



Shire of  
**Katanning**  
Heart of the Great Southern



# ANNUAL REPORT 2022/2023



# Acknowledgment of Country

*Ngala kaaditj noongar moort keyen kaadak nitja boodja.*

The Shire of Katanning acknowledges the Noongar Goreng people as the traditional custodians of the land that we live and work on. We recognise their cultural heritage, beliefs, and continuing relationship with the land, and pay our respects to Elders past present and emerging.



## About the Annual Report

The Shire of Katanning is pleased to present the 2022/2023 Annual Report, which provides an account of the Shire's performance from 1 July 2022 to 30 June 2023.

As required by the *Local Government Act 1995* and associated regulations the Annual Report for 2022/2023 provides an overview of the operations, activities and major projects that have been completed by the Shire for that period or will continue to be completed in the coming financial year.



Shire of  
**Katanning**  
Heart of the Great Southern

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# Katanning in Brief

Situated in the heart of Western Australia's Great Southern region, three hours southeast of Perth, Katanning is a vibrant country community founded on rural industries and home to over 40 nationalities.

Katanning provides a range of services to meet the community's needs including education, health, recreation facilities and affordable land and housing.

The Shire of Katanning has 7 elected members and employs approximately 79 staff. Emphasis is placed on working together and recognising that every individual, regardless of the type of work they do, makes a valuable contribution to building a better community for Katanning.

The Shire of Katanning has undertaken several transformational projects in recent years including the redevelopment of the All Ages Playground, Piesse Park, visitor facilities, residential land development and community facilities.

## Distance from Perth



283km

## Population



4,057  
(ABS, 2023, LGA)

## Area



1,523  
square km

## Number of Electors



2,494  
WA Electoral  
Commission 2023

## Number of Dwellings



1,737

## Length of Unsealed Roads



505km

## Length of Sealed Roads



199km

## Total Rates Levied



\$4,653,561

## Total Revenue



\$12,756,332

## Number of Employees



59 FTE







# President's Report



*As we embark upon the pages of this year's annual report, it is with great gratitude and admiration that I extend heartfelt thanks to the previous President Cr Liz Guidera & Deputy President Cr John Goodheart, whose unwavering commitment and visionary leadership over the 2022/23 year have paved the way for the achievements we recognise this year's Annual Report. Both Liz & John stepped into the role of Councillor at the 2023 Local Government Election.*

On behalf of the Shire of Katanning Council, it is my pleasure to present the Annual Report for the 2022/23 reporting period. It has been a busy year for the Shire Council, actively working with the Katanning community to ensure we deliver the projects and services required to maintain the wonderful lifestyle that Katanning offers.

Through the Council's Integrated and Planning and reporting processes we remain committed to genuine community engagement. Over the past year the Shire of Katanning worked with Reconciliation Australia and the Aboriginal and Torres Strait Islander stakeholders to develop the "Reflect Reconciliation Action Plan March 2023 – March 2024".

In March 2023 Council adopted the "RRAP". This strategy will allow the Shire of Katanning to develop a framework of relationships, respect, and opportunities, allowing our organisation to strategically set its reconciliation commitments in line with its strategic plan objectives, for the most effective outcomes. These outcomes contribute towards the five dimensions of reconciliation: race relations; equality and equity; institutional integrity; unity; and historical acceptance. Through the RRAP implementation we commit to building strong relationships with our local first nations people and the important role in shaping our shared vision for reconciliation.

The distinctive history, architecture and stories of Katanning is an example of the diversity and culture that make our community unique. Through 2022/23 we have developed the "Shire of Katanning Heritage Strategy" to ensure that we plan for and protect our history and culture for future generations. The Heritage Strategy recognises that heritage is both tangible and intangible and embraces many values including historic, cultural, aboriginal and natural values. The Strategy allows for greater celebration of heritage and the role that it plays within the community.





The Katanning business community has gone from strength to strength over the past few years, and we have fast becoming recognized as the “place to do business”. Council continues to be supportive and cognisant of the progress of our economy. After consultation with the community, Council elected at its April meeting to permanently extend retail to include public holidays (other than on Christmas Day and Good Friday) between 10.00am and on 5.00pm and ANZAC Day from 12.00noon to 5.00pm. Extended retail trading hours will enhance Katanning’s position as a regional centre in the Central Great Southern. Public holiday trading offers an opportunity for increased retail activity for businesses, as well as increased job opportunities and tourism benefits.

I would like to extend my deepest appreciation to my fellow Councillors and the Shire’s dedicated staff members for their outstanding work and dedication to the organisation during the 2022/23 reporting period. Together we have ensured essential services have continued for our community and we have an exciting year ahead delivering our key projects.

Looking ahead, our vision for the Shire is one of continued growth, inclusivity and resilience, We will remain dedicated to advocating for and fostering a community where everyone feels a sense of belonging and where opportunities for progress and advancement abound.’

**Cr Kristy D’Aprile**  
PRESIDENT



# Chief Executive Officer Report



*Julian Murphy, who was the Shire of Katanning's CEO for 8 years including, the 2022/23 financial year, left the organisation in August 2023. We acknowledge his term of service and contribution to community wellbeing and wish him well for the future.*

Financial performance during 2022/23 was challenged by the rapidly escalating cost of inputs and constrained access to materials and labour. The Council delivered an operating deficit of \$2.76M which was an improvement against the budgeted deficit of \$7.1M. The Council's cash position improved by \$5.6M, a result of greater than budgeted receipts of grants, an underspend on capital projects and higher interest revenue.

The Council was able to deliver capital works of \$2.84M which, was \$3.05M below budget due to Early Childhood Hub planning challenges and an underspend on capital roadworks.

On 30 June 2023, the Council's non-supporting loans totalled \$3.34M.

Unfortunately, the Council received an audit qualification because of complications regarding the 2023 asset revaluations and applied depreciation rates. Management is actively addressing these qualifications.

During 2022/23, the Shire of Katanning continued to build strong relationships with key organisations including neighbouring local governments through the Great Southern Treasures tourism organisation and the Southern Link Voluntary Organisation of Councils. Working with our neighbouring local governments provides opportunities to share information and improve services for the benefit of our residents and ratepayers.


The Shire has also worked with the Katanning Hub CRC and the Katanning Regional Business Association on improving economic outcomes for the community.

The introduction of public holiday retail trading hours in 2023 saw the Shire substantially increase the trading opportunities for local businesses, reinforcing Katanning's reputation as being 'open for business'.

The Community Development team once again delivered a number of key events including a very successful 2023 Harmony Festival and worked with community groups to deliver events and street food nights.

After many years of working together, in February 2023 Council and the Katanning Noongar Leadership Group endorsed the Shire's first Reflect Reconciliation Action Plan (RAP).



The background of the page is a photograph of a park. In the upper left, several flags are flying on tall poles against a clear blue sky. The flags include the Canadian flag, the Italian flag, the Union Jack, and others. Below the flags, there is a body of water, likely a lake or a large pond, with a concrete path and some reeds in the foreground. The water is calm, reflecting the sky and the surrounding greenery. The overall scene is bright and sunny, suggesting a pleasant day in a well-maintained park.

The RAP includes practical actions to drive the Shire of Katanning's contribution to reconciliation both within the organisation and with the local community.

The Shire of Katanning also developed a number of key strategy documents that will help inform the delivery of services over the coming years including:

- *Katanning Public Arts Trail Strategy*
- *Shire of Katanning Heritage Strategy 2022 – 2032*
- *Katanning Leisure Centre Master Plan Design and Cost Report*

The final stage in the completion of the Piesse Lake Residential Subdivision was achieved in 2023 with 19 new residential housing lots going on the market in the new subdivision.

The Shire has continued to deliver key services including transport, recreation, waste, environmental health, town planning and building as well as developing significant projects including the Early Childhood Hub, land and housing development initiatives.

Finally, I acknowledge the passion and hard work of our staff and the support of Shire Councillors as we look forward to creating greater opportunities during 2023/24 for a stronger, more vibrant and engaged community.

**Peter Klein**  
**CHIEF EXECUTIVE OFFICER**



# Our Vision and Values

## Our Vision

//

Katanning is a safe, sustainable, and prosperous community.  
We respect and celebrate our diverse culture. //

## Our Values



### **LEADERSHIP AND ACCOUNTABILITY**

We will be ethical and act with integrity. We will lead by example, set direction, provide good governance and be responsive to our community.



### **COLLABORATION**

We will work as a team, creating partnerships to achieve our vision.



### **INCLUSIVE & REPRESENTATIVE**

We will engage with our community to ensure our actions are representative of our community's needs and values.



### **RESPECT**

We will be respectful of people, ideas, culture and environment.



### **SAFETY**

We will work together to establish and sustain a strong, safe and healthy community.







# About Council

The council of the Shire of Katanning consists of seven elected members. Councillors are elected for a four-year term, with half of their terms expiring every two years.

Local government ordinary elections are held on the third Saturday in October every two years. The next local government ordinary elections will be held on 21 October 2023.



Cr Liz Guidera  
Shire President

Term expires: 2023



Cr Kristy D'Aprile  
Councillor

Term expires: 2025



Cr Serena Sandwell  
Councillor

Term expires: 2023



Cr Michelle Salter  
Councillor

Term expires: 2025



Cr John Goodheart  
Deputy Shire President

Term expires: 2023



Cr Matt Collis  
Councillor

Term expires: 2023



Cr Adrian Edwards  
Councillor

Resigned Nov 2022

## Councillor Demographics



### Gender

Female: 4  
Male: 3



### Linguistic Background

English: 7



### Country of Birth

Australia: 6  
International: 1



### Age Profile

35 - 44 years: 3  
45 - 54 years: 2

55 - 64 years: 0  
65+ years: 2



### Aboriginal or Torres Strait Islander

None



## Councillor Meeting Attendance

Ordinary Council Meetings were held on every fourth Thursday of each month at the Shire Administration and Civic Centre located at 52 Austral Terrace Katanning, usually commencing at 6:00pm unless otherwise stated.

The number of Council meetings held during the year ended 30 June 2023 and the numbers of those meetings attended by each Elected Member is as follows:

| COUNCILLOR                                 | ORDINARY COUNCIL (11) | SPECIAL COUNCIL (1) | ANNUAL ELECTORS (1) | COMMITTEE MEETINGS (5) | TOTAL (18) |
|--|-----------------------|---------------------|---------------------|------------------------|------------|
| Cr Liz Guidera (Shire President)           | 10                    | 1                   | 1                   | 5                      | 17         |
| Cr John Goodheart (Deputy Shire President) | 10                    | 1                   | 1                   | 4                      | 16         |
| Cr Kristy D'Aprile                         | 9                     | 1                   | 1                   | 4                      | 15         |
| Cr Serena Sandwell                         | 11                    | 1                   | 1                   | 0                      | 13         |
| Cr Michelle Salter                         | 9                     | 1                   | 0                   | 3                      | 13         |
| Cr Adrian Edwards (ceased Nov 2022)        | 2                     | 0                   | 0                   | 1                      | 3          |
| Cr Matt Collis                             | 11                    | 1                   | 1                   | 4                      | 17         |





# Our Organisation

## Executive Management Team



**Julian Murphy**  
Chief Executive Officer

Governance  
Economic Development  
Community Relations  
Human Resources  
OSH and Risk



**Denise Gobbart**  
Executive Manager Corporate  
& Community

Corporate Services  
Finance and Administration  
Recreation Services  
Community Development  
Library and Gallery

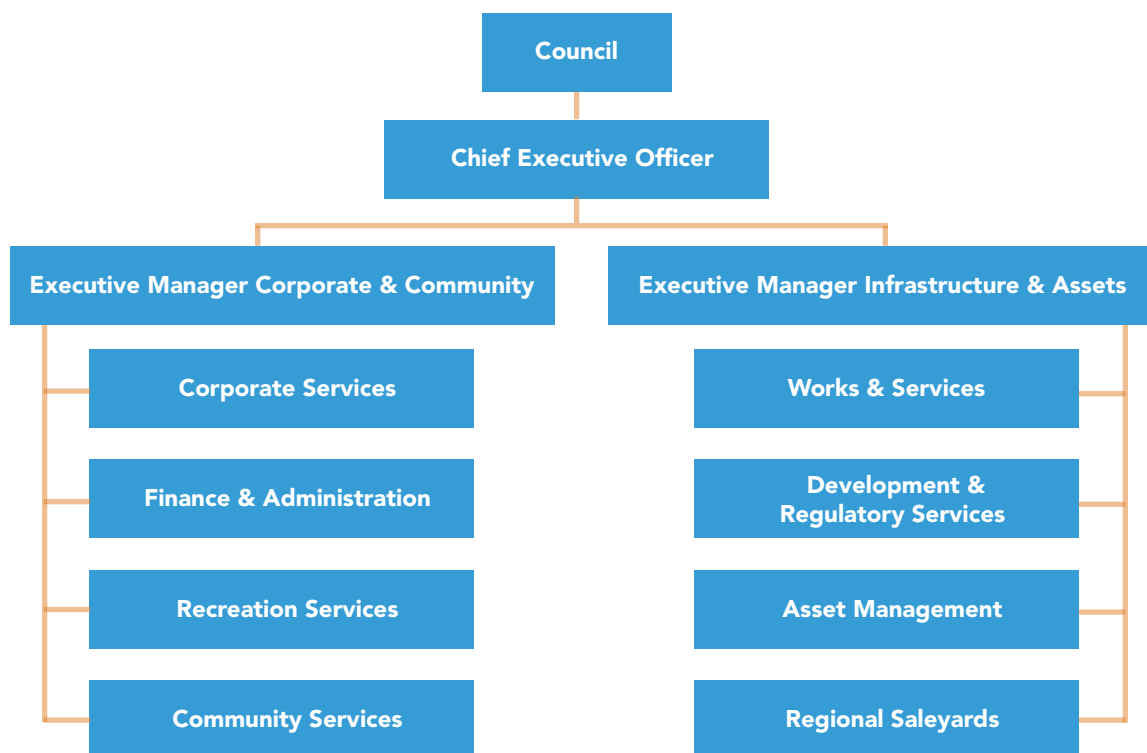


**Samuel Bryce**  
Executive Manager  
Infrastructure & Assets

Works and Services  
Development and Regulatory Services  
Project Management  
Asset Management  
Regional Saleyards



## Organisational Structure





# Community Highlights 2022/2023

## July 2022

July school holidays once again had great adventures for Katanning kids offering rock climbing in Mandurah, cupcake decorating with GypsyKitchenCo, a full day of laser tag activities in collaboration with the KLC and WA Police and a two-day barista course with Katanning Tafe.

July also saw the arrival of our new driver revive trailer which will be utilised by the Driver Reviver Committee and the public when not in use by them.



## August 2022

Jane Hung – Health Promotion Officer hosted Story Time at the Library and spoke with parents about the 'Breathe Blow Cough' program.

The Gallery held the 'Playing the Man' exhibition which was an exhibition by artist Graham Miller. Playful and humorous images celebrating football and a wistful look at the past

## September 2022

The Bloom Festival activities included a movie night, Story Time at the Library, art and floral art workshops.

As a part of the Clive Street Project the Katanning Men's Shed made a bench to sit in front of the 'train sculpture' that has been placed at the Bankwest corner, and pop-up street furniture that is placed outside Daily Grind and the Vietnamese Café. A night of country music with the Mucky Duck Bush Band was held at the Town Hall.

School holidays again saw some great activities for the kids with Basketball WA running some competitions utilising the new Prosser Park basketball court. Cricket WA also ran some cricket skills and tips workshops. Two first aid courses were run.

## October 2022

A Harley Davidson Motorcycle 'Hog Rally' visited Katanning attracting a large number of bikers into town and a huge turnout by the community. This event was an opportunity for the driver revive trailer to be utilised.







As a part of the Clive Street Project our main street became a feature with the uplighting of the trees down Clive Street. A Sustainable Fair Day with stalls and activities was hosted with a great turn out from the community and the driver reviver trailer was utilised by Landcare to promote the Eco Cup Programme. Two movie nights were also held being the Family Movie Night and Halloween Movie Night.

School holiday programmes had a Bloom Festival theme with Bloom Story Time, Bunting Crafts, Bloom Pet Creations and Flower Craft all on offer.

The WAMMCO International 131st Katanning Agricultural Show organised by the Katanning Agricultural Society, was held and as always, proved to be a community favourite with visitors coming from across the state.



### November 2022

Remembrance Day was held with the minute of silence being interrupted by a very long train. The service attracted a good number of people arriving to show their respect.

The Clive Street project Community Day Games was held with a great turn out by everyone. Lots of fun and frivolity was had by all.

### December 2022

All things Christmas brought the Carols in the Park and the Twilight Markets with the community very much getting involved. The Seniors Lunch was also a huge success.

### January 2023

The school holidays again brought a buzz to Katanning. Lots of activities for the kids with rollerblading, wreath making, Christmas cooking sessions, geo cache and a have a go day. Free entry to the pool for the kids was a great success with a lot of kids wanting to escape the heat. There was also a Youth Camp that was held in Albany.

