

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

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Financial Activity	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	42

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

Plantagenet, building a sustainable and respectful community, where the environment is preserved and natural beauty and diversity provide opportunities for all.

Principal place of business:
22-24 Lowood Road, Mount Barker, 6324
Postal Address P.O.Box 48, Mount Barker, 6324

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

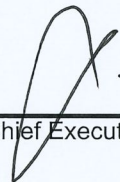
*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CEO

The accompanying financial report of the Shire of Plantagenet 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 22nd day of MAY May 2024



Chief Executive Officer

Julian Murphy

Name of Chief Executive Officer



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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),24	7,446,583	7,439,995	7,085,709
Grants, subsidies and contributions	2(a)	4,016,303	2,828,984	4,040,029
Fees and charges	2(a)	2,199,526	2,361,732	2,247,418
Interest revenue	2(a)	284,755	70,540	79,154
Other revenue	2(a)	481,800	517,655	584,958
		14,428,967	13,218,906	14,037,268
Expenses				
Employee costs	2(b)	(5,608,574)	(5,936,898)	(5,446,055)
Materials and contracts		(3,117,536)	(5,572,868)	(3,454,644)
Utility charges		(382,720)	(395,952)	(375,987)
Depreciation		(6,573,813)	(6,293,585)	(5,512,409)
Finance costs	2(b)	(80,635)	(69,251)	(78,553)
Insurance		(335,147)	(341,010)	(307,810)
Other expenditure	2(b)	(444,026)	(424,838)	(388,887)
		(16,542,451)	(19,034,402)	(15,564,345)
		(2,113,484)	(5,815,496)	(1,527,077)
Capital grants, subsidies and contributions	2(a)	2,210,103	3,606,212	4,445,429
Profit on asset disposals		242,835	300,733	81,386
Loss on asset disposals		(41,000)	(22,489)	(5,584)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	4,607	0	0
		2,416,545	3,884,456	4,521,231
Net result for the period	23(b)	303,061	(1,931,040)	2,994,154
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	214,513,975	0	19,605,209
Total other comprehensive income for the period	17	214,513,975	0	19,605,209
Total comprehensive income for the period		214,817,036	(1,931,040)	22,599,363

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



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

	NOTE	2023	2022 Restated*	1 July 2021 Restated*
		\$	\$	\$
CURRENT ASSETS				
Cash and cash equivalents	3	9,267,179	8,563,675	7,489,812
Trade and other receivables	5	674,762	673,740	764,537
Other financial assets	4(a)	480,331	73,137	63,630
Inventories	6	68,954	64,259	56,002
Other assets	7	137,352	1,704	5,502
TOTAL CURRENT ASSETS		10,628,578	9,376,515	8,379,483
NON-CURRENT ASSETS				
Trade and other receivables	5	171,840	139,088	119,517
Other financial assets	4(b)	423,877	481,825	476,733
Property, plant and equipment	8	51,829,445	52,299,378	38,029,779
Infrastructure	9	407,193,010	193,974,143	186,594,870
Right-of-use assets	11(a)	47,366	62,798	15,617
Intangible assets	12	290,613	306,891	270,881
TOTAL NON-CURRENT ASSETS		459,956,151	247,264,123	225,507,397
TOTAL ASSETS		470,584,729	256,640,638	233,886,880
CURRENT LIABILITIES				
Trade and other payables	13	972,085	865,350	867,138
Other liabilities	14	352,230	807,397	1,014,017
Lease liabilities	11(b)	12,808	22,258	9,490
Borrowings	15	382,448	422,294	356,919
Employee related provisions	16	900,972	1,032,221	912,710
TOTAL CURRENT LIABILITIES		2,620,543	3,149,520	3,160,274
NON-CURRENT LIABILITIES				
Lease liabilities	11(b)	28,193	36,806	6,434
Borrowings	15	1,265,526	1,647,974	1,500,168
Employee related provisions	16	140,365	93,272	106,301
TOTAL NON-CURRENT LIABILITIES		1,434,084	1,778,052	1,612,903
TOTAL LIABILITIES		4,054,627	4,927,572	4,773,177
NET ASSETS		466,530,102	251,713,066	229,113,703
EQUITY				
Retained surplus		64,232,388	64,924,170	62,171,484
Reserve accounts	27	5,043,688	4,048,845	3,807,377
Revaluation surplus	17	397,254,026	182,740,051	163,134,842
TOTAL EQUITY		466,530,102	251,713,066	229,113,703

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

* See Note 29 for details regarding correction of prior period error.



**SHIRE OF PLANTAGENET
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		62,171,484	3,807,377	163,134,842	229,113,703
Comprehensive income for the period					
Net result for the period		2,994,154	0	0	2,994,154
Other comprehensive income for the period	17	0	0	19,605,209	19,605,209
Total comprehensive income for the period		2,994,154	0	19,605,209	22,599,363
Transfers from reserve accounts	27	1,495,610	(1,495,610)	0	0
Transfers to reserve accounts	27	(1,737,078)	1,737,078	0	0
Balance as at 30 June 2022		64,924,170	4,048,845	182,740,051	251,713,066
Comprehensive income for the period					
Net result for the period		303,061	0	0	303,061
Other comprehensive income for the period	17	0	0	214,513,975	214,513,975
Total comprehensive income for the period		303,061	0	214,513,975	214,817,036
Transfers from reserve accounts	27	1,066,042	(1,066,042)	0	0
Transfers to reserve accounts	27	(2,060,886)	2,060,886	0	0
Balance as at 30 June 2023		64,232,388	5,043,688	397,254,026	466,530,102

