



Annual Report

2022-23

Contents



Contents.....	1
Introduction	2
Our Shire	3
The Council.....	6
Contact Information.....	7
President’s Report	8
Chief Executive Officer’s Report	10
Governance and Community Services	12
Finance	12
Regulatory.....	13
Works and Services	13
The Year Ahead 2023-24.....	14
Statutory Compliance	15
Integrated Strategic Planning	16
National Competition Policy.....	17
State Recordkeeping Act.....	17
Public Interest Disclosures.....	18
Freedom Of Information	18
Register Of Certain Complaints for Minor Breaches	18
Payments Order by The Local Government Standards Panel	18
Remuneration And Allowances Paid to the Local Government Standards Panel.....	18
Employee Payments.....	18
Elected Member Information	19
Attendance At Council Meetings.....	19
Audited Financial Statements and Auditor’s Opinion	21

Introduction



Our Vision

Leads the Way

Our Mission

We will achieve our vision by maintaining and enhancing the Bruce Rock lifestyle, increasing business and employment opportunities and achieving population growth in an environmentally sustainable way.

Our Values

We will conduct our business with:

Respect

- Value people and places and the contribution they make to the Shire.
- Develop an environment of respect for different cultures.
- Be appreciative of the aspirations of the community and what it does for itself.

Inclusiveness

- Be receptive, proactive and responsive as an organisation.
- Foster the community that has the ability to capacity build.
- Demonstrate leadership by promoting Council and community teamwork.

Fairness and equity

- Maintain a 'whole of Shire' outlook, but recognise that each community is unique and likely to have variations on their needs.
- Provide services for a variety of ages and needs.
- Respond to the community in a fair and equal way depending on need.

Communication

- Create opportunities for consultation with the broad community.
- Ensure appropriate, accessible information will be made available to the community.

Our Shire

The Shire of Bruce Rock covers an area of 2,727 km² in the Wheatbelt of Western Australia, and has a population of approximately 979 (ABS, Census, 2021).

Shire of Bruce Rock

Localities

Ardath, Babakin, Belka, Bruce Rock, Kwolyin, Shackleton

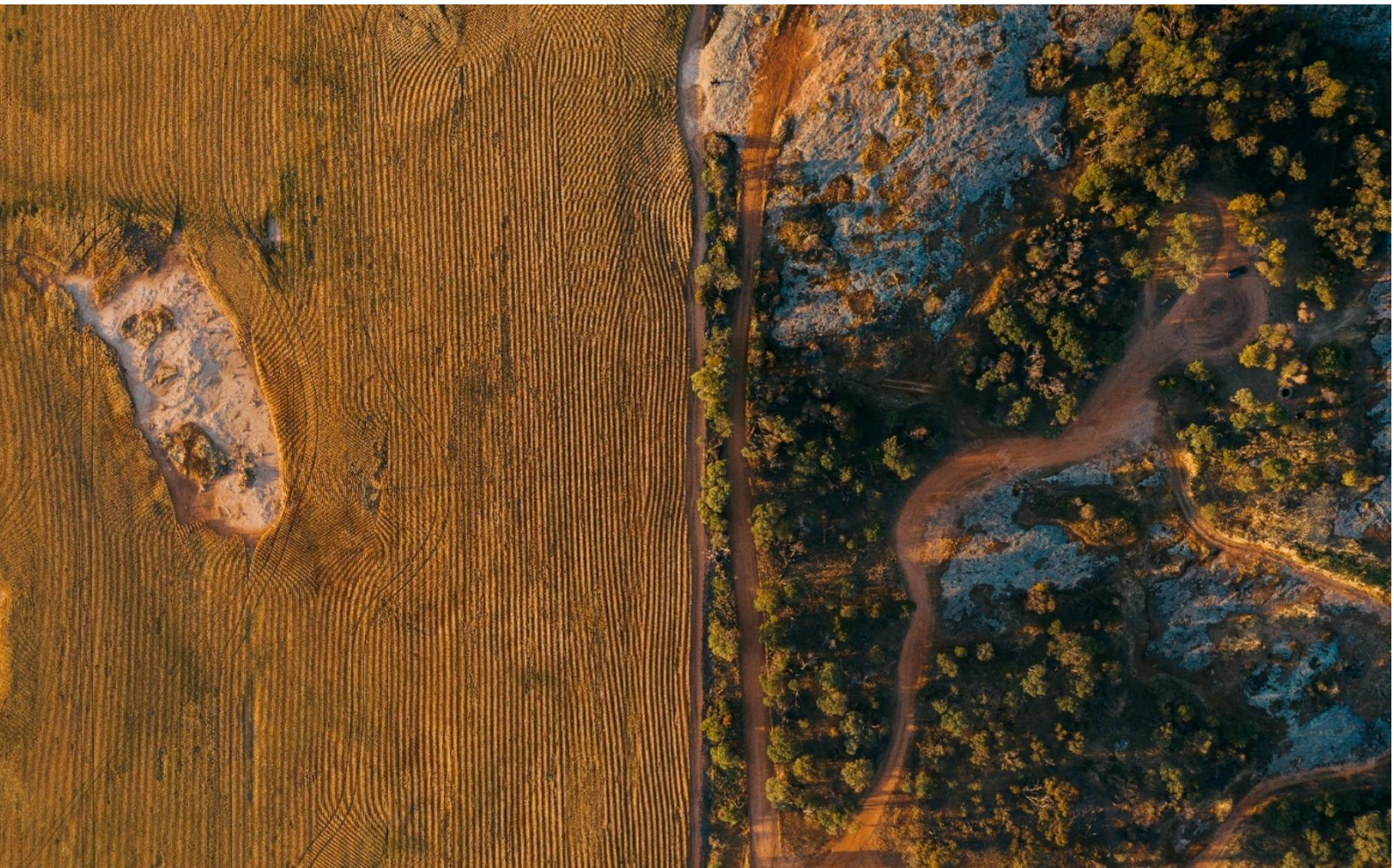
Significant Local Events

Bruce Rock Agricultural Show – Biannually in September

Back to the Bush Veterans Reunion – Annually - 1st Weekend in November

Ordinary Council Meeting

Third Thursday of each month, except January.



Tourist Attractions

Granite Way, including Kokerbin Rock
Kwolyin Camping Grounds
Shackleton – “Australia’s Smallest Bank”
Steve’s Art, Shackleton
Mosaic and Centenary Path, Bruce Rock
Babakin – The underground orchid
Spring Wildflowers
Bruce’s Rock
Bruce Rock Museum
Ardath Hotel
Railway Dam
Ardath Lake
Scenic Rural Vistas
Federation Amphitheatre and Sculpture Park
Remembrance Park

Local Industries

Wheat and other cereals, steel fabrication, livestock and agricultural support industries.



Council Statistics (2022-23)

Distance from Perth (km)	245
Area (sq. km)	2,727
Length of Sealed Roads (km)	501.1
Length of Unsealed Roads (km)	757.6
Population (Census 2021)	979
Number of Electors (2023)	678
Number of Dwellings (Census 2021)	473
Total Rates Levied	\$1,738,448
Total Revenue	\$8,399,795
Number of Employees	49 (including interim supermarket staff)



The Council

Council meets on every third Thursday of the month, except January, to consider local and regional issues of importance to the district.

As at 30 June 2023, the Council is made up of nine Councillors representing the Bruce Rock District.

President

Cr SA Strange

Deputy President

Cr T Crooks

Councillors	Telephone	Years of Service	Term Expires
Cr Stephen Strange	0429 611 324	34	2023
Cr Ramesh Rajagopalan	0448 012 656	14	2025
Cr Phillip Negri		8	2023
Cr Brendan Waight	0428 149 654	6	2025
Cr Natalie Kilminster		6	2025
Cr Anthony (Tony) Crooks	0428 911 922	5	2023
Cr Kevin Foss	0427 998 878	5	2023
Cr Rebecca Waye		4	2023
Cr Jennifer Verhoogt	0428 250 563	2	2025

Council elections are held on the third Saturday in October. The next election will be held on Saturday, 21 October 2023.

