

Annual Report

2022–2023

Shire of EAST
Pilbara
THE HEART OF THE PILBARA



Acknowledgement

The Shire of East Pilbara acknowledges the Traditional Owners throughout this vast region and their continuing connection to the land, waters and community.

We pay our respects to the members of these Aboriginal communities, their cultures, and to their Elders past, present and emerging.





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Cover photo: Joshua Williams



Introduction

The 2022/2023 Annual Report gives a snapshot of the Shire of East Pilbara and an update for the community and other key stakeholders on how the Shire and its Council is progressing plans and projects for the future of our vast District.

The following chapters include:

- an overview of the highlights, opportunities and challenges for the past year;
- a summary of the Shire and its Council's performance;
- a detailed breakdown of the Shire's financial performance for 2022/23;
- information required by section 5.53 of the *Local Government Act 1995* and prescribed by the *Local Government (Administration) Regulations 1996*, including an overview of the Plan for the Future and major initiatives proposed to commence or to continue in the next financial year.

The Shire's 2022/23 Annual Report outlines the organisation's efforts in implementing the priorities of the Shire of East Pilbara Strategic Community Plan 2022-32, which was adopted by Council in May 2022. The Plan articulates our community's priorities and aspirations for the Shire, and form the strategic basis for the organisation's direction.

Council has outlined specific strategies to meet the key issues and challenges identified by our communities, covering the following themes:

1. Economic
2. Social
3. Built Environment
4. Natural Environment
5. Governance

The Council has selected key infrastructure and service delivery projects to support the achievement of the community strategic vision for the future. Collaborating with our community, industry and government partners, delivery of these projects will work towards achieving the outcomes identified in the community's vision to help meet the challenges of the future.

Further information about the Integrated Planning and Reporting Framework for local government is available at <https://www.dlgsc.wa.gov.au/local-government/strengthening-local-government/integrated-planning-and-reporting>



Scan the QR code
to download the Shire's
Strategic Community Plan
2022-32

About us

The District of East Pilbara is Australia's largest Local Government Area, covering a vast land area of 372,571 square kilometres in the north-west of Australia. The District is located within the traditional lands of the Lappi Lappi, Ngulupi, Ngururrpa, Ngurra Kayata, Ngurrara, Martu, Kulyakartu, Ngangumarta, Ngarla, Nyamal, Palyku, Pintupi and Nyiyaparli peoples.

The Shire of East Pilbara acknowledges that the local Aboriginal People are the Traditional Owners and Custodians of the land. The 2021 census indicated that the District has a relatively high proportion of Aboriginal and Torres Strait Islander peoples residing in the community at 17.9%. This compares with the WA state average of 3.3%. 21.6% of the Shire's population was born overseas (2021 Census Data).

By road, the largest town, Newman, is approximately ten hours from Perth, four hours from Port Hedland, six hours from Karratha, ten hours from Broome and 24 hours from Kiwirrkurra, the most easterly community within the District.

The District consists of the townships of Newman, Marble Bar and Nullagine and First Nations communities of Goodabinya, Irrungadji, Jigalong, Kiwirrkurra, Kunawarritji, Parnngurr, Punmu and Warralong. The boundaries of the District extend from Cape Keraurdren and Pardoo on the western coastline of the Indian Ocean, across the breadth of Western Australia to the Northern Territory border and Wilkinkarra (Lake Mackay), including Karlamilyi National Park.



Shire of EAST Pilbara



Est. **1972**



372,571 km²



3,047 km
of unsealed roads



263 km
of sealed roads



21.6%
of our Shire's population
was born overseas



17.9%
Aboriginal and/or Torres Strait
Islander population

President's Report

I am pleased to present the Shire of East Pilbara 2022/23 Annual Report, the final annual report for the current Council term prior to the October 2023 ordinary local government election.

Our long-term strategic planning has identified infrastructure and service needs which will help encourage community growth, and our sustainable management of these assets going forward. The 2022/23 Shire of East Pilbara Annual Report details progress against those identified infrastructure and service needs, and the performance of the Shire and its Council against other key measures.

The last financial year has been one of considerable opportunity, consolidated efforts to secure funding and policy change from the State and Federal Governments, together with a range of significant challenges.

The appearance over the horizon of Cyclone Ilsa in April 2023 served as a reminder as to why the Shire and its communities must be prepared for the emerging consequences of climate change. Mercifully no lives were lost but significant damage was inflicted on communities and the people and businesses they support. The Shire's infrastructure repair costs arising from the Cyclone were in the order of \$12 million.

The Shire has continued its efforts to seek support from the Federal and State Governments, together with industry partners to help fund and deliver these vital infrastructure and service priorities to facilitate the liveability of our towns and communities and the economic future of our region.

I thank the Chief Executive Officer and his team for their work and commend the 2022/23 Annual Report to the community.

Anthony Middleton
Shire President



CEO's Report

The Shire of East Pilbara's dominance as a critical centre of industrial economic activity continues, with strong performance in the mining and resources sector bankrolling the state and national economies.

Whilst the benefits to the District of this significant industrial activity are many, there are further opportunities for enhance investment in community infrastructure and service delivery over the 372,571 square kilometres of the District. This is the key message the Shire has been delivering to senior levels of government and industry in its ongoing campaign to better distribute grants and other revenues won by industrial activity in the East Pilbara, for enhanced community amenity and greater productive capacity of local infrastructure.

The partnership between the Shire, Atlas Iron and Calidus Resources which in the 2022/23 financial year saw the completion of the upgrade of Marble Bar airport serves as an excellent example. With a shared investment by the three parties, the runway facilities were upgraded to support the arrival and departure of 180 seat A320 and Boeing 737 aircraft – a game-changing step up from the 12 seater propeller aircraft restricted to land at Marble Bar. This upscaling of the airport's capacity supports the productive capacity of the mining industry and the safety of its workforce.

The Shire's resources and finances continue to perform strongly, with growth in revenues and expenditure reflecting the expansion of the Shire's service delivery and program of infrastructure upgrades and improvements, and expanded road maintenance programs throughout the District.

Council's financial performance remains an encouraging highpoint, with the operating results showing better outcomes, and building these resources to enable a financially sustainable budget for the long term, strengthening the foundations Council has laid over the past few years to ensure the financial future of the community is secure.

Progress of major projects has continued and is on track for the 2023/24 financial year, with the commencement of the upgrade of Lee Lane in Newman, Nullagine's Swimming Pool and Rage Cage and Other Projects. The redevelopment of Newman's Airport Terminal, development of the Newman Community and Youth Hub, and construction of the replacement Newman Waste Water Treatment Plant is expected to see further progress in 2023/24.

Council continues to deliver on its priorities with the Reconciliation Action Plan, with improving cultural awareness within the organisation. The Shire is also working to build its relationships with First Nations communities and organisations, with increased visits to remote communities and the conduct of in-person elections for the first time in a generation.

The Shire is also proud of the quality and number of community events it has hosted over 2022/23, which have served as a taste of what is yet to come next year.

I hope you enjoy reading about the ways Council has worked together with the community and our partners in government and business during the year to achieve our strategic plan goals and move towards our shared vision for the District. Council will continue to show leadership on the issues that the Community and Youth has nominated as the major challenges and opportunities for the future.

Steven Harding
Chief Executive Officer



Council Members

2022/2023



Anthony Middleton
Shire President
South Ward



Wendy McWhirter-Brooks
Deputy President
Central Ward



Matthew Anick
Councillor
South Ward



Peta Baer
Councillor
South Ward



Langtree Coppin OAM
Councillor
North Ward



Anita Grace
Councillor
South Ward*



David Kular
Councillor
South Ward



Annabell Landy
Councillor
East Ward



Karen (Lou) Lockyer
Councillor
South Ward



Adrienne Mortimer
Councillor
North West Ward



Stacey Smith
Councillor
Lower Central Ward

**Councillor Grace passed away on 15 August 2022*

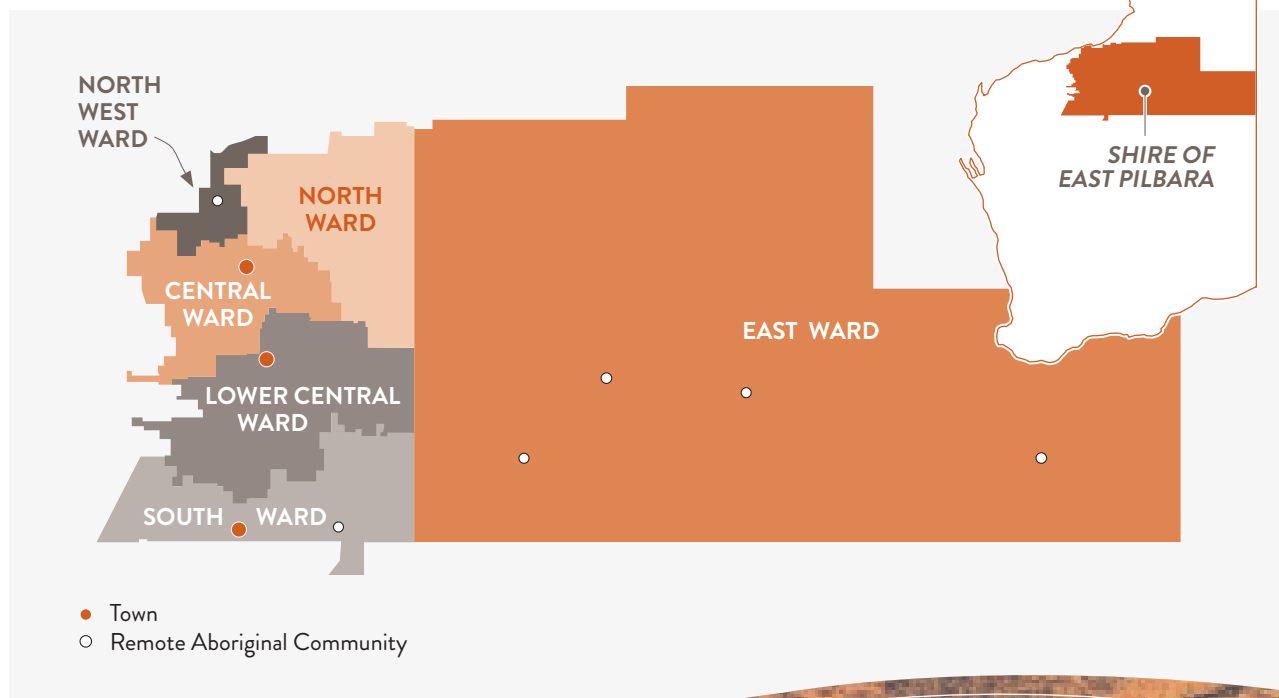
Council resolved at its meeting on 26 August 2022 in accordance with section 4.17(4A) of the *Local Government Act 1995* not to hold an extraordinary election for a vacancy in South Ward.

