



# SHIRE OF RAVENSTHORPE

2021/2022  
ANNUAL REPORT



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# Acknowledgement of Country

*The Shire of Ravensthorpe acknowledges the Noongar people as the native title holders of the lands in the Wagyl Kaip/Southern Noongar region together with all native title holders throughout the Shire.*

*We pay respect to the Elders, past, present and emerging and extend that respect to all Aboriginal Australians living within the Shire of Ravensthorpe.*



## Kukenarup Memorial

Now our ancestors' restless spirits can sleep peacefully knowing they are not forgotten and their ordeal is recognized and acknowledged.


*Annie Dab*

Yey Nyoodok  
nitja nyininy

Now you are here  
Listen Breathe







As required by the *Local Government Act 1995* and associated regulations the Annual Report for 2021/22 provides an overview of the operations, activities and major projects undertaken by the Shire for that period, and includes major initiatives proposed to commence or to continue in the next financial year.

The performance of the Council is assessed against the Vision, Mission, Strategic Goals, Outcomes and Strategies as set out in the Shire of Ravensthorpe Strategic Community Plan 2020-2030 and the Actions contained in the Corporate Business Plan 2020-2024.

These plans provide strategic focus for elected members and the organisation and affirms our commitments to the community.



Shire of Ravensthorpe

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Hopetoun Community Centre, Veal Street, Hopetoun WA 6348

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# Vision

A growing community, thriving and resilient, sharing our natural wonderland with the world.

## Our Values

*The community can rely on us for:*

- *Passionate commitment to service;*
- *Proudly promoting and advocating for our community;*
- *Clear and regular communication;*
- *Openly reporting on progress and listening to community feedback.*

Photo credit:  
Graham Richardson



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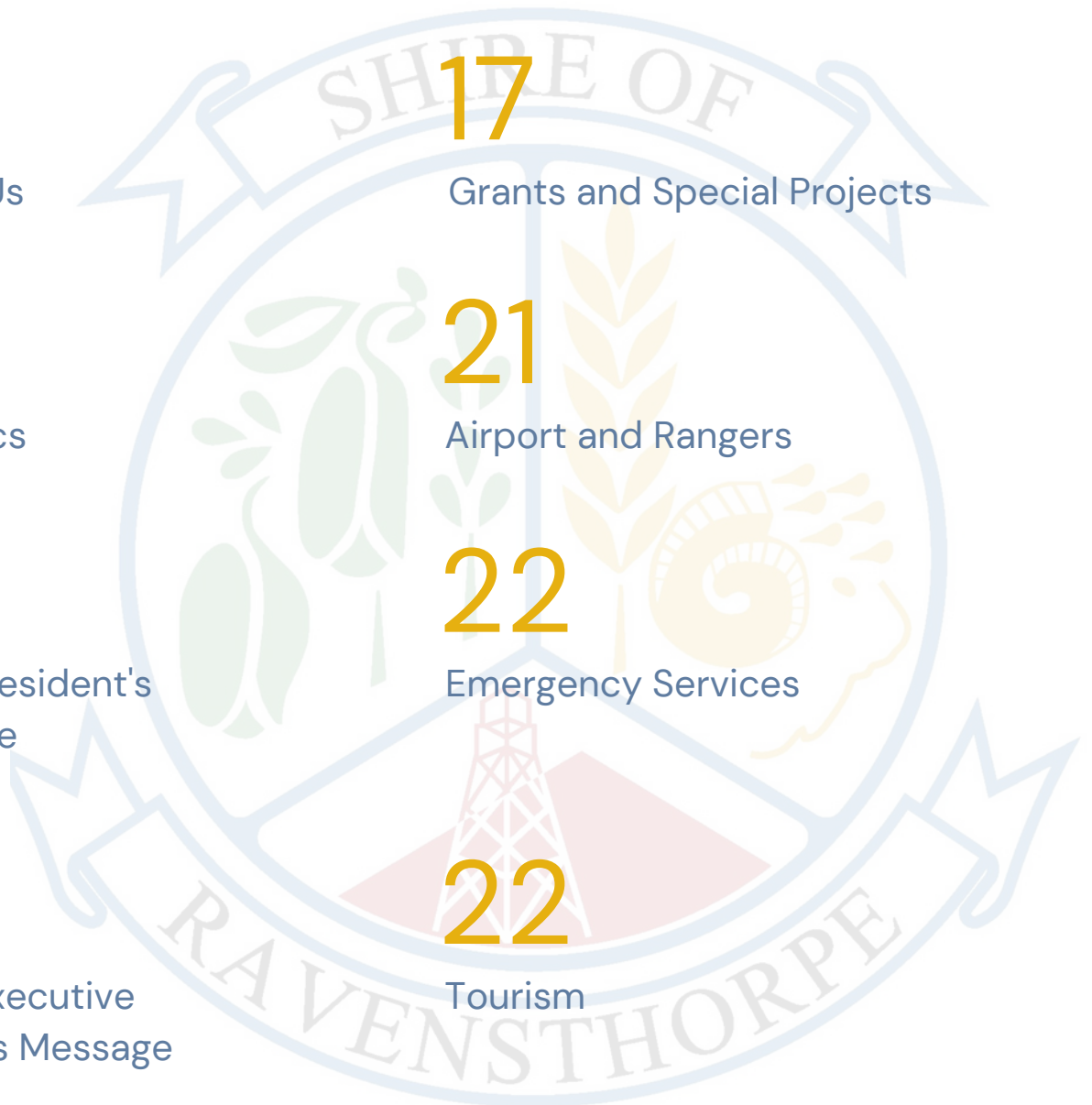
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# About us ...

The Shire of Ravensthorpe encompasses the settlements of Ravensthorpe, Hopetoun, Jerdacuttup, Munglinup and Fitzgerald and is located within the picturesque Fitzgerald Biosphere Coast region.

Located five hours south east of Perth, two hours west of Esperance and three hours east of Albany, the Shire of Ravensthorpe covers an area of 13,551kms square.

Approximately two-thirds of the Shire is natural bushland, made up of reserves, vacant crown land and a world-class national park; all of which are rich in geology, native flora and fauna including many rare species. In addition, the unique marine life, grand headlands, rugged river valleys and pristine beaches all contribute towards the region's international status as a Biosphere Reserve. The primary industries include mining, farming and tourism.

Ravensthorpe was initially known as the Phillips River Goldfield and was discovered in 1892 with the find of small quantities of gold in association with copper and iron pyrites. It was not until 1898 that auriferous quartz reefs were discovered, the first government smelter became operational in 1904. Eventually, the Goldfield produced 83,469.67 oz gold from 18,220 tons of ore in addition to 472.2 oz of alluvial gold.

It is known that the Dunn brothers first came to the region in 1868 and leased the pastoral property of Cocanarup to establish a sheep station. Farming infrastructure was erected on the Phillips River and stores were brought in from Mary Ann Haven (now Hopetoun).

Prospectors set up a camp which they called Hawk's Nest, halfway between the Floater and Cattlin mines. Eventually, the town of Ravensthorpe was surveyed in 1900 and gazetted in 1901 with the Shire around it covering some 13,151 km<sup>2</sup>.

The population of Ravensthorpe and the Goldfields peaked in 1911, when in excess of 2,000 people (police records 2011) lived there, mostly associated with gold mining.





# More about us ...

The Fitzgerald River National Park boasts a rich diversity of native and rare plant species. It's one of Australia's largest parks and home to 75 species of endemic plants, found nowhere else.

Centuries ago, the first sea-faring Europeans to look upon the area now known as the Fitzgerald River National Park saw little to attract them. Dutchman Pieter Nuyts, in 1627, Englishman George Vancouver in 1791 and, Frenchman Bruni d'Entrecasteaux in 1792 all noted the barrenness of the land they observed from their passing ships.

Much later, in 1840-41, Edward Eyre would traverse the Great Australian Bight, from Adelaide to Albany. *"Most properly has it been called Mount Barren for a more wretched looking country never existed than that around it"* were the words he recorded in his journal about the area.

Although the Barren Ranges (East, West and Middle) still bear the name that reflects those early opinions, the region around Fitzgerald River National Park is now, somewhat ironically, acknowledged as being one of the world's richest in terms of plant diversity.

In 1978 the park and surrounding area was gazetted under UNESCO's internationally recognised 'Man and Biosphere' program. It is one of two Biosphere reserves in Western Australia (the other being Prince Regent Nature Reserve in the Kimberley) and 14 in the whole country. The park is designated as the 'core area' of the Fitzgerald Biosphere Reserve.

A beautiful and family friendly place to settle that offers a healthy lifestyle, the Shire of Ravensthorpe is made up of strong communities, with locals who are passionate about agriculture, art, history, the environment, sport and recreation.







- Sealed road
- Unsealed road
- 4-WD track (selected)
- Footpath (selected)
- Route of old railway
- Shire boundary
- 120° E (WA time meridian)
- Visitor information centre
- Visitor information bay
- Police station
- Unheated/premium/diesel
- LPG Autogas
- Townsite or community centre
- Rural residential estate
- Post Office
- Bank or bank agency, ATM
- Telecentre with internet access and library
- Caravan park (outside townsites)
- Campsite with toilet and picnic area
- Boat ramp
- Small boat anchorage
- Airport with sealed runway
- Airstrip (Authorised Landing Area)
- Wind power generator
- Mountain summit
- Roadside lookout, with parking
- Picnic area outside campsite
- Wheat bin
- Golf course
- Camel farm
- Working mine
- Old poppet head
- FITZGERALD RIVER NATIONAL PARK
- Road condition and access sign
- Information & entry fee collection
- Ranger's cottage
- Central wilderness for walkers only (see note in box at bottom left)



Roads in the Park are usually closed after rain. Consult road information signs (marked X on map) or a visitor information centre, or phone a ranger. Some roads and facilities are being upgraded 2019-2023 and closures are anticipated. Ring 138138 or 95333090.

Many trails are intended for experienced hikers and are not suitable for casual walkers. The coastal footpath is scheduled for upgrading and walkers are advised to notify a ranger before departing. Ring 95333090 or 95385943





# STATISTICS

2021 ABS CENSUS DATA



**2,157**

Population



**9,833**

square km  
Land Area



**19.6%**

Couples with children



**4.1%**

Aboriginal & Torres Strait  
Islander Population



**\$1,677**

Median weekly  
household income



**61%**

Participation rate  
(population in labour force)



**2.7%**

Unemployment Rate



**23%**

Trade Qualification  
(Certificate)



**\$230**

Avg Weekly Mortgage  
Repayment



**\$245**

Avg Weekly Rent  
Payment





# Shire President's Message



There is no doubt that the year of 2021-22 highlighted the resilience of our community and its ability to survive everything that was thrown at it. It made me, and all the Councillors, immensely proud.

From the disruption in our administration to the February fires, and the 1 in 50-year rain event in the following days. Our works team, administration, volunteers and locals have worked tirelessly, and showed that with determination and hard work, together we can achieve great things.

Thank you to everyone who stepped up and helped. Not only did we keep our ongoing commitments running, but took in our stride these additional challenges, and I firmly believe in and appreciate the dedication to the success of our Shire.

We also saw a number of welcome changes with the appointment of our new CEO, Matthew Bird; new Executive Manager of Infrastructure Services, Paul Spencer, and a restructure of our executive and management team, which has put the Shire in a good position to build on our combined accomplishments.

We can now look forward to sustained growth for the foreseeable future, maintaining the communities priorities and planning to make our Shire's livability even better.

The year saw the close out of a number of Federal and State grant projects adding to the attractiveness of our Shire. The Ravensthorpe Cultural Precinct also took shape with the culmination of many years of planning finally coming out of the ground.

This structural timber and timber clad building will see the co-location of a number of community groups providing additional and fit-for-purpose space for the community to work and enjoy, a real positive for our cultural and service groups.

The Wildflower Show also celebrated its 40th year with a hugely successful event which showcases the extraordinary diversity and brilliance of the natural environment that our Shire has to offer.

And while this officially takes place in September, the planning and work happens months in advance.

Our Shire has always been acknowledged as one of the great locations where visitors can find unsurpassed natural beauty and diversity of flora and fauna, including the Fitzgerald Biosphere and the Ravensthorpe Ranges.

Visitors to our region saw a healthy up-tick, which has sustained itself well past the restrictions of COVID. Our inclusion in the Genestreams and Songlines project also saw a move to reconciliation and acknowledgement of our past and a new celebration of what we can achieve with a better sense of inclusiveness.

As a great agricultural region that is also becoming a recognised player in the mining sector, we have the chance to provide a sustainable lifestyle for both our existing and new residents.