Contact Information

Office Hours

8.30am to 4.30pm

Contact

Shire Office	9061 1377
Workshop / Fax	9061 1030
Swimming Pool	9061 1278
Email	admin@brucerock.wa.gov.au
Website	www.bruce-rock.wa.gov.au
Street Address	54 Johnson Street Bruce Rock WA 6418
Postal Address	PO Box 113 Bruce Rock WA 6418

After Hours

Chief Executive Officer	Darren Mollenoyux	0428 611 377
Manager of Governance and Community Services	Nerea Ugarte	0408 383 530
Manager of Works and Services	Dave Holland	0418 745 217

Emergency Numbers

Ambulance/Police/Fire	000
Police Station	9007 9140
Hospital	9061 0222
Doctor's Surgery	9061 1166
Dental Surgery	9061 1954
Water Corporation	13 13 75
Synergy	13 13 53
Western Power	13 10 87

President's Report

Dear residents,



As I reflect on the remarkable journey of the past twenty-six and a half years serving as President of this incredible Shire, I am filled with immense gratitude and pride for all that we have achieved together. These years have been marked by both moments of triumph and challenges, and it is with a heart brimming with appreciation that I extend my deepest thanks to each and every one of you, who has been part of this remarkable chapter.

The 2022-23 financial year has been a year of significant transformation for the Shire and Council. Following the Local Government Reform, our Council's size was advised to be reduced from nine councillors to seven. We also had a new Management Team with the new Manager of Finance and Manager of Governance and Community Services, along with a few administration staff changeovers.

In the beginning of the year, the Council adopted the new Disability Access and Inclusion Plan and the Strategic Community Plan, which highlights the key priorities for Council and the community for the next ten years.

Council also adopted the ten-years Long Term Financial Plan (LTFP 2023-2033), This Plan is part of the Shire's ongoing commitment to an integrated approach to planning for the Shire's future. Despite the current uncertain times, it provides the Council and the community with a picture of the Shire's long-term financial and asset management circumstances and assists us to meet our strategic outcomes and objectives.

Several Capital Projects were also successfully completed in 2022-23, as shown below.

Capital Projects	Comments
Supermarket Construction	Nearly completed
Significant Road Program	Old Bevelery Road, Shackleton-Kellerberin Road, Doodlakine-Bruce Rock Road, Totadgin Road,
Bridge Program	Cukela Road (Bridge 5017), Shackleton Bilbarin Road (Bridge No 5130), Belka East Road (Bridge 6008)
Plant Replacement Program	Purchase of new prime mover, New loader, water truck and upgrade of the grant-funded Shackleton fire truck
Other Major Projects	Completion of the outdoor function area at the Recreation Centre & commencement of planning for the new Adventure Playground in Main Street

We have been able to receive a loan of \$2.1 million for the construction of the new supermarket, and it has been pleasing to see donations from the Bruce Rock Progress Association, individuals, and businesses, along with the dedication in the financial year. We also progressed well with the tendering process for the lease of the supermarket.

A key role of Council is to oversee and advise in the area of essential infrastructure, as well as maintaining and developing the roads in the Shire, so they meet the needs of the community, both residential and business. Over the past twelve months, Shire staff have worked hard on road construction and maintenance, building works, and town landscaping and gardens. All the Shire-owned buildings and facilities, including the Aquatic Centre, the Recreation Centre and the Medical Centre, have received significant attention and maintenance over the year to ensure they remain a valuable resource for the community.

Councillors continued to attend a variety of meetings and workshops throughout the course of the year, in addition to the regular monthly Council meetings and briefings. The following is a selection of the types of events that Councillors and staff have attended or participated in:

- Wheatbelt East Regional Organisation of Councils (WEROC)
- Wheatbelt Communities Inc.
- WA Local Government Association (WALGA) Zone
- WA Local Government Association Annual Conference
- Regional Road Group
- Local and Regional Health
- Local and District Fire Advisory meetings
- Local Emergency Management
- Structural Reform and Strategic Planning
- Grain Freight Network Meetings
- Central East Aged Care Alliance and
- Local community and recreation group meetings.

To the current and retired Councillors, your unwavering commitment and support have been the bedrock of our accomplishments. I extend a special mention to my **Deputies – Stephen Crooks, Murray Arnold, Ian Dolton,**

Ram Rajagopalan, and Tony Crooks – your dedication and partnership have been invaluable, contributing significantly to the strides we have made as a unified Council.

My heartfelt gratitude also extends to the Shire Chief Executive Officers I have had the privilege to work closely with – **John Murphy, Steve O'Halloran and Darren Mollenoyux.** Your dedication, professionalism, and friendship have been instrumental in guiding our Shire through moments of growth and transformation.

While accolades have never been the focus, being awarded Life Membership of the Western Australian Local Government Association stands as a profound honour, not just for me but as a testament to the unwavering support of my family throughout my tenure. Their encouragement and understanding have been the cornerstone of my presidency, for which I am endlessly grateful.

As I step away from this role, I do so with a deep sense of fulfillment, knowing that our collective efforts have contributed to the betterment of our community. The journey has been defined, not just by milestones, but by the relationships forged and the shared commitment to a brighter future for our Shire.

I extend my sincerest thanks to every resident, supporter, and stakeholder who has contributed to our journey, and I remain confident that under new leadership, the Shire of Bruce Rock will continue to flourish and thrive.

With deepest appreciation,

Cr Stephen Strange

PRESIDENT

Chief Executive Officer's Report



I am pleased to present the 2022-2023 Annual Report to all the residents and ratepayers of the Shire of Bruce Rock.

The 2022-23 financial year was unique in many respects. We saw over 50% of the staff in the administration team change over, including two new senior managers. We also had many new faces in our outside team.

Council entrusted us with the delivery of an important program of capital works, with the most significant projects being the supermarket and the Capital Roads Infrastructure Program. We also delivered our regular Local Government services, roads program, town maintenance and other budgeted projects.

We assisted with the naturalisation of two new citizens in the Shire and facilitated many community activities.

The Shire of Bruce Rock conducted a Customer Satisfaction Survey, which received a broad range of responses from our community. The feedback received is assisting Council and staff in continuing to improve the delivery of services and in meeting community expectations.

Council progressed the development of a Communications Strategy, informed by the responses to the survey. This will build upon our existing mission and communication objectives and identify areas of improvement. As part of this, we initiated "Cuppa with Councillors" as a community engagement initiative.

I am pleased to note that we ended the year with positive feedback on our financial management, with no

significant observations made by the Auditor General as part of the annual audit of our finances and operations.

The New Supermarket

It was very exciting to see the progress made during the year on the construction of the new supermarket, with the roof, internal walls, external cladding, aircon ducting and windows installed. Progress was also made with the connection of the supermarket to the Western Power network.

Work on the attraction of a retailer continued, with Council's retail consultant focusing on attracting the best fit for the new supermarket and Bruce Rock.

Of particular note was the work done by Council, staff and the community to secure funds to construct the building. This included a significant contribution from the Bruce Rock Progress Association.

I would like to take this opportunity to thank everyone for their patience with the path and side road being hindered during construction. The community's cooperation and patience during this time was much appreciated.





New Playground

During the year, we appointed Ecoscape to undertake the landscape architect work for the new playground to be built on the main street. Our initial brief with the consultants was informed by the various public consultation sessions we have undertaken in the past few years. The first design draft was received from the consultants and, once the drawings are finalised, the Shire will be able to go to tender to construct the playground.

Wheatbelt Medical Student Immersion

It was great to see the Wheatbelt Medical Student Immersion Program back in full swing following a few disrupted years with the impacts of COVID-19. It was a fantastic week that provided University students training to be Doctors with an understanding of what it is like living and working in a regional community.

Thanks to all the host families for welcoming the students into your homes. We also appreciate and thank Dr Jegede, the Medical Centre staff, hospital, Emergency Volunteer personnel, community groups and other key agencies for continuing to be involved and for hosting various events and activities over the week.



Strategic Waste Management Plan

During the financial year, Council worked with its neighbouring Local Governments through the Wheatbelt East Regional Organisations of Council (WEROC) to improve the region's waste management, including waste reduction, better management of waste facilities and associated regional initiatives.

Thank You

I would like to acknowledge the President Stephen Strange and Councillors for their dedication, decision making and strategic vision for the Shire and community. Their vision and good governance have been seen, and continue to see, many projects being planned and completed to improve facilities for the community and visitors.