Council Member Attendance

Councillor	Ward	Ordinary Council Meetings Attended	Special Council Meetings Attended	Committee Meetings Attended
Cr Anthony Middleton	South	10/11	3/3	11 (*2)
Cr Wendy McWhirter-Brooks	Central	11/11 (*1)	3/3 (*3)	11 (*2)
Cr Anita Grace (ceased to hold office on 15/8/2022)	South	0/2	N/A	N/A
Cr Matthew Anick	South	11/11 (*1)	3/3 (*2)	2 (*1)
Cr Peta Baer	South	11/11 (*1)	3/3 (*2)	1
Cr Langtree Coppin OAM	North	10/11 (*5)	1/3	3 (*1)
Cr David Kular	South	11/11	3/3	2
Cr Annabell Landy	East	10/11	2/3	N/A
Cr Karen (Lou) Lockyer	South	9/11 (*1)	3/3 (*2)	8 (*2)
Cr Adrienne Mortimer	North West	7/11 (*5)	2/3 (*2)	N/A
Cr Stacey Smith	Lower Central	6/11 (*3)	2/3 (*2)	N/A

*indicates the meeting was attended by electronic means

Shire of East Pilbara – Wards



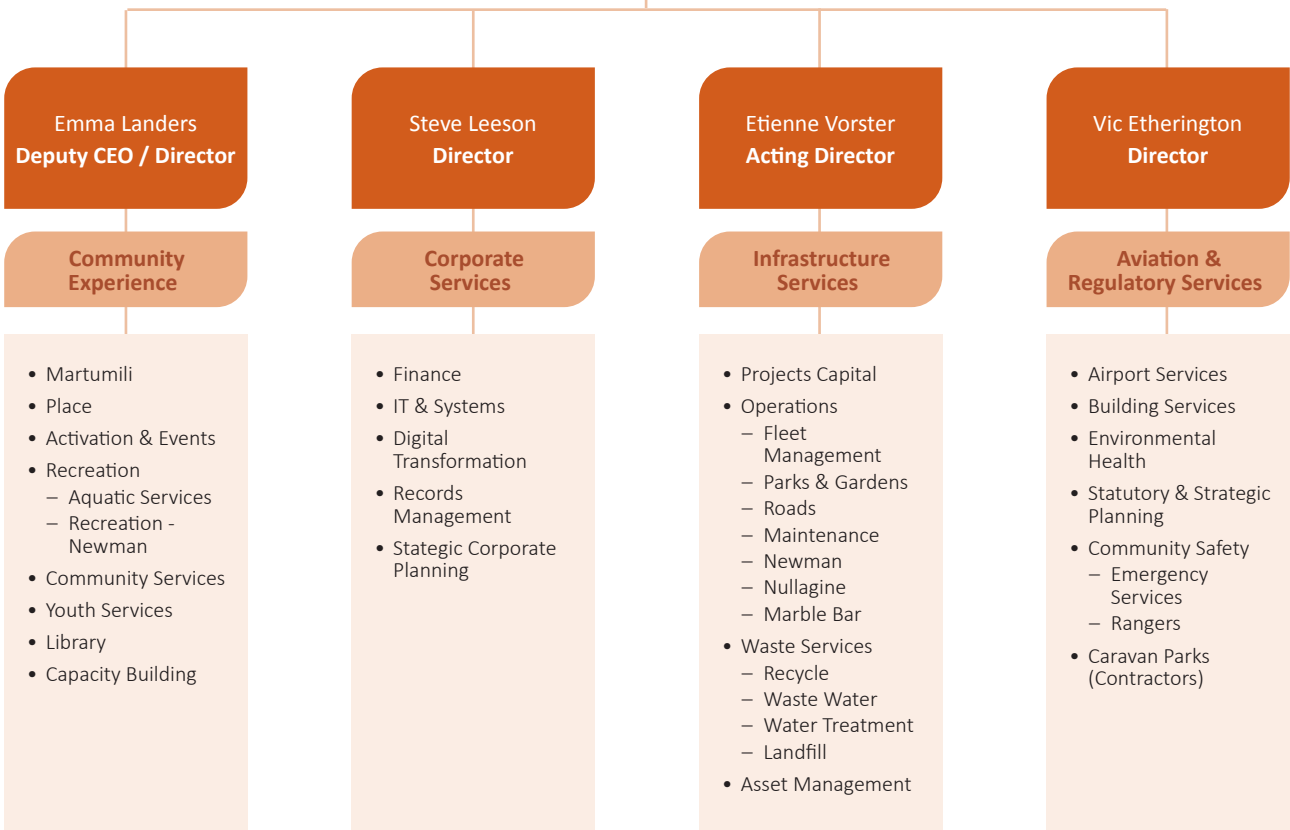
Executive Leadership



Steven Harding
Chief Executive Officer

- Economic Development & Tourism
- Strategy & Partnerships
 - Reconciliation
 - Grants
- Corporate Communications
- Customer Experience
- People & Culture
- Governance, Risk, & Procurement (including Audit, Legal, & Leasing)

Executive Services





Our Workforce

Council adopted the framework for the Shire’s Strategic Workforce Plan “Building Capability & Capacity” 2022-2026, as a key plank in the suite of integrated planning and reporting documents which guide Council’s Plan for the Future.

This Plan ensures the Shire is working towards meeting its obligations under the *Local Government Act 1995* to plan and be accountable to the community. Local Government is a service-led industry, which depends on a workforce that is effectively and efficiently resourced, engaged and empowered to deliver the Council’s and the community’s strategic priorities. Developing the capability of the Shire’s workforce, providing effective leadership, and embedding fit-for-purpose systems and processes will enable an agile, collaborative, and responsive workforce that will have influence on the quality of life enjoyed by our diverse community, business partners and visitors.

The Shire’s highly valued workforce working out of a variety of sites across Marble Bar, Newman, Nullagine, Parnngurr, Punmu and Kunawarritji is sourced from a diverse variety of backgrounds and experiences, and together form a team of people with a shared commitment to delivering high standards of customer services, community programs, projects and infrastructure.

The Shire enjoys a low staff turnover rate of 10.5% and positions vacant remain low compared to other employers and local governments in the Pilbara region.

Following is key data relating to our people. Information relating to salaries is provided in accordance with regulation 19B(2)(a) of the *Local Government (Administration) Regulations 1996*:



Staff

Shire of East Pilbara	2021/22	2022/23	Trend
Total Staff Numbers (including Casuals)	160	247	▲
Full Time Equivalent Staff	149.09	168.92	▲
Aboriginal and Torres Strait Islander Employees	28.50%	22.89%	▼
Women Employees	59%	51.4%	▼
Employees with Disabilities	0%	2%	▲



Salary

Salary Range (\$ per annum)	Total
10,000 - 130,000	113
130,000 - 140,000	11
140,000 - 150,000	11
150,000 - 160,000	1
160,000 - 170,000	0
170,000 - 180,000	0
180,000 - 190,000	2
190,000 - 200,000	1
200,000 - 210,000	0
210,000 - 220,000	0
220,000 - 230,000	0
230,000 - 240,000	0
240,000 - 250,000	0

The Chief Executive Officer’s Total Remuneration Package is \$291,102.00.



Scan the QR code to download the Shire’s Strategic Workforce Plan 2022-26

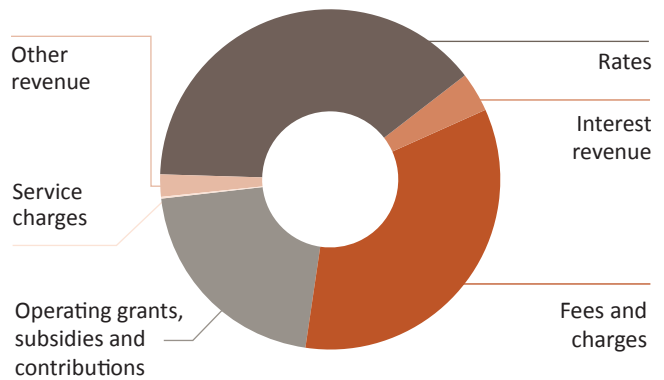
Financial Summary

Finance 2022/2023



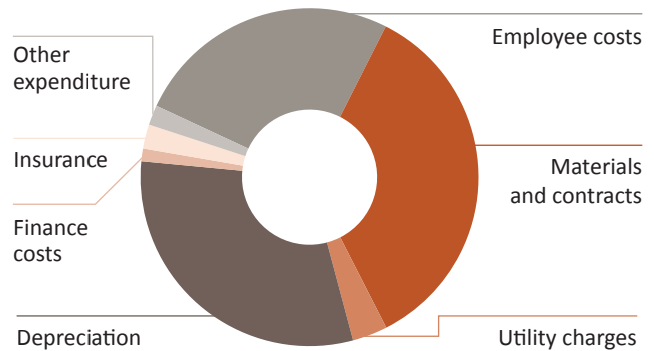
REVENUE

OPERATING REVENUE	\$
Rates	28,389,246
Operating grants, subsidies and contributions	15,166,304
Fees and charges	24,741,641
Service charges	120,328
Interest revenue	2,736,422
Other revenue	1,537,003
Total operating revenue	72,690,944



EXPENSES

OPERATING EXPENSES	\$
Employee costs	16,378,792
Materials and contracts	22,502,662
Utility charges	2,154,829
Depreciation	19,684,873
Finance costs	779,769
Insurance	1,489,975
Other expenditure	1,223,688
Total operating expenses	64,214,588



Financial Summary

SHIRE OF EAST PILBARA	2021/2022	2022/2023	TREND
Total Number of Rateable Properties	4,874	4,840	▼
Minimum General Residential Rate	715	\$1,000	▲
Rates Levied (excluding services)	\$21,181,469	\$28,389,246	▲
Operating Revenue	\$55,020,225	\$72,690,944	▲
Total Assets	\$379,105,900	\$804,154,800	▲
Capital Grants Revenue	\$6,509,379	\$13,592,165	▲
Operating Grants Revenue	\$7,889,391	\$12,234,702	▲
Contracts Awarded	\$34,090,000	\$20,312,750	▼





Building trust with communities

Local news is relevant, connects and binds communities and provides social context. The Shire and Council is building a productive relationship with local media outlets enabling broad community consultation on important issues. There is still work to be done, and local traditional and social media plays a crucial role in sharing the Shire's news and achievements, and to ensure residents are aware of emerging issues and support in times of emergency.

During any prolonged interruption to services or in an emergency situation the Shire is dependent on local media, in conjunction with the Shire's social media outlets and web site, to keep the community informed and updated of the status of a situation. For example, during this year's Tropical Cyclone Ilsa, Shire services in Cape Keraudren, Marble Bar and Nullagine had to be suspended for the safety of our workers and the community. These closures were helpfully communicated to the community with the assistance of local traditional and social media.

Whilst media outlets provide a means for the Shire to share information and keep the community informed, it is vital that the community and our other key stakeholders also be provided with opportunities to provide feedback on the services and infrastructure provided by the Shire.

In 2023, the Shire appointed CATALYSE as consultants to conduct an independent community satisfaction survey to gauge sentiment on the performance of the Shire and to establish benchmark data for a program of ongoing future community engagement surveys.

All community members were invited to take part from 15 May to 9 June 2023. CATALYSE sent email invitations to the Shire of East Pilbara's customer contacts, and the Shire provided supporting promotions through various communication channels. This included delivering printed scorecards to all occupied houses in Newman

and all residential PO Boxes in Marble Bar and Nullagine. Hard copies were also distributed in Parngurr, Punmu and Jigalong remote communities, and made available through various Shire facilities, local businesses and community organisations.

Participants were asked to assess Shire run managed facilities and services, customer experience and to explore residents' attitudes towards a wide-range of local issues, including perceptions of the major challenges and opportunities affecting the region's future.

Key findings of the survey included:

- The District has a large transient population with relatively high levels of uncertainty about where they will be in three years' time.
- There is a pressing need for Federal, State and Local Government, local mining companies, businesses, community organisations, First Nations elders, and other community leaders to work together to solve complex social issues in the Shire of East Pilbara.
- There is a need for a compelling and believable vision, with a clear pathway and well-defined projects to work towards achievement of this vision.
- The community would like more effective leadership and advocacy to ensure local voices are being heard, and complex problems are being solved.
- The community recognises the Shire's efforts to acknowledge and respect First Nations peoples, culture and heritage.
- The community recognises the region's relative strengths in economic development with 87% of respondents rating the area positively as a place to work.

The Shire and its Council will increase its efforts in 2023/24 to enhance community engagement across the vast area of the District to keep the public informed of the work of the Shire, its activities, interruption to service, and decision making processes.

Statutory Information

Official Conduct Report

Section 5.121 of the *Local Government Act 1995* ("the Act") requires the Shire to report on the number of, if any, complaints that result in a finding under section 5.110(2) of the Act, that a minor breach has occurred. The Shire received no such complaints during the 2022/23 financial year.