Add to this, our success in winning an NBN Fibre to the Premises upgrade for the Ravensthorpe townsite, new and emerging cleaner energies, including being selected as a town in the new Synergy EV highway project, and in rare mineral supply, we are well placed to become a more attractive and livable community.

Continuing to work hard with our regional partners, we are forming a more collaborative and solutions-oriented approach to the issues found in these remote and regional areas. We actively partner with like-minded Shires and continue to advocate and influence decisions that will affect our Shire to find mutually beneficial pathways to encourage change.

I look forward to the coming year and working for the community, and believe that together, with our team, our tirelessly positive volunteers, our businesses and our residents, we will continue to be a place where people want to both live and visit.



**KEITH DUNLOP**

*Shire President*







# Chief Executive Officer's Message

I would like to start this message by thanking the Ravensthorpe Council for placing their trust in me via my appointment as CEO for the Shire of Ravensthorpe.

I consider this a great privilege and will do my very best to represent the best interests of the Ravensthorpe community.

As I only commenced the role in March 2022 I would like to thank both Brian Jones and Gary Clark for their efforts in performing the CEO role in acting capacities for the most part of the 2021/22 period.

Ravensthorpe boasts a large number of unique qualities. The district has experienced strong economic growth in 2021/22 generated from resurgent mining activity, agriculture and a growing tourism sector, all set within an exceptional natural environment that includes some 600,000 hectares of native bushland, much of this is highly prized and boasting biodiversity values found nowhere else in the world.

As a traditionally strong agriculture district we are fortunate this sector has continued to perform well and farming families continue to deliver benefits across all sectors of the community.

The Shire's level of volunteerism is a high 26%, well above the WA state and national averages, and reflects the commitment of those local residents to create a strong sense of community.

Of note, I've been very impressed with the presence of an active local creative industries sector and the services delivered by highly capable Community Resource Centres.

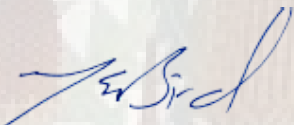
The global appetite for rare minerals has reignited mining and exploration interest in our region. According to the Department of Mining Industry Regulation and Safety (DMIRS) data, the Shire of Ravensthorpe ranked 12th across all WA local government authorities in terms of mineral value extracted in 2021/22.

The Shire is now looking to better align our strategic objectives with our local resource company partners with the overall goal to improve the livability of the Ravensthorpe region.

From an organisational perspective, we have been focused on reviewing the Shire's operational structure to more evenly spread the leadership responsibilities and to significantly improve the Shire's employee culture.

Better communication across the numerous Shire work sites has also been an important outcome achieved with staff overall well-being in the workplace also significantly improved.

Thank you to the Shire's executive management team and all team members for your efforts in 2021/22.



**MATTHEW BIRD**

*Chief Executive Officer*





# Executive Managers

THE PEOPLE BEHIND THE SHIRE



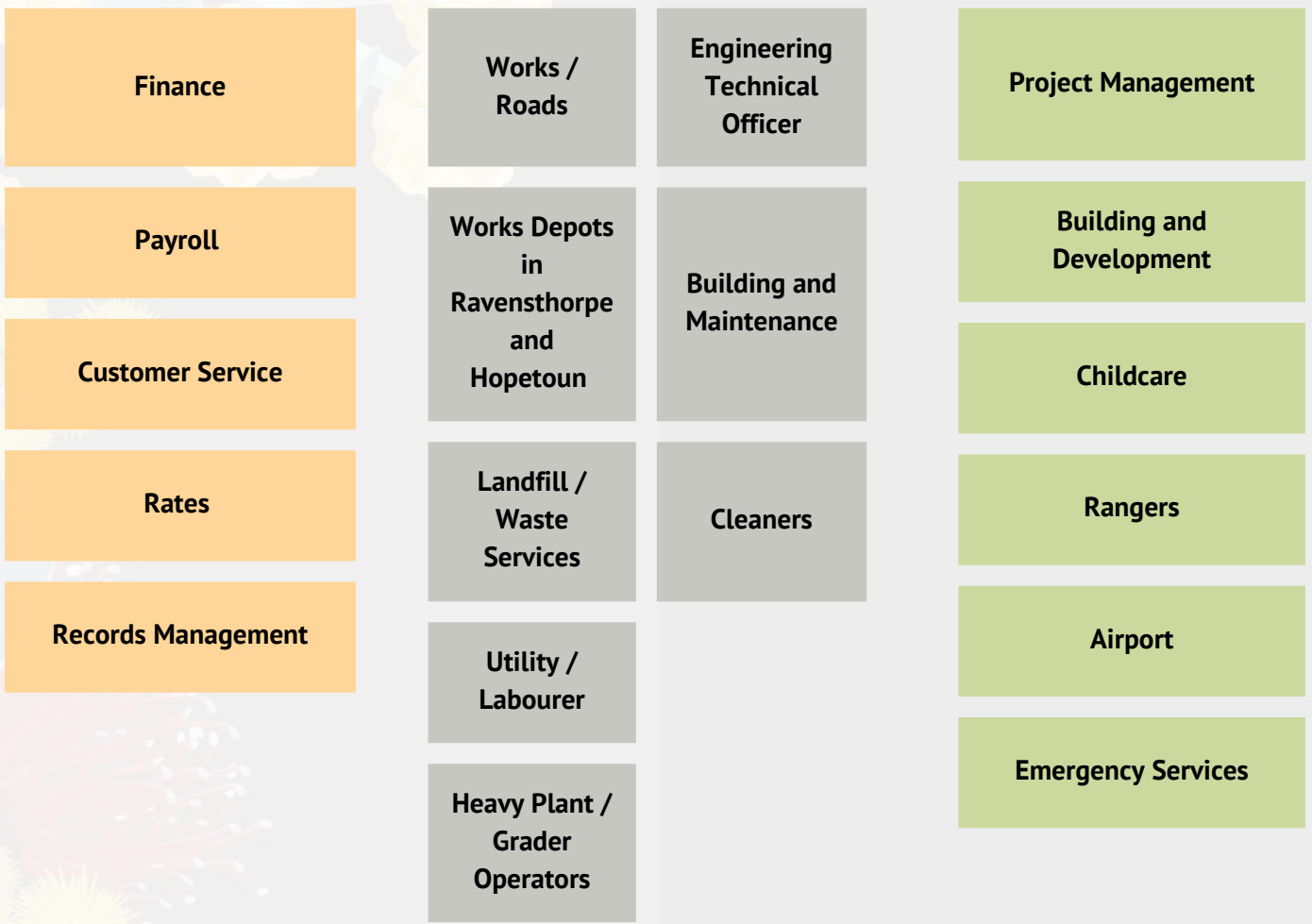
**LES MAINWARING**  
EXECUTIVE MANAGER  
CORPORATE SERVICES



**PAUL SPENCER**  
EXECUTIVE MANAGER  
INFRASTRUCTURE  
SERVICES



**NATALIE BELL**  
A/EXECUTIVE MANAGER  
DEVELOPMENT AND  
COMMUNITY SERVICES



# Elected Members 2021/22



**Cr Keith Dunlop**  
Shire President



**Cr Julianne Belli**  
Deputy Shire President  
(To Oct 2021)



**Cr Sue Leighton**  
Deputy Shire  
President  
(From Oct 2021)



**Cr Ian Goldfinch**  
(To Oct 2021)



**Cr Mark Mudie**



**Cr Tom Major**



**Cr Graham Richardson**



**Cr Rachel Livingston**  
(From Dec 2021)



**Cr Julia Bell**  
(From Dec 2021)

## Meeting Attendance

### Ordinary Council Meetings (11)

### Special Council Meetings

Shire President Cr Keith Dunlop (2023)	11	9
Deputy Shire President Cr Julia Belli	3	6
Cr Ian Goldfinch	2	4
Deputy Shire President Cr Sue Leighton (2023)	11	8
Cr Tom Major	11	6
Cr Mark Mudie	8	6
Cr Graham Richardson	10	9
Cr Rachel Livingston (2023)	6	1
Cr Julie Bell (2023)	6	1





# Grants and Special Projects

2021/22 saw great leaps in the Ravensthorpe Cultural Precinct project.

The structural frame commenced on 1 February 2022 and was completed 14 February. By June 2022 the roof and a majority of the external cladding was in place, with works then moving inside.

The project has not been without its challenges due to COVID related impacts, seeing delays in supply chains, huge price increases in both materials and labour, and contractor shortages as a result of continuing relief packages in other areas of the construction industry.

The builder, Devlyn, did a great job keeping the build on track. Whilst the building work continued, several packages being managed directly by the Shire including the carpark, landscaping and Fitzgerald building refurbishment are still to be completed.

Fortunately, the Australian Government has been appraised of the difficulties being faced by rural and regional communities in particular and have granted extensions of time for the project to March 2023.

Work also continued into the 2021/22 financial year with the Drought Communities Program projects, the Local Roads and Infrastructure Rounds 1, 2 and 3 projects and several smaller State Government Grant projects, totalling some \$8,526,805 in direct grant funding.

State Government grant funding for the Shire's Sport & Recreation Grant Master Plan, the Bike Plan, the Cultural Awareness project and the Bushfire Mitigation Activity Fund 2021 Round 1 were added, plus the Foundation for Rural & Regional Renewal Hopetoun Community Networking support – LED Community Noticeboard, totalling some \$337,631.

Similar issues and constraints due to COVID, supply shortages, resource shortages, price increases, and relief packages that brought on a surge in the building industry in 2020/21 were experienced, however with the exception of some ongoing works, all were completed within the grant milestones, totalling 52 projects for the Shire.



Funding Source	Program/Initiative	Activity	Amount
<b>Funding Granted 2020/2021</b>			
Australian Government	Building Better Regions Fund (Round 4)	Ravensthorpe Cultural Precinct	\$5,275,800
Australian Government	Drought Communities Program	23 various projects	\$1,000,000
Australian Government	Local Roads and Community Infrastructure Phase 1	12 various projects	\$513,120
Australian Government	Local Roads and Community Infrastructure Phase 2	6 various projects	\$383,035
Australian Government	Local Roads and Community Infrastructure Phase 3	Ravensthorpe Cultural Precinct	\$1,026,240
Australian Government	Communities Combating Pest and Weed Impacts During Drought Program	Pest and Weed Control - 5 activities	\$94,468
WA State Government	Community Sport & Recreation Facility Fund	Hopetoun Oval Irrigation	\$94,142
WA State Government	Community Housing Organisation Maintenance Grants Program	Dunn Street Seniors Structural Repairs	\$20,000
WA State Government	Western Australian Planning Commission	Hopetoun CHRMAP	\$100,000
WA State Government	Small Grants Program	Ravensthorpe Information Bay upgrade	\$20,000
<b>Funding Granted 2020</b>			<b>\$8,526,805</b>
<b>Funding Granted 2021/2022</b>			
WA State Government	Community Sport & Recreation Facility Fund	Shire of Ravensthorpe Sport & Recreation Grant Master Plan	\$13,333
WA State Government	WA Bicycle Network Grant Program	Shire of Ravensthorpe Bike Plan	\$15,000
WA State Government	LGS&CI WA - Connecting to Country 2020 to 2023 Funding Program	Ravensthorpe Cultural Awareness Project	\$12,000
Foundation for Rural & Regional Renewal	Future Drought Fund's Networks to Build Drought Resilience	Hopetoun Community Networking Support - LED Community Noticeboard	\$39,298
WA State Government	Bushfire Mitigation Activity Fund 2021 Round 1	Bushfire Mitigation - SoR vested Crown Reserves	\$258,000
<b>Funding Granted 2021</b>			<b>\$337,631</b>
<b>TOTAL - \$8,864,436</b>			



The following provides a list of the works undertaken within the guidelines of the various grants:-