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



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

NOTE	2023 Actual \$	2022 Restated * \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Rates	7,328,847	7,068,876
Grants, subsidies and contributions	4,333,379	4,111,222
Fees and charges	2,198,300	2,251,081
Interest revenue	284,755	79,154
Goods and services tax received	257,362	385,480
Other revenue	481,800	584,958
	14,884,443	14,480,771
Payments		
Employee costs	(5,616,862)	(5,312,479)
Materials and contracts	(3,233,839)	(3,486,549)
Utility charges	(382,720)	(375,987)
Finance costs	(80,635)	(78,553)
Insurance paid	(335,147)	(307,810)
Goods and services tax paid	(294,706)	(376,593)
Other expenditure	(444,026)	(388,887)
	(10,387,935)	(10,326,858)
Net cash provided by (used in) operating activities	4,496,508	4,153,913
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for financial assets at amortised cost - self supporting loans	0	(70,000)
Payments for purchase of property, plant & equipment	8(a) (1,271,938)	(2,494,262)
Payments for construction of infrastructure	9(a) (3,769,652)	(5,227,244)
Payments for intangible assets	12 0	(54,678)
Capital grants, subsidies and contributions	1,567,219	4,241,689
Proceeds for financial assets at amortised cost	(417,776)	0
Proceeds from financial assets at amortised cost - self supporting loans	73,137	63,630
Proceeds from financial assets at fair values through profit and loss	0	(8,229)
Proceeds from sale of property, plant & equipment	466,363	276,879
Net cash provided by (used in) investing activities	(3,352,647)	(3,272,215)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	26(a) (422,294)	(356,819)
Payments for principal portion of lease liabilities	26(b) (18,063)	(21,016)
Proceeds from new borrowings	26(a) 0	570,000
Net cash provided by (used in) financing activities	(440,357)	192,165
Net increase (decrease) in cash held	703,504	1,073,863
Cash at beginning of year	8,563,675	7,489,812
Cash and cash equivalents at the end of the year	9,267,179	8,563,675

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

* See Note 29 for details regarding correction of prior period error.

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

NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$		
OPERATING ACTIVITIES					
Revenue from operating activities					
	General rates	24	7,446,583	7,439,995	7,085,709
	Grants, subsidies and contributions		4,016,303	2,828,984	4,040,029
	Fees and charges		2,199,526	2,361,732	2,247,418
	Interest revenue		284,755	70,540	79,154
	Other revenue		481,800	517,655	584,958
	Profit on asset disposals		242,835	300,733	81,386
	Fair value adjustments to financial assets at fair value through profit or loss	4(b)	4,607	0	0
			14,676,409	13,519,639	14,118,654
Expenditure from operating activities					
	Employee costs		(5,608,574)	(5,936,898)	(5,446,055)
	Materials and contracts		(3,117,536)	(5,572,868)	(3,454,644)
	Utility charges		(382,720)	(395,952)	(375,987)
	Depreciation		(6,573,813)	(6,293,585)	(5,512,409)
	Finance costs		(80,635)	(69,251)	(78,553)
	Insurance		(335,147)	(341,010)	(307,810)
	Other expenditure		(444,026)	(424,838)	(388,887)
	Loss on asset disposals		(41,000)	(22,489)	(5,584)
			(16,583,451)	(19,056,891)	(15,569,929)
	Non-cash amounts excluded from operating activities	25(a)	6,250,463	6,106,612	5,515,290
	Amount attributable to operating activities		4,343,421	569,360	4,064,015
INVESTING ACTIVITIES					
Inflows from investing activities					
	Capital grants, subsidies and contributions		2,210,103	3,606,212	4,445,429
	Proceeds from disposal of assets		466,363	741,000	276,879
	Proceeds from financial assets at amortised cost - self supporting loans	26(a)	73,137	0	63,630
			2,749,603	4,347,212	4,785,938
Outflows from investing activities					
	Payments for financial assets at amortised cost - self supporting loans		0	0	(70,000)
	Purchase of property, plant and equipment	8(a)	(1,271,938)	(1,872,314)	(2,494,262)
	Purchase and construction of infrastructure	9(a)	(3,769,652)	(5,744,584)	(5,227,244)
	Payments for intangible assets	12	0	0	(54,678)
			(5,041,590)	(7,616,898)	(7,846,184)
	Amount attributable to investing activities		(2,291,987)	(3,269,686)	(3,060,246)
FINANCING ACTIVITIES					
Inflows from financing activities					
	Proceeds from borrowings	26(a)	0	350,000	570,000
	Transfers from reserve accounts	27	1,066,042	1,386,325	1,495,610
			1,066,042	1,736,325	2,065,610
Outflows from financing activities					
	Repayment of borrowings	26(a)	(422,294)	(422,293)	(356,819)
	Payments for principal portion of lease liabilities	26(b)	(18,063)	(20,594)	(21,016)
	Transfer SS Loan to Community Group		0	(70,000)	0
	Transfers to reserve accounts	27	(2,060,886)	(1,837,853)	(1,737,078)
			(2,501,243)	(2,350,740)	(2,114,913)
	Amount attributable to financing activities		(1,435,201)	(614,415)	(49,303)
MOVEMENT IN SURPLUS OR DEFICIT					
	Surplus or deficit at the start of the financial year	25(b)	3,581,787	3,314,742	2,627,321
	Amount attributable to operating activities		4,343,421	569,360	4,064,015
	Amount attributable to investing activities		(2,291,987)	(3,269,686)	(3,060,246)
	Amount attributable to financing activities		(1,435,201)	(614,415)	(49,303)
	Surplus or deficit after imposition of general rates	25(b)	4,198,020	0	3,581,787

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

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

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Other Assets	15
Note 8	Property, Plant and Equipment	16
Note 9	Infrastructure	18
Note 10	Fixed Assets	20
Note 11	Leases	22
Note 12	Intangible Assets	23
Note 13	Trade and Other Payables	24
Note 14	Other Liabilities	25
Note 15	Borrowings	26
Note 16	Employee Related Provisions	27
Note 17	Revaluation Surplus	28
Note 18	Restrictions Over Financial Assets	29
Note 19	Undrawn Borrowing Facilities and Credit Standby Arrangements	29
Note 20	Contingent Liabilities	30
Note 21	Capital Commitments	30
Note 22	Related Party Transactions	31
Note 23	Other Significant Accounting Policies	33
 Information required by legislation		
Note 24	Rating Information	34
Note 25	Determination of Surplus or Deficit	35
Note 26	Borrowing and Lease Liabilities	36
Note 27	Reserve Accounts	38
Note 28	Trust Funds	40
Note 29	Correction of Error	41

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

1. BASIS OF PREPARATION

The financial report of the Shire of Plantagenet which is a class 4 local government comprises general purpose financial statements which have been prepared in accordance with the Local Government Act 1995 and accompanying regulations.