The library had jigsaw puzzles on the go with regular visitors passing through to help complete a total of 11 puzzles. It was great to see all ages getting involved and coming together.

The Katanning community came together for a free barbeque breakfast put on by the Lions Club of Katanning on Thursday 26 January 2023 at the Lions Park. The formal proceedings were hosted by Shire President Liz Guidera. Residents received their Australian Citizenship and presentations were made to announce the winners of the Citizen of the Year and Community Long Service Awards.





# Community Highlights 2022/2023

## February 2023

The Stitched and Bound exhibit at Katanning Gallery saw great numbers through the doors.

## March 2023

The Shire launched its first Reconciliation Action Plan after two years of consultation.

Katanning Harmony Festival was held Friday 24 March and Saturday 25 March. This year's festival was the biggest yet and a wonderful celebration of culture in Katanning. Friday Food Night started with Noongar Elders conducting a Welcome to Country and smoking ceremony for new members of the community from the Samoan Islands, Papua New Guinea, Tokelau, Fiji and Vanuatu who then performed their own traditional dances and songs.

Saturday's street festival was packed with entertainment across two stages, highlights included the Roztiashka Ukrainian Cossack Dancers, Gayong Anak Harimau, local Malay Drummers, Katanning Taekwondo, Ricochet Circus, Sensational Stilt Walkers and many more. A Ramadan Tent was a popular feature this year. The team worked with the Katanning Islamic Association to create information boards, host Q&A sessions, craft and Eid card making and gave away fast breaking gift boxes.



## April 2023

The April school holidays included Paint n Sip for the teens, WA Football Commission hosted AFL Clinics and free entry was granted to the basketball courts. The library activities included pressed flower making and wind chimes in addition to running storytime for all children, Tuesdays, and Fridays.

A Youth Week event was held at the skatepark in conjunction with Beyond Skate and KLC, which showcased skateboarding displays, giant games, burgers and ice-cream. The day was a big success having a total of 200 people attending.





The Shire hosted 'Sunday Sundowner' at the Shearing Shed as a part of the Taste of Great Southern Event in partnership with the Little Wheel O Bar. WA's 'The Voice' contestant Sofia Watt accompanied by Sachin Parker brought a great vibe to the event with craft beer and pizzas available to be enjoyed by all who attended.

The Shire was successfully awarded a grant to install two charging stations in the shire car park for shire and visitor vehicles, through the Charge Up program administered by the Department of Mines, Industry Regulation and Safety.



### May 2023

Shelley Payne MLC launched the 'Children Growing Strong' Central Great Southern Community Plan. This plan was co-designed with local communities which forms a road map for changing in the lives of children living in the Shires of Katanning, Kojonup, Gnowangerup and Broomehill-Tambellup.

The Artist & The Blacksmith Exhibition at the Katanning Gallery was a resounding success with 117 people attending the opening evening. Of the 75 artworks exhibited, only four remained unsold after opening night.

Katanning Gallery and Katanning Arts Centre Inc. hosted their first monthly public arts workshop.

The Welfare Centre located at the KLC, supported by the Rotary Club of Katanning successfully secured a grant of \$96,000 from the Rotary Australia World Community Service Limited Bushfire Relief Fund, for purchasing a generator to provide the Centre with an emergency back-up power supply.

### June 2023

The Katanning Community Gallery opened the Bernard West Retrospective Exhibition, and the second monthly public arts workshop was held at the Town Hall.

In September 2022, the Hon Alannah MacTiernan MLC announced funding for a community desalination unit for the Shire of Katanning. WaterSmart Farms is a WA Government initiative to test new water supply options and the Shire of Katanning was approved for the desalination unit with support from the Department of Primary Industries and Regional Development. We are proud to say that the desalination unit came online in June with great work put in by the Project Team working with the Shire officers and CEO.





# Grants Received

The Shire received grants funding totalling over \$5,066,592 during this reporting period.

| Name of Grant/Source  | Amount             |
|---|--------------------|
| General Purpose Grant/WA LG Grants Commission   | \$2,535,531        |
| Untied Road Grant/WA LG Grants Commission   | \$729,201          |
| Super town Heritage Centre Project/Department of Primary Industry & Regional Development  | \$92,389           |
| Local Government Grants Scheme/Department of Fire & Emergency Services  | \$52,825           |
| Youth Support Service/Department of Communities   | \$34,835           |
| Early Childhood Hub/Lotterywest   | \$536,344          |
| Katanning Harmony Festival 2023/GSDC  | \$7,500            |
| Katanning Harmony Festival 2023/Health way  | \$5,000            |
| Katanning Harmony Festival 2023/Lotterywest   | \$30,000           |
| Katanning Harmony Festival 2023/Office of Multicultural Interests   | \$5,000            |
| Katanning Harmony Festival 2023/Southern Port Authority   | \$2,000            |
| Katanning Harmony Festival 2023/Tourism WA  | \$7,000            |
| Country Local Government Fund Regional Landfill & transfer Stations Project/Department of Primary Industries & Regional Development | \$35,264           |
| Heritage Consultancy/Department of Planning, Lands and Heritage   | \$20,000           |
| Club Development Officer/Department of Local Government, Sport, and Cultural Industries   | \$25,000           |
| Contiguous Local Authorities Group (CLAG)/Department of Health  | \$8,704            |
| EV Charging Stations/Department of Mines, Industry Regulation and Safety  | \$13,153           |
| Bloom Festival/Tourism WA   | \$15,000           |
| Bike Plan/Department of Transport   | \$10,000           |
| Family Fun Day/Regional Sport Events Fund   | \$3,800            |
| Regional Exhibition Touring Boost/Public Galleries Relief Fund  | \$20,477           |
| Roads to Recovery/Department of Infrastructure, Transport, Regional Development & Communication                                     | \$314,994          |
| Regional Road Group Funding/Main Roads  | \$384,334          |
| Direct Grant Funding/Main Roads   | \$143,406          |
| <b>TOTAL</b>  | <b>\$5,066,592</b> |



# Major Assets

## Katanning Saleyards

| 2022/23 Actual |             | 2022/23 Budget |             | 2021/22 Actual |             |
|----------------|-------------|----------------|-------------|----------------|-------------|
| Revenue        | Expenditure | Revenue        | Expenditure | Revenue        | Expenditure |
| \$580,697      | \$1,117,534 | \$1,133,830    | \$1,346,343 | \$555,834      | \$1,442,282 |

Actual revenue was slightly higher than the previous reporting period, and lower than budgeted for this reporting period. The actual to budget variance in revenue for this period is due to the lower number of sheep being yarded for sale.

Actual expenditure is lower than expenditure during the previous reporting period and lower than budget for this reporting period. This variance is mainly due to less costs associated with staff, maintenance and cleaning. The major expenditure was the maintenance of the saleyards roof and expenditure with staff on Long Service Leave.



## Katanning Leisure Centre

| 2022/23 Actual |             | 2022/23 Budget |             | 2021/22 Actual |             |
|----------------|-------------|----------------|-------------|----------------|-------------|
| Revenue        | Expenditure | Revenue        | Expenditure | Revenue        | Expenditure |
| \$409,554      | \$1,392,656 | \$368,286      | \$1,653,220 | \$269,186      | \$1,482,249 |

Actual revenue is higher than previous reporting period and higher than budgeted expectations for this reporting period and that is due to grants received in advance and an increase in kiosk income and membership fees.

Actual Expenditure of this reporting period is lower than the previous reporting period and lower than budgeted for this reporting period. Significant expenditure items were materials and contracts, maintenance and energy costs.







## Road Infrastructure

Council considers spending on road infrastructure on an annual basis during the Budget deliberations.

Funds are contributed by Council and external sources such as the Regional Road Group and Roads to Recovery.

| Road and Work Completed                  | 2022/23 Actual | 2022/23 Budget |
|--|----------------|----------------|
| Clive St Carriageway (Conroy/Piesse      | \$156,561      | \$188,624      |
| Curlew St SLK 0.00-1.36 Gravel Resheet   | \$71,568       | \$73,314       |
| Mills St SLK 0.00-1.37 Gravel Resheet    | \$45,542       | \$47,378       |
| Tree St SLK 0.00- 0.35 Gravel Resheet    | \$38,877       | \$43,861       |
| Warren Rd SLK 12.1-15.15                 | \$286,981      | \$309,000      |
| Fairfield Rd SLK 0.00-2.35               | \$77,158       | \$75,900       |
| Carew St SLK 0.62-0.95                   | \$132,516      | \$175,000      |
| Forest Hills Rd SLK 0.00-3.7             | \$113,015      | \$86,944       |
| Lake Coyrecup Rd SLK 0.026-5.28          | \$200,680      | \$156,591      |
| Tabenup Rd SLK 0.00-2.00                 | \$83,588       | \$57,344       |
| Kiddie Rd SLK 0.00-2.10 Gravel Resheet   | \$56,834       | \$43,868       |
| Rogers Ave ( Park St to Harris St)       | \$60,931       | \$46,639       |
| Cullen Street SLK 0.00-0.70              | \$15,069       | \$28,709       |
| Coate St ( Carew St to Conroy St)        | \$12,948       | \$26,234       |
| Synott Ave Footpath( Warren to Braeside) | \$65,000       | \$65,858       |
| Cornwall St Footpath                     | \$85,879       | \$105,838      |
| Bokarup St Footbridge                    | \$35,900       | \$65,000       |
| TOTAL                                    | \$1,539,047    | \$1,596,102    |



# Community Grants Program

Each year the Shire of Katanning allocates an amount of funds within the budget to provide financial support to community organisations that meet the objectives of the Community Grants Program (CGP).

The Shire of Katanning is committed to recognising the value of all community organisations and has developed a clear and powerful vision of "Together we are building Katanning's future".

There are three CGP categories that are available to community organisations:

- Minor community grant under \$5,000 (ex GST)
- Major community grant over \$5,000 (ex GST)
- Triennium community grant (Minor and Major available)

The Community Grants Program application period is open each financial year from the beginning of October and closes at the end of November with funding announced following approval by Council in December. A second round of funding may be held at a later date, if further budgeted funds remain available.

In 2022/23, Council budgeted \$34,000 ex GST for the Community Grants Program with \$10,000 ex GST already allocated to the second year of the triennium grant agreement with the Katanning Historical Society. The total amount available for the 2022/23 annual budget was \$24,000.

The program awarded \$30,370.00 ex GST to local community groups.

The following donations were awarded in the 2022/23 financial year:

| Amount                               | Recipient  | Purpose   |
|--------------------------------------|--|---|
| \$10,000 ex GST<br>(Triennium Grant) | Katanning Historical Society<br>(2021-22, 2022-23 & 2023-24) | Building Maintenance, Upgrades & Purchase of Display Equipment                                    |
| \$2,560 ex GST                       | Katanning Scout Group  | Lighting Upgrade for Katanning Scout Hall   |
| \$4,560 ex GST<br>(Triennium Grant)  | Katanning Baptist Church                                     | Security, Sound, Lighting and Staging for Carols in the Park 2023                                 |
| \$2,750 ex GST                       | Katanning Netball Association                                | Development/Representative Uniforms   |
| \$1,000 ex GST                       | Katanning District Pool Association Inc.                     | KA 8 Ball for equipment   |
| \$4,500 ex GST                       | RSPCA WA   | RSPCA WA Community Action Day   |
| \$5,000 ex GST                       | A Smart Start Great Southern                                 | Early Childhood Services in the Great Southern: Central Great Southern Early Years Educators Expo |



# Strategic Community Plan

All local governments in Western Australia are required to prepare a plan for the future under S5.56 (1) of the *Local Government Act 1995*.

The minimum requirements of the plan for the future are set under the Local Government (Administration) Regulations 1996, which requires the development of a Strategic Community Plan and Corporate Business Plan.

These documents are delivered through Integrated Planning and Reporting Framework to ensure greater level of community input and effective delivery of the local government's strategic intentions.

During the 2021-22 period, the Shire of Katanning undertook a major review of the Strategic Community Plan following extensive community consultation and the outcomes of that process have informed the Strategic Community Plan 2022 – 2032.

The Shire of Katanning Strategic Community Plan 2022 – 2032 was adopted by Council at the Ordinary Council Meeting held on 24 March 2022.

In accordance with the legislations, Council is required to report to the community annually its progress towards achieving the objectives.

In partnership with Council the community has developed a clear and powerful vision to build the future of Katanning based on an evolution of growth and progression. The Shire of Katanning will embrace its Aboriginal, agricultural, multicultural, and built heritage as it moves forward as a cohesive community seeking investment in economic, environmental and social infrastructure. Our aim is to achieve self-supporting growth and recognition as the inland heart of the Great Southern.

The diagram below highlights the components of the framework:

## COMMUNITY ENGAGEMENT

**STRATEGIC  
COMMUNICATION  
PLAN**

**CORPORATE  
BUSINESS  
PLAN**

**ANNUAL  
REPORT**

## MEASUREMENT AND REPORTING

**OUTPUTS: PLAN  
MONITORING AND  
ANNUAL REPORTING**

### INFORMING STRATEGIES

- FINANCE • WORKFORCE • ASSETS
- SERVICES • ISSUE SPECIFIC STRATEGIES

*Element of the Integrated Planning Framework (Source: DLGSC)*



In accordance with the legislations, Council is required to report to the community annually its progress towards achieving the objectives.

## Our Vision

“ Katanning is a safe, sustainable, and prosperous community.  
We respect and celebrate our diverse culture. ”

In partnership with Council the community has developed a clear and powerful vision to build the future of Katanning based on an evolution of growth and progression. The Shire of Katanning will embrace its Aboriginal, agricultural, multicultural, and built heritage as it moves forward as a cohesive community seeking investment in economic, environmental and social infrastructure. Our aim is to achieve self-supporting growth and recognition as the inland heart of the Great Southern.





# Corporate Business Plan Annual Highlights

## Social

### S1 – A capable, vibrant, healthy and connected community

#### **S1.1 Provide sport, recreation and leisure opportunities that contribute to the health and wellbeing of our growing and diverse community.**

Throughout the past year, the community-focused initiatives aimed at enhancing health and well-being were met with positive reception across diverse school holiday periods. These initiatives encompassed a variety of creative activities, including Dreamcatcher Crafts, Snowflake Art, Cupcake Decorating and Scribblers Festival, drawing 41, 15, 54 and 51 attendees respectively.

Sports programs were also integrated, notably the successful cricket clinic by Cricket WA during September / October and December / January and activities like the end of year rollerblading event, Christmas wreath making, free pool passes and engaging sessions with Gypsy Kitchen Co., drawing strong participation.

Community outings such as the Albany trip to arcades and wacky golf were well received. Additionally, meticulous planning for Harmony Festival 2023 resulted in productive initial community meetings, finalised sponsorships and invitations issued, culminating in well attended events: Friday Food Night (1500-2000 estimated attendance) and Saturday Street Festival (3500-4000 estimated attendance).

Supplementary events like Geo Caching and Have a Go Day witnessed moderate participation. Overall, these initiatives showcased a wide array of activities tailored to different interest and age groups within the community, fostering well-being and robust community engagement.

#### **S1.2 Optimum quality of life for all citizens with access to health and other support services that meet the needs of our community.**

Several initiatives were undertaken to cater to community needs: "Let's Talk Flowers" ran a workshop specifically designed for individuals with disabilities and their carers, aiming to foster inclusivity and engagement through flower arrangement activities.


The Council finalised a lease agreement with the South West Aboriginal Medical Service, aiming to establish a medical centre at the Katanning Community and Medical Centre. This step aims to enhance healthcare accessibility for the community.

A comprehensive review for the Disability Access and Inclusion Plan (DAIP) was undertaken and a new plan developed.

#### **S1.3 Ensure access to art, culture and learning opportunities.**

Efforts to ensure access to art, culture and learning opportunities are evident through various programs and exhibitions.





Barista and first aid courses were run during the July school holidays, providing skill building opportunities.

The Library enabled two local home schooling families to use library facilities for structured learning activities, attend story time sessions and use the library for collaborative learning experiences.

The Katanning Gallery upgrade included 16 new lights and 6 Bluetooth enabled dimmers to enhance the exhibition space.

Exhibitions hosted included "Stitch and Bound", "The Artist & The Blacksmith", featuring the work of two local artists, NAIDOC exhibition, featuring local Indigenous work showcasing culture and heritage and "Playing the Man" an Arts on the Move exhibition.

## S2 – Safe community

### **S2.1 Strive for a community where people feel safe and secure at all times.**

The Shire provides Ranger Services to maintain dog and animal control, fire mitigation and other regulatory services.

Ongoing upgrades and improvements to Katanning's CCTV network were delivered.

The Shire undertook a number of programmes to provide support and information to the community in response to Covid19.

Ongoing liaison with senior officers from Police and, Fire and Emergency Services regarding safety and security in Katanning.