Grant	Projects	Status
<b>BBRF</b>	Ravensthorpe Cultural Precinct	by March 2023
<b>LRCI 3</b>	Ravensthorpe Cultural Precinct	by March 2023
<b>Drought Communities Program</b>	RRAC - In The House Program	Completed
	Ravensthorpe & Districts Arts Council	Completed
	Hopetoun Senior Citizens Centre Upgrade	Completed
	Two Mile Ablution Block - Hopetoun	Completed
	North Ravensthorpe Hall Painting	Completed
	Jerdacuttup Hall Ceiling Repair	Completed
	Fitzgerald Hall Water Supply Project	Completed
	Munglinup Community Centre Carpet Tiles	Completed
	Hopetoun - Bus Shelter	Completed
	McCulloch Park Playground Upgrade - Hopetoun	Completed
	Basketball Hoops - Hopetoun	Completed
	Dual Irrigation - Hopetoun Ovals	Completed
	Maitland Street Park Playground Upgrade	Completed
	Skate Park Shade and Seating	Completed
	Hosking Street - Concrete Footpath Construction	Completed
	Street Furniture - Hopetoun	Completed
	Hopetoun Information Bay	Completed
	Tourism Promotion And Branding	Completed
	Hopetoun Roundabout And Entry Landscaping	Completed
	Masons Bay - bay numbers	Completed
	Starvation Bay - bay numbers and new ablution block	Completed
	Illuminating Silo Art Work	Completed
	<b>Local Roads &amp; Community Infrastructure- Phase 1 (LRCI1)</b>	Surgery Upgrade Ravensthorpe
Surgery Upgrade - Hopetoun		Completed
Little Barrrens - Painting		Completed
Hopetoun Foreshore - Beach Shelter		Completed

Grant	Projects	Status
<b>Local Roads &amp; Community Infrastructure- Phase 1 (LRCI1) Cont'd</b>	Hopetoun Sports Pavilion - Kitchen	Completed
	Hopetoun Sports Pavilion - Timber Sealing And Painting	Completed
	Ravensthorpe Rec Centre - Hot Water System	Completed
	Hopetoun Sports Pavilion - Undercroft Ceiling Replacement	Completed
	Fitzgerald Road Floodway Sealing	Completed
	Cowel Road Floodway Sealing	Completed
	Tamarine Road Patch And Seal Repairs	Completed
	Coxall Road 2X Culvert Replace	Completed
<b>Local Roads and Community Infrastructure – Phase 2 (LRCI2)</b>	Munglinup - Enclose verandah	Completed
	Munglinup Bowling Green - 4 Rinks	Completed
	Hopetoun Visitor Information Board Expanded for Tourism	by Feb 2023
	Munglinup Rest Bay Upgrade	by Feb 2023
	Munglinup Water Catchment Dam	Completed
	Weed Eradication	Completed
<b>Communities Combating Pest and Weed Impacts During Drought Program</b>	Pest flora and Fauna eradication	Acquitted in April 2022 for funded amount \$94,468.00
<b>Community Sport and Recreation Facility Fund</b>	Hopetoun Oval Irrigation and new water tanks	Acquitted in March 2022 for reduced amount \$83,222
<b>Community Housing Organisation Maintenance Grants Program</b>	Dunn St Seniors Structural repairs	Acquitted in June 2022 for reduced amount \$1,800
<b>Western Australian Planning Commission</b>	Hopetoun – Coastal Hazard and Risk Management Adaptation Plan	by June 2023
<b>Small Grants Program</b>	Ravensthorpe Information Bay Upgrade	by December 2022
<b>Community Sport and Recreation Facility Fund</b>	Shire of Ravensthorpe Sport & Recreation Master Plan	Completed
<b>WA Bicycle Network Grant Program</b>	Shire of Ravensthorpe Bike Plan	Completed
<b>Local Government, Sport &amp; Cultural Industries WA - Connecting to Country 2020 to 2023 funding program</b>	Ravensthorpe Cultural Awareness Project	Completed
<b>Future Drought Fund's Networks to Build Drought Resilience</b>	Hopetoun Community Networking support – LED Community Noticeboard	by September 2022
<b>Bushfire Mitigation Activity Fund 2021 Round 1</b>	Bushfire Mitigation Shire of Ravensthorpe vested Crown reserves	Acquittal due 2 December 2022



# Airport

The Airport continued to grow over the 2021/22 financial year with an average of 47 flights a month compared to the previous year's average of 32.

In August, the Airport Reporting Officer moved on and the role was applied for and appointed to the Shire's then Ranger.

In June our Airport Terminal Attendant also moved away and found themselves an exciting new opportunity elsewhere.

Ground Handling was provided to Skippers Aviation for 3x Dash 8s and 1x F100 as well as Virgin Australia Regional Airlines 1x F100.

Compliance continued to be improved with forward planning for Water Bomber operations over the summer period, Farmers annual seeding and harvest and the implementation of a Wildlife Hazard Management Plan.

Projects/ Upgrades at the Airport included the purchase and installation of 6 outdoor benches for the undercover area, two new larger baggage barrows, the baggage area doors were replaced by a sliding door for OHS reasons, and the terminal got a fresh look with new vinyl flooring and paint.

The Regional Airports Development Scheme also partially funded replacement of all of the runway low intensity runway lights, CCTV camera on the apron and access gates as well as the creation of the Wildlife Hazard Management Plan.

# Rangers

## Dogs & Cats

The Rangers have been increasing community awareness for owner's requirements under the Dog Act 1976 and Shire of Ravensthorpe Dog Local Law 2010.

The Shire received 75 new dog registrations and renewals since January 2022. The Rangers also impounded 6 dogs and 8 cats since the beginning of 2022 with 7 cats being rehomed to SAFE Esperance.

2021/2022	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	TOTAL
Arrivals	956	946	1084	892	1005	833	818	797	996	843	925	1053	11148
Departures	770	805	1000	870	908	1037	832	1068	1009	1257			
Total Passengers	1588	1602	1996	1713	1833	2090	1700	2159	2136	2446			
Turn-arounds	45	41	57	48	61	62	35	51	48	49			



# Fire & Emergency Services

## Bush Fire Mitigation Activity Fund 2021 Round 1 Grant

125 bushfire mitigation treatments have been delivered with this Grant across the Shire vested Crown reserves over the last 12 months each with a specific focus of reducing the potential for impact on life and property values from bushfires.

22 prescribed burns over an area of around 465 ha have been undertaken around the town sites, subdivisions and recreation sites along the coastline over the last 12 months.

This has been largely achieved with fantastic support from Shire staff and volunteer Bushfire brigade members from around the Shire.

The Shire also delivered an important re-sheeting of the alternative egress out of the Beach Barren/Dunn Swamp subdivision north of Hopetoun town site in order to provide a safe alternative access out of the subdivision in the event of a bushfire.

This grant program managed by DFES has contributed significant outcomes for improved protection of assets around the Shires' town sites and will be a very important program to maintain in the future, especially given the extent of elevated available fuel loads in the Crown lands across the Shire.

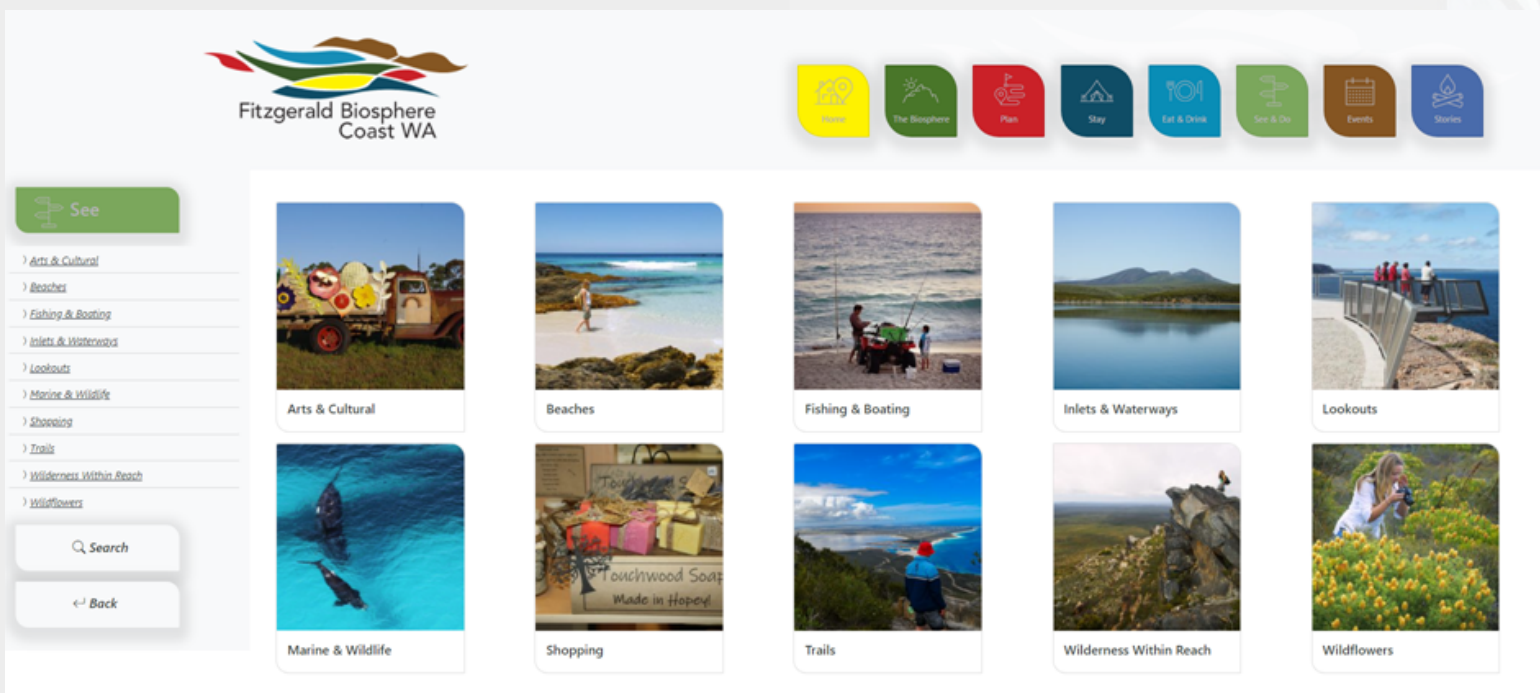




# Tourism



In August 2021 the new self-service visitor information touchscreen became operational. The intention was for visitors to be able to obtain information about where to stay, what to see and do during their visit to the region as well as to provide important notices such as road closures, maps, uploaded videos and events information. The touchscreen will be supported by visitor interface from staff at the Hopetoun CRC.



# SHOEMAKER LEVY OVERPASS PROJECT



April 2022 saw the completion of the successfully erected conveyor overpass for the Shoemaker Levy Overpass Project.

The conveyor overpass spans the South Coast Highway, enabling ore to be transported from the Shoemaker Levy pit to the processing plant.

Just as exciting for our region is the giant public artwork that is now visible on both sides of the conveyor overpass as you drive along South Coast Highway. The 100 metre long artwork has been created by well-known artist Amok Island, who also created a similarly locally themed work on the Ravensthorpe silos a few years ago. The artwork is called "The Honey Eaters", and features New Holland Honey Eaters flying among *Eucalyptus Purpurata*, a tree found only in the Ravensthorpe area.





# 2021/2022 Annual Financial Report



**SHIRE OF RAVENSTHORPE**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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

*Growing our Community*


Principal place of business:  
65 Morgans Street  
RAVENSTHORPE WA 6346



SHIRE OF RAVENSTHORPE  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

The attached financial report of the Shire of Ravensthorpe for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Ravensthorpe at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 24 day of February 2023

  
\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
*Matthew Bird*



SHIRE OF RAVENSTHORPE  
STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30 JUNE 2022



	NOTE	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	26(a),2(a)	4,784,298	4,777,428	4,585,295
Operating grants, subsidies and contributions	2(a)	4,165,748	1,937,785	3,354,082
Fees and charges	2(a)	2,395,166	2,635,580	2,094,179
Interest earnings	2(a)	55,138	59,000	61,239
Other revenue	2(a)	887,760	5,881,312	710,925
		12,288,110	15,291,105	10,805,720
<b>Expenses</b>				
Employee costs		(4,939,942)	(4,657,494)	(4,750,882)
Materials and contracts		(3,233,863)	(9,079,213)	(2,783,456)
Utility charges		(261,084)	(241,187)	(250,566)
Depreciation	9(a)	(4,823,317)	(5,004,073)	(4,744,964)
Finance costs	2(b)	(77,896)	(80,660)	(84,601)
Insurance		(342,536)	(236,818)	(322,740)
Other expenditure	2(b)	(396,420)	(336,703)	(412,333)
		(14,075,058)	(19,636,148)	(13,349,542)
		(1,786,948)	(4,345,043)	(2,543,822)
Capital grants, subsidies and contributions	2(a)	2,256,166	8,979,138	2,427,893
Profit on asset disposals	9(b)	57,579	57,092	5,378
Loss on asset disposals	9(b)	(2,192)	(26,543)	(66,112)
		2,311,553	9,009,687	2,367,159
<b>Net result for the period</b>	25(b)	<b>524,605</b>	<b>4,664,644</b>	<b>(176,663)</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	10,304,732	0	0
<b>Total other comprehensive income for the period</b>	16	<b>10,304,732</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the period</b>		<b>10,829,337</b>	<b>4,664,644</b>	<b>(176,663)</b>