Local Government Act 1995 requirements

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

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

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

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 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
- estimated useful life of intangible assets

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified. Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

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

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	7,446,583	0	7,446,583
Grants, subsidies and contributions	110,837	0	0	3,905,466	4,016,303
Fees and charges	142,415	0	952,365	1,104,746	2,199,526
Interest revenue	0	0	55,157	229,598	284,755
Other revenue	206,691	0	80,482	194,627	481,800
Capital grants, subsidies and contributions	0	2,210,103	0	0	2,210,103
Total	459,943	2,210,103	8,534,587	5,434,437	16,639,070

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	7,085,709	0	7,085,709
Grants, subsidies and contributions	108,470	0	0	3,931,560	4,040,029
Fees and charges	133,551	0	906,210	1,207,658	2,247,418
Interest revenue	0	0	50,783	0	50,783
Other revenue	224,113	0	64,088	296,756	584,958
Capital grants, subsidies and contributions	0	4,445,429	0	0	4,445,429
Total	466,134	4,445,429	8,106,790	5,435,973	18,454,326

**SHIRE OF PLANTAGENET
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		
Financial assets at amortised cost - self supporting loans	9,635	8,065
Interest on reserve account funds	93,868	11,255
Other interest revenue	181,252	59,834
	284,755	79,154

The 2023 original budget estimate in relation to:
Trade and other receivables overdue interest was \$0.

Fees and charges relating to rates receivable

Charges on instalment plan	35,332	31,886
----------------------------	--------	--------

The 2023 original budget estimate in relation to:
Charges on instalment plan was \$32,500.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	41,661	36,000
- Other services – grant acquittals	0	2,800
	41,661	38,800

Employee Costs

Employee benefit costs	5,432,024	5,095,436
Other employee costs	176,550	350,619
	5,608,574	5,446,055

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	80,142	77,786
Lease liabilities	493	767
	80,635	78,553

Sundry expenses	444,026	388,887
	444,026	388,887

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

3. CASH AND CASH EQUIVALENTS

Note	2023 \$	2022 Restated* \$
Cash at bank and on hand	6,020,895	1,546,419
Term deposits	3,246,284	7,017,256
Total cash and cash equivalents	9,267,179	8,563,675
Held as		
- Unrestricted cash and cash equivalents	4,289,037	4,444,830
- Restricted cash and cash equivalents	4,978,142	4,118,845
18	9,267,179	8,563,675

* Refer to Note 29 regarding correction of prior year error.

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

(a) Current assets

	2023 \$	2022 \$
Financial assets at amortised cost	480,331	73,137
	480,331	73,137
Other financial assets at amortised cost		
Self supporting loans receivable	62,555	73,137
Term deposits	417,776	0
25(b)	480,331	73,137
Held as		
- Unrestricted other financial assets at amortised cost	62,555	73,137
- Restricted other financial assets at amortised cost	417,776	0
18	480,331	73,137
(b) Non-current assets		
Financial assets at amortised cost	317,323	379,878
Financial assets at fair value through profit or loss	106,554	101,947
	423,877	481,825
Financial assets at amortised cost		
Self supporting loans receivable	317,323	379,878
	317,323	379,878
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	97,255	97,255
Movement attributable to fair value increment	4,607	0
Mount Barker Co-op Shares	4,692	4,692
Units in Local Government House Trust - closing balance	106,554	101,947

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 26(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 23 (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 23.

SHIRE OF PLANTAGENET
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		441,563	336,785
Trade receivables		187,463	269,042
GST receivable		37,344	0
Receivables for employee related provisions	16	10,829	71,576
Allowance for credit losses of rates and statutory receivables		(2,437)	(3,663)
		674,762	673,740
Non-current			
Rates and statutory receivables		158,873	139,088
Receivables for employee related provisions		12,967	0
		171,840	139,088

Disclosure of opening and closing balances related to contracts with customers

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

	Note	30 June 2023 Actual	30 June 2022 Actual	1 July 2021 Actual
		\$	\$	\$
Contract assets	7	33,542	0	0
Total trade and other receivables from contracts with customers		33,542	0	0

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 23.

**SHIRE OF PLANTAGENET
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	68,954	64,259
	68,954	64,259
The following movements in inventories occurred during the year:		
Balance at beginning of year	64,259	56,002
Inventories expensed during the year	(491,440)	283,523
Additions to inventory	496,135	(275,266)
Balance at end of year	68,954	64,259

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

7. OTHER ASSETS

	2023	2022
	\$	\$
Other assets - current		
Prepayments	3,514	0
Accrued income	100,296	1,704
Contract assets	33,542	0
	137,352	1,704

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 period.

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

Note	Land	Buildings -	Buildings -	Total land and buildings	Furniture and equipment	Plant and equipment	Buildings -	Buildings -	Total property, plant and equipment	
		non-specialised	specialised		specialised - work in progress		non-specialised - work in progress			
	\$	\$	\$		\$	\$	\$	\$	\$	
Balance at 1 July 2021	4,428,625	2,511,709	24,748,877	31,689,211	682,256	5,268,166	390,146	0	38,029,779	
Additions	0	152,590	1,289,502	1,442,092	19,906	969,765	0	62,499	2,494,262	
Disposals	0	0	0	0	0	(201,077)	0	0	(201,077)	
Revaluation increments / (decrements) transferred to revaluation surplus	290,375	1,648,187	11,284,640	13,223,202	0	0	0	0	13,223,202	
Depreciation	10(a)	0	(73,475)	(644,212)	(717,687)	(55,312)	(547,634)	0	0	(1,320,633)
Transfers			4,289	390,146	394,435	69,556	0	(390,146)	0	73,845
Balance at 30 June 2022	4,719,000	4,243,300	37,068,953	46,031,253	716,406	5,489,220	0	62,499	52,299,378	
Comprises:										
Gross balance amount at 30 June 2022	4,719,000	4,243,300	37,068,953	46,031,253	962,908	6,932,756	0	62,499	53,989,416	
Accumulated depreciation at 30 June 2022	0	0	0	0	(246,502)	(1,443,536)	0	0	(1,690,038)	
Balance at 30 June 2022	4,719,000	4,243,300	37,068,953	46,031,253	716,406	5,489,220	0	62,499	52,299,378	
Additions	0	157,030	187,575	344,605	75,259	852,074	0	0	1,271,938	
Disposals	(144,000)	0	0	(144,000)	0	(120,528)	0	0	(264,528)	
Assets classified as held for sale	0	0	0	0	0	0	0	0	0	
Depreciation	10(a)	0	(123,138)	(835,195)	(958,333)	(52,013)	(502,195)	0	0	(1,512,541)
Transfers		0	62,499	0	62,499	35,198	0	0	(62,499)	35,198
Balance at 30 June 2023	4,575,000	4,339,691	36,421,333	45,336,024	774,850	5,718,571	0	0	51,829,445	
Comprises:										
Gross balance amount at 30 June 2023	4,575,000	4,462,829	37,256,528	46,294,357	1,075,535	7,619,830	0	0	54,989,722	
Accumulated depreciation at 30 June 2023	0	(123,138)	(835,195)	(958,333)	(300,685)	(1,901,259)	0	0	(3,160,277)	
Balance at 30 June 2023	4,575,000	4,339,691	36,421,333	45,336,024	774,850	5,718,571	0	0	51,829,445	