I would also like to thank the community for their support, and Shire staff for their continued dedication. Everyone has worked hard throughout the year, providing good administration, governance, financial management, road building and all other works to serve the community.

The past year has shown the strength of our community and what a great place Bruce Rock is.

Darren Mollenoyux

CHIEF EXECUTIVE OFFICER

Governance and Community Services

The Governance and Community Services department of the Shire of Bruce Rock is responsible for the following areas:

- Governance and compliance reporting
- Administration
- Assurance
- Risk management
- Insurance cover and claims
- Grant applications
- Procurement
- Information technology
- Human resources
- Records management
- Emergency management
- Department of Transport licensing
- Licensing of dogs and cats
- Customer service
- Community engagement
- Communications
- Cleaners
- Ranger services
- Library
- Medical Centre
- Aquatic Centre
- Caravan Park
- Cemetery

With several Council policies due for updating, during 2022-23, the Governance and Community Services team commenced the review of Council's Policy Manual. As part of this, Council undertook a comprehensive review of its Purchasing Policy, which ensures local suppliers are prioritised in the Shire's procurement activities. A new Disability Access and Inclusion Plan was also approved. This work will continue during 2023-24.

Risk management was a key area of focus. The Shire's Risk Management Framework underwent a thorough review and update, a new operational risk register was completed, development of a strategic risk register was started, and the Terms of Reference of Council's Audit

and Risk Committee were updated to bring them in line with best practice.

Emergency management was also an area of focus, with relevant staff and community members attending a whole-day workshop on emergency management. Funded by a grant, the Shire also installed a generator at the administration office to maintain power supply in the event of an outage. Both initiatives will strengthen the Shire's resilience and preparedness for an emergency event.

Consistent with the Shire's efforts to improve its IT governance arrangements, substantial progress was made towards the completion of an IT Disaster Recovery Plan, which included external testing of the Shire's IT systems' resilience to a cyber attack.

The Governance and Community Services department also organised and supported several community events, such as the annual Back to the Bush Veterans Reunion.

Finance

The Finance department is responsible for the sound financial management of the Shire. It maintains accurate accounting records and produces financial reports to Council each month. The department is also responsible for the preparation and presentation of the Shire's Annual Financial Reports, Annual Budgets and Strategic Resources Plan (Long Term Financial Plan and Asset Management Plans).

Council finished the 2022-2023 financial year with a net operating profit of \$1,356,226. This reflected a total operating revenue of 8,399,795, \$3,024,583 of non-operating grants and total operating expenditure of \$10,017,799.

Capital Expenditure

Council undertook an extensive capital works program totalling \$4,734,692. This expenditure consisted of \$1,547,872 in roads and other infrastructure development, and \$3,186,820 in property, plant and equipment. Some projects were delayed due to the unavailability of contractors or supplies.

Debt Management

During the financial year, the Shire of Bruce Rock secured a \$2.1 million loan from the WA Treasury Corporation to fund the building of the new supermarket. This initiative represents a significant investment in our town's infrastructure, catering to the needs of our residents and fostering economic development within our region.

Careful use of loan borrowings is considered to be an effective way to fund large projects and spread the cost burden over a number of years. As at 30 June 2023, the Shire has two loans, one for the supermarket construction project and the other to part-fund the construction of a second residence in Curlew Drive, which the Shire has since leased to GROH for a period of ten years.

Prudent debt management and the implementation of sustainable financial strategies is essential to the Shire's operation. Council is committed to ensuring budgetary discipline and regular review of financial health to maintain financial sustainability.

Regulatory

The Regulatory Services department is responsible for the following areas:

- Waste management, public health, and food hygiene
- Health compliance
- Environmental management
- Local Laws and Local Law enforcement
- Building control
- Town planning

The Regulatory Services Department made substantial progress towards the completion of the Public Health and Wellbeing Plan 2023-27.

Public health and safety inspections were undertaken prior to public events at halls and recreation grounds to ensure potential hazards to the public were identified and managed. with event organisers.

Routine monitoring of the Hydrotherapy and Aquatic Centre facilities/swimming pools has been undertaken, including upgrades to aging infrastructure. Housing, public buildings and commercial buildings were inspected, and ongoing maintenance works undertaken.

The landfill and septage pit facilities were monitored, with ongoing works to ensure longevity of this asset. Routine compliance inspections with the new landfill contractor revealed a well-run and operated landfill and septage pond.

Works and Services

The Works and Services Department is responsible for:

- Roads construction and maintenance
- Town maintenance
- Private works
- Plant and equipment management
- Recreation Centre

Construction Crew

In the 2022-23 year, the Construction Crew worked on the following projects:

- Regional Road Group
 - One section of Old Beverley Road (2km)
- Roads to Recovery
 - Construction and seal two sections of Totadgin Road (5.5km)

- Re-Sealing
 - Shackleton - Kellerberrin Road
 - Bruce Rock - Doodlakine Road

Town Crew

The Town Crew worked on the following projects:

- Footpath repairs in several locations
- Storm water drainage repairs throughout town and Old Beverley Road
- Kerbing on Butcher and Yelland Roads
- Several projects completed on the new shop
- Hockey Club viewing platform
- Footpath on Butcher Street
- Bridge Conversion works to culverts on Belka East Road
- Private works
- General maintenance and gardening around the townsites

Workshop

The following plant and equipment were purchased throughout the 2022-23 year:

- BK1 (Chief Executive Officer's vehicle)
- BK3 (Manager of Works and Services' vehicle)
- BK010 (Mechanic's vehicle)
- BK012 (construction loader)
- BK9282 (drop deck trailer)
- Large semi water tanker (30,000lt)
- Cricket pitch roller
- Emulsion tank and equipment for the road patching crew

The Year Ahead 2023-24

The major sources of funding for the 2023-24 budget are:

- \$0.13 million from Federal Financial Assistance Grants. Council again received an advance payment of \$2.94 million in June 2023.
- \$1.8 million in rates.
- \$0.63 million from the Federal Government's Roads to Recovery Program.
- \$0.5 million for specific road and bridge funding through Main Roads and the WA Grants Commission.
- \$0.4 million for works on Regional Road Group projects.
- \$0.19 million from RAVP for the airstrip upgrade.

Council's total operating expenditure will be \$10.72 million for the 2023-24 financial year. In addition to this, Council will have significant expenditure on capital works and purchases of \$9.6 million.

The 2023-24 budget continues to reference, where possible, the Strategic Community Plan and focuses on supporting local residents, businesses and economic groups through these trying economic times. Council will continue to fund the maintenance of many of its buildings and community facilities. The following is an overview of expenditure on new projects and improvements.

- Continued funding allocation for Council subsidy for connection to the new STED Scheme.
- Significant road works and culvert projects.
- Landscape architect for playground development.
- Key large plant purchases including front end loader and light and heavy trucks.

- Works on Turkey Nest and Small Town Dams funded by Community Water Projects Grants.

The safety and efficiency of the transport network throughout the Shire remains a priority and includes:

- Regional Road Group projects, including Old Beverley Road, Doodlakine – Bruce Rock Road and Shackleton – Kellerberrin Road.
- Roads to Recovery funded projects on Totadgin Road and Yarding Ardath Road – reconstruction and sealing.
- Replace bridges with culverts on Erikin North and Erikin South Roads.
- Footpath construction on Brownlie Street and Leever Street.
- Resealing of the airstrip.

Statutory Compliance

Disability Access and Inclusion Plan

The Disability Services Act 1993 was amended in December 2003, creating a requirement for public authorities to develop and implement Disability Access and Inclusion Plans (DAIPs). These plans replace and build on the achievements of the Disability Services Plans (DSPs).

The Disability Services Commission requires Local Governments to report on the seven outcomes relating to DAIPs to the public annually.

Outcome 1: Services and Events

Council is continually adapting our existing services to give people with disabilities the same opportunities as other people to access the services of, and any events organised by the Shire.

Council ensures people with disabilities are given access to all Shire events and the services of the Shire. Council held.

Outcome 2: Buildings and Other Facilities

Council also continues with improvements to buildings and footpath infrastructure to assist with both wheelchair and gopher access.