Freedom of Information

Freedom of Information gives the public a right to access government documents, subject to some limitations. In Western Australia, under the *Freedom of Information Act 1992* ("the FOI Act"), the right applies to documents held by most State government agencies, including local governments.

Documents accessible under the FOI Act include paper records, plans and drawings, photographs, tape recordings, films, videotapes or information stored in a computerised form.

Agencies are required to assist applicants to obtain access to documents at the lowest reasonable cost. Each agency is required to provide annual statistics on its activities under the FOI Act.

1. Number of valid access applications your agency received and were subsequently transferred in full to another agency **0**
2. Total new valid access applications received (not including those transferred in full to another agency) **3**
3. Of the total new valid access applications received, how many were for:
 - a. Personal Information **0**
 - b. Non-Personal Information **3**
4. Total access applications finalised in this period **2**
5. See table at top of page
6. Applications are on hand and not yet finalised **1**
7. Number of applications dealt with by the Shire not completed within the permitted period as defined in section 13(3) of the FOI Act **0**

5. For the total number of applications finalised indicate the outcome

	Personal	Non-personal	Total for Outcome
a) Access in full to all requested documents	0 +	2 =	2
b) Edited access	0 +	0 =	0
c) Access deferred	0 +	0 =	0
d) Access deferred in a manner referred to in section 28	0 +	0 =	0
e) Access refused under section 26	0 +	0 =	0
f) Refused to deal with application under section 20	0 +	0 =	0
g) Access refused to all requested documents (Do not include matters included in (e) and (f))	0 +	0 =	0
h) withdrawn by the applicant	0 +	0 =	0
TOTALS	0 +	2 =	2

Recordkeeping Statement

The Shire of East Pilbara is committed to the reliable and systematic management of government records, in accordance with legislative requirements and best practice standards. The Shire's current recordkeeping plan, RKP 2018028, was submitted to the State Records Office and subsequently approved on 12 December 2019. In accordance with the *State Records Act 2000*, the plan is to be reviewed within the next five years and submitted to the State Records Office by 12 December 2024.

Records captured in 2022/23
20,248

Access and Inclusion Plan

The *Disability Services Act 1993* ("the Act") requires all WA local governments to develop a Disability Access and Inclusion Plan (DAIP).

The Shire continue to make progress in the implementation of its DAIP in 2022/23. The DAIP assists the Shire plan and implement improvements to access to, and inclusion in services and events, buildings and facilities, information, quality of service, complaints, consultation processes and employment. These plans benefit people with disability, the elderly, young parents and people from culturally and linguistically diverse backgrounds.

The Shire's DAIP Progress Report for 2022/23 was submitted by the due date of 31 July 2023. Following is a summary of the Progress Report.

Information and Communication

The Shire has implemented a number of initiatives to provide Shire information in plain language and alternative formats. Shire information and marketing of a range of community services and events is available in plain English together with pictures and colours. The Shire's website has Readspeak capability which converts text to voice for people who are vision impaired or have little or no reading capacity. The website meets best practice accessibility standards.

Accessible and inclusive complaints management

Council adopted a new person-centred Customer Service Charter, which includes disability access and inclusion in the commitment statement. The Charter commits to ensure information, resources and services are consistent and accessible to all.

Employment and retention of people with disability in Public Authorities

The Shire has implemented a new approach to promote workforce diversity focused on enhancing and promoting an inclusive and diverse workforce and employer of choice as part of its recruitment process.



2022/23 Achievements

1

Economic

A diverse and sustainable economy, with a balanced population, providing equal opportunities and prosperity for all, and a fair share of the returns from our resources.

- | | |
|-----|--|
| 1.1 | Develop strong networks for collaboration within and across the corporate and public sectors for growing exports, with a focus on agriculture, mining services, Aboriginal business and tourism. |
| 1.2 | Work with local entrepreneurs, existing businesses and artists to increase their internal capacity and explore business opportunities that will reduce leakage from the local economy. |
| 1.3 | Undertake economic development planning for Marble Bar, Nullagine and remote communities. |
| 1.4 | Collaborate with key stakeholders on brand promotion, tourist accommodation, investment in attractions and product development, and supporting infrastructure such as wayfinding and signage. |
| 1.5 | Support the development, attraction and retention of a skilled workforce that supports local commerce and industry (including childcare, school-based training and TAFE). |

Achievements

- ✓ **Final approval and gazettal** of Scheme Amendment No. 27 – Newman Airport Industrial Precinct.
- ✓ Growth in **passenger numbers at Newman Airport to 370,688** for 2022/23.
- ✓ Council determined development applications to the value of **\$13.6 million**.
- ✓ \$150,000 grant from Pilbara Development Commission for the development of a **Martumili app, VR Artwork and Mural Trail**.

Below: Detail of artwork 'Canning Stock Route – Our Country', 2013, 300 x 500 cm acrylic on linen. Created by Martumili artists; Kumpaya Girgirba, Kathleen Sorensen, Judith Samson, Sonia Williams, Natasha Williams, Noreena Kadibil, Thelma Judson, Kanu Nancy Taylor (dec.), Marjorie Yates (dec.), and Noelene Girgirba.

2

Social

Safe, connected and family-friendly communities where all people thrive, and have their needs met at all ages and stages of life.

2.1	Advocacy, partnerships and delivery of children's, family and young people's services.
2.2	Advocate for the improved provision of health and education services
2.3	Advocacy and partnerships for addressing issues impacting safety of communities, and improving information sharing and coordination.
2.4	Promote healthy and safe lifestyle choices, and uphold public health and safety.
2.5	Provide facilities, services, and programs that provide opportunities for participation in sport, recreation and fitness
2.6	Support local sporting clubs and community organisations to grow their capacity to increase healthy activity and cohesion.
2.7	Support art and culture, and events and activities that bring people together in shared experience and celebration.
2.8	Improve inclusion and harmony across the diverse groups in the population.
2.9	Implement Reconciliation Action Plan and build cultural awareness, understanding and respect across Aboriginal and non-Aboriginal community members
2.10	Advocate for resources to support the Aboriginal community's efforts to preserve their language and culture.



Achievements



Annual State Government funding secured for **three year Club Development Plan 2023–2025** – \$43,150 per year



Funding secured for the new **Nullagine Swimming Pool** – \$750k from the Local Roads and Community Infrastructure (LRCI) and \$1.5M from Atlas Iron



\$370k Emu Oval Sports Lighting – upgraded lighting to LED for small ball sports, includes \$113,33 Department of Local Government, Sports and Cultural Industries grant



Youth and Community Hub Planning Project Social 2.1



Moving Forward Project Social 2.1



Youth Mental Health programs with artists 'Flewnt and Optamus' and Stitch in Time basketball in Marble Bar and Newman



Partnered with **Food Bank Project** to support the Newman Youth Centre in delivering an education program Learn, Cook and Share



Weekly Story Time – focused on children ages 1-5, designed to educate and entertain young children and foster a love of books



Cricket coaching clinic in Newman with Australian cricket legend **David Boon**



38 events hosted across the Shire in 2022-23, including the first inaugural NAIDOC Ball held at the East Pilbara Arts Centre



International Women's Day Event – Shire of East Pilbara supported the NNC International Women's Day Dinner through the Shire's Grants and Sponsorship Program



Harmony Week Event



The **Pauline Mataka Netball Courts and Newman Tennis Courts** – sports surface upgrade \$1,084,928 from the Local Roads and Community Infrastructure (LRCI)



Establishment of **permanent Ranger Services** in Marble Bar



Launch of the Shire's first **Reconciliation Action Plan** – Reflect



Council resolved to support the **Uluru Statement from the Heart**



Council launched its **Grants and Sponsorship Policy**, Guidelines and Funding Program



\$420,000 secured from State Government for installation of **Nullagine's Rage Cage**



Completion of Newman **CCTV Phase 3**, bringing online 150 cameras



Introduction of **Automatic Number Plate Recognition Cameras** in Marble Bar and Nullagine.

Snapshot Youth and Community Hub Planning Project

This project is set to deliver a Youth and Community Hub that facilitates multipurpose use and will enable a centralised approach to service delivery and co-location; increasing access and participation, to promote social cohesion and enhanced community health and wellbeing outcomes.

The Youth and Community (YAC) Hub planning project has achieved significant milestones over the last 12 months. The YAC Hub location is planned to be situated on the vacant Lot on the Corner of Newman Drive and Iron Ore Parade approximately 7,612m² in area. The YAC Hub

will be a 'one stop shop' for young people and the community to access and enjoy a range of indoor and outdoor recreation, including a Youth Centre, a Library, the co-location of other services and life-long learning opportunities.

3

Built Environment

Distinctive places, with safe, easy and affordable travel, reliable communications, housing choice, and capacity for residential, industrial and commercial expansion.

3.1	Develop and implement a Housing Strategy, across the towns and remote communities, in collaboration with relevant stakeholders.
3.2	Infrastructure and facilities for liveability and economic growth, with an initial focus on: <ul style="list-style-type: none">• Upgrade Marble Bar and Newman Airport• Progress a General Industrial Area (GIA) and Mining Services Hub• Expand Light Industrial Area (LIA)
3.3	Advocacy for improved telecommunications
3.4	Advocacy for improvements to the road network and maximising grant funding
3.5	Continue to invest in public spaces, amenities and heritage protection across the Shire.
3.6	Continue to invest in the CCTV network across the Shire and incorporate Crime Prevention through Environmental Design (CPTED) principles.
3.7	Complete Newman Wastewater Treatment Plant.
3.8	Support improved services to remote Aboriginal communities.
3.9	Continue strategic land use planning and administration to meet the current and future development needs and aspirations across the Shire

Snapshot Marble Bar Airport Upgrade

Construction of the airport has been completed and following a successful CASA inspection, opening of the airport is expected to be mid-August 2023. Interim terminal facilities are currently being delivered.



Achievements



Completion of **\$15.6M upgrade to Marble Bar Airport**, to cater for twin engine passenger jets, increasing passenger capacity from 55 per year to up to 50,000 passengers.



Installation of **new baggage carousel and conveyor** at Newman Airport.



Completion of **Marble Bar streets road reseal programme** and streetscape aesthetic enhancements.



Marble Bar Operations delivered upgrade works to the **RSL Park and dump point**.



Installation of **Cape Keraudren Reverse Osmosis Water Treatment Unit**.



New playground equipment at RSL Park in Marble Bar.
Installed a shade shelter, BBQ, furniture and landscaping at Garden Pool.



Newman Airport Expansion Project planning under way.



The **Waste Water Treatment Plant** got a newly-lined emergency overflow pond, received new screening devices and rotational screw augers, and a full rebuild of the primary clarifier.



The **Newman Liquid Waste Facility construction** has been completed and is accepting both septage and grease trap waste.



4

Natural Environment

Clean, green towns, using resources sustainably, and preserving landscapes and cultural places for current and future generations.

4.1	Develop a Waste Management Strategy.
4.2	Increase recycling and waste education.
4.3	Improve sustainability of energy and water use and management in Shire operations, industry and the community.
4.4	Support improved air quality.
4.5	Improve the standard of presentation and progressively green the towns.
4.6	Conserve natural vegetation, green spaces and bushland.
4.7	Advocacy for the protection of environmental assets and sites of significance to Traditional Owners.

Achievements



Upgrade works for Newman Waste Water Treatment Plant, including newly lined emergency overflow pond including new pipework and baffle curtain to increase storage capacity in case of emergency and site works.



Significant improvements in treated water quality from Newman Waste Water Treatment Plant with installation of new screening devices and rotational screw augers to screen and clean raw sewage prior, and full rebuild of the primary clarifier.



Over **5,300 kg of e-waste has been processed** by the Shire this financial year, reducing load on landfill.



Containers for Change has reached **1.84 million containers processed** this financial year.



Rolled out **100% recycled rubber lid weights for 240L bins**, minimising airborne litter.



Installation of fencing around Nullagine waste facility to aid in litter control.