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuers	June 2022	Price per hectare / market borrowing rate
Buildings - non-specialised	2 and 3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2022	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - specialised	3	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuers	June 2022	Price per square metre / market borrowing rate
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	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2019	Construction costs and current condition, residual values and remaining useful life assessments inputs
- Independent Valuation 2019	2 and 3	Market approach using recent observable market data for similar vehicles	Independent valuers	June 2019	Market price per item
- Management Valuation 2019	3	Cost approach using depreciated replacement cost	Management Valuation	June 2019	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks & ovals	Infrastructure - other infrastructure	Infrastructure - other (WIP)	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	156,298,363	1,914,955	11,223,026	4,891,091	12,263,985	3,450	186,594,870
Additions	4,106,855	169,405	24,461	67,639	858,884	0	5,227,244
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	2,224,112	4,157,895	0	6,382,007
Depreciation	(3,253,133)	(99,072)	(157,664)	(337,739)	(308,525)	0	(4,156,133)
Transfers	0	0	0	(52,692)	(17,703)	(3,450)	(73,845)
Balance at 30 June 2022	157,152,085	1,985,288	11,089,823	6,792,411	16,954,536	0	193,974,143
Comprises:							
Gross balance at 30 June 2022	204,041,930	3,369,505	16,283,180	6,889,583	17,102,006	0	247,686,204
Accumulated depreciation at 30 June 2022	(46,889,845)	(1,384,217)	(5,193,357)	(97,172)	(147,470)	0	(53,712,061)
Balance at 30 June 2022	157,152,085	1,985,288	11,089,823	6,792,411	16,954,536	0	193,974,143
Additions	2,762,141	292,865	141,779	157,986	414,881	0	3,769,652
Revaluation increments / (decrements) transferred to revaluation surplus	211,106,351	1,107,458	(1,665,642)	1,004,626	2,961,182	0	214,513,975
Depreciation	(4,011,953)	(129,837)	(263,514)	(369,223)	(255,035)	0	(5,029,562)
Transfers	0	0	0		(35,198)		(35,198)
Balance at 30 June 2023	367,008,624	3,255,774	9,302,446	7,585,800	20,040,366	0	407,193,010
Comprises:							
Gross balance at 30 June 2023	528,071,884	5,463,011	20,947,714	15,815,900	35,448,447	0	605,746,956
Accumulated depreciation at 30 June 2023	(161,063,260)	(2,207,237)	(11,645,268)	(8,230,100)	(15,408,081)	0	(198,553,946)
Balance at 30 June 2023	367,008,624	3,255,774	9,302,446	7,585,800	20,040,366	0	407,193,010

Significant Movements in infrastructure assets

The Shire of Plantagenet's roads, footpaths and other infrastructure assets were independently revalued by an external valuer as at 30 June 2023 in line with AASB 13 Fair Value Measurement and Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996.

The revaluation resulted in a material increment/decrement in the fair value of the Shire's road, footpaths, and drainage assets due to the following reasons observed from the 2018 valuation, however it was impracticable for the Shire to determine the possible misstatements:

- Roads valuation did not include a review of the road measurements. There is a possibility, road length may not have been taken up correctly or some level of underestimation.
- Footpaths condition assessment was not updated in the previous valuation, with the Shire applying the condition data from 2015.
- Drainage 2018 valuation relied on condition assessments from the 2015 valuation, rather than reassessing the assets' condition.

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using current replacement cost	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - footpaths	3	Cost approach using current replacement cost	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - drainage	3	Cost approach using current replacement cost	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - parks & ovals	3	Cost approach using current replacement cost	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - other infrastructure	3	Cost approach using current replacement cost	Independent registered valuers	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs

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

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

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

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings - non-specialised	25 to 50 years
Buildings - specialised	25 to 50 years
Furniture and equipment	5 to 25 years
Plant and equipment	5 to 25 years
Infrastructure - roads	
Sealed roads and streets	
Formation	Not depreciated
Pavement	40 to 70 years
Seal	12 to 35 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
- formation	not depreciated
- pavement	20 to 100 years
Pathways	30 to 40 years
Infrastructure - footpaths	20 years
Infrastructure - drainage	50 to 100 years
Infrastructure - parks and ovals	15 to 60 years
Infrastructure - other infrastructure	10 to 100 Years
Right of use - plant and equipment	Based on the remaining lease

Revision of useful lives of plant and equipment

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

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

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

Impairment

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

Gains or losses on disposal

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

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

11. LEASES

(a) Right-of-Use Assets

	Right-of-use assets - furniture and equipment	Right-of-use assets - plant and equipment	Right-of-use assets Total
Note	\$	\$	\$
Balance at 1 July 2021	15,617	0	15,617
Additions	0	64,156	64,156
Depreciation	(9,359)	(7,616)	(16,975)
Balance at 30 June 2022	6,258	56,540	62,798
Gross balance amount at 30 June 2022	34,348	64,156	98,504
Accumulated depreciation at 30 June 2022	(28,090)	(7,616)	(35,706)
Balance at 30 June 2022	6,258	56,540	62,798
Depreciation	(6,258)	(9,174)	(15,432)
Balance at 30 June 2023	0	47,366	47,366
Gross balance amount at 30 June 2023	34,347	64,156	98,503
Accumulated depreciation at 30 June 2023	(34,347)	(16,790)	(51,137)
Balance at 30 June 2023	0	47,366	47,366

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

	2023 Actual	2022 Actual
	\$	\$
Depreciation on right-of-use assets	(15,432)	(16,975)
Finance charge on lease liabilities	(493)	(767)
Total amount recognised in the statement of comprehensive income	(15,925)	(17,742)
Total cash outflow from leases	(18,556)	(21,783)
(b) Lease Liabilities		
Current	12,808	22,258
Non-current	28,193	36,806
	41,001	59,064

Secured liabilities and assets pledged as security

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

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 26(b).