Outcome 3: Information

Wherever possible, people with disabilities can receive information from the Shire in a format that will enable them to access the information readily, as other people are able to access it.

People with disabilities can access information produced by the Shire of Bruce Rock in different formats. Anyone requiring a different format is encouraged to contact the Shire Office. Council also has a website that enables ease of access to public documents, information and other Council related data.

Outcome 4: Level and Quality of Service

Staff are encouraged and supported to be aware of the needs of people with disabilities to ensure they receive the same level and quality of service as other people receive.

Staff at the Shire of Bruce Rock are made aware that people with disabilities may have different needs. Staff are encouraged to ensure that people with disabilities receive the same level and quality of service as other people receive.

Outcome 5: Complaints Process

People with disabilities have the same opportunities as other people to make complaints to staff, which can be made via written letters, email, SMS or verbally.

People with disabilities are able to make complaints and can do this via written letters, email, SMS or verbally.

Outcome 6: Public Consultation Process

Council provides many ways for people to participate in public consultation and is happy to discuss any grievances

community members may have regarding the services available to the disabled.

Council has made the DAIP available on its website for the community to access.

Council consulted with all parts of the community when revising the Strategic Community Plan 2022-32.

Outcome 7: Employment

During the year Council maintained its awareness of reducing barriers to employment for people with disability. A result of this is that Council has employed staff with disabilities.

Integrated Strategic Planning

Changes to the *Local Government Act 1995* replaced the need for Local Governments to develop a Plan for the Future of the District with the requirement that Local Governments to produce plans that are in line with the Integrated Strategic Planning and Reporting Framework.

The Strategic Community Plan 2022-32 was endorsed during the financial year, following community consultation taking place.

The Strategic Community Plan identifies several strategic priorities for the Shire, as follows:

Community Priorities

- Our community is engaged and has a healthy lifestyle.
- Inclusive community activities, events, and initiatives.
- Shire facilities are maintained in a strategic manner to meet community need.
- Support and emergency services planning, response, and recovery.

Economic Priorities

- Assist the local economy to grow.

- Roads are a key economic driver across the Shire.

- Workers and their families can work and reside in the Shire.

- Tourism helps diversify our local economy.

Environmental Priorities

- Maintain a high standard of environmental health and waste services.

- Conservation of our natural environment and resources.

Governance Priorities

- Our organisation is well positioned and has capacity for the future.

- Shire communication is regular, clear and transparent.

Major initiatives proposed or continuing during 2022-23 are:

- Implementation of the strategic planning, asset management, workforce plan and other integrated strategic plans.

- Work towards solutions on the current shortage of long and short-term accommodation within Bruce Rock.

- Continue to investigate options regarding the demand and requirements to further develop facilities for retirees, the aged and frail aged people.

Copies of Strategic Community Plan are available from the Shire Office or can be downloaded from the Shire's website at www.brucerock.wa.gov.au.

National Competition Policy

National Competition Policy (NCP) is designed to enhance the efficiency and effectiveness of public sector agencies and to lead to more efficient use of all economic resources. There are a number of specific requirements placed on Local Governments in the areas of competitive neutrality, legislation review and structural reform. Each Local Government is required to report its progress in achieving NCP reforms in its annual report.

In respect to Council's responsibility in relation to the NCP, the Shire reports as follows:

- No business enterprise of the Shire has been classified by the Australian Bureau of Statistics as either a Public Trading Enterprise or a Public Financial Enterprise.
- Competitive neutrality has not been applied to any activities undertaken by the Shire in this reporting period.
- No allegations of non-compliance with the competitive neutrality principles have been made by any private enterprise.
- The principles of competitive neutrality were implemented in respect of any relevant activities undertaken during the 2021-2022 year.

A further requirement of the NCP is that all Council Local Laws are reviewed every eight years to determine whether they are in conflict with competitive neutrality and comply with the Local Government Act 1995.

State Recordkeeping Act

The State Records Act 2000 requires that the Shire maintains and disposes of all records in the prescribed manner.

The Shire of Bruce Rock carried out a review of its Record Keeping Plan in

2018, with amendments finalised in 2019.

Standard 2, Principle 6 – Compliance: Government organisations ensure their employees comply with the record keeping plan.

Rationale:

An organisation and its employees must comply with the organisation's record keeping plan. Organisations should develop and implement strategies for ensuring that each employee is aware of the compliance responsibilities.

Minimum Compliance Requirements:

The record keeping plan is to provide evidence to adduce that:

1. The efficiency and effectiveness of the organisation's record keeping system is evaluated not less than once every five years.
2. The organisation conducts a record keeping training program.
3. The efficiency and effectiveness of the record keeping training program is reviewed from time to time.
4. The organisation's induction program addresses employee roles and responsibilities in regard to their compliance with the organisation's record keeping plan.

The Shire of Bruce Rock has complied with items 1-4. The Shire reviewed the recordkeeping plan during 2018 financial year and the new Record Keeping Plan was adopted by the State Records Commission in March 2019. The Shire continued the implementation of the new Record keeping Plan in 2022-23.

Public Interest Disclosures

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

The Shire of Bruce Rock had no Public Interest Disclosures during the reporting period 2022-23.

Freedom Of Information

Part 5 of the Freedom of Information Act 1992 requires an agency, such as a Local Government, to prepare and publish an Information Statement.

The Shire of Bruce Rock updated its Information Statement during 2022-23. The document can be inspected via Council's website or by contacting the Shire Office.

The Shire of Bruce Rock received one valid application under the Freedom of Information Act 1992 during 2022-23.

Register Of Certain Complaints for Minor Breaches

For the purpose of Section 5.121 of the Local Government Act 1995, Council must report entries recorded in the Register of Complaints during the financial year. Council did not receive any complaints during the 2022-23 financial year.

Payments Order by The Local Government Standards Panel

Regulation 19B of the Local Government (Administration) Regulations 1996 requires a Local Government to report any amount ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made under sections 5.107(1), 5.109(1) or 5.114(1) to the Local Government during the financial year. The amount ordered this financial year was \$0.

Remuneration And Allowances Paid to the Local Government Standards Panel

For the 2022-23 financial year, the amount the Shire paid in sitting fees to the Standards Panel was \$0.

Employee Payments

Regulation 19B of the Local Government (Administration) Regulations 1996 requires the following to be reported;

1. the number of employees of the Local Government entitled to an annual salary of \$130,000 or more; and
2. the number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$130,000.

The Shire of Bruce Rock has one employee entitled to an annual cash salary \$130,000 or more:

\$150,000 - \$159,999	1
CEO remuneration *	\$205,957

* (This includes cash and non-cash benefits)

Elected Member Information

Regulation 19B of the Local Government (Administration) Regulations 1996 requires the age and gender of elected members to be reported.

Gender of Members	Number
Female	3
Male	6

Age of Members	Number
18 years to 24 years	0
25 years to 34 years	0
35 years to 44 years	2
45 years to 54 years	2
55 years to 64 years	3
over the age of 64 years	2

It is not known how many elected members identified as Aboriginal or Torres Strait Islander, or their country of birth or linguistic background.

Attendance At Council Meetings

Attendance of Elected Members at Council and Committee meetings is detailed in the following tables. The tables reflect meetings held while each Elected Members were in office.

Elected Members	Ordinary Council Meetings				Special Council Meetings	
	Held	Attended	Apologies	Approved Leave	Held	Attended
Cr Stephen STRANGE	11	11	0	0	3	3
Cr Tony CROOKS	11	11	0	0	3	2
Cr Kevin FOSS	11	9	2	0	3	2
Cr Natalie KILMINSTER	11	10	0	1	3	2
Cr Phillip NEGRI	11	11	0	0	3	2
Cr Ram RAJAGOPALAN	11	10	1	0	3	3
Cr Jennifer VERHOOGT	11	9	1	1	3	2
Cr Brendan WAIGHT	11	7	4	0	3	2
Cr Rebecca WAYE	11	10	1	0	3	2

Elected Members	Audit Committee			Works and Services Committee		
	Held	Attended	Apologies/ Leave of absence	Held	Attended	Apologies/ Leave of absence
Cr Stephen STRANGE	5	5	0	4	4	0
Cr Tony CROOKS	5	5	0	4	4	0
Cr Kevin FOSS	5	4	1	4	4	0
Cr Natalie KILMINSTER	5	5	0	N/A	N/A	N/A
Cr Phillip NEGRI	5	5	0	N/A	N/A	N/A
Cr Ram RAJAGOPALAN	5	5	0	N/A	N/A	N/A
Cr Jennifer VERHOOGT	5	3	2	N/A	N/A	N/A
Cr Brendan WRIGHT	5	4	1	4	2	2
Cr Rebecca WAYE	5	4	1	N/A	N/A	N/A





Audited Financial Statements and Auditor's Opinion

SHIRE OF BRUCE ROCK
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

TABLE OF CONTENTS

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

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

The Shire of Bruce Rock "Leads the Way" by maintaining and enhancing the lifestyles, and increasing business and employment opportunities in an environmentally sustainable way.