5

Governance

Vibrant local democracy, forward-thinking civic leadership, and transparent stewardship of the community's assets and resources

5.1

Continued focus on good governance, transparency and community and stakeholder engagement in significant decisions, including place-based plans.

5.2

Facilitate collaboration and partnerships with industry and government in key issues for the Shire (such as transport, housing, economic development and tourism, social wellbeing, public spaces etc.).

5.3

Engage young people in civic leadership.

5.4

Ensure a high standard of organisational management and effectiveness.

Achievements



The Shire secured **\$14,944,258.40 in grants from external funding bodies** for existing or new Shire projects.



Shire recruitment efforts have **reduced staff vacancies from 29% to 10.5%**.



Introduction of State Government electoral reforms, including completion of Ward and Representation Review, change method of election of president to popular vote, and introduction of in-person voting for Council elections.



Introduction of **Statement of Business Ethics**.



Under **26 public tender processes** for goods and services worth \$20.3 million.



Council adopted a **new Customer Service Charter**.

Major Initiatives

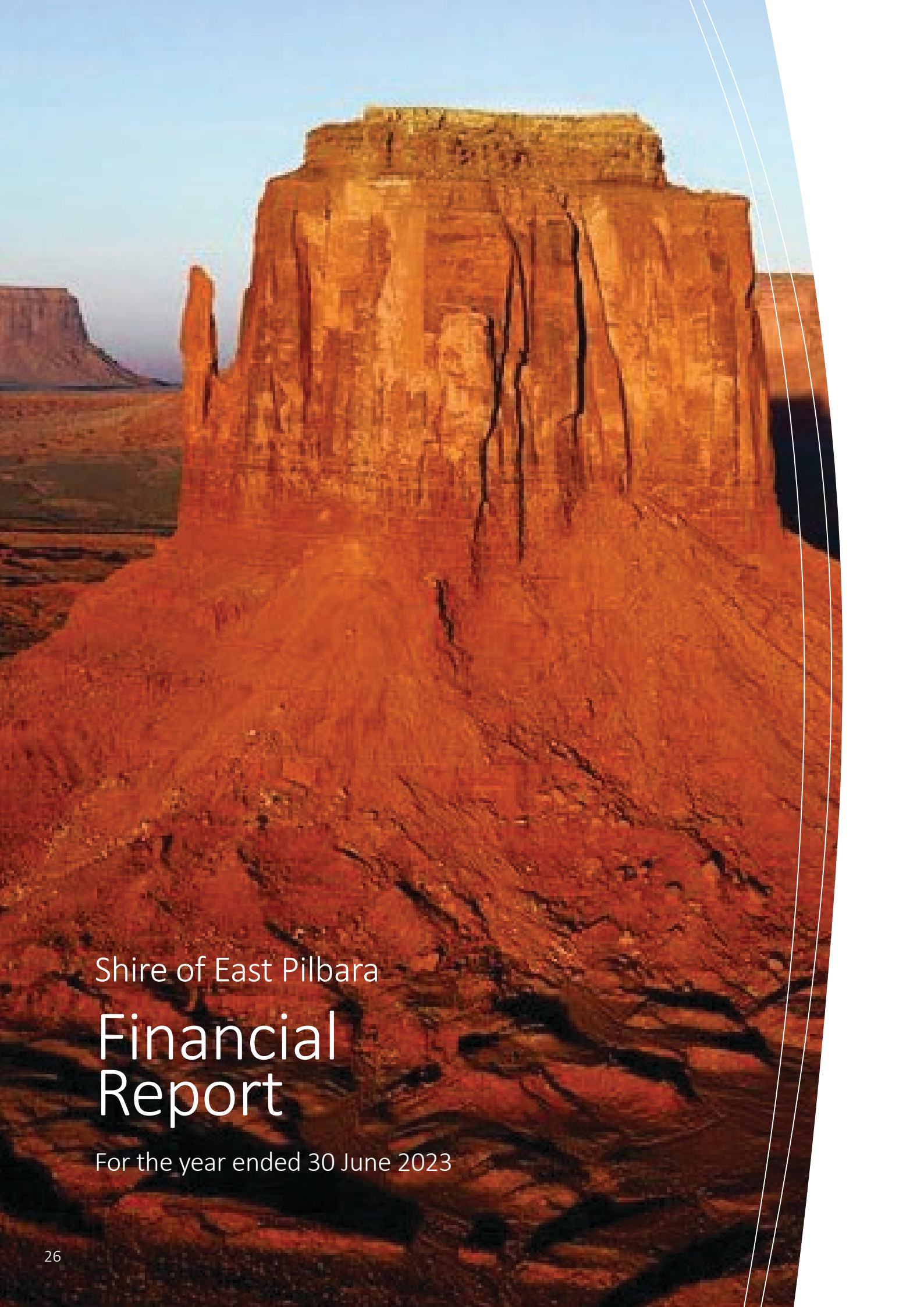
Highlights

- Marble Bar Airport
- Liquid Waste Ponds
- Youth Hub Planning
- Water Reuse Project
- Rural Road and Drainage Upgrades
- Newman Swimming Pool Upgrades

Next year's projects

Highlights

- Newman Airport Terminal Upgrade Planning
- Waste Water Treatment Plant
- Youth and Community Hub



Shire of East Pilbara

Financial Report

For the year ended 30 June 2023

Each year, local governments must present a set of audited financial statements to their council and community. At the end of this Annual Report, the Shire's Audited Financial Statements for 2022/23 are published.

What you will find in the statements

The financial statements set out the financial performance, financial position and cash flows of the Shire for the financial year ended 30 June 2023. The format of the financial statements is standard across all Western Australian local governments and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down by the WA Department of Local Government, Sport and Cultural Industries.

Chief Executive Officer's Statement

The financial statements are certified by the Chief Executive Officer as 'presenting fairly' the Shire's financial results for the year and are required to be adopted by Council – ensuring both responsibility for and ownership of the financial statements.

Primary financial statements

The financial statements incorporate six primary financial statements:

1. Income Statement – provides a summary of the Shire's financial performance for 2022/23, listing all income and expenses. This statement also includes Council's adopted (unamended) 2022/23 Annual Budget to provide a comparison between the projected and the actual amounts.

2. Statement of Comprehensive Income by Nature or Type – chiefly records changes in the fair value of the Shire's Infrastructure, Property, Plant and Equipment.
3. Statement of Financial Position – this provides a snapshot of the Shire's financial position on 30 June 2023, confirming its assets, liabilities and "net wealth".
4. Statement of Changes in Equity – records the overall change for the year (in dollars) of Shire's "net wealth".
5. Statement of Cash Flows – details from where the Shire's cash was sourced and where it was spent. This statement also includes Council's adopted (unamended) 2022/23 Annual Budget to provide a comparison between the projected and the actual amounts.
6. Rate Setting Statement – indicates the total amount raised from general rates and the impact on the bottom line of the revenues raised from general rates for 2022/23.

The Audited 2022/23 Financial Statements, which include these six primary statements, accompanying notes and a complete financial analysis, are reproduced in full in the following pages of the Annual Report.

SHIRE OF EAST PILBARA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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

A diverse community thriving in a vast landscape that offers a world of opportunity and rich heritage and culture.

Principal place of business:
Cnr Kalgan & Newman Drive
Newman WA 6753

**SHIRE OF EAST PILBARA
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 East Pilbara 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 04 day of March 2024



Chief Executive Officer

Steven Harding

Name of Chief Executive Officer



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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),26	28,389,246	28,202,472	21,181,469
Grants, subsidies and contributions	2(a)	15,166,304	5,207,450	7,889,391
Fees and charges	2(a)	24,741,641	23,881,336	23,132,292
Service charges	2(a)	120,328	124,800	0
Interest revenue	2(a)	2,736,422	1,065,450	578,778
Other revenue	2(a)	1,537,003	1,483,101	2,238,295
		72,690,944	59,964,609	55,020,225
Expenses				
Employee costs	2(b)	(16,378,792)	(16,910,139)	(13,635,742)
Materials and contracts		(22,502,662)	(22,982,229)	(16,673,452)
Utility charges		(2,154,829)	(2,416,200)	(1,969,104)
Depreciation		(19,546,709)	(15,511,700)	(16,061,765)
Finance costs	2(b)	(779,769)	(170,348)	(515,827)
Insurance		(1,489,975)	(1,201,700)	(1,301,887)
Other expenditure	2(b)	(1,223,688)	(1,387,747)	(942,416)
		(64,076,424)	(60,580,063)	(51,100,193)
		8,614,520	(615,454)	3,920,032
Capital grants, subsidies and contributions	2(a)	13,592,165	42,098,283	6,509,379
Profit on asset disposals		539,329	223,839	76,352
Loss on asset disposals		(6,517)	0	(145,702)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	4,607	0	4,996
		14,129,584	42,322,122	6,445,025
Net result for the period	25(b)	22,744,104	41,706,668	10,365,057
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	400,003,854	0	1,224,731
Total other comprehensive income for the period	17	400,003,854	0	1,224,731
Total comprehensive income for the period		422,747,958	41,706,668	11,589,788

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



**SHIRE OF EAST PILBARA
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	NOTE	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	3	16,056,785	34,028,491
Trade and other receivables	5	7,248,896	3,392,276
Other financial assets	4(a)	69,500,000	42,637,421
Inventories	6	97,409	255,878
Other assets	7	1,613,992	4,261,841
TOTAL CURRENT ASSETS		94,517,082	84,575,907
NON-CURRENT ASSETS			
Trade and other receivables	5	15,317	10,026
Other financial assets	4(b)	101,862	97,255
Property, plant and equipment	8	87,159,964	69,243,644
Infrastructure	9	627,236,174	225,179,068
TOTAL NON-CURRENT ASSETS		714,513,317	294,529,993
TOTAL ASSETS		809,030,399	379,105,900
CURRENT LIABILITIES			
Trade and other payables	12	6,215,525	6,477,223
Other liabilities	13	849,410	3,744,310
Borrowings	14	3,417,822	384,436
Employee related provisions	15	1,140,566	1,245,399
TOTAL CURRENT LIABILITIES		11,623,323	11,851,368
NON-CURRENT LIABILITIES			
Borrowings	14	10,091,124	2,008,676
Employee related provisions	15	341,293	143,553
Other provisions	16	14,920,035	15,795,637
TOTAL NON-CURRENT LIABILITIES		25,352,452	17,947,866
TOTAL LIABILITIES		36,975,775	29,799,234
NET ASSETS		772,054,624	349,306,666
EQUITY			
Retained surplus		172,716,249	158,939,675
Reserve accounts	29	77,548,461	68,580,931
Revaluation surplus	17	521,789,914	121,786,060
TOTAL EQUITY		772,054,624	349,306,666

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		159,103,801	58,051,748	120,561,329	337,716,878
Comprehensive income for the period					
Net result for the period		10,365,057	0	0	10,365,057
Other comprehensive income for the period	17	0	0	1,224,731	1,224,731
Total comprehensive income for the period		10,365,057	0	1,224,731	11,589,788
Transfers from reserve accounts	29	389,144	(389,144)	0	0
Transfers to reserve accounts	29	(10,918,327)	10,918,327	0	0
Balance as at 30 June 2022		158,939,675	68,580,931	121,786,060	349,306,666
Comprehensive income for the period					
Net result for the period		22,744,104	0	0	22,744,104
Other comprehensive income for the period	17	0	0	400,003,854	400,003,854
Total comprehensive income for the period		22,744,104	0	400,003,854	422,747,958
Transfers from reserve accounts	29	1,309,965	(1,309,965)	0	0
Transfers to reserve accounts	29	(10,277,495)	10,277,495	0	0
Balance as at 30 June 2023		172,716,249	77,548,461	521,789,914	772,054,624