Right-of-use assets - measurement

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

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

Right-of-use assets - depreciation

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

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

12. INTANGIBLE ASSETS

	2023 Actual	2022 Actual
	\$	\$
Intangible assets		
Non-current		
Computer software development	325,559	325,559
Less: Accumulated amortisation	(34,946)	(18,668)
	290,613	306,891
 Movements in balances of computer software during the financial year are shown as follows:		
Balance at 1 July	306,891	270,881
Recognition of computer software	0	54,678
Amortisation	(16,278)	(18,668)
Balance at 30 June	290,613	306,891
TOTAL INTANGIBLE ASSETS	290,613	306,891

SIGNIFICANT ACCOUNTING POLICIES

Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the the Shire are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;

Computer software (continued)

- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Information on useful life, amortisation rates and amortisation methods can be found in Note 10.

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

13. TRADE AND OTHER PAYABLES

	2023	2022 Restated *
	\$	\$
Current		
Sundry creditors	137,507	101,682
Prepaid rates	141,669	134,842
Accrued payroll liabilities	221,543	145,675
Bonds and deposits held	84,996	77,403
Accrued expenses	51,518	70,000
Accrued interest on debentures	4,561	5,457
Other payables *	330,291	330,291
	972,085	865,350

*See Note 29 for details regarding correction of prior period error.

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

Prepaid rates

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

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

14. OTHER LIABILITIES

	2023	2022
	\$	\$
Current		
Contract liabilities	202,239	14,522
Capital grant/contributions liabilities	149,991	792,875
	<u>352,230</u>	<u>807,397</u>
Reconciliation of changes in contract liabilities		
Opening balance	14,522	17,402
Additions	202,239	14,522
Revenue from contracts with customers included as a contract liability at the start of the period	(14,522)	(17,402)
	<u>202,239</u>	<u>14,522</u>
<p>The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$18,512 (2022: \$14,522)</p> <p>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.</p>		
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	792,875	996,615
Additions	149,991	792,875
Revenue from capital grant/contributions held as a liability at the start of the period	(792,875)	(996,615)
	<u>149,991</u>	<u>792,875</u>

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

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

15. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		382,448	1,265,526	1,647,974	422,294	1,647,974	2,070,268
Total secured borrowings	26(a)	382,448	1,265,526	1,647,974	422,294	1,647,974	2,070,268

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Plantagenet. Other loans relate to transferred receivables. Refer to Note 5.

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 26(a).

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

16. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	343,093	482,773
Long service leave	431,777	434,373
	774,870	917,146
Employee related other provisions		
Employment on-costs	126,102	115,075
	126,102	115,075
Total current employee related provisions	900,972	1,032,221
Non-current provisions		
Employee benefit provisions		
Long service leave	127,650	82,577
	127,650	82,577
Employee related other provisions		
Employment on-costs	12,715	10,695
	12,715	10,695
Total non-current employee related provisions	140,365	93,272
Total employee related provisions	1,041,337	1,125,493

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

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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

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	3,863,727	0	3,863,727	3,573,352	290,375	3,863,727
Revaluation surplus - Buildings - non-specialised	4,138,480	0	4,138,480	2,490,293	1,648,187	4,138,480
Revaluation surplus - Buildings - specialised	36,741,215	0	36,741,215	25,456,575	11,284,640	36,741,215
Revaluation surplus - Furniture and equipment	225,563	0	225,563	225,563	0	225,563
Revaluation surplus - Plant and equipment	1,365,650	0	1,365,650	1,365,650	0	1,365,650
Revaluation surplus - Infrastructure - roads	117,743,731	211,106,351	328,850,082	117,743,731	0	117,743,731
Revaluation surplus - Infrastructure - footpaths	1,161,153	1,107,458	2,268,611	1,161,153	0	1,161,153
Revaluation surplus - Infrastructure - drainage	9,713,963	(1,665,643)	8,048,320	9,713,963	0	9,713,963
Revaluation surplus - Infrastructure - parks & ovals	3,009,373	1,004,627	4,014,000	785,261	2,224,112	3,009,373
Revaluation surplus - Infrastructure - other infrastructure	4,777,196	2,961,182	7,738,378	619,301	4,157,895	4,777,196
	182,740,051	214,513,975	397,254,026	163,134,842	19,605,209	182,740,051

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

18. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2023 Actual \$	2022 Actual \$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	4,978,142	4,118,845
- Financial assets at amortised cost	4	417,776	0
		5,395,918	4,118,845
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	27	5,043,688	4,048,845
Contract liabilities	14	202,239	0
Capital grant liabilities	14	149,991	0
Unspent loans	26(a)	0	70,000
Total restricted financial assets		5,395,918	4,118,845

19. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS

Bank overdraft limit		500,000	500,000
Bank overdraft at balance date		0	0
Credit card limit		20,000	20,000
Credit card balance at balance date		(9,404)	(7,607)
Total amount of credit unused		510,596	512,393
Loan facilities			
Loan facilities - current		382,448	422,294
Loan facilities - non-current		1,265,526	1,647,974
Total facilities in use at balance date		1,647,974	2,070,268
Unused loan facilities at balance date		0	70,000

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

20. CONTINGENT LIABILITIES

The Shire was issued Licence L7026/1997/14 to operate the Mount Barker Waste Management Facility by the Department of Environment Regulation (now the Department of Water and Environmental Regulation – DWER) on 20 June 2014. The licence conditions include a requirement to submit a Closure and Post Closure Management Plan.

The Shire of Plantagenet engaged GHD Pty Ltd (GHD) consulting services to prepare a Closure and Post Closure Management Plan for the O’Neil Road Waste site in April 2021.

The plan provides a detailed guide on how to close the O’Neil Road Waste Management Site over a number of graduated stages. The aim is to extend the lifespan of the site as far as practicable and spread the capital costs of closing and capping the landfill site over an extended period of time.

