,149	(17,426)	73,385	87,768	477	0	88,245	87,647	2,015	0	89,662
(h) Unspent Specified Area Rate - Eaton Landscaping Reserve	239,565	104,786	0	344,351	232,453	101,263	0	333,716	140,766	98,799	0	239,565
(i) Dardanup Expansion Developer Contribution Plan Reserve	0			0	375	2	0	377	41,328	86	(41,414)	0
	916,254	692,482	(540,989)	1,067,747	825,629	104,486	(250,000)	680,115	1,644,073	103,767	(831,586)	916,254
Restricted by council												
(j) Employee Relief Reserve	265,626	8,402	0	274,028	181,734	5,988	(5,000)	182,722	265,073	553	0	265,626
(k) Information Technology Reserve	699,457	408,959	(407,331)	701,085	563,651	403,063	(495,810)	470,904	667,852	401,394	(369,789)	699,457
(l) Road Safety Programs Reserve	26,779	343	0	27,122	26,763	145	0	26,908	26,723	56	0	26,779
(m) Tourism Reserve	11,777	151	0	11,928	11,770	64	0	11,834	11,753	24	0	11,777
(n) Executive & Compliance Vehicle Reserve	223,903	145,141	0	369,044	196,807	96,069	0	292,876	202,280	56,331	(34,708)	223,903
(o) Employee Leave Entitlements Reserve	48,756	1,124	0	49,880	48,734	765	0	49,499	37,706	11,050	0	48,756
(p) Refuse Site Environmental Works Reserve	84,255	104,156	0	188,411	84,206	458	0	84,664	84,080	175	0	84,255
(q) Recycling Education Reserve	44,211	10,566	0	54,777	21,504	10,117	(11,385)	20,236	39,130	5,081	0	44,211
(r) Eaton Recreation Centre - Equipment Reserve	303,650	83,889	(60,513)	327,026	303,533	81,649	(47,739)	337,443	276,753	80,578	(53,681)	303,650
(s) Council Land Development Reserve	22,681	10,291	0	32,972	17,666	10,096	(5,000)	22,762	22,634	47	0	22,681
(t) Sale of Land Reserve	2,341,667	29,995	(1,000,000)	1,371,662	2,331,478	12,668	(1,000,000)	1,344,146	4,579,909	9,558	(2,247,800)	2,341,667
(u) Accrued Salaries Reserve	500,668	11,413	0	512,081	500,376	7,719	(5,000)	503,095	499,626	1,043	0	500,669
(v) Carried Forward Projects Reserve	3,235,514	441,702	(1,244,588)	2,432,628	2,016,125	307,484	(2,026,415)	297,194	3,532,649	1,796,345	(2,093,480)	3,235,514
(w) Strategic Planning Studies Reserve	109,508	6,403	(7,500)	108,411	90,439	5,492	(7,500)	88,431	116,764	5,244	(12,500)	109,508
(x) Town Planning Consultancy Reserve	28,072	10,360	(7,000)	31,432	28,050	10,152	(20,000)	18,202	37,993	20,079	(30,000)	28,072
(y) Parks & Reserves Upgrades Reserve	145,854	201,868	(189,936)	157,786	132,423	200,720	(250,000)	83,143	608,348	41,269	(503,763)	145,854
(z) Election Expenses Reserve	11,651	25,149	0	36,800	11,632	25,063	0	36,695	32,038	25,067	(45,454)	11,651
(aa) Pathways Reserve	174,198	102,231	(77,216)	199,213	141,222	100,767	(83,000)	158,989	308,066	643	(134,511)	174,198
(ab) Asset / Rates Revaluation Reserve	184,811	72,367	(38,147)	219,031	159,258	70,865	(25,602)	204,521	284,307	95,594	(195,090)	184,811
(ac) Refuse & Recycling Bin Replacement Reserve	59,920	5,767	0	65,687	4,888	5,027	0	9,915	54,805	5,115	0	59,920
(ad) Storm Water Reserve	183,642	27,352	(57,037)	153,957	183,550	25,997	(104,726)	104,821	158,312	25,330	0	183,642
(ae) Fire Control Reserve	11,594	148	0	11,742	11,587	63	0	11,650	11,569	25	0	11,594
(af) Contribution to Works Reserve	921,807	26,707	(13,374)	935,140	921,239	5,006	0	926,245	756,143	165,664	0	921,807
(ag) Unspent Grants Reserve	2,837,639	1,704,413	(2,425,390)	2,116,662	2,423,819	764,505	(1,463,474)	1,724,850	3,161,706	3,324,519	(3,648,586)	2,837,639
(ah) Swimming Pool Inspection Reserve	4,511	58	0	4,569	4,508	24	0	4,532	4,501	9	0	4,509
(ai) Plant & Engineering Equipment Reserve	585,646	133,502	(57,860)	661,288	515,793	128,803	(55,000)	589,596	871,487	104,568	(390,409)	585,647
(aj) Road Construction and Major Maintenance Reserve	801,284	910,264	(372,848)	1,338,700	626,933	903,407	(713,470)	816,870	1,133,128	795,365	(1,127,209)	801,284
(ak) Building Maintenance Reserve	3,550,218	6,645,475	(274,798)	9,920,895	3,051,923	6,969,417	(6,716,291)	3,305,049	1,659,484	4,093,263	(2,202,529)	3,550,218
(al) Wanju Developer Contribution Plan - Unspent Loan Reserve	716,539	0	(716,539)	0	441,111	184,397	(430,000)	195,508	750,000	1,565	(35,026)	716,539
(am) Car Park Reserve	0	0	0	0	0	0	0	0	0	0	0	0
(an) Lighting Reserve	0	0	0	0	0	0	0	0	0	0	0	0
(ao) Unspent Loan Reserve	0	1,214,312	0	1,214,312	0	0	0	0	0	0	0	0
	18,135,838	12,342,508	(6,950,077)	23,528,269	15,052,722	10,335,990	(13,465,412)	11,923,300	20,194,819	11,065,554	(13,124,535)	18,135,838
	19,052,092	13,034,990	(7,491,066)	24,596,016	15,878,351	10,440,476	(13,715,412)	12,603,415	21,838,892	11,169,321	(13,956,121)	19,052,092