## S3 – A resilient, engaged community with a strong sense of pride

### **S3.1 Build a unified community that embraces its uniquely diverse cultural make up.**

Completion and endorsement of our Reconciliation Action Plan (RAP). The plan outlines strategies for promoting reconciliation and inclusiveness within the community.

Reconciliation Week activities included bush tucker morning teas which aimed to bring the community together to build a strong understanding of Indigenous culture and heritage.

### **S3.2 Build social resilience through providing diverse options for participation and engagement.**

Utilisation of the driver reviver van during the September long weekend and the Hog Rally breakfast on Sunday 25 September, aimed to provide communal space for social interaction and engagement.

Collaboration with the Katanning Noongar community for the 3rd Yarning session on 16 November, focused on finalising ideas for the meeting place project. This initiative promoted community involvement and inclusivity by actively engaging with the Indigenous groups.

A book trade with the Albany Library for 50 large print books, intended to diversify and enhance the library stock, offered broader reading options for the community. This exchange fosters cultural exchange and access to diverse resources across regions.



## Built Environment

### B1 – Infrastructure that meets community needs

#### **B1.1 Sustainably manage current and future assets and infrastructure.**

Council endorsed the proposal to develop and implement a Katanning Cemetery Master Plan with allocation of \$250,000 from the Local Roads and Community Infrastructure Program Phase 4.

#### **B1.2 Provide Council facilities that meet community need.**

Council maintains a range of community facilities including the Town Hall, Regional Sheep Saleyards, Katanning Leisure Centre, Aquatic Centre, sporting facilities, parks and reserves, public spaces, Library, Art Gallery and community facilities.

### B2 – Places for the community to live, work and connect

#### **B2.1 Enhance Public Realm.**

The following Lighting projects have been completed:

- Warren Road and Marmion Street intersection
- Cornwall Street footpath lighting
- Warren Road footpath lighting

#### **B.2.2 Facilitate and encourage housing options, spaces for local service delivery and recreation.**

Council has prepared and presented serviced lots in the Piesse Lake subdivision to the market for public purchase.





## Natural Environment

N1 – A community and Council that are environmentally aware and engaged

### **N1.1 Promote environmentally friendly action.**

The Shire of Katanning supports the activities of Katanning Landcare. They continue to provide sound advice to the Shire on land care related issues and areas where improvements can be made.

Council has provided access to facilities for Katanning Environmental and the Friend of Piesse Park to support their volunteers in caring for the environment.

### **N1.2 Increase action on waste management and sustainable packaging.**

The Shire of Katanning has had an increased focus on the management of e- waste. The Shire of Katanning has been in the top 10 e-waste recycling councils in WA and will continue to improve the service as it strives to deliver a best-practice waste management service.

### **N1.3 Incorporate sustainability as a key consideration in Council Planning.**

Ongoing development of sustainable energy solutions for Council managed facilities.

N2 – A high level of biodiversity and healthy ecosystems

### **N2.1 Enhance the Level of biodiversity and condition of ecosystems.**

Continued to work with the Friends of Piesse Park on the management and custodianship of parkland and waterways.

The Shire of Katanning in partnership with Department of Primary Industries, Regional Development (DPIRD), Water Corporation and Murdoch University has embarked on a trial of a desalination unit. The benefits to the town and community in utilising this technology will be vast. The ability to turn high salt content water into water that is suitable for irrigation, will provide a future source of usable water in times of need. The desalination plant provides 25,000lts of usable water every day.

N3 – A strong sense of community ownership and pride for the natural environment

### **N3.1 Encourage the community to feel proud of and take ownership of public spaces.**

Continued to work with the Friends of Piesse Park on the management and custodianship of parkland and waterways.

Adopt a Pot scheme is working well with residents caring for plants in planters on Clive Street.



## Economic

E1 – Local business and industry is resilient, growing

### **E1.2 Develop local business and encourage start-ups.**

Support for Katanning Regional Business Association Online Business Directory.

E2 – A place to live and visit

### **E2.1 Strengthen the local tourism sector.**

Partnership with Great Southern Treasures.

A Long Table Dinner was hosted under the Taste of Great Southern event.

Concept plan for the KAARL Yarning Place, by REALM, is completed.

### **E2.2 Provide and support local and regionally significant events that have both positive economic and social benefits.**

Support for Katanning Harmony Festival and Katanning Ag Show continues.

### **E2.3 Ensure a positive town identity and branding that promotes Katanning and enhances community pride.**

Meet me in Katanning branding used to promote Katanning.

E3 – Sustainable economic and population growth

### **E3.1 Raise Katanning's profile as a centre of excellence in the area of agriculture and associated industries.**

The Shire of Katanning continued to operate the Katanning Regional Sheep Saleyards and undertake on-going improvement to the facilities.

### **E3.2 Continue to build Katanning's reputation as a strategic sub-regional service centre and economic hub.**

Council continued to lobby for the maintenance and improvement of key services including education, health, housing and community safety.

E4 – A culture of learning

### **E4.1 Develop Katanning's reputation for providing quality education for all levels of learning such that it attracts and retains people.**

Ongoing development of the Katanning Early Childhood Hub Project.

Ongoing collaboration and support provided to the Early Years Initiative including attendance at meetings.





## Leadership

L1 – An inclusive community, recognised as a great place to live and visit

### **L1.1 Operate with high ethical and professional standards, being open, transparent and responsive to the community and other stakeholders.**

A community bushfire information session was conducted at the Katanning Community Room with members of the LEMC Committee.

The CEO and Deputy President attended Local Emergency Management Committee Meetings.

### **L1.2 Provide effective leadership and good governance.**

Councillors regularly meet with Federal and State Government representatives to promote the interest of the Katanning Community.

Elected members undertook mandatory Council Member Essentials training.

Council meetings were held each month.

Council policies are reviewed and updated on an annual basis.

L2 – A collaborative, progressive and resilient local government which is sustainably resourced

### **L2.1 Optimise use of Shire resources, improve organisational systems.**

Council has worked collaboratively with neighbouring local Government services in the areas of emergency management, tourism and mosquito control.

Management reports at each monthly Council meeting on financial activities and payment of accounts.

Council have actively advocated on behalf of our community to ensure that high levels of service in health, law and order, education, community and economic development are accessible for our community. Throughout 2022/23 the CEO & Council meet regularly with State and Federal Representative to promote the best interest of the Katanning community.



# Compliance

## National Competition Policy

This policy was introduced by the Commonwealth Government in 1995 to promote competition for the benefit of business, consumers, and the economy by removing unnecessary protection of monopolies of markets where completion can be enhanced. It affects local government as factors such as exemption from company and income tax or possible local regulations and laws may give local government a potential advantage over private contractors.

In respect to Council's responsibilities in relation to the National Competition Policy, for this reporting period, the Shire reports as follows:

- No business enterprise of the Shire of Katanning has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not applied to any activities undertaken by the Shire.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private entity.
- The principles of competitive neutrality will be implemented in respect of any relevant activity undertaken during the next financial reporting period.

## Freedom of Information (FOI)

In accordance with Section 96 and 97 of the *Freedom of Information Act 1992*, the Shire is required to publish an Information Statement which details the process of applying for information under the Act, as well as information that the Shire provides outside the Act.

The Shire of Katanning's Information Statement is reviewed annually and is available via Council's website or at the Shire administration office. The information statement contains information on the type of documents available to the public and how to access those documents.

During the 2022/23 financial year, the Shire of Katanning received 3 applications for FOI.



## Record Keeping Statement

In accordance with Section 19 of the *State Records Act 2000*, Local Governments are required to have a Record Keeping Plan (RKP) approved by the State Records Commission (SRC).

The purpose of the plan is to provide an accurate reflection of the record keeping program in the organisation, including information regarding the organisation's record keeping system, disposal arrangements, policies, practices, and processes.

The Shire of Katanning ensures that records are created, managed, and maintained over time and disposed of in accordance with the principles and standards issued by the SRC. The RKP is the primary means of providing evidence of compliance with the Act and the implementation of best-practice record keeping in the organisation.

Section 28 of the *State Records Act 2000* requires the Shire of Katanning's RKP to be reviewed every 5 years. The next plan review will be submitted to SRC by 16th November 2026.





## Disability Access and Inclusion Plan (DAIP)

All Western Australian Local Government Authorities are required to develop and implement Disability Access and Inclusion Plans in accordance with the *Disability Services Act (1993)* to ensure people with disability have the same opportunity as others to access council services, facilities, information, employment and civic participation. The Shire of Katanning offers many services that ensure the community is inclusive of people with disability and their families.

People with disabilities represent a significant section of the Katanning community. According to the Disability Services Commission (Disability Services Commission website, 2004) the number of people living in the Shire of Katanning who have a disability is 17.8% of the total population. This represents almost one in five people or approximately 900 people.

Given that Katanning is also a regional service provider for the Shire's of Broomehill, Woodanilling, Dumbleyung, Kojonup, Gnowangerup, and Kent it can be estimated that the number of people with Disabilities for whom the Shire of Katanning provides services and facilities is significantly higher than 1000.

Most people with a disability (or disabilities) live in the community. It is therefore important that they have the same opportunities and choices as other people to participate in community life.

Given the broad range of services provided to its communities, Local Government plays a vital role in the lives of people with disabilities, their carers and families.

In 2022/2023 the following Shire initiatives contributed towards the achievement of our DAIP objectives which address seven desired outcomes:

| Outcome   | Action   |
|---|--|
| 1. People with disability have the same opportunities as other people to access the services of, and any events organised by, a public authority. | <ul style="list-style-type: none"> <li>Public Library – Introduced a programme that encourages people to come in with their carers, and do the jigsaw puzzles, play board games, use the computers, and read together.</li> <li>Katanning Leisure Centre - All Abilities Program – Multi Sport morning aimed at modifying games and activities for participants to enjoy with their carers.</li> <li>Katanning Harmony Festival – <ul style="list-style-type: none"> <li>Promotion of service and support.</li> <li>Festival is hosted in an area that is accessible by all.</li> <li>Disability accessible toilets available.</li> <li>Quiet / Sensory Zone.</li> </ul> </li> </ul> |



| Outcome  | Action  |
|--|---|
| <p>2. People with disability have the same opportunities as other people to access the buildings and other facilities of a public authority.</p>   | <ul style="list-style-type: none"> <li>• Coloured steps leading to the oval to avoid tripping and to make the step levels more visible and accessible.</li> <li>• New automatic door installed to improve accessibility to gallery.</li> <li>• New footpaths on Synott Avenue improving accessibility.</li> <li>• New footpaths, ramp and carpark at Bokarup Street improving accessibility.</li> <li>• New footpaths and ramps – Cornwall Street near Caravan Park</li> <li>• Renewed lighting at KLC – Main carpark and RAM Pavilion improving visibility.</li> <li>• New signage to all public toilets</li> <li>• Installation of new full width doors at the Community Centre to enable better access to the courtyard</li> </ul> |
| <p>3. People with disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.</p> | <ul style="list-style-type: none"> <li>• Brochures can be translated if required to other languages and formats by request.</li> <li>• An interactive induction package has been developed to offer staff a variety of options to get information, enhancing accessibility to workplace, information and support.</li> <li>• Diversity questionnaire was updated to be more inclusive to ensure all staff workplaces can be tailored to their requirements. The pre-employment medical also highlights any areas that need to be addressed, to ensure staff are enabled to work.</li> </ul>   |



| Outcome   | Action  |
|---|---|
| 4. People with disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority. | <ul style="list-style-type: none"> <li>Charging facility is made available at the library and gallery for mobility scooters.</li> </ul>   |
| 5. People with disability have the same opportunities as other people to make complaints to a public authority.   | <ul style="list-style-type: none"> <li>Staff are available to assist with taking the complaint for the person and pass it on to the relevant sources as required. We assist in filling in forms or guiding people in the right direction for them to follow the complaint guidelines.</li> </ul>  |
| 6. People with disability have the same opportunities as other people to participate in any public consultation by a public authority.  | <ul style="list-style-type: none"> <li>Major DAIP review undertaken – includes survey, forums and 1-1 sessions.</li> <li>We actively seek to engage people through offering a variety of ways to participate, examples of this are online surveys, face to face, targeted forums, assistance explaining and writing answers when required.</li> </ul>   |
| 7. People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.  | <ul style="list-style-type: none"> <li>"We are actively encouraging people with disability, people from culturally diverse backgrounds, Aboriginal and Torres Strait Islanders to apply for available positions." This is listed on all our employment packs and website to encourage anyone to apply and work for the Shire of Katanning</li> <li>We have trained Ergonomic Champions whose role is to identify issues and tailor workstations and equipment to enable people with disabilities to be comfortable and safe at work.</li> </ul> |











## Reconciliation Action Plan

The Shire of Katanning team spent two years working in partnership with the Noongar Community and Reconciliation Australia to create the Shire's first Reconciliation Action Plan, which we proudly launched in March 2023.

As the first step in our RAP journey, the Reflect RAP clearly sets out the steps required to prepare for reconciliation initiative and will allow the Shire

of Katanning to spend time developing relationships with Aboriginal and Torres Strait Islander stakeholders, shaping our vision for reconciliation and our sphere of influence, all while exploring actions we will commit to.

Our Reflect RAP outlines initiatives that the Shire will undertake from March 2023 to March 2024, and will assist the Shire in producing future Reconciliation Action Plans that are relevant, sustainable, and beneficial to our organisation and wider community.

The Shire of Katanning's Reconciliation Action Plan is available to read on our website or visit the Shire Administration office to pick up a copy.

## Employee Remuneration Disclosure

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

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

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

| Salary Range          | Employees |
|-----------------------|-----------|
| \$130,000 - \$139,999 | 1         |
| \$140,000 - \$149,999 | 0         |
| \$150,000 - \$159,999 | 1         |
| \$160,000 - \$169,999 | 0         |
| \$170,000 - \$179,999 | 0         |
| \$180,000 - \$189,999 | 1         |
| TOTAL                 | 3         |



## Public Interest Disclosures

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

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

Appointing the Executive Manager Corporate and Community as the PID officer for the organisation and publishing an internal procedure relating to the Shire's obligation.

Providing protection from detrimental action or the threat of detrimental action for an employee of the Shire who makes an appropriate disclosure of public interest information.

There were no Public Interest Disclosure requests received during this reporting period.

## Complaints Register

The Shire of Katanning maintains a register of complaints, which records all complaints that result in an action under the *Local Government Act 1995* s5.121 (6)(b) or (c).

In the financial year ending 30 June 2023 no complaints were lodged against elected members.