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

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

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		27,271,763	20,701,283
Grants, subsidies and contributions		12,234,702	9,265,381
Fees and charges		23,036,018	23,364,386
Service charges		120,328	0
Interest revenue		2,736,422	578,778
Other revenue		1,537,003	2,238,295
		<u>66,936,236</u>	<u>56,148,123</u>
Payments			
Employee costs		(16,285,885)	(13,600,155)
Materials and contracts		(19,936,133)	(20,014,939)
Utility charges		(2,154,829)	(1,969,104)
Finance costs		(175,302)	(143,905)
Insurance paid		(1,489,975)	(1,301,887)
Goods and services tax net		(69,252)	(127,409)
Other expenditure		(725,220)	(1,064,841)
		<u>(40,836,596)</u>	<u>(38,222,240)</u>
Net cash provided by (used in) operating activities	18(b)	26,099,640	17,925,883
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(5,336,056)	(3,741,067)
Payments for construction of infrastructure	9(a)	(36,107,410)	(11,078,748)
Capital grants, subsidies and contributions		12,138,936	6,126,880
Payments for financial assets at amortised cost		(26,862,577)	(22,685,739)
Proceeds from sale of property, plant & equipment		979,927	43,702
Proceeds from sale of infrastructure		0	55,592
		<u>(55,187,180)</u>	<u>(31,279,380)</u>
Net cash provided by (used in) investing activities		(55,187,180)	(31,279,380)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	28(a)	(384,166)	(466,131)
Proceeds from new borrowings	28(a)	11,500,000	0
		<u>11,115,834</u>	<u>(466,131)</u>
Net cash provided by (used in) financing activities		11,115,834	(466,131)
Net increase (decrease) in cash held		(17,971,706)	(13,819,628)
Cash at beginning of year		34,028,491	47,848,119
Cash and cash equivalents at the end of the year	18(a)	<u>16,056,785</u>	<u>34,028,491</u>

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

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

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
Rates	26	28,389,246	28,202,472	21,181,469
Grants, subsidies and contributions		15,166,304	5,207,450	7,889,391
Fees and charges		24,741,641	23,881,336	23,132,292
Service charges		120,328	124,800	0
Interest revenue		2,736,422	1,065,450	578,778
Other revenue		1,537,003	1,483,101	2,238,295
Profit on asset disposals		539,329	223,839	76,352
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	4,607	0	4,996
		<u>73,234,880</u>	<u>60,188,448</u>	<u>55,101,573</u>
Expenditure from operating activities				
Employee costs		(16,378,792)	(16,910,139)	(13,635,742)
Materials and contracts		(22,502,662)	(22,982,229)	(16,673,452)
Utility charges		(2,154,829)	(2,416,200)	(1,969,104)
Depreciation		(19,546,709)	(15,511,700)	(16,061,765)
Finance costs		(779,769)	(170,348)	(515,827)
Insurance		(1,489,975)	(1,201,700)	(1,301,887)
Other expenditure		(1,223,688)	(1,387,747)	(942,416)
Loss on asset disposals		(6,517)	0	(145,702)
		<u>(64,082,941)</u>	<u>(60,580,063)</u>	<u>(51,245,895)</u>
Non-cash amounts excluded from operating activities	27(a)	19,806,207	15,287,861	16,433,146
Amount attributable to operating activities		<u>28,958,145</u>	<u>14,896,246</u>	<u>20,288,824</u>
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		13,592,165	42,098,283	6,509,379
Proceeds from disposal of assets		979,927	618,750	99,294
		<u>14,572,092</u>	<u>42,717,033</u>	<u>6,608,673</u>
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(5,336,056)	(8,886,188)	(3,741,067)
Purchase and construction of infrastructure	9(a)	(36,107,410)	(64,579,065)	(11,078,745)
		<u>(41,443,466)</u>	<u>(73,465,253)</u>	<u>(14,819,812)</u>
Amount attributable to investing activities		<u>(26,871,374)</u>	<u>(30,748,220)</u>	<u>(8,211,139)</u>
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	28(a)	11,500,000	15,000,000	0
Transfers from reserve accounts	29	1,309,964	2,969,611	389,144
		<u>12,809,964</u>	<u>17,969,611</u>	<u>389,144</u>
Outflows from financing activities				
Repayment of borrowings	28(a)	(384,166)	(384,436)	(466,131)
Transfers to reserve accounts	29	(10,277,495)	(1,733,201)	(10,918,328)
		<u>(10,661,661)</u>	<u>(2,117,637)</u>	<u>(11,384,459)</u>
Amount attributable to financing activities		<u>2,148,303</u>	<u>15,851,974</u>	<u>(10,995,315)</u>
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	27(b)	4,528,045	0	3,445,675
Amount attributable to operating activities		28,958,146	14,896,246	20,288,824
Amount attributable to investing activities		(26,871,374)	(30,748,220)	(8,211,139)
Amount attributable to financing activities		2,148,303	15,851,974	(10,995,315)
Surplus or deficit after imposition of general rates	27(b)	<u>8,763,120</u>	<u>(0)</u>	<u>4,528,045</u>

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

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

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that the financial report be prepared in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board except for disclosures requirements of:

AASB 7 Financial Instruments Disclosures
AASB 16 Lease paragraph 58
AASB 101 Presentation of Financial Statements paragraph 61
AASB 107 Statement of Cashflow 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 Properties paragraph 75(f)
AASB 1052 paragraph 11
AASB 1054 Australian Additional Disclosures paragraph 16

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

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 30 of the financial report.

Judgements and estimates

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

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

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

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

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and Charges - Use of Facilities general	Permission to enter and use facilities and equipment, attend functions and events.	Single point in time	Full payment in advance or on entry, where applicable credit provided on normal trading terms,	None	On entry to facility or at time of of confirming booking
Fees and charges - sale of stock	kiosk and art centre stock on hand sales, aviation fuel	Single point in time	Full payment in advance or credit provided on normal trading terms,	None	Output method based on goods sold
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	Output method based on works done

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	28,389,246	(0)	28,389,246
Grants, subsidies and contributions	15,166,304	0	0	0	15,166,304
Fees and charges	22,972,250	0	1,769,391	0	24,741,641
Service charges	0	0	120,328	0	120,328
Interest revenue	2,404,368	0	332,054	0	2,736,422
Other revenue	0	0	0	1,537,003	1,537,003
Capital grants, subsidies and contributions	0	13,592,165	0	0	13,592,165
Total	40,542,922	13,592,165	30,611,019	1,537,003	86,283,109

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	21,181,469	0	21,181,469
Grants, subsidies and contributions	7,477,146	0	0	412,245	7,889,391
Fees and charges	21,467,671	0	1,664,621	0	23,132,292
Interest revenue	364,507	0	214,271	0	578,778
Other revenue	0	0	0	2,238,295	2,238,295
Capital grants, subsidies and contributions	0	6,509,379	0	0	6,509,379
Total	29,309,324	6,509,379	23,060,361	2,650,540	61,529,604

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual	2022 Actual
	\$	\$
Interest revenue		
Interest on reserve account funds	2,313,872	265,430
Trade and other receivables overdue interest	332,054	214,271
Other interest revenue	90,496	99,077
	<u>2,736,422</u>	<u>578,778</u>

The 2023 original budget estimate in relation to:
Trade and other receivables overdue interest was \$97,000

The 2023 original budget estimate in relation to:
Charges on instalment plan was \$Nil.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	70,523	68,262
- Other services	500	0
	<u>71,023</u>	<u>68,262</u>

Employee Costs

Employee benefit costs	14,832,923	12,489,737
Other employee costs	1,545,869	1,146,005
	<u>16,378,792</u>	<u>13,635,742</u>

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	175,302	143,905
Other provisions: unwinding of discount	604,467	371,922
	<u>779,769</u>	<u>515,827</u>

Other expenditure

Impairment losses on trade receivables	460,975	354,519
Impairment losses on other receivables	37,493	(122,425)
Sundry expenses	725,220	710,322
	<u>1,223,688</u>	<u>942,416</u>

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

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	13,056,785	16,449,341
Term deposits	3,000,000	17,579,150
Total cash and cash equivalents	16,056,785	34,028,491
18(a)		
Held as		
- Unrestricted cash and cash equivalents	5,659,860	3,085,863
- Restricted cash and cash equivalents	10,396,925	30,942,628
18(a)	<u>16,056,785</u>	<u>34,028,491</u>

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 and for which no liability has been recognised.

4. OTHER FINANCIAL ASSETS

	2023	2022
	\$	48
(a) Current assets		
Financial assets at amortised cost	69,500,000	42,637,421
	<u>69,500,000</u>	<u>42,637,421</u>
Other financial assets at amortised cost		
Term deposits	69,500,000	42,637,421
	<u>69,500,000</u>	<u>42,637,421</u>
Held as		
- Restricted other financial assets at amortised cost	18(a) 69,500,000	42,637,421
	<u>69,500,000</u>	<u>42,637,421</u>
(b) Non-current assets		
Financial assets at fair value through profit or loss	101,862	97,255
	<u>101,862</u>	<u>97,255</u>
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	97,255	92,259
Movement attributable to fair value increment	4,607	4,996
Units in Local Government House Trust - closing balance	<u>101,862</u>	<u>97,255</u>

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 28(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 24 (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.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 22.

Restricted assets

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

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

5. TRADE AND OTHER RECEIVABLES

	Note	2023 \$	2022 \$
Current			
Rates and statutory receivables		3,483,069	2,387,494
Trade receivables		5,499,190	2,345,311
GST receivable		600,720	531,469
Allowance for credit losses of rates and statutory receivables	22(b)	(2,167,708)	(1,730,271)
Allowance for credit losses of trade receivables	22(b)	(166,375)	(141,727)
		7,248,896	3,392,276
Non-current			
Pensioner's rates and ESL deferred		15,317	10,026
		15,317	10,026

Disclosure of opening and closing balances related to contracts with customers

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

	Note	30 June 2023 Actual \$	30 June 2022 Actual \$
Contract assets	7	542,464	2,769,294
Total trade and other receivables from contracts with customers		542,464	2,769,294

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.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 7.

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

6. INVENTORIES

	Note	2023	2022
Current		\$	\$
Fuel and materials		80,204	238,242
History Books		0	3,247
Baskets		17,205	14,389
		<u>97,409</u>	<u>255,878</u>

The following movements in inventories occurred during the year:

Balance at beginning of year	255,878	95,483
Inventories expensed during the year	(824,445)	(428,565)
Additions to inventory	665,973	588,960
Balance at end of year	<u>97,409</u>	<u>255,878</u>

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

7. OTHER ASSETS

	<u>2023</u>	<u>2022</u>
	\$	\$
Other assets - current		
Prepayments	48,494	26,866
Accrued income	1,023,034	1,465,681
Contract assets	<u>542,464</u>	<u>2,769,294</u>
	1,613,992	4,261,841

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Contract assets

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

Accrued Income

Accrued income primarily relates to the Shire's right to consideration for services provided but not billed at the end of the year.