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

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

29. RESERVE ACCOUNTS (Continued)

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

Name of reserve account	Purpose of the reserve account
Restricted by legislation/agreement	
(a) Eaton Public Open Space Reserve	Established to account for cash-in-lieu of Public Open Space contributions in Eaton in accordance with the Planning and Development Act 1995.
(b) Dardanup Public Open Space Reserve	Established to account for cash-in-lieu of Public Open Space contributions in Dardanup in accordance with the Planning and Development Act 1995.
(c) Burekup Public Open Space Reserve	Established to account for cash-in-lieu of Public Open Space contributions in Burekup in accordance with the Planning and Development Act 1995.
(d) Eaton Drive - Access Construction Reserve	Established for the construction of Eaton Drive Access Road from developer contributions.
(e) Eaton Drive - Scheme Construction Reserve	Established for the future construction of Eaton Drive from developer contributions.
(f) Collie River (Eaton Drive) Bridge Construction Reserve	Established for the future construction of a bridge over the Collie River and extend Eaton Drive.
(g) Unspent Specified Area Rate - Bulk Waste Collection Reserve	Established to hold unspent specified area rates for bulk waste collection.
(h) Unspent Specified Area Rate - Eaton Landscaping Reserve	Established to hold unspent specified area rates for Eaton landscaping.
(i) Dardanup Expansion Developer Contribution Plan Reserve	Established to hold funds for the design and construction of community facilities in Dardanup associated with the implementation of DCA2 – Dardanup Expansion Area Developer Contribution Plan.
Restricted by council	
(j) Employee Relief Reserve	To provide funds for employee related entitlements and relief staff for prolonged employee leave.
(k) Information Technology Reserve	Established for the acquisition or lease of software and computer equipment.
(l) Road Safety Programs Reserve	Established to hold contributions from road transport permits which are to be used for general road safety programs in the Shire.
(m) Tourism Reserve	Established to fund the development of tourism projects including the implementation of works associated with the Gnomesville Master Plan.
(n) Executive & Compliance Vehicle Reserve	To fund the purchase, replacement or lease of Council's executive and compliance vehicles.
(o) Employee Leave Entitlements Reserve	To provide funds for employee purchased leave entitlements under Policy.
(p) Refuse Site Environmental Works Reserve	Established to provide funds for environmental works at the Banksia Road Refuse Site.
(q) Recycling Education Reserve	Unspent recycling education funds for use in special education programs and as a contribution toward the shared Waste Education Officer's salary.
(r) Eaton Recreation Centre - Equipment Reserve	Established for the acquisition, replacement or lease of furniture, fittings, plant or gym equipment at the Eaton Recreation Centre.
(s) Council Land Development Reserve	Established for funding the acquisition or development of Council land for resale.
(t) Sale of Land Reserve	Established to hold funds from the sale of Council land.
(u) Accrued Salaries Reserve	This fund consists of cash backed salaries and wages allocation paid annually into this reserve over a period of 10 financial years to meet the additional cash flow in each eleventh year when 274 pay periods occur (all other years have 26 pay periods).
(v) Carried Forward Projects Reserve	Established to hold unspent project funds to be carried forward into future financial years. Project funds that are not expended within 2 financial years of their initial allocation to this reserve are to be reallocated to the Municipal Fund.
(w) Strategic Planning Studies Reserve	Established for funding strategic studies.
(x) Town Planning Consultancy Reserve	Established to fund the engagement of consultants to undertake Town Planning Studies.
(y) Parks & Reserves Upgrades Reserve	Established to fund the development of Parks and Reserves.
(z) Election Expenses Reserve	Established to fund Council elections.
(aa) Pathways Reserve	Established to provide funds for the creation, upgrade and renewal of the Shire's pathway infrastructure.
(ab) Asset / Rates Revaluation Reserve	Established to provide funds for asset and rating revaluations.
(ac) Refuse & Recycling Bin Replacement Reserve	Established to provide funds for replacement of refuse and recycling bins.
(ad) Storm Water Reserve	Established to ensure preservation of Council's transport storm water infrastructure network independent of grants and contributions.
(ae) Fire Control Reserve	For the purchase, construction and development of fire fighting equipment and buildings.
(af) Contribution to Works Reserve	Established to account for contributions and donations received from external sources.
(ag) Unspent Grants Reserve	Established to identify unexpended grants and special projects funding.
(ah) Swimming Pool Inspection Reserve	Established to account for unspent Swimming Pool Inspection Levy.
(ai) Plant & Engineering Equipment Reserve	To fund the purchase, replacement or lease of Council's heavy plant and engineering equipment.
(aj) Road Construction and Major Maintenance Reserve	Established to provide funds for the upgrade and renewal of the Council's transport infrastructure.
(ak) Building Maintenance Reserve	For the purchase, construction and maintenance of Council buildings.
(al) Wanju Developer Contribution Plan - Unspent Loan Reserve	Established to hold unspent loan funds raised for the Wanju Developer Contribution Plan planning and development costs.
(am) Car Park Reserve	Established to provide funds for the upgrade and renewal of the Council's car parking infrastructure.
(an) Lighting Reserve	Established to provide funds for the upgrade and renewal of the Council's lighting infrastructure.
(ao) Unspent Loan Reserve	Established to hold unspent loan funds.