Principal place of business:
54 Johnson St
Bruce Rock

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

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

STATEMENT BY CEO

The accompanying financial report of the Shire of Bruce Rock has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 6 day of 12 2023



Chief Executive Officer

Darren Mollenoyux

Name of Chief Executive Officer



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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),24	1,710,844	1,712,044	1,634,738
Grants, subsidies and contributions	2(a)	4,317,536	1,313,529	3,977,691
Fees and charges	2(a)	2,243,546	2,208,985	2,155,306
Interest revenue	2(a)	88,637	40,701	23,131
Other revenue	2(a)	39,232	63,000	36,887
		8,399,795	5,338,259	7,827,753
Expenses				
Employee costs	2(b)	(2,846,591)	(2,812,257)	(2,625,349)
Materials and contracts		(2,714,620)	(3,207,053)	(2,985,301)
Utility charges		(293,020)	(271,215)	(283,660)
Depreciation		(3,555,904)	(3,425,700)	(3,433,872)
Finance costs	2(b)	(23,521)	(47,882)	(5,840)
Insurance		(251,913)	(226,665)	(209,671)
Other expenditure	2(b)	(332,230)	(148,124)	(149,195)
		(10,017,799)	(10,138,896)	(9,692,888)
		(1,618,004)	(4,800,637)	(1,865,135)
Capital grants, subsidies and contributions	2(a)	3,024,583	4,301,297	2,660,294
Profit on asset disposals		14,027	8,500	38,105
Loss on asset disposals		(68,066)	(100,500)	(165,190)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	3,686	0	3,997
		2,974,230	4,209,297	2,537,206
Net result for the period	23(b)	1,356,226	(591,340)	672,071
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Nil				
Total other comprehensive income for the period	16	0	0	0
Total comprehensive income for the period		1,356,226	(591,340)	672,071

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



**SHIRE OF BRUCE ROCK
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	NOTE	2023	2022
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	5,701,071	2,350,273
Trade and other receivables	5	197,893	496,940
Other financial assets	4(a)	843,728	3,663,783
Inventories	6	117,285	110,382
Other assets	7	628,546	141,783
TOTAL CURRENT ASSETS		7,488,523	6,763,161
NON-CURRENT ASSETS			
Trade and other receivables	5	23,625	18,253
Other financial assets	4(b)	81,490	77,804
Property, plant and equipment	8	35,010,091	33,000,332
Infrastructure	9	54,333,095	55,498,859
Right-of-use assets	11(a)	9,510	13,787
TOTAL NON-CURRENT ASSETS		89,457,811	88,609,035
TOTAL ASSETS		96,946,334	95,372,196
CURRENT LIABILITIES			
Trade and other payables	12	319,771	930,750
Other liabilities	13	78,911	1,251,597
Lease liabilities	11(b)	2,915	3,014
Borrowings	14	92,870	26,185
Employee related provisions	15	371,811	431,533
TOTAL CURRENT LIABILITIES		866,278	2,643,079
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	8,571	11,486
Borrowings	14	2,201,726	194,596
Employee related provisions	15	52,080	61,582
TOTAL NON-CURRENT LIABILITIES		2,262,377	267,664
TOTAL LIABILITIES		3,128,655	2,910,743
NET ASSETS		93,817,679	92,461,453
EQUITY			
Retained surplus		29,228,871	27,052,587
Reserve accounts	27	843,727	1,663,785
Revaluation surplus	3	63,745,081	63,745,081
TOTAL EQUITY		93,817,679	92,461,453

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



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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		26,435,977	1,608,324	63,745,081	91,789,382
Comprehensive income for the period					
Net result for the period		672,071	0	0	672,071
Total comprehensive income for the period		672,071	0	0	672,071
Transfers from reserve accounts	27	11,211	(11,211)	0	0
Transfers to reserve accounts	27	(66,674)	66,674	0	0
Balance as at 30 June 2022		27,052,587	1,663,785	63,745,081	92,461,453
Comprehensive income for the period					
Net result for the period		1,356,226	0	0	1,356,226
Total comprehensive income for the period		1,356,226	0	0	1,356,226
Transfers from reserve accounts	27	1,494,202	(1,494,202)	0	0
Transfers to reserve accounts	27	(674,146)	674,146	0	0
Balance as at 30 June 2023		29,228,871	843,727	63,745,081	93,817,679

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



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

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		1,696,420	1,651,736
Grants, subsidies and contributions		4,646,734	4,409,620
Fees and charges		2,225,838	2,180,088
Interest revenue		88,637	23,131
Goods and services tax received		615,085	0
Other revenue		39,232	36,887
		9,311,946	8,301,462
Payments			
Employee costs		(2,905,629)	(2,614,319)
Materials and contracts		(3,825,024)	(2,598,141)
Utility charges		(293,020)	(283,660)
Finance costs		(23,521)	(5,840)
Insurance paid		(251,913)	(209,671)
Goods and services tax paid		(603,896)	12,276
Other expenditure		(351,237)	(149,195)
		(8,254,240)	(5,848,550)
Net cash provided by (used in) operating activities	16(b)	1,057,706	2,452,912
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(3,186,820)	(1,466,221)
Payments for construction of infrastructure	9(a)	(1,547,872)	(2,539,618)
Capital grants, subsidies and contributions		1,851,897	2,660,294
Proceeds for financial assets at amortised cost		2,820,055	(2,055,461)
Proceeds from sale of property, plant & equipment		285,031	333,066
Net cash provided by (used in) investing activities		222,291	(3,067,940)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	26(a)	(26,185)	(25,799)
Payments for principal portion of lease liabilities	26(d)	(3,014)	(3,892)
Proceeds from new borrowings	26(a)	2,100,000	0
Net cash provided by (used in) financing activities		2,070,801	(29,691)
Net increase (decrease) in cash held		3,350,798	(644,719)
Cash at beginning of year		2,350,273	2,994,992
Cash and cash equivalents at the end of the year	16(a)	5,701,071	2,350,273

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

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

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	24	1,694,053	1,695,253	1,618,670
Rates excluding general rates	24	16,791	16,791	16,068
Grants, subsidies and contributions		4,317,536	1,313,529	3,977,691
Fees and charges		2,243,546	2,208,985	2,155,306
Interest revenue		88,637	40,701	23,131
Other revenue		39,232	63,000	36,887
Profit on asset disposals		14,027	8,500	38,105
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	3,686	0	3,997
		8,417,508	5,346,759	7,869,855
Expenditure from operating activities				
Employee costs		(2,846,591)	(2,812,257)	(2,625,349)
Materials and contracts		(2,714,620)	(3,207,053)	(2,985,301)
Utility charges		(293,020)	(271,215)	(283,660)
Depreciation		(3,555,904)	(3,425,700)	(3,433,872)
Finance costs		(23,521)	(47,882)	(5,840)
Insurance		(251,913)	(226,665)	(209,671)
Other expenditure		(332,230)	(148,124)	(149,195)
Loss on asset disposals		(68,066)	(100,500)	(165,190)
		(10,085,865)	(10,239,396)	(9,858,078)
Non-cash amounts excluded from operating activities	25(a)	3,595,462	3,517,700	3,568,955
Amount attributable to operating activities		1,927,105	(1,374,937)	1,580,732
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		3,024,583	4,301,297	2,660,294
Proceeds from disposal of assets		285,031	270,000	333,066
		3,309,614	4,571,297	2,993,360
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(3,186,820)	(6,496,314)	(1,466,221)
Purchase and construction of infrastructure	9(a)	(1,547,872)	(2,218,695)	(2,539,618)
		(4,734,692)	(8,715,009)	(4,005,839)
Amount attributable to investing activities		(1,425,078)	(4,143,712)	(1,012,479)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	26(a)	2,100,000	2,100,000	0
Transfers from reserve accounts	27	1,494,202	954,846	11,211
		3,594,202	3,054,846	11,211
Outflows from financing activities				
Repayment of borrowings	26(a)	(26,185)	(60,159)	(25,799)
Payments for principal portion of lease liabilities	26(d)	(3,014)	(5,637)	(3,892)
Transfers to reserve accounts	27	(674,146)	(95,401)	(66,674)
		(703,345)	(161,197)	(96,365)
Amount attributable to financing activities		2,890,857	2,893,649	(85,154)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	25(b)	2,603,212	2,625,000	2,120,113
Amount attributable to operating activities		1,927,105	(1,374,937)	1,580,732
Amount attributable to investing activities		(1,425,078)	(4,143,712)	(1,012,479)
Amount attributable to financing activities		2,890,857	2,893,649	(85,154)
Surplus or deficit after imposition of general rates	25(b)	5,996,096	0	2,603,212