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

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Buildings - non- specialised	Buildings - specialised	Total land and buildings not subject to operating lease	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	1,580,000	18,512,000	40,937,200	61,029,200	738,250	7,632,182	69,399,632
Additions	2,512	1,795,955	364,916	2,163,383	108,803	1,468,881	3,741,067
Disposals		(122,844)	(122,844)	(122,844)		(42,679)	(165,523)
Depreciation	0	(694,738)	(1,317,448)	(2,012,186)	(210,672)	(1,508,674)	(3,731,532)
Balance at 30 June 2022	1,582,512	19,613,217	39,861,824	61,057,553	636,381	7,549,710	69,243,644
Comprises:							
Gross balance amount at 30 June 2022	1,582,512	20,307,955	41,173,416	63,063,883	2,041,583	15,592,562	80,698,028
Accumulated depreciation at 30 June 2022	0	(694,738)	(1,311,592)	(2,006,330)	(1,405,202)	(8,042,852)	(11,454,384)
Balance at 30 June 2022	1,582,512	19,613,217	39,861,824	61,057,553	636,381	7,549,710	69,243,644
Additions	0	2,108,757	214,623	2,323,380	133,100	2,879,576	5,336,056
Disposals	0	0	0	0	0	(447,116)	(447,116)
Revaluation increments / (decrements) transferred to revaluation surplus	1,998,588	6,362,395	11,156,833	19,517,816	0	0	19,517,816
Depreciation	0	(1,271,622)	(3,410,272)	(4,681,894)	(179,529)	(1,629,013)	(6,490,436)
Balance at 30 June 2023	3,581,100	26,812,747	47,823,008	78,216,855	589,952	8,353,157	87,159,964
Comprises:							
Gross balance amount at 30 June 2023	3,581,100	28,084,369	51,233,280	82,898,749	2,174,683	17,239,725	102,313,157
Accumulated depreciation at 30 June 2023	0	(1,271,622)	(3,410,272)	(4,681,894)	(1,584,731)	(8,886,568)	(15,153,193)
Balance at 30 June 2023	3,581,100	26,812,747	47,823,008	78,216,855	589,952	8,353,157	87,159,964

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings						
Land		3	Market Approach using recent observable market data for similar properties	Independent registered valuer	July 2022	While the unit rates based on square metre could be supported by market evidence (Level 2) other inputs such as zoning, restrictions, accessibility (Level 3) required extensive professional judgement and impacted significantly on the final determination.
Buildings - non-specialised		2	Market approach using recent observable market data or similar properties	Independent registered valuer	July 2022	Price per square metre
Buildings - specialised		3	Cost approach using depreciated replacement cost	Independent registered valuer and management valuation	July 2022	This required estimating the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. Other inputs such as residual value, useful life, pattern of consumption and asset condition required extensive professional judgement and impacted significantly on the final determination.

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

(ii) Cost	Furniture and equipment	Plant and equipment
	NA	NA
	Cost	Purchase Cost
	Cost	Purchase Cost

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Other infrastructure - Footpaths	Other infrastructure - Drainage	Other infrastructure - Parks and Gardens and Other	Other infrastructure - Airport	Other infrastructure - Rehabilitation	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	137,854,847	8,155,095	11,398,750	17,455,242	36,351,870	15,490,657	226,706,461
Additions	6,053,504	274,382	194,282	4,297,719	258,858	0	11,078,745
(Disposals)	0	0	0	(3,121)	0	0	(3,121)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	(272,784)	(272,784)
Depreciation	(7,997,674)	(435,488)	(319,735)	(1,763,860)	(1,168,097)	(645,379)	(12,330,233)
Balance at 30 June 2022	135,910,677	7,993,989	11,273,297	19,985,980	35,442,631	14,572,494	225,179,068
Comprises:							
Gross balance at 30 June 2022	165,810,581	9,719,574	12,578,039	26,819,201	40,605,323	15,795,637	271,328,355
Accumulated depreciation at 30 June 2022	(29,899,904)	(1,725,585)	(1,304,742)	(6,833,221)	(5,162,692)	(1,223,143)	(46,149,287)
Balance at 30 June 2022	135,910,677	7,993,989	11,273,297	19,985,980	35,442,631	14,572,494	225,179,068
Additions	7,192,516	83,358	0	11,805,907	17,025,629	0	36,107,410
Revaluation increments / (decrements) transferred to revaluation surplus	373,973,890	(1,536,224)	9,930,959	1,237,405	(3,799,659)	679,668	380,486,039
Reduction in provision for remediation costs	0	0	0	0	0	(1,480,069)	(1,480,069)
Depreciation	(8,456,312)	(444,808)	(319,736)	(2,048,985)	(1,174,862)	(611,571)	(13,056,274)
Balance at 30 June 2023	508,620,771	6,096,315	20,884,520	30,980,307	47,493,739	13,160,522	627,236,174
Comprises:							
Gross balance at 30 June 2023	508,620,771	6,096,315	20,884,520	30,980,307	47,493,739	14,920,036	628,995,688
Accumulated depreciation at 30 June 2023	0	0	0	0	0	(1,759,514)	(1,759,514)
Balance at 30 June 2023	508,620,771	6,096,315	20,884,520	30,980,307	47,493,739	13,160,522	627,236,174

**SHIRE OF EAST PILBARA
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FOR THE YEAR ENDED 30 JUNE 2023**

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Other infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Other infrastructure Drainage	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Other infrastructure Parks and Gardens	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Other infrastructure Airport Infrastructure	3	Cost approach using depreciated replacement cost	Independent Valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Other infrastructure Landfill Rehabilitat	2	Cost approach using depreciated replacement cost	Independent & Management Valuation	June 2023	Price per metre/square metre units, future inflation discount rate (Level 2)

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.

The Shire of East Pilbara undertook an independent revaluation as at 30th June 2023 of its roads, footpaths and other assets, in line with AASB 13 Fair Value Measurement and Local Government (Financial Management) Regulations 1996. The revaluation resulted in a material increase in the fair value of the Shire's road assets. The independent valuation involved a visual road condition survey of the Shire's entire road and footpath.

The 2023 valuation increment to infrastructure assets is largely due to applying unit rates (based on new and current information), that are more relevant to the Shire than previously applied in the prior valuation performed for the year ended 30 June 2018.

**SHIRE OF EAST PILBARA
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FOR THE YEAR ENDED 30 JUNE 2023**

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Land - freehold land	
Buildings - non-specialised	10 - 60 years
Buildings - specialised	10 - 60 years
Furniture and equipment	3 - 5 years
Plant and equipment	3 - 10 years
Infrastructure - roads	15 - 60 years
Other infrastructure - Footpaths	20 - 60 years
Other infrastructure Drainage	20 - 60 years
Other infrastructure Parks and Gardens and Other	20 - 60 years
Other infrastructure Airport Infrastructure	20 - 60 years
Other infrastructure Landfill Rehabilitation	10 - 31 years

**SHIRE OF EAST PILBARA
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FOR THE YEAR ENDED 30 JUNE 2023**

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise 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 mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

Revaluation

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

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.

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

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

**SHIRE OF EAST PILBARA
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FOR THE YEAR ENDED 30 JUNE 2023**

11. LEASES

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

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

Less than 1 year
1 to 2 years

2023	2022
Actual	Actual
\$	\$
504,625	740,729
519,764	300,493
1,024,389	1,041,222

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

Rental income

903,108 901,238

The Shire leases houses to staff and aged persons with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The staff houses are not considered investment property as they are leased for use in the supply of services to the community. The aged persons housing are considered a joint operation and are not considered investment property as the primary purpose is provision of community housing.

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

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

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

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

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

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

**SHIRE OF EAST PILBARA
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FOR THE YEAR ENDED 30 JUNE 2023**

12. TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
Current		
Sundry creditors	3,622,315	4,086,719
Prepaid rates	106,338	128,246
Bonds and deposits held	1,499,053	1,254,808
Accrued salaries and wages	377,170	167,801
Other accruals	515,839	824,496
Accrued interest on long term borrowings	94,810	15,153
	6,215,525	6,477,223

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Shire becomes a party to the contractual Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Financial liabilities are derecognised where the related profit or loss.

Bonds and Deposits Held

Bonds and deposits held represent a payment made to the Shire as a security bond. These are normally payable after by construction

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the 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 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

**SHIRE OF EAST PILBARA
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13. OTHER LIABILITIES

	2023	2022
	\$	\$
Current		
Contract liabilities	293,510	1,735,181
Capital grant/contributions liabilities	555,900	2,009,129
	<u>849,410</u>	<u>3,744,310</u>
Reconciliation of changes in contract liabilities		
Opening balance	1,735,181	1,132,588
Additions	293,510	1,735,181
Revenue from contracts with customers included as a contract liability at the start of the period	<u>(1,735,181)</u>	<u>(1,132,588)</u>
	293,510	1,735,181

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

Reconciliation of changes in capital grant/contribution liabilities

Opening balance	2,009,129	2,391,628
Additions	555,900	2,009,129
Revenue from capital grant/contributions held as a liability at the start of the period	<u>(2,009,129)</u>	<u>(2,391,628)</u>
	555,900	2,009,129

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.

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 0(i)) due to the unobservable inputs, including own credit risk.

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14. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
WA treasury Corporation		3,417,822	10,091,124	13,508,946	384,436	2,008,676	2,393,112
Total secured borrowings	28(a)	3,417,822	10,091,124	13,508,946	384,436	2,008,676	2,393,112

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 22.

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

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15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	739,255	713,018
Long service leave	401,311	532,381
	<u>1,140,566</u>	<u>1,245,399</u>
Total current employee related provisions	<u>1,140,566</u>	<u>1,245,399</u>
Non-current provisions		
Employee benefit provisions		
Long service leave	183,627	143,553
Other employee leave provisions	157,666	0
	<u>341,293</u>	<u>143,553</u>
Total non-current employee related provisions	<u>341,293</u>	<u>143,553</u>
Total employee related provisions	<u>1,481,859</u>	<u>1,388,952</u>

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

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2023	2022
	\$	\$
Amounts are expected to be settled on the following basis:		
Less than 12 months after the reporting date	1,140,566	713,018
More than 12 months from reporting date	341,293	675,934
	<u>1,481,859</u>	<u>1,388,952</u>

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

95,395

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.

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16. OTHER PROVISIONS

	<u>Provision for remediation costs</u>
	\$
Opening balance at 1 July 2022	
Non-current provisions	<u>15,795,637</u>
	15,795,637
Additional provision / (reduction in provision)	(1,480,069)
Charged to profit or loss	
- unwinding of discount	<u>604,467</u>
Balance at 30 June 2023	14,920,035
Comprises	
Non-current	<u>14,920,035</u>
	14,920,035

During the year, the remediation costs were reviewed as part of the revaluation of Infrastructure - Landfill Rehabilitation with decreases in the provision being recognised in Other Comprehensive Income as part of the revaluation.

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

Under the licence for the operation of the Newman, Marble Bar and Nullagine landfill sites, the Shire has a legal obligation to restore the sites.

A provision for remediation is recognised when:

- there is a present obligation as a result of waste activities undertaken;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- the amount of the provision can be measured reliably.

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.

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17. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	1,575,000	1,998,588	3,573,588	1,575,000	0	1,575,000
Revaluation surplus - Buildings - non-specialised	14,173,539	6,362,395	20,535,934	14,173,539	0	14,173,539
Revaluation surplus - Buildings - specialised	0	11,156,833	11,156,833	0	0	0
Revaluation surplus - Furniture and equipment	215,604	0	215,604	215,604	0	215,604
Revaluation surplus - Plant and equipment	3,367,076	0	3,367,076	3,367,076	0	3,367,076
Revaluation surplus - Infrastructure - roads	66,828,070	373,973,890	440,801,960	66,828,070	0	66,828,070
Revaluation surplus - Other infrastructure - Footpaths	3,361,744	(1,536,224)	1,825,520	3,361,744	0	3,361,744
Revaluation surplus - Other infrastructure Drainage	8,937,971	9,930,959	18,868,930	8,937,971	0	8,937,971
Revaluation surplus - Other infrastructure Parks and Gardens and Other	1,282,573	1,237,405	2,519,978	1,282,573	0	1,282,573
Revaluation surplus - Other infrastructure Airport Infrastructure	20,819,752	(3,799,659)	17,020,093	20,819,752	0	20,819,752
Revaluation surplus - Other infrastructure Landfill Rehabilitation	1,224,731	679,667	1,904,398	0	1,224,731	1,224,731
	121,786,060	400,003,854	521,789,914	120,561,329	1,224,731	121,786,060

**SHIRE OF EAST PILBARA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2023 Actual \$	2022 Actual \$
Cash and cash equivalents	3	16,056,785	34,028,491

Restrictions

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	3	10,396,925	30,942,628
- Financial assets at amortised cost	4	69,500,000	42,637,421
		<u>79,896,925</u>	<u>73,580,049</u>

The restricted financial assets are a result of the following specific purposes to which the assets may be used:

Restricted reserve accounts	29	77,548,461	68,580,931
Contract liabilities	13	293,510	1,735,181
Capital grant liabilities	13	555,900	2,009,129
Bonds & Deposits Held	28(b)	1,499,053	1,254,808
Total restricted financial assets		<u>79,896,925</u>	<u>73,580,049</u>

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

Net result		22,744,104	10,365,057
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		(4,607)	(4,996)
Depreciation/amortisation		19,546,709	16,061,765
(Profit)/loss on sale of asset		(532,813)	69,350
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(3,861,912)	187,489
(Increase)/decrease in other assets		2,647,849	(3,861,549)
(Increase)/decrease in inventories		158,472	(160,395)
Increase/(decrease) in trade and other payables		(261,698)	794,303
Increase/(decrease) in employee related provisions		92,907	9,722
Increase/(decrease) in other provisions		604,467	371,922
Increase/(decrease) in other liabilities		(2,894,901)	220,095
Capital grants, subsidies and contributions		(12,138,936)	(6,126,880)
Net cash provided by/(used in) operating activities		<u>26,099,640</u>	<u>17,925,883</u>

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit	0	
Bank overdraft at balance date	0	
Credit card limit	90,000	50,000
Credit card balance at balance date	(38,415)	(14,678)
Total amount of credit unused	<u>51,585</u>	<u>35,322</u>

Loan facilities

Loan facilities - current	3,417,822	384,436
Loan facilities - non-current	10,091,124	2,008,676
Total facilities in use at balance date	<u>13,508,946</u>	<u>2,393,112</u>

Unused loan facilities at balance date 0

**SHIRE OF EAST PILBARA
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19. CONTINGENT LIABILITIES

The Shire does not have any contingent assets or contingent liabilities that should be included in this financial report.