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

30. 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
	\$	\$	\$	\$
Eaton POS	153,248	3,751	(15,814)	141,185
Dardanup POS	97,574	2,388	0	99,962
Burekup POS	276,774	6,774	0	283,548
Trust Funds for Land Transaction	40,003	979	0	40,982
Auspicing Grant	25,000	612	0	25,612
	592,599	14,504	(15,814)	591,289

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

31. CORRECTION OF ERRORS

The correction of errors relates to the Parks and Ovals Infrastructure Asset Revaluation effective 30 June 2022 that was overstated by \$5,487,088. The overstatement was due to a universal unit rate applied to the fencing components within the 2021/22 Asset Revaluation. Management identified and corrected the error which resulted in a \$5,487,088 decrement to the Parks and Ovals Asset Valuation adjusted against the Revaluation Surplus. Management undertook a full review of the 2021/22 Infrastructure Asset Revaluation in the 2022/23 financial year, and Management is of the opinion that this error was an anomaly within the process, and no other errors exist.

Statement of Financial Position (Extract)	30 June 2022	Increase/ (Decrease)	30 June 2022 (Restated)
	\$	\$	\$
Infrastructure	222,583,638	(5,487,088)	217,096,550
Net assets	222,583,638	(5,487,088)	217,096,550
Revaluation surplus	205,688,659	(5,487,088)	200,201,571
Total equity	283,435,015	(5,487,088)	277,947,927

	30 June 2022	Increase/ (Decrease)	30 June 2022 (Restated)
	\$	\$	\$
Other comprehensive income for the period			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in asset revaluation surplus	73,731,424	(5,487,088)	68,244,336
Total other comprehensive income for the period	73,731,424	(5,487,088)	68,244,336
Total comprehensive income for the period	73,731,424	(5,487,088)	68,244,336



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Dardanup

To the Council of the Shire of Dardanup

Opinion

I have audited the financial report of the Shire of Dardanup (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.

Emphasis of Matter – Restatement of comparative balances

I draw attention to Note 31 to the financial report which states that the amounts reported in the previously issued 30 June 2022 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

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 Dardanup 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.



Patrick Arulsingham
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
22 November 2023



Administration Centre, Eaton:

1 Council Drive,
Eaton WA 6232
(08) 9724 0000
records@dardanup.wa.gov.au
Office hours:
8am-4pm, Mon-Fri
Cashier hours:
8.30am-4pm, Mon-Fri

Dardanup Office:

3 Little Street,
Dardanup WA 6236
records@dardanup.wa.gov.au
Office and cashier hours:
9am-4pm, Mon-Fri

www.dardanup.wa.gov.au

After hours emergency:

Eaton Community Library:

2 Sanford Way
Eaton WA 6232
(08) 9724 0470
www.elibrary.dardanup.wa.gov.au
Open:
9am-5.30pm, Mon-Fri
9am-1pm, Sat

Dardanup Public Library:

3 Little Street,
Dardanup WA 6236
Open:
9am-4pm, Mon-Fri

Eaton Recreation Centre:

18 Eaton Drive,
Eaton WA 6232
(08) 9724 0400
eatonrec@dardanup.wa.gov.au

Centre hours:
5.30am-8pm, Mon-Fri
7.45am-11am, Sat
(The centre may be open beyond
these times for
bookings/programs).

Creche hours:
8.45-11.45am, Mon-Fri
7.45am-10.45am, Sat
Closed Sunday and public
holidays.