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





SHIRE OF RAVENSTHORPE  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022



	NOTE	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	4,991,336	4,774,669
Trade and other receivables	5	1,749,611	1,609,832
Other financial assets	4(a)	0	1,000,000
Inventories	6	57,073	25,554
<b>TOTAL CURRENT ASSETS</b>		<b>6,798,020</b>	<b>7,410,055</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	10,509	11,317
Property, plant and equipment	7	46,551,407	32,970,155
Infrastructure	8	120,165,419	122,213,484
Right-of-use assets	10(a)	663,359	792,451
<b>TOTAL NON-CURRENT ASSETS</b>		<b>167,390,694</b>	<b>155,987,407</b>
<b>TOTAL ASSETS</b>		<b>174,188,714</b>	<b>163,397,462</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	1,192,506	1,006,524
Other liabilities	12	903,010	701,771
Lease liabilities	10(b)	124,855	124,397
Borrowings	13	143,522	426,653
Employee related provisions	14	608,272	520,534
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,972,165</b>	<b>2,779,879</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	10(b)	576,240	701,095
Borrowings	13	696,112	839,634
Employee related provisions	14	88,145	70,781
Other provisions	15	364,674	344,032
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>1,725,171</b>	<b>1,955,542</b>
<b>TOTAL LIABILITIES</b>		<b>4,697,336</b>	<b>4,735,421</b>
<b>NET ASSETS</b>		<b>169,491,378</b>	<b>158,662,041</b>
<b>EQUITY</b>			
Retained surplus		39,595,911	36,739,134
Reserve accounts	29	1,682,127	4,014,299
Revaluation surplus	16	128,213,340	117,908,608
<b>TOTAL EQUITY</b>		<b>169,491,378</b>	<b>158,662,041</b>

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



SHIRE OF RAVENSTHORPE  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022



	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2020</b>		<b>37,482,189</b>	<b>3,447,907</b>	<b>117,908,608</b>	<b>158,838,704</b>
Comprehensive income for the period					
Net result for the period		(176,663)	0	0	(176,663)
Total comprehensive income for the period		(176,663)	0	0	(176,663)
Transfers from reserves	29	951,393	(951,393)	0	0
Transfers to reserves	29	(1,517,785)	1,517,785	0	0
<b>Balance as at 30 June 2021</b>		<b>36,739,134</b>	<b>4,014,299</b>	<b>117,908,608</b>	<b>158,662,041</b>
Comprehensive income for the period					
Net result for the period		524,605	0	0	524,605
Other comprehensive income for the period	16	0	0	10,304,732	10,304,732
Total comprehensive income for the period		524,605	0	10,304,732	10,829,337
Transfers from reserves	29	2,561,780	(2,561,780)	0	0
Transfers to reserves	29	(229,608)	229,608	0	0
<b>Balance as at 30 June 2022</b>		<b>39,595,911</b>	<b>1,682,127</b>	<b>128,213,340</b>	<b>169,491,378</b>

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





SHIRE OF RAVENSTHORPE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022



	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		4,765,869	4,702,128	4,657,108
Operating grants, subsidies and contributions		4,310,862	1,301,014	4,136,074
Fees and charges		2,395,166	2,710,880	2,094,177
Interest received		55,138	59,000	61,239
Goods and services tax received		831,135	749,974	988,606
Other revenue		908,402	5,881,312	710,925
		<b>13,266,572</b>	<b>15,404,308</b>	<b>12,648,129</b>
<b>Payments</b>				
Employee costs		(4,819,898)	(4,657,494)	(4,678,386)
Materials and contracts		(3,120,737)	(8,894,128)	(2,902,213)
Utility charges		(261,084)	(241,187)	(250,566)
Finance costs		(68,023)	(80,660)	(84,601)
Insurance paid		(342,536)	(236,818)	(322,740)
Goods and services tax paid		(879,030)	(749,974)	(905,146)
Other expenditure		(396,420)	(336,703)	(412,333)
		<b>(9,887,728)</b>	<b>(15,196,964)</b>	<b>(9,555,985)</b>
<b>Net cash provided by (used in) operating activities</b>	17(b)	<b>3,378,844</b>	<b>207,344</b>	<b>3,092,144</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	7(a)	(5,042,656)	(10,260,209)	(2,327,771)
Payments for construction of infrastructure	8(a)	(1,125,728)	(3,373,639)	(2,116,635)
Non-operating grants, subsidies and contributions		2,256,166	8,979,138	2,771,925
Proceeds from financial assets at amortised cost		1,000,000	0	0
Proceeds from sale of property, plant & equipment	9(b)	301,091	275,549	237,743
<b>Net cash provided by (used in) investing activities</b>		<b>(2,611,127)</b>	<b>(4,379,161)</b>	<b>(1,434,738)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	28(a)	(426,653)	(426,653)	(218,282)
Payments for principal portion of lease liabilities	28(d)	(124,397)	(124,398)	(121,000)
<b>Net cash provided by (used in) financing activities</b>		<b>(551,050)</b>	<b>(551,051)</b>	<b>(339,282)</b>
<b>Net increase (decrease) in cash held</b>		<b>216,667</b>	<b>(4,722,868)</b>	<b>1,318,124</b>
Cash at beginning of year		4,774,669	5,767,812	3,456,545
<b>Cash and cash equivalents at the end of the year</b>	17(a)	<b>4,991,336</b>	<b>1,044,944</b>	<b>4,774,669</b>

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



SHIRE OF RAVENSTHORPE  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2022



	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>	27(b)	1,687,461	1,585,809	1,753,621
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities (excluding general rate)</b>				
Rates (excluding general rate)	26(a)	130,419	128,971	121,991
Operating grants, subsidies and contributions		4,165,748	1,937,785	3,354,082
Fees and charges		2,395,166	2,635,580	2,094,179
Interest earnings		55,138	59,000	61,239
Other revenue		887,760	5,881,312	710,925
Profit on asset disposals	9(b)	57,579	57,092	5,378
		7,691,810	10,699,740	6,347,794
<b>Expenditure from operating activities</b>				
Employee costs		(4,939,942)	(4,657,494)	(4,750,882)
Materials and contracts		(3,233,863)	(9,079,213)	(2,783,456)
Utility charges		(261,084)	(241,187)	(250,566)
Depreciation	9(a)	(4,823,317)	(5,004,073)	(4,744,964)
Finance costs		(77,896)	(80,660)	(84,601)
Insurance		(342,536)	(236,818)	(322,740)
Other expenditure		(396,420)	(336,703)	(412,333)
Loss on asset disposals	9(b)	(2,192)	(26,543)	(66,112)
		(14,077,250)	(19,662,691)	(13,415,654)
Non-cash amounts excluded from operating activities	27(a)	4,806,746	4,973,524	5,222,840
<b>Amount attributable to operating activities</b>		(1,578,694)	(3,989,427)	(1,845,020)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		2,256,166	8,979,138	2,427,893
Proceeds from disposal of assets	9(b)	301,091	275,549	237,743
Purchase of property, plant and equipment	7(a)	(5,042,656)	(10,260,209)	(2,327,771)
Purchase and construction of infrastructure	8(a)	(1,125,728)	(3,373,639)	(2,116,635)
<b>Amount attributable to investing activities</b>		(3,611,127)	(4,379,161)	(1,778,770)
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	28(a)	(426,653)	(426,653)	(218,282)
Payments for principal portion of lease liabilities	28(d)	(124,397)	(124,398)	(121,000)
Transfers to reserves (restricted assets)	29	(229,608)	(172,479)	(1,517,785)
Transfers from reserves (restricted assets)	29	2,561,780	2,857,852	951,393
<b>Amount attributable to financing activities</b>		1,781,122	2,134,322	(905,674)
<b>Surplus/(deficit) before imposition of general rates</b>		(1,721,238)	(4,648,457)	(2,775,843)
<b>Total amount raised from general rates</b>	26(a)	4,653,879	4,648,457	4,463,304
<b>Surplus/(deficit) after imposition of general rates</b>	27(b)	<b>2,932,641</b>	<b>0</b>	<b>1,687,461</b>

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





**SHIRE OF RAVENSTHORPE**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
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**SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**1. BASIS OF PREPARATION**

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

**Local Government Act 1995 requirements**

Section 6.4(2) of the Local Government Act 1995 read with the Local Government (Financial Management) Regulations 1996 prescribe that the financial report be prepared in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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

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

**The local government reporting entity**

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

**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
- estimation of useful lives of non-current assets



**SHIRE OF RAVENSTHORPE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs

**SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service
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
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

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



**SHIRE OF RAVENSTHORPE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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

**Revenue Recognition**

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

**For the year ended 30 June 2022**

<b>Nature or type</b>	<b>Contracts with customers</b>	<b>Capital grant/contributions</b>	<b>Statutory Requirements</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Rates	0	0	4,784,298	0	4,784,298
Operating grants, subsidies and contributions	4,165,748	0	0	0	4,165,748
Fees and charges	1,839,620	0	555,546	0	2,395,166
Interest earnings	0	0	0	55,138	55,138
Other revenue	816,642	0	0	71,118	887,760
Non-operating grants, subsidies and contributions	0	2,256,166	0	0	2,256,166
<b>Total</b>	<b>6,822,010</b>	<b>2,256,166</b>	<b>5,339,844</b>	<b>126,256</b>	<b>14,544,276</b>

**For the year ended 30 June 2021**

<b>Nature or type</b>	<b>Contracts with customers</b>	<b>Capital grant/contributions</b>	<b>Statutory Requirements</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Rates	0	0	4,585,295	0	4,585,295
Operating grants, subsidies and contributions	3,354,082	0	0	0	3,354,082
Fees and charges	1,568,092	0	526,087	0	2,094,179
Interest earnings	0	0	0	61,239	61,239
Other revenue	635,299	0	0	75,626	710,925
Non-operating grants, subsidies and contributions	0	2,427,893	0	0	2,427,893
<b>Total</b>	<b>5,557,473</b>	<b>2,427,893</b>	<b>5,111,382</b>	<b>136,865</b>	<b>13,233,613</b>

**SHIRE OF RAVENSTHORPE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>(a) Revenue (Continued)</b>				
<b>Interest earnings</b>				
Interest on reserve funds		10,139	20,000	17,784
Rates instalment and penalty interest (refer Note 26(e))		43,384	35,000	31,782
Other interest earnings		1,615	4,000	11,673
		55,138	59,000	61,239
<b>(b) Expenses</b>				
<b>Auditors remuneration</b>				
- Audit of the Annual Financial Report		28,000	28,000	30,000
- Audit cost over-runs		43,974	0	0
- Other services		5,160	5,500	0
		77,134	33,500	30,000
* The Actual 2022 amount of \$71,974 relates to the audit of the 2020-21 Annual Financial Report, which was paid in the 2021-22 financial year. The indicative fee for the 2021-22 audit is \$40,000.				
<b>Finance costs</b>				
Borrowings	28(a)	55,057	57,821	58,365
Lease liabilities	28(d)	22,839	22,839	26,236
		77,896	80,660	84,601
<b>Other expenditure</b>				
Write-off of unrecoverable rate debt		0	0	287
Library and other recreational and cultural costs		109,972	109,800	102,002
Governance		181,568	210,903	190,851
Sundry expenses		104,880	16,000	119,193
		396,420	336,703	412,333

**SHIRE OF RAVENSTHORPE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**3. CASH AND CASH EQUIVALENTS**

Cash at bank and on hand  
**Total cash and cash equivalents**

Held as  
 - Unrestricted cash and cash equivalents  
 - Restricted cash and cash equivalents

Note	2022	2021
	\$	\$
17(a)	4,991,336	4,774,669
	4,991,336	4,774,669
17(a)	2,278,917	934,895
	2,712,419	3,839,774
	4,991,336	4,774,669

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

**Restricted financial assets**

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

Details of restrictions on financial assets can be found at Note 17.

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

**Financial assets at amortised cost**

Term deposits

Held as

- Unrestricted other financial assets at amortised cost  
 - Restricted other financial assets at amortised cost

	2022	2021
	\$	\$
	0	1,000,000
	0	1,000,000
	0	1,000,000
	0	1,000,000
17(a)	0	0
	0	1,000,000
	0	1,000,000

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 24 (i)) due to the observable market rates.