The plan was formally noted by the Council at its meeting held on 24 August 2021. Management has undergone a number of staffing changes which has delayed the finalisation of obtaining a clearing permit for future landfill use and the land swap to rectify landfill encroachment on the adjacent property.

21. CAPITAL COMMITMENTS

	2023	2022
Contracted for:	\$	\$
- capital expenditure projects	291,162	828,190
- plant & equipment purchases	113,107	257,936
	404,269	1,086,126
Payable:		
- not later than one year	404,269	1,086,126

The current year commitments represent costs associated with the following projects:

- Kendenup Hall toilets
- Mount Barker Regional Saleyards canteen and ablution block
- Mount Barker footpath construction
- Swimming pool retaining wall
- Mount Barker Recreation Centre change facility
- Drainage construction works
- Narrikup Playground
- Wilson Park fitness equipment
- Medium tipper truck

The prior year commitments represented costs associated with the following projects:

- Swimming pool facility refurbishment
- Library building upgrade
- New saleyards ablution block and staff canteen
- Shoulder reconditioning of Woogenellup Road
- Saleyards bitumen repairs
- Replacement of District Hall switch board
- Two way pig trailer
- NPR 250/300 crew cab

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

22. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
President's annual allowance	34,093	34,093	29,565
President's meeting attendance fees	22,080	22,080	20,274
President's annual allowance for ICT expenses	2,000	2,000	2,000
	58,173	58,173	51,839
Deputy President's annual allowance	8,523	8,523	7,392
Deputy President's meeting attendance fees	14,260	14,260	13,094
Deputy President's annual allowance for ICT expenses	2,000	2,000	2,000
	24,783	24,783	22,486
All other council member's meeting attendance fees	99,820	99,817	90,190
All other council member's annual allowance for ICT expenses	14,000	14,000	13,777
All other council member's travel and accommodation expenses	0	3,000	0
	113,820	116,817	103,967
22(b)	196,776	199,773	178,292

(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	803,897	607,707
Post-employment benefits	106,227	75,703
Employee - other long-term benefits	5,029	57,592
Employee - termination benefits	47,006	0
Council member costs	196,776	178,292
22(a)	1,158,935	919,294

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

22. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

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

	2023 Actual	2022 Actual
	\$	\$
Sale of goods and services	27,708	35,250
Purchase of goods and services	12,042	120,019
Short term employee benefits - other related parties	12,898	15,326
Payment of council member costs (Refer to Note 22(a))	196,776	178,292
Amounts outstanding from related parties:		
Trade and other receivables	2,848	24,574

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 22(a) and 22(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.

iii. Entities subject to significant influence by the Shire

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

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

23. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

24. RATING INFORMATION

(a) General Rates

RATE TYPE		2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2021/22
Rate Description	Basis of valuation	Rate in	Number	Actual	Actual	Actual	Actual	Actual
		\$	of	Rateable	Rate	Interim	Total	Total
			Properties	Value*	Revenue	Rates	Revenue	Revenue
				\$	\$	\$	\$	\$
Rural Townsite	Gross rental valuation	0.108627	191	2,025,491	220,023	1,762	221,785	207,690
Mount Barker Townsite	Gross rental valuation	0.108627	747	10,081,713	1,095,548	1,868	1,097,416	1,040,102
Strata Title	Gross rental valuation	0.108627	4	45,760	4,971	0	4,971	3,824
Rural GRV	Gross rental valuation	0.108627	44	1,243,648	135,094	7	135,101	140,737
Rural	Unimproved valuation	0.006867	1,073	665,716,000	4,569,344	(13,000)	4,556,343	4,364,131
Mining	Unimproved valuation	0.006867	0	0	0	0	0	0
Total general rates			2,059	679,112,612	6,024,980	(9,363)	6,015,616	5,756,484
Minimum payment		\$						
Rural Townsite	Gross rental valuation	970	347	938,903	336,590	0	336,590	319,125
Mount Barker Townsite	Gross rental valuation	970	294	1,794,796	285,180	0	285,180	275,650
Strata Title	Gross rental valuation	970	87	186,786	84,390	0	84,390	81,400
Rural GRV	Gross rental valuation	970	31	185,731	30,070	0	30,070	27,750
Rural	Unimproved valuation	970	681	71,105,800	660,570	13,635	674,205	615,125
Mining	Unimproved valuation	970	17	254,124	16,490	4,042	20,532	10,175
Total minimum payments			1,457	74,466,140	1,413,290	17,677	1,430,967	1,329,225
Total general rates and minimum payments			3,516	753,578,752	7,438,270	8,314	7,446,583	7,085,709
Total Rates							7,446,583	7,085,709

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

25. DETERMINATION OF SURPLUS OR DEFICIT

		2022/23 Budget	2022/23	2021/22
	2022/23 (30 June 2023)	(30 June 2023)	(1 July 2022)	(30 June 2022)
Note	Carried Forward)	Carried Forward)	Brought Forward)	Carried Forward
	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
	(242,835)	(300,733)	(81,386)	(81,386)
		0	0	(8,228)
	(4,607)	0	(8,228)	0
	41,000	22,489	5,584	5,584
10(a)	6,573,813	6,293,585	5,512,409	5,512,409
Non-cash movements in non-current assets and liabilities:				
	0			
	(19,785)	0	(19,571)	(19,571)
	(12,967)	0	0	0
7	0			
	(84,156)	91,271	106,482	106,482
Non-cash amounts excluded from operating activities				
	6,250,463	6,106,612	5,515,290	5,515,290
(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				
27	(5,043,688)	(4,500,375)	(4,048,845)	(4,048,845)
4(a)	(62,555)	0	(73,137)	(73,137)
	382,448	350,000	422,294	422,294
15	12,808	39,427	22,258	22,258
11(b)	900,972	1,003,980	1,032,222	1,032,222
Total adjustments to net current assets				
	(3,810,015)	(3,106,968)	(2,645,208)	(2,645,208)
Net current assets used in the Statement of Financial Activity				
	10,628,578	6,202,486	9,376,515	9,376,515
	(2,620,543)	(3,095,518)	(3,149,520)	(3,149,520)
	(3,810,015)	(3,106,968)	(2,645,208)	(2,645,208)
Surplus or deficit after imposition of general rates				
	4,198,020	0	3,581,787	3,581,787

(c) The prior year method of calculating the Shire's surplus deficit differs from the prior year audited method due to mandatory reporting changes imposed on local governments.