Shire of  
**Katanning**  
Heart of the Great Southern



# ANNUAL FINANCIAL REPORT

## 2022/2023



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

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

***Katanning is a safe, sustainable, and prosperous community. We respect and celebrate our diverse culture.***

Principal place of business:  
52 Austral Terrace  
Katanning 6317



**SHIRE OF KATANNING  
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 Katanning 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

12th day of

December 2023



Acting Chief Executive Officer

Dale Putland

Name of Acting Chief Executive Officer





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

|   | NOTE    | 2023<br>Actual      | 2023<br>Budget      | 2022<br>Actual      |
|---|---------|---------------------|---------------------|---------------------|
|   |         | \$                  | \$                  | \$                  |
| <b>Revenue</b>  |         |                     |                     |                     |
| Rates   | 2(a),23 | 4,653,561           | 4,677,379           | 4,405,051           |
| Grants, subsidies and contributions   | 2(a)    | 3,995,834           | 2,112,415           | 4,545,187           |
| Fees and charges  | 2(a)    | 1,990,760           | 1,861,766           | 1,753,714           |
| Interest revenue  | 2(a)    | 379,390             | 98,500              | 82,692              |
| Other revenue   | 2(a)    | 516,646             | 433,174             | 328,590             |
|   |         | <b>11,536,191</b>   | <b>9,183,234</b>    | <b>11,115,234</b>   |
| <b>Expenses</b>   |         |                     |                     |                     |
| Employee costs  | 2(b)    | (4,097,889)         | (4,544,829)         | (4,014,132)         |
| Materials and contracts   |         | (3,463,587)         | (4,181,222)         | (3,402,363)         |
| Utility charges   |         | (521,861)           | (528,015)           | (482,583)           |
| Depreciation  |         | (5,347,988)         | (6,125,895)         | (6,132,001)         |
| Finance costs   | 2(b)    | (123,991)           | (118,046)           | (122,207)           |
| Insurance   |         | (407,681)           | (406,146)           | (394,137)           |
| Other expenditure   | 2(b)    | (333,323)           | (352,813)           | (446,131)           |
|   |         | <b>(14,296,320)</b> | <b>(16,256,966)</b> | <b>(14,993,554)</b> |
|   |         | (2,760,129)         | (7,073,732)         | (3,878,320)         |
| Fair value adjustments to financial assets at fair value through profit or loss | 4(b)    | 17,970              | 0                   | 0                   |
| Loss on revaluation of infrastructure - parks and gardens                       | 8(a)    | 0                   | 0                   | 0                   |
| Capital grants, subsidies and contributions                                     | 2(a)    | 1,220,141           | 892,744             | 1,561,068           |
| Profit on asset disposals   |         | 37,247              | 174,214             | 110,877             |
| Loss on asset disposals   |         | 0                   | (59,016)            | (815,454)           |
|   |         | <b>1,275,358</b>    | <b>1,007,942</b>    | <b>856,491</b>      |
| <b>Net result for the period</b>  |         | <b>(1,484,771)</b>  | <b>(6,065,790)</b>  | <b>(3,021,829)</b>  |
| <b>Other comprehensive income for the period</b>                                |         |                     |                     |                     |
| <i>Items that will not be reclassified subsequently to profit or loss</i>       |         |                     |                     |                     |
| Changes in asset revaluation surplus  | 16      | 0                   | 0                   | 5,717,461           |
| <b>Total other comprehensive income for the period</b>                          | 16      | <b>0</b>            | <b>0</b>            | <b>5,717,461</b>    |
| <b>Total comprehensive income for the period</b>                                |         | <b>(1,484,771)</b>  | <b>(6,065,790)</b>  | <b>2,695,632</b>    |

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





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

|                                      | NOTE  | 2023<br>\$         | 2022<br>\$         |
|--------------------------------------|-------|--------------------|--------------------|
| <b>CURRENT ASSETS</b>                |       |                    |                    |
| Cash and cash equivalents            | 3     | 15,311,940         | 9,714,690          |
| Trade and other receivables          | 5     | 1,394,727          | 1,681,158          |
| Other financial assets               | 4(a)  | 21,042             | 4,303,578          |
| Inventories                          | 6     | 20,508             | 4,439              |
| Other assets                         | 6     | 0                  | 0                  |
| Assets classified as held for sale   | 6     | 0                  | 0                  |
| <b>TOTAL CURRENT ASSETS</b>          |       | <b>16,748,217</b>  | <b>15,703,865</b>  |
| <b>NON-CURRENT ASSETS</b>            |       |                    |                    |
| Trade and other receivables          | 5     | 268,323            | 253,149            |
| Other financial assets               | 4(b)  | 366,435            | 124,637            |
| Inventories                          | 6     | 0                  | 0                  |
| Investment in associate              | 21(a) | 0                  | 0                  |
| Property, plant and equipment        | 7     | 58,915,944         | 59,454,714         |
| Infrastructure                       | 8     | 159,205,524        | 161,193,702        |
| Right-of-use assets                  | 11(a) | 15,319             | 29,523             |
| Investment property                  | 11    | 0                  | 0                  |
| Intangible assets                    | 11    | 0                  | 0                  |
| <b>TOTAL NON-CURRENT ASSETS</b>      |       | <b>218,771,545</b> | <b>221,055,725</b> |
| <b>TOTAL ASSETS</b>                  |       | <b>235,519,762</b> | <b>236,759,590</b> |
| <b>CURRENT LIABILITIES</b>           |       |                    |                    |
| Trade and other payables             | 10    | 1,987,185          | 1,910,304          |
| Other liabilities                    | 12    | 103,112            | 491,580            |
| Lease liabilities                    | 11(b) | 15,095             | 14,578             |
| Borrowings                           | 13    | 284,958            | 184,158            |
| Employee related provisions          | 14    | 630,441            | 640,705            |
| Other provisions                     | 15    | 0                  | 0                  |
| <b>TOTAL CURRENT LIABILITIES</b>     |       | <b>3,020,791</b>   | <b>3,241,325</b>   |
| <b>NON-CURRENT LIABILITIES</b>       |       |                    |                    |
| Trade and other payables             | 10    | 0                  | 0                  |
| Other liabilities                    | 12    | 4,336,743          | 4,211,469          |
| Lease liabilities                    | 11(b) | 955                | 14,933             |
| Borrowings                           | 13    | 3,300,081          | 2,958,508          |
| Employee related provisions          | 14    | 100,850            | 120,211            |
| Other provisions                     | 15    | 573,804            | 541,835            |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |       | <b>8,312,433</b>   | <b>7,846,956</b>   |
| <b>TOTAL LIABILITIES</b>             |       | <b>11,333,224</b>  | <b>11,088,281</b>  |
| <b>NET ASSETS</b>                    |       | <b>224,186,538</b> | <b>225,671,309</b> |
| <b>EQUITY</b>                        |       |                    |                    |
| Retained surplus                     |       | 96,162,073         | 97,758,487         |
| Reserve accounts                     | 26    | 7,733,796          | 7,622,153          |
| Revaluation surplus                  | 16    | 120,290,669        | 120,290,669        |
| <b>TOTAL EQUITY</b>                  |       | <b>224,186,538</b> | <b>225,671,309</b> |

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





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

|   | NOTE | RETAINED<br>SURPLUS<br>\$ | RESERVE<br>ACCOUNTS<br>\$ | REVALUATION<br>SURPLUS<br>\$ | TOTAL<br>EQUITY<br>\$ |
|---|------|---------------------------|---------------------------|------------------------------|-----------------------|
| <b>Balance as at 1 July 2021</b>          |      | <b>99,866,518</b>         | <b>8,535,951</b>          | <b>114,573,208</b>           | <b>222,975,677</b>    |
| Comprehensive income for the period       |      |                           |                           |                              |                       |
| Net result for the period                 |      | (3,021,829)               | 0                         | 0                            | (3,021,829)           |
| Other comprehensive income for the period | 16   | 0                         | 0                         | 5,717,461                    | 5,717,461             |
| Total comprehensive income for the period |      | (3,021,829)               | 0                         | 5,717,461                    | 2,695,632             |
| Transfers from reserve accounts           | 26   | 1,462,553                 | (1,462,553)               | 0                            | 0                     |
| Transfers to reserve accounts             | 26   | (548,755)                 | 548,755                   | 0                            | 0                     |
| <b>Balance as at 30 June 2022</b>         |      | <b>97,758,487</b>         | <b>7,622,153</b>          | <b>120,290,669</b>           | <b>225,671,309</b>    |
| Comprehensive income for the period       |      |                           |                           |                              |                       |
| Net result for the period                 |      | (1,484,771)               | 0                         | 0                            | (1,484,771)           |
| Total comprehensive income for the period |      | (1,484,771)               | 0                         | 0                            | (1,484,771)           |
| Transfers from reserve accounts           | 26   | 657,418                   | (657,418)                 | 0                            | 0                     |
| Transfers to reserve accounts             | 26   | (769,061)                 | 769,061                   | 0                            | 0                     |
| <b>Balance as at 30 June 2023</b>         |      | <b>96,162,073</b>         | <b>7,733,796</b>          | <b>120,290,669</b>           | <b>224,186,538</b>    |

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



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

|   | NOTE  | 2023<br>Actual<br>\$ | 2022<br>Actual<br>\$ |
|---|-------|----------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                             |       |                      |                      |
| <b>Receipts</b>   |       |                      |                      |
| Rates   |       | 4,651,919            | 4,099,450            |
| Grants, subsidies and contributions                                     |       | 3,732,640            | 4,283,503            |
| Fees and charges  |       | 2,250,244            | 3,113,894            |
| Interest revenue  |       | 379,390              | 82,692               |
| Goods and services tax received   |       | 934,026              | 919,289              |
| Other revenue   |       | 513,704              | 329,953              |
|   |       | <b>12,461,923</b>    | <b>12,828,781</b>    |
| <b>Payments</b>   |       |                      |                      |
| Employee costs  |       | (4,118,461)          | (4,027,942)          |
| Materials and contracts   |       | (3,287,761)          | (3,900,049)          |
| Utility charges   |       | (625,724)            | (482,583)            |
| Finance costs   |       | (121,883)            | (122,953)            |
| Insurance paid  |       | (407,681)            | (394,137)            |
| Goods and services tax paid   |       | (908,027)            | (799,059)            |
| Other expenditure   |       | (333,301)            | (414,978)            |
|   |       | <b>(9,802,838)</b>   | <b>(10,141,701)</b>  |
| <b>Net cash provided by (used in) operating activities</b>              |       | <b>2,659,085</b>     | <b>2,687,080</b>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                             |       |                      |                      |
| Payments for financial assets at amortised cost                         |       | 0                    | 177,527              |
| Payments for financial assets at amortised cost - self supporting loans |       | 5,133                | 0                    |
| Payments for purchase of property, plant & equipment                    | 7(a)  | (1,178,490)          | (1,362,702)          |
| Payments for construction of infrastructure                             | 8(a)  | (1,661,154)          | (2,799,963)          |
| Capital grants, subsidies and contributions                             |       | 1,220,141            | 1,561,068            |
| Proceeds for financial assets at amortised cost                         |       | 4,303,578            | 0                    |
| Proceeds from financial assets at fair values through profit and loss   |       | (250,000)            | 0                    |
| Proceeds from sale of property, plant & equipment                       |       | 70,045               | 201,528              |
| <b>Net cash provided by (used in) investing activities</b>              |       | <b>2,509,253</b>     | <b>(2,222,542)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                             |       |                      |                      |
| Repayment of borrowings   | 25(a) | (207,627)            | (280,754)            |
| Payments for principal portion of lease liabilities                     | 25(c) | (13,461)             | (19,672)             |
| Proceeds from new borrowings  | 25(a) | 650,000              | 0                    |
| <b>Net cash provided by (used in) financing activities</b>              |       | <b>428,912</b>       | <b>(300,426)</b>     |
| <b>Net increase (decrease) in cash held</b>                             |       | <b>5,597,250</b>     | <b>164,112</b>       |
| Cash at beginning of year   |       | 9,714,690            | 9,550,578            |
| <b>Cash and cash equivalents at the end of the year</b>                 |       | <b>15,311,940</b>    | <b>9,714,690</b>     |

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



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

|   | NOTE  | 2023<br>Actual<br>\$ | 2023<br>Budget<br>\$ | 2022<br>Actual<br>\$ |
|---|-------|----------------------|----------------------|----------------------|
| <b>OPERATING ACTIVITIES</b>   |       |                      |                      |                      |
| <b>Revenue from operating activities</b>  |       |                      |                      |                      |
| General rates   | 23    | 4,648,762            | 4,672,709            | 4,400,519            |
| Rates excluding general rates   | 23    | 4,799                | 4,670                | 4,532                |
| Grants, subsidies and contributions   |       | 3,995,834            | 2,112,415            | 4,545,187            |
| Fees and charges  |       | 1,990,760            | 1,861,766            | 1,753,714            |
| Interest revenue  |       | 379,390              | 98,500               | 82,692               |
| Other revenue   |       | 516,646              | 433,674              | 328,590              |
| Profit on asset disposals   |       | 37,247               | 174,214              | 110,877              |
| Fair value adjustments to financial assets at fair value through profit or loss | 4(b)  | 17,970               | 0                    | 0                    |
|   |       | <b>11,591,408</b>    | <b>9,357,948</b>     | <b>11,226,111</b>    |
| <b>Expenditure from operating activities</b>                                    |       |                      |                      |                      |
| Employee costs  |       | (4,097,889)          | (4,544,829)          | (4,014,132)          |
| Materials and contracts   |       | (3,463,587)          | (4,181,722)          | (3,402,363)          |
| Utility charges   |       | (521,861)            | (528,015)            | (482,583)            |
| Depreciation  |       | (5,347,988)          | (6,125,895)          | (6,132,001)          |
| Finance costs   |       | (123,991)            | (118,046)            | (122,207)            |
| Insurance   |       | (407,681)            | (406,146)            | (394,137)            |
| Other expenditure   |       | (333,323)            | (352,813)            | (446,131)            |
| Loss on asset disposals   |       | 0                    | (59,016)             | (815,454)            |
|   |       | <b>(14,296,320)</b>  | <b>(16,316,482)</b>  | <b>(15,809,008)</b>  |
| Non-cash amounts excluded from operating activities                             | 24(a) | 5,095,503            | 6,105,687            | 6,756,886            |
| <b>Amount attributable to operating activities</b>                              |       | <b>2,390,591</b>     | <b>(852,847)</b>     | <b>2,173,989</b>     |
| <b>INVESTING ACTIVITIES</b>   |       |                      |                      |                      |
| <b>Inflows from investing activities</b>  |       |                      |                      |                      |
| Capital grants, subsidies and contributions                                     |       | 1,220,141            | 892,744              | 1,561,068            |
| Proceeds from disposal of assets  |       | 70,045               | 424,773              | 201,528              |
|   |       | <b>1,290,186</b>     | <b>1,317,517</b>     | <b>1,762,596</b>     |
| <b>Outflows from investing activities</b>                                       |       |                      |                      |                      |
| Purchase of property, plant and equipment                                       | 7(a)  | (1,178,490)          | (3,593,263)          | (1,362,702)          |
| Purchase and construction of infrastructure                                     | 8(a)  | (1,661,154)          | (2,299,756)          | (2,799,963)          |
|   |       | <b>(2,839,644)</b>   | <b>(5,893,019)</b>   | <b>(4,162,665)</b>   |
| <b>Amount attributable to investing activities</b>                              |       | <b>(1,549,458)</b>   | <b>(4,575,502)</b>   | <b>(2,400,069)</b>   |
| <b>FINANCING ACTIVITIES</b>   |       |                      |                      |                      |
| <b>Inflows from financing activities</b>  |       |                      |                      |                      |
| Proceeds from borrowings  | 25(a) | 650,000              | 650,000              | 0                    |
| Transfers from reserve accounts   | 26    | 657,418              | 2,503,012            | 1,462,553            |
|   |       | <b>1,307,418</b>     | <b>3,153,012</b>     | <b>1,462,553</b>     |
| <b>Outflows from financing activities</b>                                       |       |                      |                      |                      |
| Repayment of borrowings   | 25(a) | (207,627)            | (195,158)            | (280,754)            |
| Payments for principal portion of lease liabilities                             | 25(c) | (13,461)             | (11,503)             | (19,672)             |
| Transfers to reserve accounts   | 26    | (769,061)            | (658,000)            | (548,755)            |
|   |       | <b>(990,149)</b>     | <b>(864,661)</b>     | <b>(849,181)</b>     |
| <b>Amount attributable to financing activities</b>                              |       | <b>317,269</b>       | <b>2,288,351</b>     | <b>613,372</b>       |
| <b>MOVEMENT IN SURPLUS OR DEFICIT</b>   |       |                      |                      |                      |
| <b>Surplus or deficit at the start of the financial year</b>                    | 24(b) | 7,021,219            | 3,139,998            | 6,633,927            |
| Amount attributable to operating activities                                     |       | 2,390,591            | (852,847)            | 2,173,989            |
| Amount attributable to investing activities                                     |       | (1,549,458)          | (4,575,502)          | (2,400,069)          |
| Amount attributable to financing activities                                     |       | 317,269              | 2,288,351            | 613,372              |
| <b>Surplus or deficit after imposition of general rates</b>                     | 24(b) | <b>8,179,621</b>     | <b>0</b>             | <b>7,021,219</b>     |

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



**SHIRE OF KATANNING  
FOR THE YEAR ENDED 30 JUNE 2023  
INDEX OF NOTES TO THE FINANCIAL REPORT**

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

**1. BASIS OF PREPARATION**

The financial report of the Shire of Katanning which is a class 3 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

**Local Government Act 1995 requirements**

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the 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.