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

**Financial assets at fair value through profit and loss**

The Shire classifies the following financial assets at fair value through profit and 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 not elected to recognise fair value gains and losses through other comprehensive income.

**Impairment and risk**

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



**SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**5. TRADE AND OTHER RECEIVABLES**

**Current**

	Note	2022 \$	2021 \$
Rates receivable		333,370	297,611
Trade and other receivables		272,774	258,850
GST receivable		147,793	99,898
Receivables for employee related provisions	14	41,033	54,499
Payments in advance		954,641	844,124
Other receivables		0	54,850
		1,749,611	1,609,832

**Non-current**

Pensioner's rates and ESL deferred		10,509	11,317
		10,509	11,317

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

**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 22.

**Classification and subsequent measurement**

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

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

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

**SHIRE OF RAVENSTHORPE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**6. INVENTORIES**

Note	2022	2021
<b>Current</b>	<b>\$</b>	<b>\$</b>
Fuel and materials	57,073	25,554
	57,073	25,554

The following movements in inventories occurred during the year:

<b>Balance at beginning of year</b>	25,554	2,358
Inventories expensed during the year	(410,361)	(192,593)
Additions to inventory	441,880	215,789
<b>Balance at end of year</b>	<b>57,073</b>	<b>25,554</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**General**

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

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

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

**(a) Movements in Balances**

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

	Note	Land	Buildings - Non Specialised	Buildings - Specialised	Total buildings	Total land and buildings	Furniture and Equipment	Plant And Equipment	Total property, plant and equipment
		\$	\$	\$	\$		\$	\$	\$
<b>Balance at 1 July 2020</b>		2,189,991	2,404,698	22,871,514	25,276,212	27,466,203	396,695	4,651,905	32,514,803
Additions		0	0	1,070,296	1,070,296	1,070,296	32,060	1,066,442	2,168,798
Disposals	9(b)	0	0	0	0	0	0	(298,477)	(298,477)
Depreciation	9(a)	0	(36,212)	(616,453)	(652,665)	(652,665)	(102,585)	(659,719)	(1,414,969)
<b>Balance at 30 June 2021</b>		2,189,991	2,368,486	23,325,357	25,693,843	27,883,834	326,170	4,760,151	32,970,155
<b>Comprises:</b>									
Gross balance amount at 30 June 2021		2,189,991	2,505,048	25,776,970	28,282,018	30,472,009	560,371	7,260,290	38,292,670
Accumulated depreciation at 30 June 2021		0	(136,562)	(2,451,613)	(2,588,175)	(2,588,175)	(234,201)	(2,500,139)	(5,322,515)
<b>Balance at 30 June 2021</b>		2,189,991	2,368,486	23,325,357	25,693,843	27,883,834	326,170	4,760,151	32,970,155
Additions		0	109,491	3,858,847	3,968,338	3,968,338	52,016	1,022,302	5,042,656
Disposals	9(b)	0	0	0	0	0	0	(245,704)	(245,704)
Revaluation increments / (decrements) transferred to revaluation surplus	16	1,931,209	(359,692)	8,733,215	8,373,523	10,304,732	0	0	10,304,732
Depreciation	9(a)	0	(35,964)	(621,714)	(657,678)	(657,678)	(88,964)	(732,601)	(1,479,243)
Transfers		0	84,663	(127,278)	(42,615)	(42,615)	1,426	0	(41,189)
<b>Balance at 30 June 2022</b>		4,121,200	2,166,984	35,168,427	37,335,411	41,456,611	290,648	4,804,148	46,551,407
<b>Comprises:</b>									
Gross balance amount at 30 June 2022		4,121,200	15,899,252	35,298,908	51,198,160	55,319,360	613,813	7,902,468	63,835,641
Accumulated depreciation at 30 June 2022		0	(974,042)	(12,888,707)	(13,862,749)	(13,862,749)	(323,165)	(3,098,320)	(17,284,234)
<b>Balance at 30 June 2022</b>		4,121,200	14,925,210	22,410,201	37,335,411	41,456,611	290,648	4,804,148	46,551,407



**SHIRE OF RAVENSTHORPE  
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**7. 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
<b>(i) Fair Value</b>					
<b>Land and buildings</b>					
Land	2	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers	June 2022	Observable or estimated open market values / price per square metre
Buildings - non-specialised	2	Market approach using recent or estimated observable market data for similar properties	Independent Registered Valuers	June 2022	Observable or estimated open market values / price per square metre
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2022	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the Shire to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
<b>(ii) Cost</b>					
Furniture and equipment					
Plant and equipment					

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8. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - Roads	Infrastructure - Pathways	Infrastructure - Parks and Reserves	Infrastructure - Drainage	Regional Landfill Rehabilitation	Other Infrastructure	Infrastructure - Airport	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	95,111,443	1,112,168	3,389,480	17,387,066	0	4,537,568	1,760,027	123,297,752
Additions	1,312,070	0	431,020	16,037	324,189	48,068	(14,749)	2,116,635
Depreciation	(2,340,279)	(111,706)	(127,132)	(372,477)	(32,419)	(137,983)	(78,907)	(3,200,903)
<b>Balance at 30 June 2021</b>	94,083,234	1,000,462	3,693,368	17,030,626	291,770	4,447,653	1,666,371	122,213,484
<b>Comprises:</b>								
Gross balance at 30 June 2021	140,080,843	2,234,123	4,107,416	28,025,290	324,189	5,214,045	1,869,113	181,855,019
Accumulated depreciation at 30 June 2021	(45,997,609)	(1,233,661)	(414,048)	(10,994,664)	(32,419)	(766,392)	(202,742)	(59,641,535)
<b>Balance at 30 June 2021</b>	94,083,234	1,000,462	3,693,368	17,030,626	291,770	4,447,653	1,666,371	122,213,484
Additions	493,858	30,869	391,952	17,552	0	175,247	16,250	1,125,728
Depreciation	(2,373,083)	(111,706)	(129,741)	(372,691)	(10,806)	(137,984)	(78,971)	(3,214,982)
Transfers	0	0	41,189	0	0	0	0	41,189
<b>Balance at 30 June 2022</b>	92,204,009	919,625	3,996,768	16,675,487	280,964	4,484,916	1,603,650	120,165,419
<b>Comprises:</b>								
Gross balance at 30 June 2022	140,574,698	2,264,992	4,545,292	28,042,842	324,189	5,389,291	1,885,363	183,026,667
Accumulated depreciation at 30 June 2022	(48,370,689)	(1,345,367)	(548,524)	(11,367,355)	(43,225)	(904,375)	(281,713)	(62,861,248)
<b>Balance at 30 June 2022</b>	92,204,009	919,625	3,996,768	16,675,487	280,964	4,484,916	1,603,650	120,165,419

**SHIRE OF RAVENSTHORPE  
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**8. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
<b>(i) Fair Value</b>					
Infrastructure - Roads	3	Cost approach using depreciated replacement cost (Gross Revaluation method)	Independent Registered Valuers	June 2019	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Pathways	3	Cost approach using depreciated replacement cost (Gross Revaluation method)	Independent Registered Valuers	June 2019	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Parks and Reserves	3	Cost approach using depreciated replacement cost	Management Valuation	June 2019	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost (Gross Revaluation method)	Independent Registered Valuers	June 2019	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure	3	Cost approach using depreciated replacement cost	Management Valuation	June 2019	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs
Infrastructure - Airports	3	Cost approach using depreciated replacement cost	Management Valuation	June 2019	Construction costs and current conditions (level 2), residual values and remaining useful life assessments (level 3) inputs

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

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



**SHIRE OF RAVENSTHORPE**  
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**9. FIXED ASSETS**

**(a) Depreciation**

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - Non Specialised	7(a)	35,964	36,634	36,212
Buildings - Specialised	7(a)	621,714	675,363	616,453
Furniture and Equipment	7(a)	88,964	111,911	102,585
Plant And Equipment	7(a)	732,601	600,643	659,719
Infrastructure - Roads	8(a)	2,373,083	2,553,032	2,340,279
Infrastructure - Drainage	8(a)	372,691	406,339	372,477
Regional Landfill Rehabilitation	8(a)	10,806	0	32,419
Infrastructure - Pathways	8(a)	111,706	121,861	111,706
Infrastructure - Parks and Reserves	8(a)	129,741	138,689	127,132
Other Infrastructure	8(a)	137,984	150,528	137,983
Infrastructure - Airport	8(a)	78,971	86,080	78,907
Right-of-use assets - plant and equipment	10(a)	129,092	122,993	129,092
		4,823,317	5,004,073	4,744,964

**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	30 to 50 years
Buildings - specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - Roads	
formation	not depreciated
pavement	20 to 50 years
seal - bituminous seals	20 years
seal - asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Infrastructure - Pathways	20 years
Infrastructure - Drainage	75 to 100 years
Infrastructure - Parks and Reserves	20 to 50 years
Infrastructure - Other	20 to 50 years
Infrastructure - Airports	20 to 50 years
Right of use assets - plant and equipment	Lease remainder
Regional Landfill Rehabilitation	30 years

SHIRE OF RAVENSTHORPE  
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9. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Plant And Equipment	245,704	301,091	57,579	(2,192)	245,000	275,549	57,092	(26,543)	298,477	237,743	5,378	(66,112)
	245,704	301,091	57,579	(2,192)	245,000	275,549	57,092	(26,543)	298,477	237,743	5,378	(66,112)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
<b>Plant and Equipment</b>				
<b>Health</b>				
Toyota Hilux (RA025)	28,922	39,091	10,169	0
<b>Recreation and culture</b>				
Toyota Hilux (RA279)	26,537	36,364	9,827	0
<b>Transport</b>				
Case Tractor and Attachments	32,032	42,000	9,968	0
Toyota Hilux (RA292)	24,010	21,818	0	(2,192)
Toyota Hilux (RA3421)	21,407	33,636	12,229	0
Toyota Hilux (RA3603)	23,696	25,455	1,759	0
Toyota Hilux (RA93)	24,868	28,182	3,314	0
<b>Other property and services</b>				
Toyota Prado (CEO)	64,232	74,545	10,313	0
	245,704	301,091	57,579	(2,192)

**SHIRE OF RAVENSTHORPE**  
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**9. FIXED ASSETS (Continued)**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

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

**Initial recognition and measurement for assets held at cost**

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

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

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

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

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

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

**Revaluation**

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

**Revaluation (continued)**

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. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets 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.

**Depreciation**

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

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

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

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

**Depreciation on revaluation**

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

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



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**10. LEASES**

**(a) Right-of-Use Assets**

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - plant and equipment \$	Right-of-use assets Total \$
<b>Balance at 1 July 2020</b>		872,597	872,597
Additions		48,946	48,946
Depreciation		(129,092)	(129,092)
<b>Balance at 30 June 2021</b>		792,451	792,451
Depreciation	9(a)	(129,092)	(129,092)
<b>Balance at 30 June 2022</b>		663,359	663,359

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

		2022 Actual \$	2021 Actual \$
Depreciation on right-of-use assets	9(a)	(129,092)	(129,092)
Interest expense on lease liabilities	28(d)	(22,839)	(26,236)
<b>Total amount recognised in the statement of comprehensive income</b>		(151,931)	(155,328)
 Total cash outflow from leases		(147,236)	(147,236)
 <b>(b) Lease Liabilities</b>			
Current		124,855	124,397
Non-current		576,240	701,095
	28(d)	701,095	825,492

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 28(d).

**Right-of-use assets - valuation measurement**

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

Refer to Note 9 under revaluation for details on the significant accounting policies applying to vested improvements.

**Right-of-use assets - depreciation**

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

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**11. TRADE AND OTHER PAYABLES**

**Current**

	2022	2021
	\$	\$
Sundry creditors	386,635	643,768
Prepaid rates	77,869	61,347
Accrued salaries and wages	28,180	44,293
GST payable	32,518	0
Bonds and deposits held	127,282	123,704
Accrued expenses	128,435	0
Payroll creditors	114,054	115,517
Accrued Interest on loans	27,768	17,895
Contract retention	269,765	0
	1,192,506	1,006,524

**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 the fair value of the 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 revenue for the prepaid rates that have not been refunded.

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**12. OTHER LIABILITIES**

**Current**

Contract liabilities

**Reconciliation of changes in contract liabilities**

Opening balance

Additions

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

	2022	2021
	\$	\$
	903,010	701,771
	903,010	701,771
	701,771	0
	903,010	701,771
	(701,771)	0
	903,010	701,771

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

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 the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.