20. CAPITAL COMMITMENTS

	<u>2023</u>	<u>2022</u>
	\$	\$
Contracted for:		
- capital expenditure projects	733,598	943,000
- plant & equipment purchases	1,343,641	0
	<u>2,077,239</u>	<u>943,000</u>
Payable:		
- not later than one year	2,077,239	943,000

The capital expenditure projects outstanding at the end of the current reporting period includes Outstanding Purchase Orders for multiple light & heavy plant, CCTV systems, renewal & replacement of several recreational facilities & works at the Waste Water Treatment Plant & the Marble Bar Airport Carpark.

**SHIRE OF EAST PILBARA
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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.

	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
President's annual allowance	60,570	56,903	50,451
Deputy President's annual allowance	15,142	14,225	12,612
Meeting attendance fees	230,367	237,109	196,823
Child care expenses	0	0	0
Annual allowance for ICT expenses	28,224	29,670	19,455
Travel and accommodation expenses	32,730	0	26,238
	367,033	337,907	305,579

(b) Key Management Personnel (KMP) Compensation

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

	Note	2023 Actual	2022 Actual
		\$	\$
Short-term employee benefits		1,232,116	1,200,786
Post-employment benefits		166,182	158,632
Employee - other long-term benefits		130,462	43,176
Employee - termination benefits		0	121,070
Council member costs	21(a)	367,033	305,579
		1,895,793	1,829,243

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 EAST PILBARA
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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.

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

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

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

iii. Entities subject to significant influence by the Shire

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

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

**SHIRE OF EAST PILBARA
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22. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2023					
Cash and cash equivalents	0.10%	16,056,785	3,000,000	13,056,785	
Financial assets at amortised cost - term deposits	4.60%	69,500,000	69,500,000		
Financial assets at amortised cost - Treasury bonds					
2022					
Cash and cash equivalents	1.69%	34,028,491	17,579,150	16,449,341	
Financial assets at amortised cost - term deposits	2.10%	42,637,421	42,637,421		
Financial assets at amortised cost - Treasury bonds					

Sensitivity

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

	2023	2022
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity*	130,568	164,493

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 28(a).

**SHIRE OF EAST PILBARA
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22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies.

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

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

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2022 or 1 July 2023 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2023					
Trade receivables					
Expected credit loss	0.00%	0.01%	0.19%	0.27%	
Gross carrying amount	3,238,689	1,765,929	78,109	416,463	5,499,190
Loss allowance	11,970	25,931	14,578	113,895	166,375
Other receivables					
Expected credit loss	0.59%	0.28%	0.89%	0.94%	
Gross carrying amount	28,850	1,629,640	392,413	1,432,166	3,483,069
Loss allowance	17,142	453,776	347,730	1,349,060	2,167,708
30 June 2022					
Trade receivables					
Expected credit loss	0.00%	0.01%	0.02%	0.25%	
Gross carrying amount	1,506,794	194,169	135,083	509,265	2,345,311
Loss allowance	6,479	2,854	2,918	129,476	141,727
Other receivables					
Expected credit loss	0.02%	0.79%	0.46%	38.74%	
Gross carrying amount	1,211,555	448,458	700,760	26,721	2,387,494
Loss allowance	19,317	355,054	320,652	1,035,248	1,730,271

**SHIRE OF EAST PILBARA
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22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Rates Receivable		Trade and Other receivables	
	2023	2022	2023	2022
	Actual	Actual	Actual	Actual
	\$	\$	\$	\$
Opening loss allowance as at 1 July	1,730,271	1,375,752	141,727	264,152
Increase in loss allowance recognised in profit or loss during the year	460,975	354,519	37,493	(122,425)
Receivables written off during the year as uncollectible	36,383	15,169	166,375	5,179
Unused amount reversed	(59,921)	(15,169)	(179,220)	(5,179)
Closing loss allowance at 30 June	2,167,708	1,730,271	166,375	141,727

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

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

Contract Assets

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Shire has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

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22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 18(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2023</u>					
Trade and other payables	6,215,525	0	0	6,215,525	6,215,525
Borrowings	3,906,943	10,625,150	184,672	14,716,765	13,508,946
Other liabilities	849,410	0	0	849,410	849,410
	<u>10,971,878</u>	<u>10,625,150</u>	<u>184,672</u>	<u>21,781,700</u>	<u>20,573,881</u>
<u>2022</u>					
Trade and other payables	6,479,985	0	0	6,479,985	6,477,223
Borrowings	490,985	1,774,405	486,123	2,751,513	2,393,112
Other liabilities	3,744,310	0	0	3,744,310	3,744,310
	<u>10,715,280</u>	<u>1,774,405</u>	<u>486,123</u>	<u>12,975,808</u>	<u>12,614,645</u>



**SHIRE OF EAST PILBARA
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23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There are no events that have occurred after the end of the reporting period that have a material impact on information reported.

**SHIRE OF EAST PILBARA
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24. 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.

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

k) Initial application of accounting standards

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

**SHIRE OF EAST PILBARA
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25. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
<p>Governance To provide a decision making process for the efficient allocation of scarce resources.</p>	Members of council, general governance including administration, finance and other corporate services, computer administration and community liaison.
<p>General purpose funding To collect revenue to allow for the provision of services.</p>	Rates, general purpose government grants, normalisation grants and interest revenue.
<p>Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.</p>	Supervision of Local Laws, fire prevention, emergency services and animal control.
<p>Health To provide an operational framework for environmental and community health.</p>	Maintenance of infant health clinic, health inspection services, food and water quality control and immunisation.
<p>Education and welfare To provide services to children and youth.</p>	Community services and sponsored support of community and youth.
<p>Housing To provide and maintain housing.</p>	Aged persons housing, and maintenance of leased properties.
<p>Community amenities To provide services required to the community.</p>	Rubbish collection services, maintenance of cemeteries and public toilets, the maintenance of the Newman Waste Water Treatment Plant and planning services.
<p>Recreation and culture To establish and effectively manage infrastructure and resources which will help the social and physical wellbeing of the community.</p>	Maintenance of public halls, Newman and Marble Bar aquatic centres, Newman Recreation Centre, public parks and gardens, libraries and recreation services.
<p>Transport To provide safe, effective and efficient transport services to the community.</p>	Construction and maintenance of roads, footpaths, drainage works, parking facilities, traffic signs, street lighting, depot operations, street cleaning and operation of the Newman airport and Marble Bar and Nullagine airstrips.
<p>Economic services To help promote the Shire and its economic wellbeing.</p>	Tourism support, building services and controls, caravan parks and bus services.
<p>Other property and services To monitor and control the Shire's overheads and operating accounts.</p>	Private works carried out by the Shire and allocations to works and service of all salaries and wages, overheads and plant costs incurred. Miscellaneous unclassified areas.

**SHIRE OF EAST PILBARA
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25. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2023	2022
	Actual	Actual
	\$	\$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	285,753	96,357
General purpose funding	28,838,262	21,640,386
Law, order, public safety	155,934	35,434
Health	74,991	51,877
Education and welfare	23,801	1,045
Housing	445,880	399,892
Community amenities	6,137,529	5,222,739
Recreation and culture	1,751,654	1,452,691
Transport	19,082,420	16,347,002
Economic services	1,281,570	881,250
Other property and services	631,723	1,078,512
	<u>58,709,517</u>	<u>47,207,185</u>
Income from grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	149,961	46,605
General purpose funding	4,852,564	4,555,857
Law, order, public safety	426,878	454,217
Health	6,010	10,102
Education and welfare	123,859	8,051
Housing	27,163	37,042
Community amenities	2,052,810	379,245
Recreation and culture	1,889,320	2,265,707
Transport	17,185,232	5,960,589
Economic services	737,211	327,260
Other property and services	1,307,460	354,095
	<u>28,758,468</u>	<u>14,398,770</u>
Total Income	<u>87,467,985</u>	<u>61,605,955</u>
Expenses		
Governance	(1,961,295)	627,149
General purpose funding	(775,432)	(711,262)
Law, order, public safety	(1,509,911)	(1,243,770)
Health	(552,367)	(536,429)
Education and welfare	(2,387,566)	(2,121,571)
Housing	(1,913,425)	(1,025,797)
Community amenities	(8,868,299)	(6,749,608)
Recreation and culture	(13,787,307)	(11,127,002)
Transport	(26,780,518)	(22,711,147)
Economic services	(3,586,053)	(2,468,419)
Other property and services	(2,601,708)	(3,178,042)
Total expenses	<u>(64,723,881)</u>	<u>(51,245,898)</u>
Net result for the period	<u>22,744,104</u>	<u>10,360,057</u>
(c) Total Assets		
Governance	15,210,818	10,743,256
Law, order, public safety	3,198,667	2,670,661
Health	48,637	64,118
Education and welfare	7,466,029	5,619,276
Housing	26,361,751	15,840,342
Community amenities	30,836,340	24,443,016
Recreation and culture	32,420,487	37,832,695
Transport	664,524,587	260,832,981
Economic services	8,562,175	4,765,285
Other property and services	2,679,867	545,912
Unallocated	17,721,040	15,748,358
	<u>809,030,399</u>	<u>379,105,900</u>