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

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

| Revenue Category  | Nature of goods and services  | When obligations typically satisfied | Payment terms  | Returns/Refunds/Warranties                  | Timing of revenue recognition  |
|---|---|--------------------------------------|--|---|--|
| Rates   | General Rates   | Single point in time                 | Payment dates adopted by Council during the year                         | None  | When rates notice is issued  |
| Grant contracts with customers  | Community events, minor facilities, research, design, planning evaluation and services                          | Over time                            | Fixed terms transfer of funds based on agreed milestones and reporting   | Contract obligation if project not complete | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Grants, subsidies or contributions for the construction of non-financial assets | Construction or acquisition of recognisable non-financial assets to be controlled by the local government       | Over time                            | Fixed terms transfer of funds based on agreed milestones and reporting   | Contract obligation if project not complete | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Grants with no contract commitments   | General appropriations and contributions with no reciprocal commitment  | No obligations                       | Not applicable   | Not applicable                              | When assets are controlled   |
| Licences/ Registrations/ Approvals  | Building, planning, development and animal management, having the same nature as a licence regardless of naming | Single point in time                 | Full payment prior to issue  | None  | On payment and issue of the licence, registration or approval  |
| Pool inspections  | Compliance safety check   | Single point in time                 | Equal proportion based on an equal annually fee                          | None  | After inspection complete based on a 4 year cycle  |
| Other inspections   | Regulatory Food, Health and Safety  | Single point in time                 | Full payment prior to inspection   | None  | Revenue recognised after inspection event occurs   |
| Waste management collections  | Kerbside collection service   | Over time                            | Payment on an annual basis in advance                                    | None  | When rates notice is issued  |
| Waste management entry fees   | Waste treatment, recycling and disposal service at disposal sites   | Single point in time                 | Payment in arrears at gate or on normal trading terms if credit provided | None  | On exit of the facility  |
| Property hire and entry   | Use of halls and facilities   | Single point in time                 | In full in advance   | Refund if event cancelled within 7 days     | On entry or at conclusion of hire  |
| Memberships   | Gym membership  | Over time                            | Payment in full in advance   | Refund for unused portion on application    | Output method Over 12 months matched to access right   |
| Fees and charges for other goods and services                                   | Cemetery services, library fees, reinstatements and private works   | Single point in time                 | Payment in full in advance   | None  | Output method based on provision of service or completion of works   |
| Sale of stock   | Kiosk stock   | Single point in time                 | Payment in full in advance   | Refund for faulty goods                     | Output method based on goods   |
| Commissions   | Commissions on licencing and ticket sales   | Over time                            | Payment in full on sale  | None  | When assets are controlled   |
| Reimbursements  | Insurance claims  | Single point in time                 | Payment in arrears for claimable event                                   | None  | When claim is agreed   |

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



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

**2 REVENUE AND EXPENSES (Continued)**

**Revenue Recognition**

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

**For the year ended 30 June 2023**

| <b>Nature</b>                               | <b>Contracts with customers</b> | <b>Capital grant/contributions</b> | <b>Statutory Requirements</b> | <b>Other</b>   | <b>Total</b>      |
|---|---------------------------------|------------------------------------|-------------------------------|----------------|-------------------|
|   | <b>\$</b>                       | <b>\$</b>                          | <b>\$</b>                     | <b>\$</b>      | <b>\$</b>         |
| Rates                                       | 0                               | 0                                  | 4,653,561                     | 0              | 4,653,561         |
| Grants, subsidies and contributions         | 731,102                         | 0                                  | 3,264,732                     | 0              | 3,995,834         |
| Fees and charges                            | 1,990,760                       | 0                                  | 0                             | 0              | 1,990,760         |
| Interest revenue                            | 297,113                         | 0                                  | 82,277                        | 0              | 379,390           |
| Other revenue                               | 372,736                         | 0                                  | 143,910                       | 0              | 516,646           |
| Capital grants, subsidies and contributions | 0                               | 822,407                            | 0                             | 397,734        | 1,220,141         |
| <b>Total</b>                                | <b>3,391,711</b>                | <b>822,407</b>                     | <b>8,144,480</b>              | <b>397,734</b> | <b>12,756,332</b> |

**For the year ended 30 June 2022**

| <b>Nature</b>                               | <b>Contracts with customers</b> | <b>Capital grant/contributions</b> | <b>Statutory Requirements</b> | <b>Other</b> | <b>Total</b>      |
|---|---------------------------------|------------------------------------|-------------------------------|--------------|-------------------|
|   | <b>\$</b>                       | <b>\$</b>                          | <b>\$</b>                     | <b>\$</b>    | <b>\$</b>         |
| Rates                                       | 0                               | 0                                  | 4,405,051                     | 0            | 4,405,051         |
| Grants, subsidies and contributions         | 1,652,308                       | 0                                  | 2,892,879                     | 0            | 4,545,187         |
| Fees and charges                            | 1,753,714                       | 0                                  | 0                             | 0            | 1,753,714         |
| Interest revenue                            | 11,177                          | 0                                  | 71,515                        | 0            | 82,692            |
| Other revenue                               | 200,182                         | 0                                  | 128,408                       | 0            | 328,590           |
| Capital grants, subsidies and contributions | 0                               | 1,561,068                          | 0                             | 0            | 1,561,068         |
| <b>Total</b>                                | <b>3,617,381</b>                | <b>1,561,068</b>                   | <b>7,497,853</b>              | <b>0</b>     | <b>12,676,302</b> |



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

**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

|  | <b>Note</b> | <b>2023<br/>Actual</b> | <b>2022<br/>Actual</b> |
|--|-------------|------------------------|------------------------|
|  |             | <b>\$</b>              | <b>\$</b>              |
| <b>Interest revenue</b>                                    |             |                        |                        |
| Financial assets at amortised cost - self supporting loans |             | 4,269                  | 0                      |
| Interest on reserve account funds                          |             | 257,062                | 10,695                 |
| Trade and other receivables overdue interest               |             | 78,009                 | 71,515                 |
| Other interest revenue                                     |             | 40,050                 | 482                    |
|  |             | <b>379,390</b>         | <b>82,692</b>          |
| The 2023 original budget estimate in relation to:          |             |                        |                        |
| Trade and other receivables overdue interest was \$92,000  |             |                        |                        |
| The 2023 original budget estimate in relation to:          |             |                        |                        |
| Charges on instalment plan was \$9,500                     |             |                        |                        |

**(b) Expenses**

|  |  |                  |                  |
|--|--|------------------|------------------|
| <b>Auditors remuneration</b>   |  |                  |                  |
| - Audit of the Annual Financial Report   |  | 65,900           | 56,100           |
| - Other services – grant acquittals  |  | 14,265           | 30,430           |
|  |  | <b>80,165</b>    | <b>86,530</b>    |
| <b>Employee Costs</b>  |  |                  |                  |
| Employee benefit costs   |  | 4,063,698        | 3,755,973        |
| Other employee costs   |  | 34,191           | 258,159          |
|  |  | <b>4,097,889</b> | <b>4,014,132</b> |
| <b>Finance costs</b>   |  |                  |                  |
| Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss |  | 122,983          | 120,631          |
| Lease liabilities  |  | 1,008            | 1,576            |
|  |  | <b>123,991</b>   | <b>122,207</b>   |
| Sundry expenses  |  | 333,323          | 446,131          |
|  |  | <b>333,323</b>   | <b>446,131</b>   |



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

**3. CASH AND CASH EQUIVALENTS**

| Note                                     | 2023<br>\$        | 2022<br>\$       |
|--|-------------------|------------------|
| Cash at bank and on hand                 | 7,578,144         | 2,705,419        |
| Term deposits                            | 7,733,796         | 7,009,271        |
| <b>Total cash and cash equivalents</b>   | <b>15,311,940</b> | <b>9,714,690</b> |
| Held as                                  |                   |                  |
| - Unrestricted cash and cash equivalents | 3,064,879         | 1,910,340        |
| - Restricted cash and cash equivalents   | 12,247,061        | 7,804,350        |
| 17                                       | <b>15,311,940</b> | <b>9,714,690</b> |

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

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

**Restricted financial assets**

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

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

**Other financial assets at amortised cost**

Self supporting loans receivable

Term deposits

Held as

- Unrestricted other financial assets at amortised cost

- Restricted other financial assets at amortised cost

**(b) Non-current assets**

Financial assets at amortised cost

Financial assets at fair value through profit or loss

**Financial assets at amortised cost**

Self supporting loans receivable

**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-Opening balance

| 2023<br>\$     | 2022<br>\$       |
|----------------|------------------|
| 21,042         | 4,303,578        |
| <b>21,042</b>  | <b>4,303,578</b> |
| 21,042         | 0                |
| 0              | 4,303,578        |
| <b>21,042</b>  | <b>4,303,578</b> |
| 21,042         | 0                |
| 0              | 4,303,578        |
| <b>21,042</b>  | <b>4,303,578</b> |
| 223,828        | 0                |
| 142,607        | 124,637          |
| <b>366,435</b> | <b>124,637</b>   |
| 223,827        | 0                |
| 223,827        | 0                |
| 124,637        | 124,637          |
| 17,970         | 0                |
| <b>142,607</b> | <b>124,637</b>   |

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 25(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 22 (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 KATANNING  
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**5. TRADE AND OTHER RECEIVABLES**

**Current**

| Note   | 2023             | 2022             |
|--|------------------|------------------|
|  | \$               | \$               |
| Rates and statutory receivables                  | 1,181,930        | 1,207,909        |
| Trade receivables                                | 497,773          | 849,259          |
| Other receivables                                | 29,276           | 0                |
| GST receivable                                   | 330              | 1,298            |
| Allowance for credit losses of other receivables | (314,582)        | (377,308)        |
|  | <b>1,394,727</b> | <b>1,681,158</b> |
| <b>Non-current</b>                               |                  |                  |
| Rates and statutory receivables                  | 268,323          | 253,149          |
|  | <b>268,323</b>   | <b>253,149</b>   |

**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 KATANNING**  
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**6. INVENTORIES**

|  | Note | 2023          | 2022         |
|--|------|---------------|--------------|
| <b>Current</b>   |      | <b>\$</b>     | <b>\$</b>    |
| Fuel and materials   |      | 20,508        | 4,439        |
|  |      | <b>20,508</b> | <b>4,439</b> |
| The following movements in inventories occurred during the year: |      |               |              |
| <b>Balance at beginning of year</b>                              |      | 4,439         | 11,442       |
| Inventories expensed during the year                             |      | 0             | (201,332)    |
| Additions to inventory   |      | 16,069        | 194,329      |
| <b>Balance at end of year</b>                                    |      | <b>20,508</b> | <b>4,439</b> |

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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



**SHIRE OF KATANNING**  
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**7. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

|   | Land             | Buildings -<br>non-<br>specialised | Buildings -<br>specialised | Total land<br>and<br>buildings<br>not subject<br>to operating<br>lease | Total land<br>and<br>buildings | Furniture<br>and<br>equipment | Plant            | Motor<br>Vehicles | Buildings -<br>work in<br>progress | Equipment      | Paintings<br>and<br>Sculptures | Total<br>property,<br>plant and<br>equipment |
|---|------------------|------------------------------------|----------------------------|--|--------------------------------|-------------------------------|------------------|-------------------|------------------------------------|----------------|--------------------------------|--|
|   | \$               | \$                                 | \$                         | \$   | \$                             | \$                            | \$               | \$                | \$                                 | \$             | \$                             | \$   |
| <b>Balance at 1 July 2021</b>   | <b>3,431,600</b> | <b>4,917,051</b>                   | <b>45,834,673</b>          | <b>54,183,324</b>  | <b>54,183,324</b>              | <b>216,372</b>                | <b>3,288,898</b> | <b>397,452</b>    | <b>1,074</b>                       | <b>574,661</b> | <b>253,400</b>                 | <b>58,915,181</b>                            |
| Additions   | 0                | 133,958                            | 486,456                    | 620,414  | 620,414                        | 0                             | 370,756          | 167,816           | (1,074)                            | 204,790        | 0                              | 1,362,702                                    |
| Disposals   | (16,000)         | 0                                  | (805,186)                  | (821,186)  | (821,186)                      | 0                             | (66,199)         | (18,720)          | 0                                  | 0              | 0                              | (906,105)                                    |
| Revaluation increments / (decrements) transferred<br>to revaluation surplus | 2,316,300        | (1,043,677)                        | 4,444,838                  | 5,717,461  | 5,717,461                      | 0                             | 0                | 0                 | 0                                  | 0              | 0                              | 5,717,461                                    |
| Depreciation  | 0                | (82,332)                           | (1,707,390)                | (1,789,722)  | (1,789,722)                    | (43,391)                      | (518,984)        | (66,537)          | 0                                  | (86,756)       | (946)                          | (2,506,336)                                  |
| Transfers   | 0                | 0                                  | (3,188,900)                | (3,188,900)  | (3,188,900)                    | 4,995                         | 0                | 0                 | 0                                  | 0              | 55,716                         | (3,128,189)                                  |
| <b>Balance at 30 June 2022</b>  | <b>5,731,900</b> | <b>3,925,000</b>                   | <b>45,064,491</b>          | <b>54,721,391</b>  | <b>54,721,391</b>              | <b>177,976</b>                | <b>3,074,471</b> | <b>480,011</b>    | <b>0</b>                           | <b>692,695</b> | <b>308,170</b>                 | <b>59,454,714</b>                            |
| <b>Comprises:</b>   |                  |                                    |                            |  |                                |                               |                  |                   |                                    |                |                                |  |
| Gross balance amount at 30 June 2022  | 5,731,900        | 3,925,000                          | 45,064,491                 | 54,721,391   | 54,721,391                     | 295,017                       | 5,210,677        | 714,244           | 0                                  | 1,372,261      | 312,900                        | 62,626,490                                   |
| Accumulated depreciation at 30 June 2022                                    | 0                | 0                                  | 0                          | 0  | 0                              | (117,041)                     | (2,136,206)      | (234,233)         | 0                                  | (679,566)      | (4,730)                        | (3,171,776)                                  |
| <b>Balance at 30 June 2022</b>  | <b>5,731,900</b> | <b>3,925,000</b>                   | <b>45,064,491</b>          | <b>54,721,391</b>  | <b>54,721,391</b>              | <b>177,976</b>                | <b>3,074,471</b> | <b>480,011</b>    | <b>0</b>                           | <b>692,695</b> | <b>308,170</b>                 | <b>59,454,714</b>                            |
| Additions   | 0                | 106,898                            | 250,993                    | 357,891  | 357,891                        | 0                             | 304,704          | 91,715            | 0                                  | 414,750        | 9,430                          | 1,178,490                                    |
| Disposals   | 0                | 0                                  | 0                          | 0  | 0                              | 0                             | (4,788)          | (28,011)          | 0                                  | 0              | 0                              | (32,799)                                     |
| Depreciation  | 0                | (81,773)                           | (934,317)                  | (1,016,090)  | (1,016,090)                    | (43,557)                      | (523,990)        | (59,178)          | 0                                  | (174,771)      | (2,649)                        | (1,820,235)                                  |
| Transfers   | 0                | 0                                  | 0                          | 0  | 0                              | 0                             | 0                | 0                 | 0                                  | 12,046         | 123,728                        | 135,774                                      |
| <b>Balance at 30 June 2023</b>  | <b>5,731,900</b> | <b>3,950,125</b>                   | <b>44,381,167</b>          | <b>54,063,192</b>  | <b>54,063,192</b>              | <b>134,419</b>                | <b>2,850,397</b> | <b>484,537</b>    | <b>0</b>                           | <b>944,720</b> | <b>438,679</b>                 | <b>58,915,944</b>                            |
| <b>Comprises:</b>   |                  |                                    |                            |  |                                |                               |                  |                   |                                    |                |                                |  |
| Gross balance amount at 30 June 2023  | 5,731,900        | 4,031,898                          | 45,315,484                 | 55,079,282   | 55,079,282                     | 295,017                       | 5,510,593        | 777,948           | 0                                  | 1,799,057      | 446,058                        | 63,907,955                                   |
| Accumulated depreciation at 30 June 2023                                    | 0                | (81,773)                           | (934,317)                  | (1,016,090)  | (1,016,090)                    | (160,598)                     | (2,660,196)      | (293,411)         | 0                                  | (854,337)      | (7,379)                        | (4,992,011)                                  |
| <b>Balance at 30 June 2023</b>  | <b>5,731,900</b> | <b>3,950,125</b>                   | <b>44,381,167</b>          | <b>54,063,192</b>  | <b>54,063,192</b>              | <b>134,419</b>                | <b>2,850,397</b> | <b>484,537</b>    | <b>0</b>                           | <b>944,720</b> | <b>438,679</b>                 | <b>58,915,944</b>                            |



**SHIRE OF KATANNING  
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**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Value Measurements**

| <b>Asset Class</b>   | <b>Fair Value Hierarchy</b> | <b>Valuation Technique</b>  | <b>Basis of Valuation</b> | <b>Date of Last Valuation</b> | <b>Inputs Used</b>  |
|--|-----------------------------|---|---------------------------|-------------------------------|---|
| <b>(i) Fair Value</b>  |                             |   |                           |                               |   |
| <b>Land and buildings</b>  |                             |   |                           |                               |   |
| Land   | 2 & 3                       | Cost approach using current replacement cost  | External Valuer           | June 2022                     | Improvements to land using construction costs and current condition, residual values and remaining useful life assessment |
| Buildings - non-specialised  | 2                           | Market approach using recent or estimated observable market data for similar properties | External Valuer           | June 2022                     | Open market values of similar items adjusted for condition and comparability  |
| Buildings - specialised  | 2 & 3                       | Cost approach using current replacement cost  | External Valuer           | June 2022                     | Construction cost and current condition, residual values and remaining useful life assessments                            |
| Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement. |                             |   |                           |                               |   |
| During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.  |                             |   |                           |                               |   |
| <b>(ii) Cost</b>   |                             |   |                           |                               |   |
| <b>Furniture and equipment</b>   |                             | Not Applicable  | Cost                      | Not Applicable                | Not Applicable  |
| <b>Plant and equipment</b>   |                             | Not Applicable  | Cost                      | Not Applicable                | Not Applicable  |
| <b>Equipment</b>   |                             | Not Applicable  | Cost                      | Not Applicable                | Not Applicable  |
| <b>Paintings and Sculptures</b>  |                             | Not Applicable  | Cost                      | Not Applicable                | Not Applicable  |