**SHIRE OF RAVENSTHORPE  
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**13. BORROWINGS**

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		143,522	696,112	839,634	426,653	839,634	1,266,287
<b>Total secured borrowings</b>	28(a)	143,522	696,112	839,634	426,653	839,634	1,266,287

**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 Ravensthorpe.

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

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

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

**Risk**

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

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

**SHIRE OF RAVENSTHORPE**  
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**14. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual Leave

Long Service Leave

**Non-current provisions**

Long Service Leave

	2022	2021
	\$	\$
	310,667	315,507
	297,605	205,027
	608,272	520,534
	88,145	70,781
	88,145	70,781
	696,417	591,315

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

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

**Amounts are expected to be settled on the following basis:**

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
	310,302	259,526
	386,115	331,789
	696,417	591,315
	41,033	54,499

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

**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 RAVENSTHORPE**  
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**15. OTHER PROVISIONS**

	Note	Make good provisions	Total
		\$	\$
<b>Opening balance at 1 July 2021</b>			
Non-current provisions		344,032	344,032
		344,032	344,032
Additional provision		20,642	20,642
<b>Balance at 30 June 2022</b>		364,674	364,674
<b>Comprises</b>			
Non-current		364,674	364,674
		364,674	364,674

**Make good provisions**

A Waste Management Agreement exists between the Shire of Ravensthorpe and the Shire of Jerramungup for a Regional Landfill Facility on Reserve 7380.

Clause 8(2)c of the Agreement allows each party to agree on a percentage share of capital costs for the purpose of future rehabilitation costs. The current cost estimate of rehabilitation of \$551,122 over 30 years of cell life provides an annualised cost of \$18,371 to be shared by each of the local governments. On 4 June 2021 both parties agreed to cost share of 60% Shire of Ravensthorpe and 40% Shire of Jerramungup.

The cost share agreement is to be reviewed by both parties every three (3) years (next due in the 2023 / 2024 financial year).

**SIGNIFICANT ACCOUNTING POLICIES**

**Provisions**

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

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

**SHIRE OF RAVENSTHORPE**  
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**16. REVALUATION SURPLUS**

	<b>2022 Opening Balance</b>	<b>2022 Revaluation Increment</b>	<b>2022 Revaluation (Decrement)</b>	<b>Total Movement on Revaluation</b>	<b>2022 Closing Balance</b>	<b>2021 Opening Balance</b>	<b>2021 Closing Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revaluation surplus - Land - Freehold Land and Buildings	14,350,694	10,664,424	(359,692)	10,304,732	24,655,426	14,350,694	14,350,694
Revaluation surplus - Plant And Equipment	377,471	0	0	0	377,471	377,471	377,471
Revaluation surplus - Infrastructure - Roads	79,779,389	0	0	0	79,779,389	79,779,389	79,779,389
Revaluation surplus - Infrastructure - Drainage	18,729,137	0	0	0	18,729,137	18,729,137	18,729,137
Revaluation surplus - Infrastructure - Pathways	901,302	0	0	0	901,302	901,302	901,302
Revaluation surplus - Infrastructure - Parks and Reserves	2,470,157	0	0	0	2,470,157	2,470,157	2,470,157
Revaluation surplus - Infrastructure - Airport	209,281	0	0	0	209,281	209,281	209,281
Revaluation surplus - Other Infrastructure	1,091,177	0	0	0	1,091,177	1,091,177	1,091,177
	<b>117,908,608</b>	<b>19,397,639</b>	<b>(359,692)</b>	<b>19,037,947</b>	<b>128,213,340</b>	<b>117,908,608</b>	<b>117,908,608</b>

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.



**SHIRE OF RAVENSTHORPE**  
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**17. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	4,991,336	1,044,944	4,774,669

**Restrictions**

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

- Cash and cash equivalents	3	2,712,419	1,324,708	3,839,774
- Financial assets at amortised cost	4	0	0	1,000,000
		<u>2,712,419</u>	<u>1,324,708</u>	<u>4,839,774</u>

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

Contract liabilities from contracts with customers	12	903,010	0	701,771
Bonds and deposits held	11	127,282	0	123,704
Restricted reserve accounts	29	1,682,127	1,324,708	4,014,299
<b>Total restricted financial assets</b>		<u>2,712,419</u>	<u>1,324,708</u>	<u>4,839,774</u>

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

Net result		524,605	4,664,644	(176,663)
Non-cash items:				
Depreciation/amortisation		4,823,317	5,004,073	4,744,964
(Profit)/loss on sale of asset		(55,387)	(30,549)	60,734
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(138,971)	65,000	580,878
(Increase)/decrease in inventories		(31,519)	85	(23,196)
Increase/(decrease) in trade and other payables		185,982	185,000	(95,563)
Increase/(decrease) in employee related provisions		105,102	0	72,496
Increase/(decrease) in other provisions		20,642	0	344,032
Increase/(decrease) in contract liabilities		201,239	(701,771)	356,387
Non-operating grants, subsidies and contributions		(2,256,166)	(8,979,138)	(2,771,925)
Net cash provided by/(used in) operating activities		<u>3,378,844</u>	<u>207,344</u>	<u>3,092,144</u>

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank overdraft limit		500,000		500,000
Credit card limit		26,000		26,000
Credit card balance at balance date		(5,967)		(17,747)
<b>Total amount of credit unused</b>		<u>520,033</u>		<u>508,253</u>

**Loan facilities**

Loan facilities - current		143,522		426,653
Loan facilities - non-current		696,112		839,634
<b>Total facilities in use at balance date</b>		<u>839,634</u>		<u>1,266,287</u>

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**18. CONTINGENT LIABILITIES**

**Contaminated Sites**

There are no contingent liabilities related to contaminated sites. A provision has been created for the restoration of the Ravensthorpe Regional Waste Facility. Refer note 15 Other Provisions.

**19. CAPITAL COMMITMENTS**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Contracted for:		
- capital expenditure projects	2,017,203	1,572,142
- plant & equipment purchases	260,436	668,821
	<b>2,277,639</b>	<b>2,240,963</b>
Payable:		
- not later than one year	2,277,639	2,240,963

**SHIRE OF RAVENSTHORPE**  
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**20. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Cr Keith Dunlop, Shire President</b>			
President's annual allowance	13,800	13,800	13,400
Meeting attendance fees	21,000	21,000	20,300
Annual allowance for ICT expenses	1,200	1,200	1,100
Travel and accommodation expenses	4,072	1,571	4,071
	<b>40,072</b>	<b>37,571</b>	<b>38,871</b>
<b>Cr Sue Leighton, Deputy Shire President</b>			
Deputy President's annual allowance	2,419	0	0
Meeting attendance fees	14,000	14,000	12,343
Annual allowance for ICT expenses	1,200	1,200	998
Travel and accommodation expenses	2,554	1,571	1,144
	<b>20,173</b>	<b>16,771</b>	<b>14,485</b>
<b>Cr Julia Bell</b>			
Meeting attendance fees	7,723	0	0
Annual allowance for ICT expenses	662	0	0
Travel and accommodation expenses	148	0	0
	<b>8,533</b>	<b>0</b>	<b>0</b>
<b>Cr Rachel Livingston</b>			
Meeting attendance fees	7,723	0	0
Annual allowance for ICT expenses	662	0	0
	<b>8,385</b>	<b>0</b>	<b>0</b>
<b>Cr Tom Major</b>			
Meeting attendance fees	14,000	14,000	13,600
Annual allowance for ICT expenses	1,200	1,200	1,100
Travel and accommodation expenses	187	1,571	390
	<b>15,387</b>	<b>16,771</b>	<b>15,090</b>
<b>Cr Mark Mudie</b>			
Meeting attendance fees	14,000	14,000	13,600
Annual allowance for ICT expenses	1,200	1,200	1,100
Travel and accommodation expenses	3,295	1,571	2,486
	<b>18,495</b>	<b>16,771</b>	<b>17,186</b>
<b>Cr Graham Richardson</b>			
Meeting attendance fees	14,000	14,000	13,600
Annual allowance for ICT expenses	1,200	1,200	1,100
Travel and accommodation expenses	1,980	1,574	1,489
	<b>17,180</b>	<b>16,774</b>	<b>16,189</b>
<b>Cr Jules Belli (former Councillor and Deputy Shire President)</b>			
Deputy President's annual allowance	1,012	3,450	3,350
Meeting attendance fees	4,109	14,000	13,600
Annual allowance for ICT expenses	352	1,200	1,100
Travel and accommodation expenses	438	1,571	809
	<b>5,911</b>	<b>20,221</b>	<b>18,859</b>
<b>Cr Ian Goldfinch (former Councillor)</b>			
Meeting attendance fees	3,119	14,000	13,600
Annual allowance for ICT expenses	267	1,200	1,100
Travel and accommodation expenses	0	1,571	0
	<b>3,386</b>	<b>16,771</b>	<b>14,700</b>
<b>TOTAL</b>	<b>137,522</b>	<b>141,650</b>	<b>135,380</b>

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**20. RELATED PARTY TRANSACTIONS (Continued)**

**(a) Elected Member Remuneration (Continued)**

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

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
President's annual allowance	13,800	13,800	13,400
Deputy President's annual allowance	3,431	3,450	3,350
Meeting attendance fees	99,674	105,000	100,643
Annual allowance for ICT expenses	7,943	8,400	7,598
Travel and accommodation expenses	12,674	11,000	10,389
20(b)	137,522	141,650	135,380

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

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

	2022 Actual	2021 Actual
	\$	\$
Short-term employee benefits	502,945	586,444
Post-employment benefits	51,682	65,008
Employee - other long-term benefits	3,781	8,905
Employee - termination benefits	71,584	0
Council member costs	137,522	135,380
20(a)	767,514	795,737

*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.

**(c) 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:

	2022 Actual	2021 Actual
	\$	\$
Short term employee benefits - other related parties	40,211	123,209
<b>Amounts payable to related parties:</b>		
Trade and other payables	0	1,412



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**20. RELATED PARTY TRANSACTIONS (Continued)**

**(d) 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.

*ii. Other Related Parties*

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

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

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

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

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**21. JOINT ARRANGEMENTS**

**Share of joint operations**

The Shire of Ravensthorpe together with the City of Kalgoorlie-Boulder and with the Shires of Coolgardie, Dundas, Esperance, Laverton, Leonara, Menzies, Ngaanyatjaraku and Wiluna had a joint arrangement with regard to the provision of a Regional Record service up until 30 June 2022. The only asset under this joint arrangement was a building. With the winding up of the arrangement on 30 June, the building was revalued down to \$0 on 30 June 2022.

The Shire of Ravensthorpe's one-tenth share of this asset is included in Land and Buildings is as follows:

	2022 Actual	2021 Actual
	\$	\$
Buildings - non specialised	0	72,500
Less accumulated depreciation	0	(11,600)
	0	60,900

The Shire of Ravensthorpe together with the Shire of Jerramungup, have entered into a joint operation with regard to a regional waste management facility located on Reserve 7380, Moir Road Ravensthorpe.

The agreement between both Shires govern the operation of the waste facility, covering operating and capital costs, responsibilities of the two Shires, setting of fees and charges, record keeping etc. The Shire of Ravensthorpe is responsible for the day to day management of the facility. Key operating decisions in relations to the operating cost and future capital cost of the facility are to be agreed by both Shires.

The regional waste facility commenced its operation in February 2018. Building of the facility was fully funded and is recognised in the financials of the Shire of Ravensthorpe as outlined below:

	2022 Actual	2021 Actual
	\$	\$
Other Infrastructure	2,194,385	2,194,385
Less: accumulated depreciation	(390,546)	(317,474)
	1,803,839	1,876,911

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**21. JOINT ARRANGEMENTS (Continued)**

The apportionment of annual facility operating costs between the Shires of Ravensthorpe and Jerramungup is determined by the percentage of total waste tonnage (measured in cubic metres) delivered to the Facility by each Shire in the preceding financial year.

The Shire of Ravensthorpe's share of annual operating cost is determined by its percentage of total waste tonnage (measured in cubic metres) delivered to the facility by both parties in the proceeding year. This is estimated to be 74.5% for Ravensthorpe and 25.5% for Jerramungup.