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

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

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Other Assets	15
Note 8	Property, Plant and Equipment	16
Note 9	Infrastructure	18
Note 10	Fixed Assets	20
Note 11	Leases	22
Note 12	Trade and Other Payables	24
Note 13	Other Liabilities	25
Note 14	Borrowings	26
Note 15	Employee Related Provisions	27
Note 16	Revaluation Surplus	28
Note 17	Notes to Statement of Cashflow	29
Note 18	Undrawn Borrowing Facilities and Credit Standby Arrangements	29
Note 19	Contingent Liabilities	30
Note 20	Capital Commitments	30
Note 21	Related Party Transactions	31
Note 22	Events Occurring After the End of the Reporting Period	33
Note 23	Other Significant Accounting Policies	34
 Information required by legislation		
Note 24	Rating Information	35
Note 25	Determination of Surplus or Deficit	36
Note 26	Borrowing and Lease Liabilities	37
Note 27	Reserve accounts	39
Note 28	Trust Funds	40

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

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 of the financial report.

Judgements and estimates

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

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

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

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

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
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
Fees and charges - 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 of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport leasing charges	Lease of airport hanger.	Single point in time	Payment in full in advance	None	Revenue recognised during lease of property
Fees and charges - sale of stock	Supermarket and other miscellaneous stock	Single point in time	Payment in full on sale	Refund for faulty goods	Output method based on goods
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,710,844	0	1,710,844
Grants, subsidies and contributions	4,317,536	0	0	0	4,317,536
Fees and charges	2,219,064	0	24,482	0	2,243,546
Interest revenue	0	0	5,557	83,080	88,637
Other revenue	0	0	0	39,232	39,232
Capital grants, subsidies and contributions	0	3,024,583	0	0	3,024,583
Total	6,536,600	3,024,583	1,740,883	122,312	11,424,378

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,634,738	0	1,634,738
Grants, subsidies and contributions	3,977,691	0	0	0	3,977,691
Fees and charges	2,142,938	0	12,368	0	2,155,306
Interest revenue	0	0	5,535	17,596	23,131
Other revenue	0	0	0	36,887	36,887
Capital grants, subsidies and contributions	0	2,660,294	0	0	2,660,294
Total	6,120,629	2,660,294	1,652,641	54,483	10,488,047

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual \$	2022 Actual \$
Interest revenue		
Interest on reserve account funds	32,195	9,922
Trade and other receivables overdue interest	5,557	5,535
Other interest revenue	50,885	7,674
	88,637	23,131
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$5,300.		
Fees and charges relating to rates receivable		
Charges on instalment plan	1,330	1,776
The 2023 original budget estimate in relation to: Charges on instalment plan was \$1,850.		
(b) Expenses		
Auditors remuneration		
- Audit of the Annual Financial Report	33,600	32,100
- Other services – grant acquittals	2,300	0
- Accrual of prior year Audit of Annual Financial Report	0	22,400
- Other services – FM Regulations review	3,540	0
	39,440	54,500
Employee Costs		
Employee benefit costs	2,431,925	2,234,187
Other employee costs	414,666	391,162
	2,846,591	2,625,349
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	23,521	4,162
Other	0	1,678
	23,521	5,840
Other expenditure		
Impairment losses on rates and statutory receivables	1,299	0
Impairment losses on trade receivables	(19,007)	24,752
Sundry expenses	349,938	124,443
	332,230	149,195

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

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	5,701,071	2,350,273
Total cash and cash equivalents	5,701,071	2,350,273
Held as		
- Unrestricted cash and cash equivalents	3,652,676	1,095,992
- Restricted cash and cash equivalents	2,048,395	1,254,281
17	5,701,071	2,350,273

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

2023	2022
\$	\$
843,728	3,663,783
843,728	3,663,783

Other financial assets at amortised cost

Term deposits

843,728	3,663,783
843,728	3,663,783

Held as

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

0	2,000,000
843,728	1,663,783
843,728	3,663,783

(b) Non-current assets

Financial assets at fair value through profit or loss

81,490	77,804
81,490	77,804

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance
 Movement attributable to fair value increment
 Units in Local Government House Trust - closing balance

77,804	73,807
3,686	3,997
81,490	77,804

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 23 (i)) due to the observable market rates).

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

Financial assets at fair value through profit or loss

The Shire has elected to classify the following financial assets at fair value through profit or loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has elected to recognise as fair value gains and losses through profit or loss.

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

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
Current		
Rates and statutory receivables	69,603	61,842
Trade receivables	95,758	409,085
GST receivable	44,504	55,693
Allowance for credit losses of rates and statutory receivables	(6,197)	(4,898)
Allowance for credit losses of trade receivables	(5,775)	(24,782)
	197,893	496,940
Non-current		
Rates and statutory receivables	16,210	13,974
Receivables for employee related provisions	7,415	4,279
	23,625	18,253

Disclosure of opening and closing balances related to contracts with customers

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

Note	30 June 2023 Actual	30 June 2022 Actual
	\$	\$
Contract assets	7 616,490	131,595
Allowance for credit losses of trade receivables	5 (5,775)	(24,782)
Total trade and other receivables from contracts with customers	610,715	106,813

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

Other receivables

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non financial assets.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

Note	2023	2022
	\$	\$
Current		
Fuel and materials	29,874	35,348
Supermarket Stock	87,411	75,034
	<u>117,285</u>	<u>110,382</u>
The following movements in inventories occurred during the year:		
Balance at beginning of year	110,382	83,792
Inventories expensed during the year	(1,451,591)	(1,163,984)
Additions to inventory	1,458,494	1,190,574
Balance at end of year	<u>117,285</u>	<u>110,382</u>

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

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

7. OTHER ASSETS

	2023	2022
	\$	\$
Other assets - current		
Accrued income	12,056	10,188
Contract assets	616,490	131,595
	628,546	141,783

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Contract assets

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

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

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - specialised	Total land and buildings not subject to operating lease	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	1,469,000	27,633,397	29,102,397	29,102,397	192,643	3,467,745	32,762,785
Additions	0	1,028,570	1,028,570	1,028,570	59,835	377,816	1,466,221
Disposals	(12,000)	(242,076)	(254,076)	(254,076)	0	(206,074)	(460,150)
Depreciation	0	(526,152)	(526,152)	(526,152)	(16,098)	(226,274)	(768,524)
Balance at 30 June 2022	1,457,000	27,893,739	29,350,739	29,350,739	236,380	3,413,213	33,000,332
Comprises:							
Gross balance amount at 30 June 2022	1,457,000	28,418,769	29,875,769	29,875,769	263,740	3,826,967	33,966,476
Accumulated depreciation at 30 June 2022	0	(525,030)	(525,030)	(525,030)	(27,360)	(413,754)	(966,144)
Balance at 30 June 2022	1,457,000	27,893,739	29,350,739	29,350,739	236,380	3,413,213	33,000,332
Additions	0	1,776,990	1,776,990	1,776,990	76,639	1,333,191	3,186,820
Disposals	(11,000)	0	(11,000)	(11,000)	0	(328,070)	(339,070)
Depreciation	0	(552,922)	(552,922)	(552,922)	(21,745)	(263,324)	(837,991)
Balance at 30 June 2023	1,446,000	29,117,807	30,563,807	30,563,807	291,274	4,155,010	35,010,091
Comprises:							
Gross balance amount at 30 June 2023	1,446,000	30,195,759	31,641,759	31,641,759	340,379	4,777,600	36,759,738
Accumulated depreciation at 30 June 2023	0	(1,077,952)	(1,077,952)	(1,077,952)	(49,105)	(622,590)	(1,749,647)
Balance at 30 June 2023	1,446,000	29,117,807	30,563,807	30,563,807	291,274	4,155,010	35,010,091