**SHIRE OF KATANNING**  
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**8. INFRASTRUCTURE**

**(a) Movements in Balances**

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

|  | Infrastructure -<br>roads | Other<br>infrastructure -<br>footpaths | Other<br>infrastructure -<br>drainage | Other<br>infrastructure -<br>parks & ovals | Other<br>infrastructure -<br>other | Other<br>infrastructure -<br>bridges | Rehabilitation<br>Assets | Total<br>Infrastructure |
|--|---------------------------|--|---------------------------------------|--|------------------------------------|--------------------------------------|--------------------------|-------------------------|
|  | \$                        | \$                                     | \$                                    | \$   | \$                                 | \$                                   | \$                       | \$                      |
| <b>Balance at 1 July 2021</b>                  | <b>119,290,513</b>        | <b>2,019,785</b>                       | <b>9,817,364</b>                      | <b>15,157,700</b>                          | <b>12,187,664</b>                  | <b>334,105</b>                       | <b>66,335</b>            | <b>158,873,466</b>      |
| Additions                                      | 1,437,571                 | 343,972                                | 0                                     | 548,532                                    | 394,888                            | 75,000                               | 0                        | 2,799,963               |
| Depreciation                                   | (2,155,170)               | (123,190)                              | (179,210)                             | (648,105)                                  | (487,474)                          | (10,029)                             | (4,738)                  | (3,607,916)             |
| Transfers                                      | 56,687                    | 0                                      | 0                                     | 149,792                                    | 2,921,710                          | 0                                    |                          | 3,128,189               |
| <b>Balance at 30 June 2022</b>                 | <b>118,629,601</b>        | <b>2,240,567</b>                       | <b>9,638,154</b>                      | <b>15,207,919</b>                          | <b>15,016,788</b>                  | <b>399,076</b>                       | <b>61,597</b>            | <b>161,193,702</b>      |
| <b>Comprises:</b>                              |                           |  |                                       |  |                                    |                                      |                          |                         |
| Gross balance at 30 June 2022                  | 126,892,367               | 2,743,100                              | 10,353,779                            | 17,425,842                                 | 16,372,669                         | 439,192                              | 317,460                  | 174,544,409             |
| Accumulated depreciation at 30 June 2022       | (8,262,766)               | (502,533)                              | (715,625)                             | (2,217,923)                                | (1,355,881)                        | (40,116)                             | (255,863)                | (13,350,707)            |
| <b>Balance at 30 June 2022</b>                 | <b>118,629,601</b>        | <b>2,240,567</b>                       | <b>9,638,154</b>                      | <b>15,207,919</b>                          | <b>15,016,788</b>                  | <b>399,076</b>                       | <b>61,597</b>            | <b>161,193,702</b>      |
| Additions                                      | 1,364,695                 | 143,352                                | 0                                     | 0  | 114,584                            | 38,523                               | 0                        | 1,661,154               |
| Revaluation loss transferred to profit or loss | 0                         | 0                                      | 0                                     | 0  | 0                                  | 0                                    | 0                        | 0                       |
| Depreciation                                   | (1,997,009)               | (137,155)                              | (202,872)                             | (575,207)                                  | (582,445)                          | (14,112)                             | (4,758)                  | (3,513,558)             |
| Transfers                                      | 0                         | 0                                      | 0                                     | (53,424)                                   | (82,350)                           | 0                                    | 0                        | (135,774)               |
| <b>Balance at 30 June 2023</b>                 | <b>117,997,287</b>        | <b>2,246,764</b>                       | <b>9,435,282</b>                      | <b>14,579,288</b>                          | <b>14,466,577</b>                  | <b>423,487</b>                       | <b>56,839</b>            | <b>159,205,524</b>      |
| <b>Comprises:</b>                              |                           |  |                                       |  |                                    |                                      |                          |                         |
| Gross balance at 30 June 2023                  | 128,257,062               | 2,886,452                              | 10,353,779                            | 17,372,418                                 | 16,404,903                         | 477,715                              | 317,460                  | 176,069,789             |
| Accumulated depreciation at 30 June 2023       | (10,259,775)              | (639,688)                              | (918,497)                             | (2,793,130)                                | (1,938,326)                        | (54,228)                             | (260,621)                | (16,864,265)            |
| <b>Balance at 30 June 2023</b>                 | <b>117,997,287</b>        | <b>2,246,764</b>                       | <b>9,435,282</b>                      | <b>14,579,288</b>                          | <b>14,466,577</b>                  | <b>423,487</b>                       | <b>56,839</b>            | <b>159,205,524</b>      |



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**8. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

| <b>Asset Class</b>                              | <b>Fair Value Hierarchy</b> | <b>Valuation Technique</b>                   | <b>Basis of Valuation</b> | <b>Date of Last Valuation</b> | <b>Inputs Used</b>  |
|---|-----------------------------|--|---------------------------|-------------------------------|---|
| <b>(i) Fair Value</b>                           |                             |  |                           |                               |   |
| <b>Infrastructure - roads</b>                   | 3                           | Cost approach using current replacement cost | Management Valuation      | June 2018                     | Construction costs and current condition, residual values and remaining useful life assessments |
| <b>Other infrastructure - footpaths</b>         | 3                           | Cost approach using current replacement cost | Management Valuation      | June 2018                     | Construction costs and current condition, residual values and remaining useful life assessments |
| <b>Other infrastructure - drainage</b>          | 3                           | Cost approach using current replacement cost | Management Valuation      | June 2018                     | Construction costs and current condition, residual values and remaining useful life assessments |
| <b>Other infrastructure - parks &amp; ovals</b> | 3                           | Cost approach using current replacement cost | Management Valuation      | June 2018                     | Construction costs and current condition, residual values and remaining useful life assessments |
| <b>Other infrastructure - other</b>             | 3                           | Cost approach using current replacement cost | Management Valuation      | June 2018                     | Construction costs and current condition, residual values and remaining useful life assessments |
| <b>Other infrastructure - bridges</b>           | 3                           | Cost approach using current replacement cost | Management Valuation      | June 2018                     | Construction costs and current condition, residual values and remaining useful life assessments |

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 KATANNING  
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**9. 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:

| <b>Asset Class</b>                           | <b>Useful life</b> |
|--|--------------------|
| Land - freehold land                         | Not depreciated    |
| Buildings - non-specialised                  | 30 to 50 years     |
| Buildings - specialised                      | 50 to 80 years     |
| Furniture and equipment                      | 4 to 20 years      |
| Plant  | 5 to 15 years      |
| Motor Vehicles                               | 5 to 10 years      |
| Equipment                                    | 5 to 50 years      |
| Paintings and Sculptures                     | Not depreciated    |
| Infrastructure - roads                       | 8 to 85 years      |
| Other infrastructure - footpaths             | 20 years           |
| Other infrastructure - drainage              | 25 to 80 years     |
| Other infrastructure - parks & ovals         | 30 to 75 years     |
| Other infrastructure - other                 | 10 to 100 years    |
| Other infrastructure - bridges               | 25 to 60 years     |
| Other infrastructure - rehabilitation assets | 67 years           |

**Revision of useful lives of plant and equipment**

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



**SHIRE OF KATANNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**9. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

**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 KATANNING**  
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**10. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
 Prepaid rates  
 Accrued payroll liabilities  
 ATO liabilities  
 Bonds and deposits held  
 Accrued interest on loans  
 Amherst refund deposits

| <b>2023</b>      | <b>2022</b>      |
|------------------|------------------|
| <b>\$</b>        | <b>\$</b>        |
| 577,861          | 417,919          |
| 80,947           | 93,396           |
| 92,679           | 83,625           |
| 32,280           | 7,249            |
| 73,410           | 76,352           |
| 17,118           | 15,010           |
| 1,112,890        | 1,216,753        |
| <b>1,987,185</b> | <b>1,910,304</b> |

**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 KATANNING**  
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**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.

|  | Right-of-use<br>assets - Parks &<br>Gardens | Right-of-use assets<br>Total |
|--|---|------------------------------|
| Note   | \$  | \$                           |
| <b>Balance at 1 July 2021</b>                                | <b>50,954</b>                               | <b>50,954</b>                |
| Revaluation (loss) / reversals transferred to profit or loss | (3,682)                                     | (3,682)                      |
| Depreciation   | (17,749)                                    | (17,749)                     |
| <b>Balance at 30 June 2022</b>                               | <b>29,523</b>                               | <b>29,523</b>                |
| Gross balance amount at 30 June 2022                         | 47,272                                      | 47,272                       |
| Accumulated depreciation at 30 June 2022                     | (17,749)                                    | (17,749)                     |
| <b>Balance at 30 June 2022</b>                               | <b>29,523</b>                               | <b>29,523</b>                |
| Depreciation   | (14,221)                                    | (14,221)                     |
| <b>Balance at 30 June 2023</b>                               | <b>15,302</b>                               | <b>15,302</b>                |
| Gross balance amount at 30 June 2023                         | 47,289                                      | 47,289                       |
| Accumulated depreciation at 30 June 2023                     | (31,970)                                    | (31,970)                     |
| <b>Balance at 30 June 2023</b>                               | <b>15,319</b>                               | <b>15,319</b>                |

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<br>Actual  | 2022<br>Actual  |
|---|-----------------|-----------------|
|   | \$              | \$              |
| Depreciation on right-of-use assets                                     | (14,221)        | (17,749)        |
| Finance charge on lease liabilities                                     | (1,015)         | (1,576)         |
| Short-term lease payments recognised as expense                         | 0               | (20,599)        |
| <b>Total amount recognised in the statement of comprehensive income</b> | <b>(15,236)</b> | <b>(39,924)</b> |
| Total cash outflow from leases  | (14,476)        | (21,248)        |
| <b>(b) Lease Liabilities</b>  |                 |                 |
| Current   | 15,095          | 14,578          |
| Non-current   | 955             | 14,933          |
|   | <b>16,050</b>   | <b>29,511</b>   |

**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 25(c).

**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 9 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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**12. OTHER LIABILITIES**

**Current**

Capital grant/contributions liabilities

**Non-current**

Capital grant/contributions liabilities

**Reconciliation of changes in contract liabilities**

Opening balance

Additions

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

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$103,112 (2022: \$399,471)

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.

**Expected satisfaction of capital grant/contribution liabilities**

Less than 1 year

1 to 2 years

2 to 3 years

| 2023             | 2022             |
|------------------|------------------|
| \$               | \$               |
| 103,112          | 491,580          |
| <b>103,112</b>   | <b>491,580</b>   |
| 4,336,743        | 4,211,469        |
| <b>4,336,743</b> | <b>4,211,469</b> |
| 4,703,049        | 4,671,105        |
| 170,571          | 574,820          |
| (451,592)        | (542,876)        |
| <b>4,422,028</b> | <b>4,703,049</b> |
| 103,112          | 491,580          |
| 4,336,743        | 3,211,469        |
| 0                | 1,000,000        |
| <b>4,439,855</b> | <b>4,703,049</b> |

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



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

**13. BORROWINGS**

|                                 | Note         | 2023           |                  |                  | 2022           |                  |                  |
|---------------------------------|--------------|----------------|------------------|------------------|----------------|------------------|------------------|
|                                 |              | Current        | Non-current      | Total            | Current        | Non-current      | Total            |
| <b>Secured</b>                  |              | \$             | \$               | \$               | \$             | \$               | \$               |
| Bank loans                      |              | 284,958        | 3,300,081        | 3,585,039        | 184,158        | 2,958,508        | 3,142,666        |
| <b>Total secured borrowings</b> | <b>25(a)</b> | <b>284,958</b> | <b>3,300,081</b> | <b>3,585,039</b> | <b>184,158</b> | <b>2,958,508</b> | <b>3,142,666</b> |

**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 Katanning. Other loans relate to transferred receivables. Refer to Note 5.

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

**Risk**

Details of individual borrowings required by regulations are provided at Note 25(a).

**SHIRE OF KATANNING**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**14. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual leave

Long service leave

**Total current employee related provisions**

**Non-current provisions**

**Employee benefit provisions**

Long service leave

**Total non-current employee related provisions**

**Total employee related provisions**

|  | <b>2023</b>    | <b>2022</b>    |
|--|----------------|----------------|
|  | <b>\$</b>      | <b>\$</b>      |
|  | 297,782        | 330,951        |
|  | 332,659        | 309,754        |
|  | <b>630,441</b> | <b>640,705</b> |
|  | <b>630,441</b> | <b>640,705</b> |
|  | 100,850        | 120,211        |
|  | <b>100,850</b> | <b>120,211</b> |
|  | <b>100,850</b> | <b>120,211</b> |
|  | <b>731,291</b> | <b>760,916</b> |

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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



**SHIRE OF KATANNING**  
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**15. OTHER PROVISIONS**

|                                       | <b>Make good provisions</b> | <b>Total</b>   |
|---------------------------------------|-----------------------------|----------------|
|                                       | <b>\$</b>                   | <b>\$</b>      |
| <b>Opening balance at 1 July 2022</b> |                             |                |
| Non-current provisions                | 541,835                     | 541,835        |
|                                       | <b>541,835</b>              | <b>541,835</b> |
| Additional provision                  | 31,969                      | 31,969         |
| <b>Balance at 30 June 2023</b>        | <b>573,804</b>              | <b>573,804</b> |
| <b>Comprises</b>                      |                             |                |
| Non-current                           | 573,804                     | 573,804        |
|                                       | <b>573,804</b>              | <b>573,804</b> |

**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.

**Make good provisions Katanning Landfill Site**

Under the licence for the operation of the Katanning landfill site, the Shire has a legal obligation to restore the site.

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

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

**16. REVALUATION SURPLUS**

|  | <b>2023<br/>Opening<br/>Balance</b> | <b>2023<br/>Closing<br/>Balance</b> | <b>2022<br/>Opening<br/>Balance</b> | <b>Total<br/>Movement on<br/>Revaluation</b> | <b>2022<br/>Closing<br/>Balance</b> |
|--|-------------------------------------|-------------------------------------|-------------------------------------|--|-------------------------------------|
|  | <b>\$</b>                           | <b>\$</b>                           | <b>\$</b>                           | <b>\$</b>                                    | <b>\$</b>                           |
| Revaluation surplus - Land - freehold land                 | 8,181,336                           | 8,181,336                           | 5,865,036                           | 2,316,300                                    | 8,181,336                           |
| Revaluation surplus - Buildings - non-specialised          | 5,403,411                           | 5,403,411                           | 6,447,088                           | (1,043,677)                                  | 5,403,411                           |
| Revaluation surplus - Buildings - specialised              | 4,744,578                           | 4,744,578                           | 299,740                             | 4,444,838                                    | 4,744,578                           |
| Revaluation surplus - Furniture and equipment              | 1,773                               | 1,773                               | 1,773                               | 0  | 1,773                               |
| Revaluation surplus - Plant                                | 1,011,022                           | 1,011,022                           | 1,011,022                           | 0  | 1,011,022                           |
| Revaluation surplus - Motor Vehicles                       | 160,555                             | 160,555                             | 160,555                             | 0  | 160,555                             |
| Revaluation surplus - Equipment                            | 579,346                             | 579,346                             | 579,346                             | 0  | 579,346                             |
| Revaluation surplus - Paintings and Sculptures             | 240,066                             | 240,066                             | 240,066                             | 0  | 240,066                             |
| Revaluation surplus - Infrastructure - roads               | 82,408,244                          | 82,408,244                          | 82,408,244                          | 0  | 82,408,244                          |
| Revaluation surplus - Other infrastructure - footpaths     | 1,480,269                           | 1,480,269                           | 1,480,269                           | 0  | 1,480,269                           |
| Revaluation surplus - Other infrastructure - drainage      | 10,454,103                          | 10,454,103                          | 10,454,103                          | 0  | 10,454,103                          |
| Revaluation surplus - Other infrastructure - parks & ovals | 1,487,166                           | 1,487,166                           | 1,487,166                           | 0  | 1,487,166                           |
| Revaluation surplus - Other infrastructure - other         | 4,078,974                           | 4,078,974                           | 4,078,974                           | 0  | 4,078,974                           |
| Revaluation surplus - Other infrastructure - bridges       | 59,826                              | 59,826                              | 59,826                              | 0  | 59,826                              |
|  | <b>120,290,669</b>                  | <b>120,290,669</b>                  | <b>114,573,208</b>                  | <b>5,717,461</b>                             | <b>120,290,669</b>                  |



**SHIRE OF KATANNING**  
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**17. RESTRICTIONS OVER FINANCIAL ASSETS**

|  | Note | 2023<br>Actual<br>\$ | 2022<br>Actual<br>\$ |
|--|------|----------------------|----------------------|
| The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used: |      |                      |                      |
| - Cash and cash equivalents  | 3    | 12,247,061           | 7,804,349            |
| - Financial assets at amortised cost   | 4    | 0                    | 4,303,578            |
|  |      | <b>12,247,061</b>    | <b>12,107,927</b>    |
| The restricted financial assets are a result of the following specific purposes to which the assets may be used:   |      |                      |                      |
| Restricted reserve accounts  | 26   | 7,733,796            | 7,622,153            |
| Contract liabilities   | 12   | 4,439,855            | 4,409,422            |
| Bonds & Deposits Held  | 11   | 73,410               | 76,352               |
| <b>Total restricted financial assets</b>   |      | <b>12,247,061</b>    | <b>12,107,927</b>    |

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

|  |                  |                  |
|--|------------------|------------------|
| Bank overdraft limit                           | 250,000          | 250,000          |
| Bank overdraft at balance date                 | 0                | 0                |
| Credit card limit                              | 65,000           | 65,000           |
| Credit card balance at balance date            | 0                | (633)            |
| <b>Total amount of credit unused</b>           | <b>315,000</b>   | <b>314,367</b>   |
| <b>Loan facilities</b>                         |                  |                  |
| Loan facilities - current                      | 284,958          | 184,158          |
| Loan facilities - non-current                  | 3,300,081        | 2,958,508        |
| <b>Total facilities in use at balance date</b> | <b>3,585,039</b> | <b>3,142,666</b> |
| <b>Unused loan facilities at balance date</b>  | <b>0</b>         | <b>0</b>         |

**SHIRE OF KATANNING**  
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**19. CONTINGENT LIABILITIES**

In compliance with the Contaminated Sites Act 2003 Section 11 , the Shire has identified sites to be possible sources of contamination. Details of those sites are:

1. Katanning Landfill Site - Crown Reserve 6044, Lot 9241 Katanning.  
This site is suspected of being contaminated but has not been assessed at this time.