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

26. RATING INFORMATION

(a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2022/23 Actual Rateable Value*		2022/23 Actual Rates	2022/23 Actual Total Revenue		2022/23 Budget Reassessed Rate	2022/23 Budget Total Revenue		2021/22 Actual Total Revenue
				Value*	Rate		Revenue	Rate		Revenue	Revenue	
GRV - Residential		0.060000	1,813	52,612,935	3,164,516	\$	3,164,516	3,153,021	\$	3,153,021	2,403,002	
GRV - Transient		0.120000	19	39,066,500	3,502,680		3,502,680	3,476,280		4,569,280	3,267,173	
GRV Non Residential - Town Centre		0.060000	27	5,519,260	323,416		323,416	336,782		336,782	241,680	
GRV Non Residential - Industrial		0.060000	118	16,347,200	980,832		980,832	972,521		972,521	677,826	
GRV Non Residential - Mixed Business		0.060000	9	1,872,130	112,328		112,328	112,328		112,328	71,534	
UV - Pastoral/ Special Leases		0.150000	41	10,455,582	1,568,337		1,568,337	1,568,337		1,568,337	1,026,122	
UV - Other		0.300000	0	0	0		0	0		0	13,162,632	
UV - Mining Prospecting		0.282900	151	528,328	149,464		149,464	149,464	180,110	329,574	0	
UV - Mining Other		0.300000	1,001	51,095,662	15,325,336		15,325,336	15,355,844		15,355,844	0	
Interim and Back Rate Prior Year						1,464,067						0
Total general rates			3,179	177,497,597	25,126,909	1,464,067	26,590,976	25,124,577	1,273,110	26,397,687	20,849,869	
Minimum payment		\$										
GRV - Residential		0	1,000	3,406,166	681,000		681,000	682,000		682,000	494,780	
GRV - Transient		0	1,200	0	0		0	1,200		1,200	0	
GRV Non Residential - Town Centre		0	1,200	326,339	21,600		21,600	24,000		24,000	13,008	
GRV Non Residential - Industrial		0	1,200	166,775	4,800		4,800	4,800		4,800	4,065	
GRV Non Residential - Mixed Busin		0	1,200	0	0		0	0		0	0	
UV - Pastoral/ Special Leases		0	1,000	30,705	26,000		26,000	26,000		26,000	7,508	
UV - Other		0	0	0	0		0	0		0	584,870	
UV - Mining Prospecting		0	715	149,143	0		0	70,785		70,785	0	
UV - Mining Other		0	1,200	2,865,942	1,064,870		1,064,870	996,000		996,000	0	
Total minimum payments			1,661	6,945,070	1,798,270	0	1,798,270	1,804,785	0	1,804,785	1,104,231	
Total general rates and minimum payments			4,840	184,442,667	26,925,179	1,464,067	28,389,246	26,929,362	1,273,110	28,202,472	21,954,100	
Concessions							0			0	(772,631)	
Total Rates							28,389,246			28,202,472	21,181,469	
Rate instalment interest							26,121					
Rate overdue interest							296,369					

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 EAST PILBARA
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27. DETERMINATION OF SURPLUS OR DEFICIT

	2022/23 (30 June 2023 Carried Forward)	2022/23 Budget (30 June 2023 Carried Forward)	2022/23 (1 July 2022 Brought Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(539,329)	(223,839)	(76,352)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(4,607)	0	(4,996)
Add: Loss on disposal of assets	6,517	0	145,702
Add: Depreciation	19,546,709	15,511,700	16,061,765
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(5,290)	0	(1,606)
Employee benefit provisions	197,740	0	(63,289)
Other provisions	604,467	0	371,922
Non-cash amounts excluded from operating activities	19,806,207	15,287,861	16,433,146
(b) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	29 (77,548,461)	(60,259,620)	(68,580,932)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14 3,417,822	3,417,822	384,436
Total adjustments to net current assets	(74,130,639)	(56,841,798)	(68,196,496)
Net current assets used in the Statement of Financial Activity			
Total current assets	94,517,082	0	84,575,907
Less: Total current liabilities	(11,623,323)	0	(11,851,368)
Less: Total adjustments to net current assets	(74,130,639)	(56,841,798)	(68,196,496)
Surplus or deficit after imposition of general rates	8,763,120	(56,841,798)	4,528,043

SHIRE OF EAST PILBARA
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28. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual					Budget				
		Principal Repayments		Principal at 30 June 2022	New Loans During 2022-23	Principal at 30 June 2023	Principal Repayments		New Loans During 2022-23	Principal at 30 June 2023	
		During 2021-22	During 2022-23				During 2022-23	During 2022-23			
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Loan 67 - Staff Housing		100,066	0	(100,066)	0	0	0	0	0	0	
Loan 71 - Staff Housing		798,364	0	(139,954)	658,410	0	(149,184)	509,226	658,411	509,227	
Loan 72 - Sewerage Upgrade		1,229,720	0	(130,910)	1,098,810	0	(136,855)	961,955	1,098,810	961,955	
Loan 73 - Sewerage Upgrade		731,093	0	(95,201)	635,892	0	(98,127)	537,765	635,892	537,495	
Loan 76 -Liquid Waste		0	0	0	0	6,500,000	0	6,500,000	0	6,500,000	
Loan TBD -Water Treatment Plant		0	0	0	0	0	0	0	0	3,500,000	
Loan 75 -Marble Bar Airport		0	0	0	0	5,000,000	0	5,000,000	0	5,000,000	
Total		2,859,243	0	(466,131)	2,393,112	11,500,000	(384,166)	13,508,946	2,393,113	17,008,677	
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	Function and activity		
Loan 67 - Staff Housing		67	WATC*	6.47%		0	0	(3,975)	Housing		
Loan 71 - Staff Housing		71	WATC*	6.49%	1/03/2026	(39,639)	(51,707)	(51,686)	Housing		
Loan 72 - Sewerage Upgrade		72	WATC*	4.49%	23/06/2029	(51,707)	(20,957)	(61,804)	Community amenities		
Loan 73 - Sewerage Upgrade		73	WATC*	3.05%	26/06/2028	(20,957)	(35,944)	(26,440)	Community amenities		
Loan 76 -Liquid Waste		76	WATC*	3.77%	8/05/2026	(35,944)	0	0	Community amenities		
Loan 75 -Marble Bar Airport		75	WATC*	3.69%	8/05/2028	(27,054)	(175,301)	(143,905)	Transport		
Total						(175,301)	0	(143,905)			
Total Finance Cost Payments											
						(175,301)	0	(143,905)			

* WA Treasury Corporation

**SHIRE OF EAST PILBARA
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28. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2022/23

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed 2023		Amount (Used) 2023		Total Interest & Charges \$	Actual Balance Unspent \$
					Actual	Budget	Actual	Budget		
Loan 76 -Liquid Waste	WATC	Fixed Interest	3	3.77%	6,500,000	6,500,000	6,500,000	6,500,000	(35,944)	0
Loan TBD -Water Treatment Plan	WATC	Fixed Interest			0	3,500,000			0	0
Loan 75 -Marble Bar Airport	WATC	Fixed Interest	5	3.69%	5,000,000	5,000,000	5,000,000	5,000,000	(27,054)	0
					11,500,000	15,000,000	11,500,000	11,500,000	(62,998)	0

* WA Treasury Corporation

**SHIRE OF EAST PILBARA
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29. RESERVE ACCOUNTS

	2023		2023		2023		2023		2023		2022		2022	
	Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Opening Balance	Actual Transfer to	Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council														
(a) Alice Springs Road Reserve	217,314	7,332	0	224,646	217,024	7,700	0	224,724	216,847	467	0	216,847	0	217,314
(b) Cape Keraudren Reserve	594,581	20,060	0	614,641	594,623	9,600	0	604,223	293,390	301,191	0	293,390	0	594,581
(c) Heavy Plant Reserve	1,514,350	51,095	(742,000)	823,445	1,511,495	23,200	(1,165,000)	369,695	1,511,097	3,253	0	1,511,097	0	1,514,350
(d) Computer Technology Reserve	672,375	522,665	0	1,195,060	671,477	13,400	0	684,877	670,931	1,444	0	670,931	0	672,375
(e) Newman Airport Reserve	50,109,329	8,321,192	0	58,430,521	43,675,938	270,000	(1,531,697)	42,414,241	42,392,849	7,716,480	0	42,392,849	0	50,109,329
(f) Rec'n Facilities Maint Reserve	2,367,500	79,878	0	2,447,378	2,364,342	36,440	0	2,400,782	2,062,501	304,999	0	2,062,501	0	2,367,500
(g) Staff Housing Reserve	864,829	29,180	0	894,009	863,676	7,100	(150,000)	720,776	563,058	301,771	0	563,058	0	864,829
(h) Public Art Reserve	225,821	7,620	0	233,441	225,520	6,600	0	232,120	125,365	100,456	0	125,365	0	225,821
(i) Waste Management Reserve	1,967,189	66,370	(567,964)	1,465,595	1,964,565	24,500	0	1,989,065	1,962,963	4,226	0	1,962,963	0	1,967,189
(j) Employee Entitlements Reserve	974,978	32,894	0	1,007,872	973,678	15,000	0	988,678	972,884	2,094	0	972,884	0	974,978
(k) Newman House Reserve	735,590	24,818	0	760,408	734,609	19,200	0	753,809	734,010	1,580	0	734,010	0	735,590
(l) Public Building Maintenance Reserve	2,333,445	78,729	0	2,412,174	2,580,658	36,000	0	2,616,658	2,028,519	304,926	0	2,028,519	0	2,333,445
(m) Martumul Operations Reserve	598,193	135,963	0	734,156	815,596	7,100	0	822,696	814,612	126,867	(343,286)	814,612	(343,286)	598,193
(n) Martumul Infrastructure Project Reserve	909,052	30,670	0	939,722	908,636	5,000	(122,914)	790,722	311,104	643,806	(45,658)	311,104	643,806	909,052
(o) Future Infrastructure Reserve	4,008,290	738,654	0	4,746,944	3,157,073	1,158,561	0	4,315,634	3,154,499	853,791	0	3,154,499	0	4,008,290
(p) Insurance Reserve	488,095	16,466	0	504,561	237,120	4,000	0	241,120	237,119	250,976	0	237,119	0	488,095
(q) Security & Surveillance Service Charge Reserve	0	113,889	0	113,889	0	89,800	0	89,800	0	0	0	0	0	0
	68,580,931	10,277,495	(1,309,964)	77,548,461	61,496,030	1,733,201	(2,969,611)	60,259,620	58,051,748	10,918,327	(389,144)	58,051,748	(389,144)	68,580,931
	68,580,931	10,277,495	(1,309,964)	77,548,461	61,496,030	1,733,201	(2,969,611)	60,259,620	58,051,748	10,918,327	(389,144)	58,051,748	(389,144)	68,580,931

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

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

29. RESERVE ACCOUNTS

Name of reserve account Restricted by council	Purpose of the reserve account
(a) Alice Springs Road Reserve	To establish a road link to Alice Springs from Marble Bar to the Northern Territory border.
(b) Cape Keraudren Reserve	For the maintenance, development & enhancement of the Cape Keraudren Reserve.
(c) Heavy Plant Reserve	To fund the purchase of heavy plant that is needed for the operation of the Shire.
(d) Computer Technology Reserve	For the replacement, enhancement and upgrading of computer hardware and software.
(e) Newman Airport Reserve	For the upgrading, maintenance and enhancement of the Newman Airport .
(f) Rec'n Facilities Maint Reserve	For the upgrading and enhancement of recreation facilities.
(g) Staff Housing Reserve	For the upgrading and maintenance of staff and community housing assets.
(h) Public Art Reserve	For the development, maintenance & enhancement of Public Art within the three towns of the East Pilbara Shire.
(i) Waste Management Reserve	For the development, maintenance & enhancement of waste facilities including the sewerage plant.
(j) Employee Entitlements Reserve	Provision for the employee entitlements for staff of the Shire
(k) Newman House Reserve	For the upgrade, maintenance and enhancement of Newman House.
(l) Public Building Maintenance Reserve	For the upgrading, maintenance and enhancement of Public Buildings.
(m) Martumili Operations Reserve	To hold and utilise the allocation of Martumili's funds.
(n) Martumili Infrastructure Project Reserve	For the upgrading, maintenance and enhancement of Martumili Buildings.
(o) Future Infrastructure Reserve	For the development of new or replacement infrastructure with total project cost of greater than one (1) million dollars.
(p) Insurance Reserve	To provide for the liabilities that may arise from the Shire's insurance requirements
(q) Security & Surveillance Service Charge Reserve	To Provide for the maintenance and future replacement of the Shire CCTV Network

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

30. TRUST FUNDS

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

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
Cash in Lieu of Public Open Space	758,224	0	0	758,224
Impounded Vehicle Income	4,545	0	0	4,545
Pilbara Regional Council	27,335	0	(27,335)	0
	<u>790,104</u>	<u>0</u>	<u>(27,335)</u>	<u>762,769</u>



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of East Pilbara

To the Council of the Shire of East Pilbara

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of East Pilbara 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.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
11 March 2024





Shire of EAST Pilbara

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