Employee benefit provisions owed to the Shire are now required to be reported as a asset rather than as a liability.

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

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget			
		Principal		Repayments	Principal at 30 June 2022	Principal		Principal at 1 July 2022	Principal		Principal at 30 June 2023
		Principal at 1 July 2021	New Loans During 2021-22			Repayments During 2021-22	Repayments During 2022-23		Principal at 30 June 2023	New Loans During 2022-23	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
New Administration Centre		811,149	0	(185,684)	625,465	(196,648)	428,816	625,465	0	(196,648)	428,816
Plantagenet Medical Centre		380,261	0	(40,225)	340,036	(40,717)	299,319	340,036	0	(40,717)	299,319
Sounness Park Development		85,664	0	(42,017)	43,647	(43,647)	0	43,646	0	(43,646)	0
Swimming Pool Refurbishment		0	500,000	0	500,000	(42,195)	457,805	500,000	0	(42,195)	457,805
GSCore Trails Project		0	0	0	0	0	0	0	350,000	0	350,000
Saleyards Roof		133,368	0	(25,262)	108,106	(25,950)	82,156	108,106	0	(25,949)	82,157
Total		1,410,442	500,000	(293,188)	1,617,254	(349,157)	1,268,096	1,617,253	350,000	(349,155)	1,618,098
Self Supporting Loans											
Plantagenet Village Homes		388,255	0	(40,342)	347,913	(41,015)	306,898	347,912	0	(41,015)	306,897
Mount Barker Golf Club - Bowls Turf		58,390	0	(23,288)	35,102	(23,379)	11,723	35,103	0	(23,379)	11,724
Mount Barker Golf Club - Bowls Turf (Green A)		0	70,000	0	70,000	(8,743)	61,257	70,000	0	(8,744)	61,256
Total Self Supporting Loans		446,645	70,000	(63,630)	453,015	(73,137)	379,878	453,015	0	(73,138)	379,877
Total Borrowings	15	1,857,087	570,000	(356,818)	2,070,269	(422,294)	1,647,974	2,070,268	350,000	(422,293)	1,997,975

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

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	year ending 30 June 2022
						\$	\$	\$
New Administration Centre		90	WATC*	5.82%	23/06/2025	(38,938)	(33,582)	(51,018)
Plantagenet Medical Centre		97	WATC*	1.50%	18/06/2030	(6,447)	(4,024)	(8,597)
Sounness Park Development		94	WATC*	3.84%	7/06/2023	(1,665)	(1,261)	(3,548)
Swimming Pool Refurbishment		99	WATC*	1.50%	17/05/2032	(20,017)	(18,030)	(2,252)
Saleyards Roof		95	WATC*	2.70%	18/05/2026	(3,440)	(2,745)	(4,306)
Total						(70,507)	(59,642)	(69,721)
Self Supporting Loans Finance Cost Payments								
Plantagenet Village Homes		96	WATC*	1.70%	18/05/2030	(7,836)	(5,606)	(7,418)
Mount Barker Golf Club - Bowls Turf		98	WATC*	1.50%	2/11/2023	(359)	(115)	(614)
Mount Barker Golf Club - Bowls Turf (Green A)		100	WATC*	4.40%	27/06/2029	(1,440)	(2,983)	(34)
Total Self Supporting Loans Finance Cost Payments						(9,635)	(8,704)	(8,066)
Total Finance Cost Payments						(80,142)	(68,346)	(77,787)

* WA Treasury Corporation

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

26. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual						Budget			
		Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
Photocopier Lease		15,924	0	(9,490)	6,434	(6,434)	0	6,434	0	(6,434)	0
CESM Vehicle		0	64,156	(11,526)	52,630	(11,629)	41,001	60,021	0	(14,160)	45,861
Total Lease Liabilities	11(b)	15,924	64,156	(21,016)	59,064	(18,063)	41,001	66,455	0	(20,594)	45,861

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	year ending 30 June 2022	Lease Term
Photocopier Lease			Best Office System	2.00%	15/08/2022	\$ (20)	\$ (306)	\$ (230)	48 months
CESM Vehicle			SG Fleet	1.00%	31/08/2026	(473)	(600)	(537)	60 months
Total Finance Cost Payments						(493)	(906)	(767)	