2. Shire Depot - Lots 727 to 732, and Lot 996 Cullen Street, Katanning  
This site is suspected of being contaminated but has not been assessed at this time.

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation on a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

**20. CAPITAL COMMITMENTS**

Contracted for:

- capital expenditure projects

| <b>2023</b> | <b>2022</b>    |
|-------------|----------------|
| <b>\$</b>   | <b>\$</b>      |
| 0           | 175,069        |
| <b>0</b>    | <b>175,069</b> |

The prior year commitment was for the construction of the Piesse Lake Residential Development, the Saleyard Energy Improvements and Great Southern Aged Accommodation Project.



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**21. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

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

| Note   | 2023<br>Actual<br>\$ | 2023<br>Budget<br>\$ | 2022<br>Actual<br>\$ |
|--|----------------------|----------------------|----------------------|
| President's annual allowance                       | 30,000               | 30,000               | 30,000               |
| President's meeting attendance fees                | 15,000               | 15,000               | 15,000               |
| President's ICT expenses                           | 1,100                | 1,100                | 1,100                |
|  | <b>46,100</b>        | <b>46,100</b>        | <b>46,100</b>        |
| Deputy President's annual allowance                | 7,500                | 7,500                | 7,500                |
| Deputy President's meeting attendance fees         | 15,000               | 15,000               | 15,000               |
| Deputy President's ICT expenses                    | 1,100                | 1,100                | 1,100                |
|  | <b>23,600</b>        | <b>23,600</b>        | <b>23,600</b>        |
| All other council member's meeting attendance fees | 66,155               | 75,000               | 83,794               |
| All other council member's ICT expenses            | 4,871                | 7,500                | 6,144                |
|  | <b>71,026</b>        | <b>82,500</b>        | <b>89,938</b>        |
| 21(b)  | <b>140,726</b>       | <b>152,200</b>       | <b>159,638</b>       |

**(b) Key Management Personnel (KMP) Compensation**

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

| Note                                | 2023<br>Actual<br>\$ | 2022<br>Actual<br>\$ |
|-------------------------------------|----------------------|----------------------|
| Short-term employee benefits        | 520,061              | 570,505              |
| Post-employment benefits            | 61,668               | 64,907               |
| Employee - other long-term benefits | 68,505               | 64,067               |
| Employee - termination benefits     | 0                    | 22,533               |
| Council member costs                | 140,726              | 159,638              |
| 21(a)                               | <b>790,960</b>       | <b>881,650</b>       |

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

**21. RELATED PARTY TRANSACTIONS**

**Transactions with related parties**

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

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

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

|  | <b>2023<br/>Actual</b> | <b>2022<br/>Actual</b> |
|--|------------------------|------------------------|
|  | <b>\$</b>              | <b>\$</b>              |
| Sale of goods and services                       | 20,364                 | 19,955                 |
| Purchase of goods and services                   | 25,480                 | 70,121                 |
| <b>Amounts outstanding from related parties:</b> |                        |                        |
| Trade and other receivables                      | 0                      | 1,297                  |

**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 21(a) and 21(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 prior year.

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

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



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

**22. 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.

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**23. RATING INFORMATION**

**(a) General Rates**

| <b>RATE TYPE</b>  |                           | <b>Rate in</b> | <b>Number of Properties</b> | <b>2022/23 Actual Rateable Value*</b> | <b>2022/23 Actual Rate Revenue</b> | <b>2022/23 Actual Interim Rates</b> | <b>2022/23 Actual Total Revenue</b> | <b>2022/23 Budget Rate Revenue</b> | <b>2022/23 Budget Interim Rate</b> | <b>2022/23 Budget Total Revenue</b> | <b>2021/22 Actual Total Revenue</b> |
|---|---------------------------|----------------|-----------------------------|---------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| <b>Rate Description</b>   | <b>Basis of valuation</b> | <b>\$</b>      |                             | <b>\$</b>                             | <b>\$</b>                          | <b>\$</b>                           | <b>\$</b>                           | <b>\$</b>                          | <b>\$</b>                          | <b>\$</b>                           | <b>\$</b>                           |
| Gross Rental Value  | Gross rental valuation    | 0.115650       | 1,200                       | 20,303,639                            | 2,265,175                          | (27,306)                            | 2,237,869                           | 2,265,175                          | 1,000                              | 2,266,175                           | 2,135,151                           |
| Unimproved Value  | Unimproved valuation      | 0.008667       | 202                         | 185,874,000                           | 1,610,970                          | 7,459                               | 1,618,429                           | 1,610,970                          | 2,000                              | 1,612,970                           | 1,516,606                           |
| <b>Total general rates</b>                                      |                           |                | <b>1,402</b>                | <b>206,177,639</b>                    | <b>3,876,145</b>                   | <b>(19,847)</b>                     | <b>3,856,298</b>                    | <b>3,876,145</b>                   | <b>3,000</b>                       | <b>3,879,145</b>                    | <b>3,651,757</b>                    |
| <b>Minimum payment</b>  |                           |                |                             |                                       |                                    |                                     |                                     |                                    |                                    |                                     |                                     |
| <b>Minimum payment</b>  |                           |                |                             |                                       |                                    |                                     |                                     |                                    |                                    |                                     |                                     |
| Gross Rental Value  | Gross rental valuation    | 1,078          | 607                         | 3,897,537                             | 654,346                            | 0                                   | 654,346                             | 654,346                            | 0                                  | 654,346                             | 626,070                             |
| Unimproved Value  | Unimproved valuation      | 1,078          | 131                         | 8,386,480                             | 141,218                            | 0                                   | 141,218                             | 141,218                            | 0                                  | 141,218                             | 132,340                             |
| <b>Total minimum payments</b>                                   |                           |                | <b>738</b>                  | <b>12,284,017</b>                     | <b>795,564</b>                     | <b>0</b>                            | <b>795,564</b>                      | <b>795,564</b>                     | <b>0</b>                           | <b>795,564</b>                      | <b>758,410</b>                      |
| <b>Total general rates and minimum payments</b>                 |                           |                | <b>2,140</b>                | <b>218,461,656</b>                    | <b>4,671,709</b>                   | <b>(19,847)</b>                     | <b>4,651,862</b>                    | <b>4,671,709</b>                   | <b>3,000</b>                       | <b>4,674,709</b>                    | <b>4,410,167</b>                    |
| <b>Ex-gratia Rates</b>  |                           |                |                             |                                       |                                    |                                     |                                     |                                    |                                    |                                     |                                     |
| CBH   | Unimproved valuation      |                | 1                           | 0                                     | 0                                  | 0                                   | 4,799                               | 4,670                              | 0                                  | 4,670                               | 4,532                               |
| <b>Total amount raised from rates (excluding general rates)</b> |                           |                | <b>1</b>                    | <b>0</b>                              | <b>0</b>                           | <b>0</b>                            | <b>4,799</b>                        | <b>4,670</b>                       | <b>0</b>                           | <b>4,670</b>                        | <b>4,532</b>                        |
| Discounts   |                           |                |                             |                                       |                                    |                                     | (3,100)                             |                                    |                                    | (2,000)                             | (9,106)                             |
| Concessions   |                           |                |                             |                                       |                                    |                                     |                                     |                                    |                                    |                                     | (542)                               |
| <b>Total Rates</b>  |                           |                |                             |                                       |                                    |                                     | <b>4,653,561</b>                    |                                    |                                    | <b>4,677,379</b>                    | <b>4,405,051</b>                    |
| Rate instalment interest  |                           |                |                             |                                       |                                    |                                     | 11,789                              |                                    |                                    | 0                                   | 11,716                              |
| Rate overdue interest   |                           |                |                             |                                       |                                    |                                     | 70,488                              |                                    |                                    | 0                                   | 59,799                              |

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 KATANNING**  
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**24. DETERMINATION OF SURPLUS OR DEFICIT**

| Note  | 2022/23                                      |   |   |  |
|---|--|---|---|--|
|   | 2022/23<br>(30 June 2023<br>Carried Forward) | Budget<br>(30 June 2023<br>Carried Forward) | 2022/23<br>(1 July 2022<br>Brought Forward) | 2021/22<br>(30 June 2022<br>Carried Forward) |
|   | \$   | \$  | \$  | \$   |
| <b>(a) Non-cash amounts excluded from operating activities</b>  |  |   |   |  |
| The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .   |  |   |   |  |
| <b>Adjustments to operating activities</b>  |  |   |   |  |
| Less: Profit on asset disposals   | (37,247)                                     | (174,214)                                   | (110,877)                                   | (110,877)                                    |
| Less: Fair value adjustments to financial assets at fair value through profit or loss   | 4(a) 0                                       | 94,990                                      | 0   | 0  |
| Add: Loss on disposal of assets   | 0  | 59,016                                      | 815,454                                     | 815,454                                      |
| Add: Depreciation   | 5,347,988                                    | 6,125,895                                   | 6,132,001                                   | 6,132,001                                    |
| Less: Movement in Amherst deposits  | (103,854)                                    | 0   | 0   | 34,597                                       |
| Add: Termination of rights of use assets  | 0  | 0   | 0   | 3,683  |
| Less: Movement in employee benefits provisions  | (10,264)                                     | 0   | 0   | (30,692)                                     |
| Non-cash movements in non-current assets and liabilities:   | 0  | 0   | 0   | 0  |
| Financial assets at amortised cost - self supporting loan   | (223,828)                                    | 0   | 0   | 0  |
| Pensioner deferred rates  | (15,174)                                     | 0   | (26,008)                                    | (26,008)                                     |
| Loss on revaluation of non-current assets   | 0  | 0   | 0   | 0  |
| Employee benefit provisions   | (19,361)                                     | 0   | 6,651                                       | 6,651  |
| Other provisions  | 31,969                                       | 0   | 31,152                                      | 31,152                                       |
| Contract liabilities  | 125,274                                      | 0   | (89,075)                                    | (89,075)                                     |
| Trade and other payables  | 0  | 0   | (10,000)                                    | (10,000)                                     |
| <b>Non-cash amounts excluded from operating activities</b>  | <b>5,095,503</b>                             | <b>6,105,687</b>                            | <b>6,749,298</b>                            | <b>6,756,886</b>                             |
| <b>(b) Surplus or deficit after imposition of general rates</b>   |  |   |   |  |
| The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates. |  |   |   |  |
| <b>Adjustments to net current assets</b>  |  |   |   |  |
| Less: Reserve accounts  | 26 (7,733,796)                               | (5,777,140)                                 | (7,622,153)                                 | (7,622,153)                                  |
| Less: Financial assets at amortised cost - self supporting loans  | 4(a) 0                                       | 250,000                                     | 0   | 0  |
| Less: Current assets not expected to be received at end of year   |  |   |   |  |
| - Amherst deposits  | 10 1,112,890                                 | 0   | 1,216,754                                   | 1,216,754                                    |
| - Local Government House Equity   | 4(b) 142,607                                 | 0   | 124,637                                     | 124,637                                      |
| Add: Current liabilities not expected to be cleared at end of year  |  |   |   |  |
| - Current portion of borrowings   | 13 284,958                                   | 639,000                                     | 184,158                                     | 184,158                                      |
| - Current portion of lease liabilities  | 11(b) 15,095                                 | 7,054                                       | 14,578                                      | 14,578                                       |
| - Employee benefit provisions   | 14 630,441                                   | 640,705                                     | 640,705                                     | 640,705                                      |
| <b>Total adjustments to net current assets</b>  | <b>(5,547,805)</b>                           | <b>(4,240,381)</b>                          | <b>(5,441,321)</b>                          | <b>(5,441,321)</b>                           |
| <b>Net current assets used in the Statement of Financial Activity</b>   |  |   |   |  |
| Total current assets  | 16,748,217                                   | 10,688,805                                  | 15,703,865                                  | 15,703,865                                   |
| Less: Total current liabilities   | (3,020,791)                                  | (7,586,218)                                 | (3,241,325)                                 | (3,241,325)                                  |
| Less: Total adjustments to net current assets   | (5,547,805)                                  | (4,240,381)                                 | (5,441,321)                                 | (5,441,321)                                  |
| <b>Surplus or deficit after imposition of general rates</b>   | <b>8,179,621</b>                             | <b>(1,137,794)</b>                          | <b>7,021,219</b>                            | <b>7,021,219</b>                             |

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**25. BORROWING AND LEASE LIABILITIES**

**(a) Borrowings**

| Purpose                            | Note      | Actual           |                |                           |                  |                |                           |                  | Budget           |                |                           |                  |
|------------------------------------|-----------|------------------|----------------|---------------------------|------------------|----------------|---------------------------|------------------|------------------|----------------|---------------------------|------------------|
|                                    |           | Principal at     | New Loans      | Principal                 | Principal at 30  | New Loans      | Principal                 | Principal at     | Principal at 1   | New Loans      | Principal                 | Principal at     |
|                                    |           | 1 July 2021      | During 2021-22 | Repayments During 2021-22 | June 2022        | During 2022-23 | Repayments During 2022-23 | 30 June 2023     | July 2022        | During 2022-23 | Repayments During 2022-23 | 30 June 2023     |
|                                    |           | \$               | \$             | \$                        | \$               | \$             | \$                        | \$               | \$               | \$             | \$                        | \$               |
| 158 Administration Building        |           | 2,233,870        | 0              | (95,601)                  | 2,138,269        | 0              | (99,268)                  | 2,039,001        | 2,138,269        | 0              | (99,268)                  | 2,039,001        |
| 159 Aged & Key Worker Accom        |           | 688,506          | 0              | (43,411)                  | 645,095          | 0              | (43,982)                  | 601,113          | 645,095          | 0              | (43,982)                  | 601,113          |
| 156 Road Sweeper                   |           | 61,243           | 0              | (61,243)                  | 0                | 0              | 0                         | 0                | 0                | 0              | 0                         | 0                |
| 157 Tipping Truck                  |           | 39,946           | 0              | (39,946)                  | 0                | 0              | 0                         | 0                | 0                | 0              | 0                         | 0                |
| 160 Water Cart                     |           | 161,846          | 0              | (16,415)                  | 145,431          | 0              | (16,558)                  | 128,873          | 145,431          | 0              | (16,558)                  | 128,873          |
| 161 CAT Grader                     |           | 238,009          | 0              | (24,138)                  | 213,871          | 0              | (24,350)                  | 189,521          | 213,871          | 0              | (24,350)                  | 189,521          |
| 163 Road Sweeper                   |           | 0                | 0              | 0                         | 0                | 210,000        | (9,626)                   | 200,374          | 0                | 210,000        | 0                         | 210,000          |
| 164 Prime Mover                    |           | 0                | 0              | 0                         | 0                | 190,000        | (8,710)                   | 181,290          | 0                | 190,000        | 0                         | 190,000          |
| <b>Total</b>                       |           | <b>3,423,420</b> | <b>0</b>       | <b>(280,754)</b>          | <b>3,142,666</b> | <b>400,000</b> | <b>(202,494)</b>          | <b>3,340,172</b> | <b>3,142,666</b> | <b>400,000</b> | <b>(184,158)</b>          | <b>3,358,508</b> |
| <b>Self Supporting Loans</b>       |           |                  |                |                           |                  |                |                           |                  |                  |                |                           |                  |
| 162 Katanning Country Club         |           | 0                | 0              | 0                         | 0                | 250,000        | (5,133)                   | 244,867          | 0                | 250,000        | (11,000)                  | 239,000          |
| <b>Total Self Supporting Loans</b> |           | <b>0</b>         | <b>0</b>       | <b>0</b>                  | <b>0</b>         | <b>250,000</b> | <b>(5,133)</b>            | <b>244,867</b>   | <b>0</b>         | <b>250,000</b> | <b>(11,000)</b>           | <b>239,000</b>   |
| <b>Total Borrowings</b>            | <b>13</b> | <b>3,423,420</b> | <b>0</b>       | <b>(280,754)</b>          | <b>3,142,666</b> | <b>650,000</b> | <b>(207,627)</b>          | <b>3,585,039</b> | <b>3,142,666</b> | <b>650,000</b> | <b>(195,158)</b>          | <b>3,597,508</b> |

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost.