	2022 Actual	2021 Actual
<b>Ravensthorpe</b>		
Income	146,061	91,301
Expense	(245,990)	(247,473)
	(99,929)	(156,172)
<b>Jerramungup</b>		
Income	0	0
Expense	(84,199)	(84,705)
	(84,199)	(84,705)
<b>Total</b>		
Income	146,061	91,301
Expense	(330,189)	(332,178)
	(184,128)	(240,877)

**SIGNIFICANT ACCOUNTING POLICIES**

**Joint operations**

A joint operation is a joint arrangement where the Shire has joint control with another party to the joint arrangement. All parties to joint arrangements have rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

**SHIRE OF RAVENSTHORPE**  
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**22. FINANCIAL RISK MANAGEMENT**

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

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

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

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

**(a) Interest rate risk**

**Cash and cash equivalents**

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
<b>2022</b>					
Cash and cash equivalents	0.0017%	4,991,336	0	4,991,336	0
<b>2021</b>					
Cash and cash equivalents	0.09%	4,774,669	0	3,214,339	1,560,330
Financial assets at amortised cost	0.55%	1,000,000	1,000,000	0	0

**Sensitivity**

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

Impact of a 1% movement in interest rates on profit and loss and equity\*

	2022	2021
	\$	\$
	49,913	47,747

\* Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs.

The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings.

Details of interest rates applicable to each borrowing may be found at Note 28(a).



**SHIRE OF RAVENSTHORPE**  
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**22. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

**Trade and Other Receivables**

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
<b>30 June 2022</b>						
Rates receivable						
Expected credit loss	0.14%	0.14%	0.14%	0.14%	0.14%	
Gross carrying amount	4,606	162,817	68,383	97,564	333,370	5
Loss allowance	6	228	96	137	467	
<b>30 June 2021</b>						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	64,212	84,718	60,097	88,584	297,611	5
Loss allowance	0	0	0	0	0	

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Less than 30 days past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
<b>30 June 2022</b>						
Trade and other receivables						
Expected credit loss	0.28%	0.28%	0.28%	0.28%	0.28%	
Gross carrying amount	14,303	1,847	2,411	213,180	231,741	5
Loss allowance	40	5	7	597	649	
<b>30 June 2021</b>						
Trade and other receivables						
Expected credit loss	0.03%	0.49%	0.89%	1.55%		
Gross carrying amount	192,363	10,436	45,639	10,412	258,850	5
Loss allowance	58	51	406	161	676	

No expected credit losses were recognised as at 30 June 2022 and 30 June 2021 as the amounts are immaterial.

**SHIRE OF RAVENSTHORPE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**22. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk**

**Payables and borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 17(c).

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<b><u>2022</u></b>					
Trade and other payables	1,192,506	0	0	1,192,506	1,192,506
Borrowings	169,615	480,019	319,081	968,715	839,634
Contract Liabilities	903,010	0	0	903,010	903,010
Lease liabilities	130,577	522,310	112,296	765,183	701,095
	<u>2,395,708</u>	<u>1,002,329</u>	<u>431,377</u>	<u>3,829,414</u>	<u>3,636,245</u>
<b><u>2021</u></b>					
Trade and other payables	1,006,524	0	0	1,006,524	1,006,524
Borrowings	303,666	518,478	550,492	1,372,636	1,266,287
Contract Liabilities	701,771	0	0	701,771	701,771
Lease liabilities	130,577	522,309	242,873	895,759	825,492
	<u>2,142,538</u>	<u>1,040,787</u>	<u>793,365</u>	<u>3,976,690</u>	<u>3,800,074</u>

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

There have been no material events after the reporting period which would materially impact the financial report of the Shire for the year ended 30 June 2022 or which would require a separate disclosure.

## 24. OTHER SIGNIFICANT ACCOUNTING POLICIES

### a) Goods and services tax (GST)

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

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

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

### b) Current and non-current classification

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

### c) Rounding off figures

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

### d) Comparative figures

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

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

Interest income 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 cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

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

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

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

### k) Initial application of accounting standards

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

### New accounting standards for application in future years

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.



**SHIRE OF RAVENSTHORPE  
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**25. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

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

**PROGRAM NAME AND OBJECTIVES**

**ACTIVITIES**

**GOVERNANCE**

To provide a decision making process for the efficient allocation of scarce resources.

Administration and operation of facilities and services to members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services.

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

To provide services to help ensure a safer community.

Supervision of various local laws relating to fire prevention, emergency services and animal control.

**HEALTH**

To provide an operational framework for environmental and community health.

Food quality and pest control, maintenance and contributions to health services and facilities.

**EDUCATION AND WELFARE**

To meet the needs of the community in these areas.

Operation and provision of retirement units and Aged Care services. Operation of the Cub House Long Day Care facility in Ravensthorpe.

**HOUSING**

Help ensure adequate housing for Council staff.

Maintenance of staff and rental housing.

**COMMUNITY AMENITIES**

Provide services required by the community.

Rubbish collection services, operation of tips, noise control, administration of the town planning scheme, maintenance of cemeteries, control and maintenance of coastal reserves and other community / environmental services.

**RECREATION AND CULTURE**

To establish and effectively manage infrastructure and resources which will help the social and well being of the community.

Maintenance of halls, sporting complexes, resource centres, parks and gardens and TV / Radio rebroadcast.

**TRANSPORT**

To provide effective and efficient transport services to the community.

Construction and maintenance of streets, roads, bridges, cleaning and lighting of streets, parking facilities, traffic signs, depot maintenance and airstrip maintenance.

**ECONOMIC SERVICES**

To help promote the Shire and its economic wellbeing.

The regulation and provision of tourism, area promotion, building control, noxious weeds, vermin control and water supply including stand pipes.

**OTHER PROPERTY AND SERVICES**

To monitor and control Shire's overhead operating accounts.

Private works operations, plant repairs and operations costs. Also provide for Department of Transport licensing and services to the Future Fund. Costs associated with operation of the Bankwest ATM.

**SHIRE OF RAVENSTHORPE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**25. FUNCTION AND ACTIVITY (Continued)**

**(b) Income and expenses**

	<b>2022 Actual</b>	<b>2022 Budget</b>	<b>2021 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Income excluding grants, subsidies and contributions</b>			
Governance	58,949	40,000	38,941
General purpose funding	4,840,738	4,805,128	4,624,865
Law, order, public safety	44,287	35,300	39,689
Health	15,508	9,291	5,200
Education and welfare	691,167	774,380	593,540
Housing	64,578	11,800	5,700
Community amenities	752,033	765,300	766,515
Recreation and culture	146,987	71,264	41,686
Transport	970,191	860,000	786,451
Economic services	318,379	287,000	281,627
Other property and services	277,124	5,750,949	272,802
	<b>8,179,941</b>	<b>13,410,412</b>	<b>7,457,016</b>
<b>Grants, subsidies and contributions</b>			
Governance	4,000	4,000	0
General purpose funding	2,733,328	1,036,229	2,008,641
Law, order, public safety	440,666	1,217,353	621,193
Education and welfare	139,880	303,000	90,276
Community amenities	64,358	284,000	10,601
Recreation and culture	2,038,998	7,029,502	1,869,411
Transport	689,741	933,225	973,447
Economic services	94,798	99,614	98,968
Other property and services	216,145	10,000	109,438
	<b>6,421,914</b>	<b>10,916,923</b>	<b>5,781,975</b>
<b>Total Income</b>	<b>14,601,855</b>	<b>24,327,335</b>	<b>13,238,991</b>
<b>Expenses</b>			
Governance	(877,350)	(887,656)	(936,216)
General purpose funding	(306,010)	(300,523)	(264,572)
Law, order, public safety	(1,006,550)	(1,141,282)	(1,065,400)
Health	(335,919)	(386,177)	(284,441)
Education and welfare	(1,088,323)	(1,244,462)	(1,067,497)
Housing	(265,902)	(206,101)	(223,538)
Community amenities	(1,416,864)	(1,586,199)	(1,451,979)
Recreation and culture	(1,942,925)	(2,058,964)	(1,872,522)
Transport	(5,431,464)	(5,384,635)	(5,036,366)
Economic services	(582,262)	(669,916)	(519,920)
Other property and services	(823,681)	(5,796,776)	(693,203)
<b>Total expenses</b>	<b>(14,077,250)</b>	<b>(19,662,691)</b>	<b>(13,415,654)</b>
<b>Net result for the period</b>	<b>524,605</b>	<b>4,664,644</b>	<b>(176,663)</b>

**SHIRE OF RAVENSTHORPE**  
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**25. FUNCTION AND ACTIVITY (Continued)**

**(c) Fees and Charges (including Service Charges)**

	<b>2022</b>	<b>2022</b>	<b>2021</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
General purpose funding	37,534	24,000	28,400
Law, order, public safety	44,287	35,300	39,641
Health	5,339	5,200	5,200
Education and welfare	257,981	754,380	252,480
Housing	18,864	11,800	5,700
Community amenities	562,980	600,000	604,666
Recreation and culture	122,149	59,900	62,493
Transport	968,065	825,000	778,269
Economic services	318,379	287,000	281,627
Other property and services	59,588	33,000	35,703
	<b>2,395,166</b>	<b>2,635,580</b>	<b>2,094,179</b>

**(d) Total Assets**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Governance	20,000	100,291
General purpose funding	5,069,329	1,621,149
Law, order, public safety	1,039,089	2,295,826
Health	159,675	381,446
Education and welfare	1,784,786	2,494,976
Housing	628,546	3,585,249
Community amenities	1,148,348	6,919,310
Recreation and culture	10,787,356	19,261,102
Transport	152,417,360	120,053,314
Economic services	201,309	1,062,392
Other property and services	932,914	3,584,604
Unallocated	2	2,037,803
	<b>174,188,714</b>	<b>163,397,462</b>

SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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26. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Rate in \$	Number of Properties	2021/22 Actual Rateable Value \$	2021/22 Actual Rate Revenue \$	2021/22 Actual Interim Rates \$	2021/22 Actual Back Rates \$	2021/22 Actual Total Revenue \$	2021/22 Budget Rate Revenue \$	2021/22 Budget Interim Rate \$	2021/22 Budget Back Rate \$	2021/22 Budget Total Revenue \$	2020/21 Actual Total Revenue \$
<b>Gross Rental Valuations</b>												
Residential	0.121852	785	10,992,116	1,339,233	131	0	1,339,364	1,339,233	5,000	1,000	1,345,233	1,298,986
Commercial	0.136830	33	1,434,092	196,227	0	0	196,227	196,227	0	0	196,227	181,906
Industrial	0.160607	35	512,772	82,355	0	0	82,355	82,355	0	0	82,355	79,187
Transient and Short Stay Accommodation	0.327462	2	852,800	279,260	0	0	279,260	279,260	0	0	279,260	268,519
<b>Unimproved Valuations</b>												
Mining	0.085928	73	295,976,000	210,305	2,704	11	213,020	206,504	0	0	206,504	200,662
Other	0.007008	326	2,447,481	2,074,200	35	911	2,075,146	2,070,943	0	0	2,070,943	1,988,081
<b>Sub-Total</b>		1,254	312,215,261	4,181,580	2,870	922	4,185,372	4,174,522	5,000	1,000	4,180,522	4,017,341
<b>Minimum payment</b>	<b>Minimum \$</b>											
<b>Gross Rental Valuations</b>												
Residential	905	373	1,061,206	337,565	0	0	337,565	337,565	0	0	337,565	325,380
Commercial	905	10	46,665	9,050	0	0	9,050	8,145	0	0	8,145	7,830
Industrial	905	12	45,268	10,860	0	0	10,860	10,860	0	0	10,860	10,440
Transient and Short Stay Accommodation	884	0	0	0	0	0	0	0	0	0	0	0
<b>Unimproved Valuations</b>												
Mining	333	61	119,193	20,864	0	0	20,864	20,313	0	0	20,313	17,600
Other	884	102	6,161,700	90,168	0	0	90,168	91,052	0	0	91,052	85,000
<b>Sub-Total</b>		558	7,434,032	468,507	0	0	468,507	467,935	0	0	467,935	446,250
		1,812	319,649,293	4,650,087	2,870	922	4,653,879	4,642,457	5,000	1,000	4,648,457	4,463,591
Discounts on general rates (Refer note 26(d))							0				0	(287)
<b>Total amount raised from general rates</b>							4,653,879				4,648,457	4,463,304
<b>Rates (excluding general rates)</b>												
<b>Specified Area Rates</b>	<b>Rate in \$ or Minimum</b>											
Ravensthorpe - GRV	0.02407	134	2,132,624	51,324	168	0	51,492	50,432	0	0	50,432	48,391
Ravensthorpe - Minimum	207	80	418,715	16,560	0	0	16,560	16,560	0	0	16,560	16,000
Munglinup - GRV	0.02749	7	58,968	1,621	0	0	1,621	1,621	0	0	1,621	1,566
Munglinup - Minimum	207	4	27,872	828	0	0	828	828	0	0	828	800
Sewerage - 1st Fixture - Minimum	155	5	0	775	472	0	1,247	828	0	0	828	1,000
Sewerage - Additional - Minimum	125	40	0	5,000	0	0	5,000	5,031	0	0	5,031	5,000
<b>Ex-gratia Rates</b>												
Ex-gratia Rates							53,671	53,671	0	0	53,671	49,234
<b>Sub-Total</b>		270	2,638,179	76,108	640	0	130,419	128,971	0	0	128,971	121,991
Discounts on specified area and ex gratia rates (Refer note 26(d))							0				0	0
Concessions on specified area and ex gratia rates (Refer note 26(d))							0				0	0
<b>Total amount raised from rates (excluding general rates)</b>							130,419				128,971	121,991
<b>Total Rates</b>							<b>4,784,298</b>				<b>4,777,428</b>	<b>4,585,295</b>

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 *Income for not-for-profit entities*.