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuers	June 2021	Price per hectare/ market borrowing rate
Buildings - specialised	3	Market approach using recent observable market data for similar properties/income approach using discounted cashflow methodology	Independent registered valuers	June 2021	Construction costs (level 2) and current condition (level 3), residential 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 local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
(ii) Cost					
Furniture and equipment		N/A	Cost	Not applicable	N/A
Plant and equipment		N/A	Cost	Not applicable	N/A

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Other infrastructure - bridges	Other infrastructure - footpaths	Other infrastructure - drainage	Other infrastructure - other	Other infrastructure - airstrip	Other infrastructure - carparks	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	41,444,892	11,004,024	730,410	1,614,661	309,398	186,667	330,534	55,620,586
Additions	2,084,604	85,255	30,923	114,891	65,653	134,419	23,873	2,539,618
Depreciation	(2,219,282)	(243,051)	(24,304)	(38,103)	(32,978)	(93,333)	(10,294)	(2,661,345)
Balance at 30 June 2022	41,310,214	10,846,228	737,029	1,691,449	342,073	227,753	344,113	55,498,859
Comprises:								
Gross balance at 30 June 2022	47,928,253	11,326,491	785,356	1,762,413	414,749	414,419	363,077	62,994,758
Accumulated depreciation at 30 June 2022	(6,618,039)	(480,263)	(48,327)	(70,964)	(72,676)	(186,666)	(18,964)	(7,495,899)
Balance at 30 June 2022	41,310,214	10,846,228	737,029	1,691,449	342,073	227,753	344,113	55,498,859
Additions	1,200,032	298,422	42,988	0	6,430	0	0	1,547,872
Depreciation	(2,263,432)	(244,883)	(25,140)	(42,727)	(33,348)	(93,334)	(10,772)	(2,713,636)
Balance at 30 June 2023	40,246,814	10,899,767	754,877	1,648,722	315,155	134,419	333,341	54,333,095
Comprises:								
Gross balance at 30 June 2023	49,128,284	11,624,912	828,344	1,762,414	421,178	414,419	363,077	64,542,628
Accumulated depreciation at 30 June 2023	(8,881,470)	(725,145)	(73,467)	(113,692)	(106,023)	(280,000)	(29,736)	(10,209,533)
Balance at 30 June 2023	40,246,814	10,899,767	754,877	1,648,722	315,155	134,419	333,341	54,333,095

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent valuation	June 2019	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - bridges	3	Cost approach using depreciated replacement cost	Independent valuation	June 2020	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Independent valuation	June 2020	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - drainage	3	Cost approach using depreciated replacement cost	Independent valuation	June 2020	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - other	3	Cost approach using depreciated replacement cost	Independent valuation	June 2020	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - airstrip	3	Cost approach using depreciated replacement cost	Independent valuation	June 2020	Construction costs (level 2) and current condition (level 3), residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - carparks	3	Cost approach using depreciated replacement cost	Independent valuation	June 2020	Construction costs (level 2) and current condition (level 3), 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 BRUCE ROCK
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2023**

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings	5 to 50 years
Furniture and equipment	4 to 20 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation pavement seal	not depreciated 20 to 50 years
- bituminous seals	20 to 50 years
- asphalt surfaces	20 to 50 years
Gravel roads formation pavement	not depreciated 10 years
Bridges	80 years
Footpaths	30 to 65 years
Drainage	10 to 80 years
Other Infrastructure	10 to 80 years
Airstrip	5 to 50 years
Carparks	10 to 50 years
Right of use (land)	Based on the remaining lease

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

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

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

Impairment

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

Gains or losses on disposal

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

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

11. LEASES

(a) Right-of-Use Assets

	Note	Right-of-use assets - land	Right-of-use assets Total
Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.		\$	\$
Balance at 1 July 2021		17,790	17,790
Depreciation		(4,003)	(4,003)
Balance at 30 June 2022		13,787	13,787
Gross balance amount at 30 June 2022		25,795	25,795
Accumulated depreciation at 30 June 2022		(12,008)	(12,008)
Balance at 30 June 2022		13,787	13,787
Depreciation		(4,277)	(4,277)
Balance at 30 June 2023		9,510	9,510
Gross balance amount at 30 June 2023		25,795	25,795
Accumulated depreciation at 30 June 2023		(16,285)	(16,285)
Balance at 30 June 2023		9,510	9,510

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

	2023 Actual	2022 Actual
	\$	\$
Depreciation on right-of-use assets	(4,277)	(4,003)
Finance charge on lease liabilities	(462)	(584)
Total amount recognised in the statement of comprehensive income	(4,739)	(4,587)
Total cash outflow from leases	(3,476)	(4,476)
(b) Lease Liabilities		
Current	2,915	3,014
Non-current	8,571	11,486
	26(d) 11,486	14,500

Secured liabilities and assets pledged as security

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

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - measurement

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

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

Right-of-use assets - depreciation

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

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

11. LEASES (Continued)

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

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

Less than 1 year
1 to 2 years
2 to 3 years
3 to 4 years
4 to 5 years
> 5 years

	2023 Actual	2022 Actual
	\$	\$
	61,840	61,570
	58,240	58,240
	38,240	58,240
	37,440	38,240
	37,440	37,440
	12,240	87,120
	245,440	340,850
Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease		
Rental income	78,979	77,363

Residential properties are leased to GROH (Government Regional Officers Housing) under long-term leases with rentals payable monthly. Minimum lease payments receivable on leases of residential properties are detailed above.

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

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

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

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

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

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

12. TRADE AND OTHER PAYABLES

Current

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

	2023	2022
	\$	\$
	136,603	526,090
	10,218	14,645
	95,954	94,187
	55,296	46,877
	2,848	2,684
	18,852	545
	0	245,722
	319,771	930,750

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

Prepaid rates

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

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

13. OTHER LIABILITIES

Current

Capital grant/contributions liabilities

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$78,911 (2022: \$1,251,597)

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

Reconciliation of changes in capital grant/contribution liabilities

Opening balance

Additions

Revenue from capital grant/contributions held as a liability at the start of the period

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year

	2023	2022
	\$	\$
Capital grant/contributions liabilities	78,911	1,251,597
	<u>78,911</u>	<u>1,251,597</u>
Opening balance	1,251,597	559,967
Additions	78,911	1,251,597
Revenue from capital grant/contributions held as a liability at the start of the period	(1,251,597)	(559,967)
	<u>78,911</u>	<u>1,251,597</u>
Less than 1 year	78,911	1,251,597
	<u>78,911</u>	<u>1,251,597</u>

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

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

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

14. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		92,870	2,201,726	2,294,596	26,185	194,596	220,781
Total secured borrowings	26(a)	92,870	2,201,726	2,294,596	26,185	194,596	220,781

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

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

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

Risk

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

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

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	214,347	219,758
Long service leave	111,803	160,448
	326,150	380,206
Employee related other provisions		
Employment on-costs	45,661	51,327
	45,661	51,327
Total current employee related provisions	371,811	431,533
Non-current provisions		
Employee benefit provisions		
Long service leave	46,170	54,727
	46,170	54,727
Employee related other provisions		
Employment on-costs	5,910	6,855
	5,910	6,855
Total non-current employee related provisions	52,080	61,582
Total employee related provisions	423,891	493,115

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

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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