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

27. RESERVE ACCOUNTS

	2023	2023	2023	2023	2023	2023	2023	2023	2022	2022	2022	2022
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual
	Opening	Transfer to	Transfer (from)	Closing	Opening	Transfer to	Transfer (from)	Closing	Opening	Transfer to	Transfer (from)	Closing
	Balance			Balance	Balance			Balance	Balance			Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation/agreement												
(a) Public Open Space (WAPC 99183) reserve	13,186	501	0	13,687	13,186	50	0	13,236	13,147	39	0	13,186
	13,186	501	0	13,687	13,186	50	0	13,236	13,147	39	0	13,186
Restricted by council												
(b) Employee Leave Entitlements reserve	81,816	51,614	0	133,430	81,816	50,309	0	132,125	31,721	50,095	0	81,816
(c) Plant replacement reserve	856,220	597,885	(733,261)	720,844	856,220	553,245	(811,515)	597,950	1,240,493	503,667	(887,940)	856,220
(d) Drainage and water management reserve	85,960	3,263	0	89,223	85,960	324	0	86,284	85,706	254	0	85,960
(e) Waste management reserve	840,725	236,974	(74,414)	1,003,285	840,725	213,991	(65,000)	989,716	641,267	199,458	0	840,725
(f) Computer software/hardware upgrade reserve	37,763	1,433	0	39,196	37,763	3	0	37,766	37,652	111	0	37,763
(g) Mount Barker Regional Saleyards capital improvements reserve	294,549	38,231	(258,367)	74,413	294,549	78,998	(322,810)	50,737	430,025	109,534	(245,010)	294,549
(h) Mount Barker Regional Saleyards operating loss reserve	292,960	11,121	0	304,081	292,961	1,105	0	294,066	292,097	863	0	292,960
(i) Outstanding land resumptions reserve	9,448	358	0	9,806	9,448	36	0	9,484	9,421	27	0	9,448
(j) Natural disaster reserve	195,906	101,819	0	297,725	195,907	94,741	(187,000)	103,648	195,329	150,577	(150,000)	195,906
(k) Building Renewal Reserve (formerly Plantagenet medical centre)	167,693	196,387	0	364,080	167,693	192,654	0	360,347	85,441	82,252	0	167,693
(l) Spring Road roadworks reserve	56,140	2,131	0	58,271	56,140	212	0	56,352	55,974	166	0	56,140
(m) Mount Barker swimming pool revitalisation reserve	849,785	355,589	0	1,205,374	849,785	203,213	0	1,052,998	316,271	600,934	(67,420)	849,785
(n) Hockey ground carpet replacement	112,247	21,723	0	133,970	112,247	18,424	0	130,671	93,969	18,278	0	112,247
(o) Community resource centre building reserve	50,544	11,620	0	62,164	50,544	10,191	0	60,735	40,425	10,119	0	50,544
(p) Museum complex reserve	9,174	349	0	9,523	9,175	35	0	9,210	9,147	27	0	9,174
(q) Standpipe reserve	27,762	10,756	0	38,518	27,762	10,105	0	37,867	17,710	10,052	0	27,762
(r) Paths and trails reserve	31,834	1,208	0	33,042	31,834	84	0	31,918	31,741	93	0	31,834
(s) Major Projects (formerly included Building Renewals)	35,132	387,802	0	422,934	35,132	380,133	0	415,265	179,841	531	(145,240)	35,132
(t) Community Grants Reserve	0	30,122	0	30,122	0	30,000	0	30,000	0	0	0	0
	4,035,659	2,060,385	(1,066,042)	5,030,001	4,035,661	1,837,803	(1,386,325)	4,487,139	3,794,230	1,737,039	(1,495,610)	4,035,659
	4,048,845	2,060,886	(1,066,042)	5,043,688	4,048,847	1,837,853	(1,386,325)	4,500,375	3,807,377	1,737,078	(1,495,610)	4,048,845

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

27. RESERVE ACCOUNTS (Continued)

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

Name of reserve account	Purpose of the reserve account
Restricted by legislation/agreement	
(a) Public Open Space (WAPC 99183) reserve	To hold the cash in lieu of open space contribution held against the subdivision in WAPC reference 99183 until approval is granted to use those funds, pursuant to Section 6.11 of the Local Government Act 1995
Restricted by council	
(b) Employee Leave Entitlements reserve	To fund sick, annual and long service leave entitlements for former staff and unplanned payments of annual leave and long service leave
(c) Plant replacement reserve	To fund the purchase of vehicles, plant and machinery
(d) Drainage and water management reserve	To fund the purchase of land for drainage purposes and carry out major drainage works and projects identified in the Shire of Plantagenet Water Strategy 2020
(e) Waste management reserve	To fund waste management infrastructure and major items of associated plant and equipment
(f) Computer software/hardware upgrade reserve	To fund the upgrade of business system software and hardware with latest versions and additional functionality
(g) Mount Barker Regional Saleyards capital improvements reserve	To fund capital works and purchases at the Mount Barker Regional Saleyards
(h) Mount Barker Regional Saleyards operating loss reserve	To retain a proportion of Saleyards operating surpluses to fund operating deficits
(i) Outstanding land resumptions reserve	To fund old / outstanding obligations for land resumptions associated with road realignments and the like
(j) Natural disaster reserve	To fund the Council's proportion of natural disaster events in the Shire of Plantagenet
(k) Building Renewal Reserve (formerly Plantagenet medical centre)	To fund the renewal and refurbishment of Shire buildings
(l) Spring Road roadworks reserve	To fund the construction of roadworks in Spring Road, Porongurup as required by the relevant subdivision condition
(m) Mount Barker swimming pool revitalisation reserve	To fund planning and capital works associated with the revitalisation of the Mount Barker Memorial Swimming Pool
(n) Hockey ground carpet replacement	To contribute towards the planned replacement of carpet at the Sounness Park Hockey Ground
(o) Community resource centre building reserve	To contribute to the maintenance, renewal, refurbishment and improvements to the Mount Barker Community Resource Centre
(p) Museum complex reserve	To fund the refurbishment of buildings at the Mount Barker Historical Museum complex
(q) Standpipe reserve	To fund the repair, renewal and upgrade of water standpipes
(r) Paths and trails reserve	To fund the development of new pathways, cycleway infrastructure and trails
(s) Major Projects (formerly included Building Renewals)	To fund new, improvements or refurbishments to existing Shire buildings and / or infrastructure and concept planning / working drawings for projects, to be determined by the Council
(t) Community Grants Reserve	To fund Council contributions towards leased Shire building and infrastructure improvements, funded via Shire community grants

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

28. 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 Restated*	Amounts Received	Amounts Paid	30 June 2023
		\$	\$	\$
Feral Pig Eradication Committee	74,939	4,805	0	79,744
Contribution - Public Open Space	88,930	0	0	88,930
Bonds - Other ^(a)	330,291	0	0	330,291
	<u>494,160</u>	<u>4,805</u>	<u>0</u>	<u>498,965</u>

^(a) See Note 29 for details regarding correction of prior period error.

\$330,291 will be transferred to the Municipal bank account in the financial year 2024.

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

29. CORRECTION OF ERROR

During the year the Shire discovered that \$330,291 relating to net proceeds from sale of lands for unpaid rates in 2018 was being held in the Trust Bank Account (Note 28) and not recognised in the Statement of Financial Position when it should have been held in the Municipal Bank Account and recognised together with a corresponding liability to eligible recipients, in the Statement of Financial Position. This resulted in an understatement in cash and cash equivalents and an understatement in trade and other payables.

The Shire of Plantagenet has retrospectively applied the correction as at 1 July 2021 (beginning of the earliest period practicable).

Statement of Financial Position	Note	30 June 2022			1 July 2021		
		30 June 2022	Adjustment	Restated*	30 June 2021	Adjustment	Restated
		\$	\$	\$	\$	\$	\$
Cash and cash equivalents	3	8,233,384	330,291	8,563,675	7,159,521	330,291	7,489,812
Trade and other payables	13	535,059	330,291	865,350	536,847	330,291	867,138
Net assets		251,713,066	0	251,713,066	229,113,703	0	229,113,703