All other loan repayments were financed by general purpose revenue.

**Borrowing Finance Cost Payments**

| Purpose  | Note | Loan Number | Institution | Interest Rate | Date final payment is due | Actual for year ending 30 June 2023 | Budget for year ending 30 June 2023 | Actual for year ending 30 June 2022 |
|--|------|-------------|-------------|---------------|---------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  |      |             |             |               |                           | \$                                  | \$                                  | \$                                  |
| 158 Administration Building                              |      | 158         | WATC        | 3.80%         | 2/05/2038                 | (94,388)                            | (95,003)                            | (98,758)                            |
| 159 Aged & Key Worker Accom                              |      | 159         | WATC        | 1.31%         | 6/11/2035                 | (12,617)                            | (12,704)                            | (13,494)                            |
| 156 Road Sweeper   |      | 156         | WATC        | 2.42%         | 29/12/2021                | 0                                   | 0                                   | (1,426)                             |
| 157 Tipping Truck  |      | 157         | WATC        | 2.42%         | 29/06/2022                | 0                                   | 0                                   | (930)                               |
| 160 Water Cart   |      | 160         | WATC        | 0.87%         | 6/11/2030                 | (3,317)                             | (2,202)                             | (2,438)                             |
| 161 CAT Grader   |      | 161         | WATC        | 0.87%         | 6/11/2030                 | (3,001)                             | (3,237)                             | (3,585)                             |
| 163 Road Sweeper   |      | 163         | WATC        | 3.62%         | 17/02/2028                | (2,179)                             | 0                                   |                                     |
| 164 Prime Mover  |      | 164         | WATC        | 3.62%         | 17/02/2028                | (3,205)                             | 0                                   |                                     |
| <b>Total</b>   |      |             |             |               |                           | <b>(118,707)</b>                    | <b>(113,146)</b>                    | <b>(120,631)</b>                    |
| <b>Self Supporting Loans Finance Cost Payments</b>       |      |             |             |               |                           |                                     |                                     |                                     |
| 162 Katanning Country Club                               |      | 162         | WATC        | 3.93%         | 17/02/2033                | (4,269)                             | (4,900)                             |                                     |
| <b>Total Self Supporting Loans Finance Cost Payments</b> |      |             |             |               |                           | <b>(4,269)</b>                      | <b>(4,900)</b>                      | <b>0</b>                            |
| <b>Total Finance Cost Payments</b>                       |      |             |             |               |                           | <b>(122,976)</b>                    | <b>(118,046)</b>                    | <b>(120,631)</b>                    |

\* WA Treasury Corporation



**SHIRE OF KATANNING**  
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**25. 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      |                          |                        |
|                              |             |           |            | %             | \$              | \$             | \$               | \$               | \$                       | \$                     |
| 162 - Katanning Country Club | WATC        | Debenture | 10         | 3.93%         | 250,000         | 250,000        | (250,000)        | (250,000)        | 100,540                  | 0                      |
| 163 - Road Sweeper           | WATC        | Debenture | 5          | 3.62%         | 210,000         | 210,000        | (210,000)        | (210,000)        | 101,560                  | 0                      |
| 164 - Prime Mover            | WATC        | Debenture | 5          | 3.62%         | 190,000         | 190,000        | (190,000)        | (190,000)        | 101,570                  | 0                      |
|                              |             |           |            |               | <b>650,000</b>  | <b>650,000</b> | <b>(650,000)</b> | <b>(650,000)</b> | <b>303,670</b>           | <b>0</b>               |

\* WA Treasury Corporation

**(c) Lease Liabilities**

| Purpose                        | Note         | Actual                   |                           |                                     |                           |                           |                                     |                           | Budget                   |                           |                                     |                           |
|--------------------------------|--------------|--------------------------|---------------------------|-------------------------------------|---------------------------|---------------------------|-------------------------------------|---------------------------|--------------------------|---------------------------|-------------------------------------|---------------------------|
|                                |              | Principal at 1 July 2021 | New Leases During 2021-22 | Principal Repayments During 2021-22 | Principal at 30 June 2022 | New Leases During 2022-23 | Principal Repayments During 2022-23 | Principal at 30 June 2023 | Principal at 1 July 2022 | New Leases During 2022-23 | Principal Repayments During 2022-23 | Principal at 30 June 2023 |
| CESM Vehicle 1HCG001           |              | 40,208                   | 0                         | (14,956)                            | 25,252                    | 0                         | (9,202)                             | 16,050                    | 43,306                   | 0                         | (11,503)                            | 31,803                    |
| CESM Vehicle 1GBH581           |              | 3,151                    | 0                         | 0                                   | 3,151                     | 0                         | (3,151)                             | 0                         | 0                        | 0                         | 0                                   | 0                         |
| LCDC Vehicle                   |              | 310                      | 0                         | (310)                               | 0                         | 0                         | 0                                   | 0                         | 310                      | 0                         | 0                                   | 310                       |
| Matric Spin Bicycles           |              | 5,514                    | 0                         | (4,406)                             | 1,108                     | 0                         | (1,108)                             | 0                         | 5,567                    | 0                         | 0                                   | 5,567                     |
| <b>Total Lease Liabilities</b> | <b>11(b)</b> | <b>49,183</b>            | <b>0</b>                  | <b>(19,672)</b>                     | <b>29,511</b>             | <b>0</b>                  | <b>(13,461)</b>                     | <b>16,050</b>             | <b>49,183</b>            | <b>0</b>                  | <b>(11,503)</b>                     | <b>37,680</b>             |

**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 |
|------------------------------------|------|--------------|--|---------------|---------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------|
|                                    |      |              |  |               |                           | \$                                  | \$                                  | \$                                  |            |
| CESM Vehicle 1HCG001               |      | 491912/001   | SG Fleet Australia P/L                 | 26.70%        | 11/08/2024                | (1,008)                             | 0                                   | (1,436)                             | 48 months  |
| LCDC Vehicle                       |      | 1706081/1    | Custom Service Leasing Ltd             | 25.00%        |                           | 0                                   | 0                                   | (1)                                 | 24 months  |
|                                    |      |              | Maia Financial Pty Ltd T/A All Leasing | n/a           |                           |                                     |                                     |                                     |            |
| Matric Spin Bicycles               |      | 41           |  |               |                           | (7)                                 | 0                                   | (139)                               | 60 months  |
| <b>Total Finance Cost Payments</b> |      |              |  |               |                           | <b>(1,015)</b>                      | <b>0</b>                            | <b>(1,576)</b>                      |            |

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

**26. RESERVE ACCOUNTS**

|  | 2023<br>Actual<br>Opening<br>Balance | 2023<br>Actual<br>Transfer to | 2023<br>Actual<br>Transfer<br>(from) | 2023<br>Actual<br>Closing<br>Balance | 2023<br>Budget<br>Opening<br>Balance | 2023<br>Budget<br>Transfer to | 2023<br>Budget<br>Transfer<br>(from) | 2023<br>Budget<br>Closing<br>Balance | 2022<br>Actual<br>Opening<br>Balance | 2022<br>Actual<br>Transfer to | 2022<br>Actual<br>Transfer<br>(from) | 2022<br>Actual<br>Closing<br>Balance |
|--|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|
|  | \$                                   | \$                            | \$                                   | \$                                   | \$                                   | \$                            | \$                                   | \$                                   | \$                                   | \$                            | \$                                   | \$                                   |
| <b>Restricted by council</b>                       |                                      |                               |                                      |                                      |                                      |                               |                                      |                                      |                                      |                               |                                      |                                      |
| (a) Leave reserve                                  | 745,770                              | 25,051                        | (26,798)                             | 744,023                              | 745,770                              | 595                           | 0                                    | 746,365                              | 775,181                              | 1,064                         | (30,475)                             | 745,770                              |
| (b) Plant Replacement Reserve                      | 393,787                              | 117,799                       | 0                                    | 511,586                              | 393,788                              | 103,890                       | (300,000)                            | 197,678                              | 729,638                              | 740                           | (336,591)                            | 393,787                              |
| (c) Amherst Village Building Maintenance Reserve   | 23,348                               | 158,408                       | 0                                    | 181,756                              | 23,348                               | 156,020                       | (40,000)                             | 139,368                              | 53,310                               | 38                            | (30,000)                             | 23,348                               |
| (d) Amherst Village Refundable Deposit Reserve     | 1,292,805                            | 42,233                        | (156,000)                            | 1,179,038                            | 1,292,804                            | 990                           | (156,000)                            | 1,137,794                            | 1,211,050                            | 81,755                        | 0                                    | 1,292,805                            |
| (e) Old Saleyards Reserve                          | 964,277                              | 31,975                        | (80,365)                             | 915,887                              | 964,277                              | 790                           | (470,365)                            | 494,702                              | 1,049,033                            | 1,410                         | (86,166)                             | 964,277                              |
| (f) Waste Management Reserve                       | 424,260                              | 14,390                        | 0                                    | 438,650                              | 424,260                              | 325                           | (44,000)                             | 380,585                              | 433,677                              | 583                           | (10,000)                             | 424,260                              |
| (g) Land & Building Reserve                        | 1,659,553                            | 105,352                       | (157,287)                            | 1,607,621                            | 1,659,556                            | 51,325                        | (1,194,122)                          | 516,759                              | 2,276,547                            | 192,799                       | (809,793)                            | 1,659,553                            |
| (h) Land & Building Facilities for Seniors Reserve | 339,310                              | 25,018                        | 0                                    | 364,328                              | 339,310                              | 260                           | 0                                    | 339,570                              | 398,768                              | 477                           | (59,935)                             | 339,310                              |
| (i) Regional Sheep Saleyards Reserve               | 765,926                              | 11,509                        | (92,705)                             | 684,730                              | 765,925                              | 140,515                       | (92,525)                             | 813,915                              | 750,533                              | 100,930                       | (85,537)                             | 765,926                              |
| (j) Christmas Decoration Reserve                   | 50,990                               | 11,821                        | 0                                    | 62,811                               | 50,990                               | 10,040                        | (50,000)                             | 11,030                               | 40,922                               | 10,068                        | 0                                    | 50,990                               |
| (k) GRV Revaluation Reserve                        | 51,531                               | 11,839                        | 0                                    | 63,370                               | 51,530                               | 10,040                        | 0                                    | 61,570                               | 41,462                               | 10,069                        | 0                                    | 51,531                               |
| (l) Quartermaine Oval Reserve                      | 247,190                              | 58,840                        | 0                                    | 306,030                              | 247,190                              | 50,190                        | 0                                    | 297,380                              | 196,861                              | 50,329                        | 0                                    | 247,190                              |
| (m) KLC Facilities Reserve                         | 256,896                              | 58,286                        | (89,394)                             | 225,788                              | 256,896                              | 50,200                        | (101,000)                            | 206,096                              | 206,554                              | 50,342                        | 0                                    | 256,896                              |
| (n) Election Reserve                               | 23,355                               | 10,883                        | 0                                    | 34,238                               | 23,354                               | 10,020                        | 0                                    | 33,374                               | 19,880                               | 10,031                        | (6,556)                              | 23,355                               |
| (o) Library Building Reserve                       | 14,860                               | 3,027                         | 0                                    | 17,887                               | 14,859                               | 2,510                         | 0                                    | 17,369                               | 12,340                               | 2,520                         | 0                                    | 14,860                               |
| (p) Community & Economic Development Reserve       | 261,887                              | 8,883                         | 0                                    | 270,770                              | 261,887                              | 200                           | 0                                    | 262,087                              | 269,027                              | 360                           | (7,500)                              | 261,887                              |
| (q) Lake Ewlyamartup Facilities Reserve            | 15,020                               | 5,555                         | 0                                    | 20,575                               | 15,020                               | 5,010                         | 0                                    | 20,030                               | 10,000                               | 5,020                         | 0                                    | 15,020                               |
| (r) Parks & Playgrounds Reserve                    | 45,644                               | 16,685                        | 0                                    | 62,329                               | 45,644                               | 15,035                        | 0                                    | 60,679                               | 30,584                               | 15,060                        | 0                                    | 45,644                               |
| (s) Katanning Aquatic Centre Reserve               | 45,644                               | 16,185                        | (54,869)                             | 6,960                                | 45,644                               | 15,035                        | (55,000)                             | 5,679                                | 30,584                               | 15,060                        | 0                                    | 45,644                               |
| (t) Housing Reserve                                | 100                                  | 35,322                        | 0                                    | 35,422                               | 100                                  | 35,010                        | 0                                    | 35,110                               | 0                                    | 100                           | 0                                    | 100                                  |
|  | 7,622,153                            | 769,061                       | (657,418)                            | 7,733,796                            | 7,622,152                            | 658,000                       | (2,503,012)                          | 5,777,140                            | 8,535,951                            | 548,755                       | (1,462,553)                          | 7,622,153                            |
|  | 7,622,153                            | 769,061                       | (657,418)                            | 7,733,796                            | 7,622,152                            | 658,000                       | (2,503,012)                          | 5,777,140                            | 8,535,951                            | 548,755                       | (1,462,553)                          | 7,622,153                            |

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

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



## 26. RESERVE ACCOUNTS (Cont'd )

| Name of reserve account                            | Purpose of the Reserve account  |
|--|---|
| <b>Restricted by council</b>                       |   |
| (a) Leave reserve                                  | To be used to fund accrued employee leave entitlements.                                   |
| (b) Plant Replacement Reserve                      | To be used for future plant purchases.  |
| (c) Amherst Village Building Maintenance Reserve   | To be used for maintenance of Amherst Village.  |
| (d) Amherst Village Refundable Deposit Reserve     | To be used to fund refundable deposits at Amherst Village.                                |
| (e) Old Saleyards Reserve                          | To be used for future capital and maintenance works.                                      |
| (f) Waste Management Reserve                       | To be used for capital and maintenance works.   |
| (g) Land & Building Reserve                        | To provide for construction and maintenance of council owned buildings.                   |
| (h) Land & Building Facilities for Seniors Reserve | To be used for construction and maintenance of land and buildings for the use of seniors. |
| (i) Regional Sheep Saleyards Reserve               | To be used for capital and maintenance works.   |
| (j) Christmas Decoration Reserve                   | To be used to fund significant Christmas decoration purchases.                            |
| (k) GRV Revaluation Reserve                        | To be used to fund quinquennial gross rental value revaluations.                          |
| (l) Quartermaine Oval Reserve                      | To be used to fund future maintenance and upgrades of Quartermaine Oval.                  |
| (m) KLC Facilities Reserve                         | To be used to fund future maintenance and upgrades to the KLC buildings and grounds.      |
| (n) Election Reserve                               | To be used for biannual councillor elections.   |
| (o) Library Building Reserve                       | To be used to fund future maintenance and upgrades to the library building.               |
| (p) Community & Economic Development Reserve       | To be used for Community and Economic Development Projects.                               |
| (q) Lake Ewlyamartup Facilities Reserve            | To be used to fund facilities at Lake Ewlyamartup.  |
| (r) Parks & Playgrounds Reserve                    | To be used to fund future maintenance and upgrades.                                       |
| (s) Katanning Aquatic Centre Reserve               | To be used to fund future maintenance and upgrades to the KLC Aquatic Centre.             |
| (t) Housing Reserve                                | To be used to fund future housing maintenance and upgrades                                |



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2023 Shire of Katanning

To the Council of the Shire of Katanning

#### Qualified Opinion

I have audited the financial report of the Shire of Katanning (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, except for the possible effects of the matters described in the Basis for Qualified Opinion section of my report, 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 qualified opinion

##### Infrastructure

Infrastructure amounting to \$159,205,524 in the statement of financial position as at 30 June 2023 has not been revalued with sufficient regularity, as required by Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996 since 2017-18. Consequently, I was unable to determine the extent to which the carrying amount of Infrastructure is misstated, as it was impracticable to do so. Additionally, I am unable to determine whether there may be any consequential impact on the Revaluation Surplus as at 30 June 2023.

##### Buildings

The buildings depreciation expense of \$1,016,090 reported in Note 7(a) of the financial report for year ended 30 June 2023 did not reflect the expected pattern of the future economic benefits of these assets. The Shire did not update rates of depreciation for the year ended 30 June 2023. If the Shire had updated the rates, buildings depreciation would have increased by \$1,259,134. Buildings and Retained Surplus at 30 June 2023 would have decreased by \$1,259,134 and the Net result for the period would have decreased by \$1,259,134.



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

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

### **Other information**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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