**SHIRE OF RAVENSTHORPE**  
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**26. RATING INFORMATION (Continued)**

**(b) Specified Area Rate**

<b>Specified Area Rate</b>	<b>Purpose of the rate</b>	<b>Area/properties Rate Imposed</b>	<b>2021/22 Actual Rate Applied to Costs</b>	<b>2021/22 Actual Rate Set Aside to Reserve</b>	<b>2021/22 Actual Reserve Applied to Costs</b>	<b>2021/22 Budget Rate Applied to Costs</b>	<b>2021/22 Budget Rate Set Aside to Reserve</b>	<b>2021/22 Budget Reserve Applied to Costs</b>
			<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Ravensthorpe - GRV	The Effluent Specified Area Rate income services the maintenance and upgrade of the Ravensthorpe and Munglinup sewerage systems.	Ravensthorpe and	51,492	0	0	50,432	0	0
Ravensthorpe - Min			16,560	0	0	16,560	0	0
Munglinup - GRV		Munglinup	1,621	0	0	1,621	0	0
Munglinup - Min			828	0	0	828	0	0
Sewerage - 1st Fixture - Min			1,247	0	0	828	0	0
Sewerage - Additional			5,000	0	0	5,031	0	0
Sewerage - Additional - Min			0	0	0	0	0	0
			<b>76,748</b>	<b>0</b>	<b>0</b>	<b>75,300</b>	<b>0</b>	<b>0</b>

**(c) Service Charges**

The Shire did not levy service charges during the current reporting period

**(d) Discounts, Incentives, Concessions, & Write-offs**

The Shire did not apply any waivers, concessions, incentives or discounts for the current reporting period.

**SHIRE OF RAVENSTHORPE**  
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**26. RATING INFORMATION (Continued)**

**(e) Interest Charges and Instalments**

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Option One</b>				
Single full payment	13/10/2021	0	0.00%	7.00%
<b>Option Two</b>				
First instalment	13/10/2021	0	0.00%	7.00%
Second instalment	13/12/2021	10	5.50%	7.00%
Third instalment	14/02/2022	10	5.50%	7.00%
Fourth instalment	15/04/2022	10	5.50%	7.00%
		<b>2022 Actual</b> \$	<b>2022 Budget</b>	<b>2021 Actual</b> \$
Charges on instalment plan		10,350	11,000	10,500
Interest on instalment plan		14,857	15,000	13,950
Interest on unpaid rates		28,527	20,000	17,832
		53,734	46,000	42,282

SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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27. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget	2021/22	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(1 July 2021 Brought Forward)	(30 June 2021 Carried Forward)
Note	\$	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	9(b)	(57,579)	(57,092)	(5,378)
Movement in pensioner deferred rates (non-current)		808	0	0
Add: Loss on disposal of assets	9(b)	2,192	26,543	66,112
Add: Depreciation	9(a)	4,823,317	5,004,073	4,744,964
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		0	0	614
Employee benefit provisions		17,366	0	(10,879)
Other provisions		20,642	0	344,032
Accruals Interest and Wages		0	0	83,375
<b>Non-cash amounts excluded from operating activities</b>		<b>4,806,746</b>	<b>4,973,524</b>	<b>5,222,840</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	29	(1,682,127)	(1,324,708)	(4,014,299)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	13	143,522	0	426,653
- Current portion of lease liabilities	10(b)	124,855	124,397	124,397
- Employee benefit provisions		520,536	593,456	520,534
<b>Total adjustments to net current assets</b>		<b>(893,214)</b>	<b>(606,855)</b>	<b>(2,942,715)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		6,798,020	2,530,755	7,410,055
Less: Total current liabilities		(2,972,165)	(1,923,900)	(2,779,879)
Less: Total adjustments to net current assets		(893,214)	(606,855)	(2,942,715)
<b>Net current assets used in the Rate Setting Statement</b>		<b>2,932,641</b>	<b>0</b>	<b>1,687,461</b>

SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

28. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Particulars	Note	Actual							Budget				
		Principal at	New Loans	Principal	Principal at 30	New Loans	Principal	Principal at	Principal at 1	New Loans	Principal	Principal at	
		1 July 2020	During 2020-21	Repayments	June 2021	During 2021-22	Repayments	30 June 2022	July 2021	During 2021-22	Repayments	30 June 2022	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Housing</b>													
Staff Housing		190,080	0	(35,888)	154,192	0	(36,923)	117,269	154,192	0	(36,922)	117,270	
Other Housing (Daw Street)		222,334	0	(17,015)	205,319	0	(17,593)	187,726	205,318	0	(17,592)	187,726	
<b>Recreation and Culture</b>													
Hopetoun Community		298,392	0	(14,091)	284,301	0	(14,602)	269,699	284,301	0	(14,602)	269,699	
<b>Transport</b>													
Town Streets		262,693	0	(30,559)	232,134	0	(232,134)	0	232,135	0	(232,135)	0	
Town Streets		107,876	0	(52,612)	55,264	0	(55,264)	0	55,265	0	(55,265)	0	
Refinance		170,227	0	(32,140)	138,087	0	(33,065)	105,022	138,087	0	(33,065)	105,022	
Refinance		232,967	0	(35,977)	196,990	0	(37,072)	159,918	196,989	0	(37,072)	159,917	
<b>Total Borrowings</b>	13	1,484,569	0	(218,282)	1,266,287	0	(426,653)	839,634	1,266,287	0	(426,653)	839,634	

All loan repayments were financed by general purpose revenue.

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending	Budget for year ending	Actual for year ending
						30 June 2022	30 June 2022	30 June 2021
						\$	\$	\$
<b>Housing</b>								
Staff Housing		Housing	145	WA Treasury	2.86%	(5,491)	(5,453)	(5,444)
Other Housing (Daw Street)		Housing	147	WA Treasury	3.36%	(8,346)	(8,312)	(7,974)
<b>Recreation and Culture</b>								
Hopetoun Community		Recreation and culture	146	WA Treasury	3.59%	(13,901)	(12,157)	(11,428)
<b>Transport</b>								
Town Streets		Transport	138D	WA Treasury	6.57%	(14,724)	(16,766)	(16,929)
Town Streets		Transport	144	WA Treasury	4.98%	(2,073)	(2,978)	(4,556)
Refinance		Transport	143B	WA Treasury	2.86%	(2,943)	(4,884)	(4,875)
Refinance		Transport	138E	WA Treasury	3.02%	(7,579)	(7,271)	(7,159)
<b>Total Interest Repayments</b>	2(b)					(55,057)	(57,821)	(58,365)



SHIRE OF RAVENSTHORPE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022

28. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2021/22

The Shire had no new borrowings for the financial year ended 30 June 2022.

(c) Unspent Borrowings

The Shire had no unspent borrowings for the financial year ended 30 June 2022.

(d) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal at 1 July 2020	New Leases During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Law, Order and Public Safety</b>												
Holden Colorado		32,851	0	(16,313)	16,538	0	(16,538)	0	16,538	0	(16,538)	0
<b>Community Amenities</b>												
Bomag Compactor		619,439	0	(71,248)	548,191	0	(73,406)	474,785	548,192	0	(73,407)	474,785
Komatsu Wheel Loader		294,202	0	(33,439)	260,763	0	(34,453)	226,310	260,763	0	(34,453)	226,310
<b>Total Lease Liabilities</b>	10(b)	946,492	0	(121,000)	825,492	0	(124,397)	701,095	825,493	0	(124,398)	701,095

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021	Lease Term
						\$	\$	\$	
<b>Law, Order and Public Safety</b>									
Holden Colorado		Law, order, public safety	939384	SG Fleet	1.36%	(122)	(122)	(345)	3 years
<b>Community Amenities</b>									
Bomag Compactor		Community amenities	908707	SG Fleet	3.00%	(15,390)	(15,390)	(17,550)	10 years
Komatsu Wheel Loader		Community amenities	915953	SG Fleet	3.00%	(7,327)	(7,327)	(8,341)	10 years
<b>Total Interest Repayments</b>	2(b)					(22,839)	(22,839)	(26,236)	

**SHIRE OF RAVENSTHORPE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2022**

**29. RESERVE ACCOUNTS**

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Leave Reserve	42,906	109	0	43,015	42,854	214	0	43,068	42,686	220	0	42,906
Plant And Vehicle Reserve	1,038,065	2,621	(764,183)	276,503	1,036,963	5,172	(987,212)	54,923	900,487	954,645	(817,067)	1,038,065
Emergency Farm Water Reserve	12,264	30	0	12,294	12,249	61	0	12,310	12,201	63	0	12,264
Building Reserve	1,721,169	99,557	(1,515,000)	305,726	1,719,473	68,784	(1,515,000)	273,257	1,386,509	457,151	(122,491)	1,721,169
Road And Footpath Reserve	498,003	33,528	(232,135)	299,396	497,519	34,751	(267,135)	265,135	395,961	102,042	0	498,003
Swimming Pool Upgrade Reserve	45,141	114	0	45,255	45,086	225	0	45,311	44,909	232	0	45,141
Airport Reserve	381,953	9,165	(50,462)	340,656	381,488	1,903	(88,505)	294,886	379,993	1,960	0	381,953
Waste And Sewerage Reserve	274,798	44,484	0	319,282	274,449	21,369	0	295,818	285,161	1,472	(11,835)	274,798
State Barrier Fence Reserve	0	0	0	0	0	0	0	0	0	0	0	0
Recreation Reserve	0	20,000	0	20,000	0	20,000	0	20,000	0	0	0	0
IT and Equipment Reserve	0	20,000	0	20,000	0	20,000	0	20,000	0	0	0	0
Floater Road Reserve	0	0	0	0	0	0	0	0	0	0	0	0
	4,014,299	229,608	(2,561,780)	1,682,127	4,010,081	172,479	(2,857,852)	1,324,708	3,447,907	1,517,785	(951,393)	4,014,299

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

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	Anticipated date of use	Purpose of the reserve
Leave Reserve	Ongoing	To fund long service leave and non-current annual leave requirements.
Plant And Vehicle Reserve	Ongoing	To assist in the purchasing of major plant and machinery.
Emergency Farm Water Reserve	Ongoing	For repair and / or construction of emergency farm water supplies.
Building Reserve	Ongoing	For construction, refurbishment, modification or renovation of all buildings.
Road And Footpath Reserve	Ongoing	For construction, rejuvenation, resealing or repair to the road and footpath network.
Swimming Pool Upgrade Reserve	Ongoing	For major repairs or renovations of the Ravensthorpe Swimming Pool.
Airport Reserve	Ongoing	For construction, reconstruction, repairs or modifications of activities including buildings, tarmac, airstrip and associated infrastructure at the Ravensthorpe Airport.
Waste And Sewerage Reserve	Ongoing	For repair and / or construction of waste and sewerage facilities.
State Barrier Fence Reserve	Ongoing	For extension of the State Barrier Fence from Ravensthorpe to Esperance.
Recreation Reserve	Ongoing	For construction, renewal, refurbishment and upgrade of all recreation facilities and reserves.
IT and Equipment Reserve	Ongoing	For the upgrade and renewal of hardware, communication and software technology systems and machinery.
Floater Road Reserve	Ongoing	To hold pre-paid funds for the sealed section of Floater Road.



# Auditor General

## INDEPENDENT AUDITOR'S REPORT 2022 Shire of Ravensthorpe

To the Councillors of the Shire of Ravensthorpe

### Opinion

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

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### Basis for opinion

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

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

### Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

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

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

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

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

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

The Chief Executive Officer of the Shire is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

This auditor's report relates to the financial report of the Shire of Ravensthorpe for the year ended 30 June 2022 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
27 February 2023





## Shire of Ravensthorpe

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