16. REVALUATION SURPLUS

	2023	Total	2023	2022	Total	2022
	Opening	Movement on	Closing	Opening	Movement on	Closing
	Balance	Revaluation	Balance	Balance	Revaluation	Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land	1,410,930	0	1,410,930	1,410,930	0	1,410,930
Revaluation surplus - Buildings	23,000,386	0	23,000,386	23,000,386	0	23,000,386
Revaluation surplus - Furniture and equipment	84,064	0	84,064	84,064	0	84,064
Revaluation surplus - Plant and equipment	1,057,395	0	1,057,395	1,057,395	0	1,057,395
Revaluation surplus - Infrastructure - roads	25,637,680	0	25,637,680	25,637,680	0	25,637,680
Revaluation surplus - Other infrastructure - bridges	10,512,101	0	10,512,101	10,512,101	0	10,512,101
Revaluation surplus - Other infrastructure - footpaths	248,629	0	248,629	248,629	0	248,629
Revaluation surplus - Other infrastructure - drainage	1,516,982	0	1,516,982	1,516,982	0	1,516,982
Revaluation surplus - Other infrastructure - other	20,881	0	20,881	20,881	0	20,881
Revaluation surplus - Other infrastructure - carparks	256,033	0	256,033	256,033	0	256,033
	63,745,081	0	63,745,081	63,745,081	0	63,745,081

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

17. NOTES TO STATEMENT OF CASHFLOW

	Note	2023 Actual \$	2022 Actual \$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	2,048,395	1,254,283
- Financial assets at amortised cost	4	843,728	1,663,781
		2,892,123	2,918,064
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	27	843,727	1,663,783
Capital grant liabilities	13	78,911	1,251,597
Bonds and deposits held	12	2,848	2,684
Unspent loans	26(c)	1,966,637	0
Total restricted financial assets		2,892,123	2,918,064

18. UNDRAWN BORROWING FACILITIES AND CREDIT

STANDBY ARRANGEMENTS

Bank guarantee (Cash backed)	50,000	50,000
Bank overdraft at balance date	0	0
Credit card limit	5,000	5,000
Credit card balance at balance date	(126)	(136)
Total amount of credit unused	54,874	54,864

Loan facilities

Loan facilities - current	92,870	26,185
Loan facilities - non-current	2,201,726	194,596
Total facilities in use at balance date	2,294,596	220,781
Unused loan facilities at balance date	1,966,637	0

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

19. CONTINGENT LIABILITIES

The Shire has identified the following sites, in relation to land owned, vested or leased, that is known to be, or is suspected of being contaminated.

i. Belka - Reserve 20196 (Lot 25322 on Plan 154374) and corresponding Road Reserve

As per Department of Water and Environment Regulation (DWER), notification these sites were contaminated and have been remediated such that is suitable for the current land use, but may not be suitable for a more sensitive land use. Therefore, DWER has classified these sites as 'remediated for restricted use'.

ii. Shackleton - Lot 424 - Old Rubbish Tip Site

As per DWER notification, the site was historically used as a rubbish disposal facility for an unknown period of time. This is a land use that has the potential to cause contamination.

As the site has not been investigated, a comment cannot be made on the suitability of the site as a whole for any land use. The site is classified by DWER as 'possibly contaminated - investigation required'. However DWER have confirmed that investigation is only required if the land is to be sold, exit the site or development for a more sensitive land use.

20. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	0	4,977,302
- plant & equipment purchases	75,343	215,000
	75,343	5,192,302
Payable:		
- not later than one year	75,343	5,192,302

The capital plant & equipment purchases outstanding at the end of the current reporting period relates to the purchase of a Tri Axle Semi Drop Deck Trailer.

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

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2023 Actual \$	2022 Actual \$
President's annual allowance	14,494	14,140
President's meeting attendance fees	7,357	7,427
President's annual allowance for ICT expenses	518	505
President's travel and accommodation expenses	613	1,489
	22,982	23,561
Deputy President's annual allowance	0	0
Deputy President's annual allowance for ICT expenses	0	1,515
	0	1,515
All other council member's meeting attendance fees	4,513	3,645
All other council member's annual allowance for ICT expenses	1,554	1,515
	6,067	5,160
21(b)	29,049	30,236

(b) Key Management Personnel (KMP) Compensation

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

Note	2023 Actual \$	2022 Actual \$
Short-term employee benefits	593,733	620,104
Post-employment benefits	90,694	76,187
Employee - other long-term benefits	8,600	18,450
Council member costs	29,049	30,236
21(a)	722,076	744,977

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.

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

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

21. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

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

	2023 Actual	2022 Actual
	\$	\$
Sale of goods and services	23,820	40,953
Purchase of goods and services	170,718	265,124
Short term employee benefits - other related parties	217,111	170,644
Payment of council member costs (Refer to Note 23(a))	29,049	30,236
Amounts outstanding from related parties:		
Trade and other receivables	787	50
Amounts payable to related parties:		
Trade and other payables	0	12,873

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 21(a) and 21(b)

ii. Other Related Parties

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

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

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

22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no subsequent events that occurred after the end of the reporting period and no contingent liabilities related to the financial year ended 30 June 2023.

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

23. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

24. RATING INFORMATION

(a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2022/23 Actual Rateable Value*	2022/23 Actual Rate Revenue	2022/23 Actual Interim Rates	2022/23 Actual Total Revenue	2022/23 Budget Rate Revenue	2022/23 Budget Interim Rate	2022/23 Budget Total Revenue	2021/22 Actual Total Revenue
Rate Description		\$		\$	\$	\$	\$	\$	\$	\$	\$
Gross rental valuations (GRV)	Gross rental valuation	0.078790	211	1,981,920	156,155	409	156,564	156,155	0	156,155	149,271
Unimproved valuations (UV)	Unimproved valuation	0.009784	324	150,781,500	1,475,246	15,701	1,490,947	1,475,246	0	1,475,246	1,412,644
Mining tenements (UV)	Unimproved valuation	0.009784	2	127,941	1,252	347	1,599	1,252	0	1,252	2,585
Non-rateable	Non-rateable	0.000000	267	195,083	0	(16,263)	(16,263)	0	0	0	0
Total general rates			804	153,086,444	1,632,653	194	1,632,847	1,632,653	0	1,632,653	1,564,500
Minimum payment											
Minimum payment		\$									
Gross rental valuations (GRV)	Gross rental valuation	528	163	568,421	86,064	0	86,064	86,064	0	86,064	80,800
Unimproved valuations (UV)	Unimproved valuation	528	28	788,000	14,784	0	14,784	14,784	0	14,784	13,130
Mining tenements (UV)	Unimproved valuation	528	9	154,963	4,752	0	4,752	4,752	0	4,752	2,525
Total minimum payments			200	1,511,384	105,600	0	105,600	105,600	0	105,600	96,455
Total general rates and minimum payments			1,004	154,597,828	1,738,253	194	1,738,447	1,738,253	0	1,738,253	1,660,955
Ex-gratia Rates											
CBH Grain Storage Facilities - Tonnage	Gross rental valuation	0.082755		202,900	16,791	0	16,791	16,791	0	16,791	16,068
Total amount raised from rates (excluding general rates)			0	202,900	16,791	0	16,791	16,791	0	16,791	16,068
Discounts							(44,394)			(43,000)	(42,285)
Total Rates							1,710,844			1,712,044	1,634,738
Rate instalment interest							910			1,300	1,291
Rate overdue interest							4,647			4,000	4,244

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

*Rateable Value at time of raising of rate.

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

25. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23	2022/23	2022/23	2021/22
	(30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	(1 July 2022 Brought Forward)	(30 June 2022 Carried Forward)
	\$	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
	Less: Profit on asset disposals	(14,027)	(8,500)	(38,105)
	Less: Movement in liabilities associated with restricted cash	4,079	0	1,341
	Less: Fair value adjustments to financial assets at fair value through profit or loss	(3,686)	0	(3,997)
	Add: Loss on disposal of assets	68,066	100,500	165,190
	Add: Depreciation	3,555,904	3,425,700	3,433,872
10(a)	Non-cash movements in non-current assets and liabilities:			
	Financial assets at amortised cost	0	0	(2,656)
	Pensioner deferred rates	(2,236)	0	(97)
	Receivable - employee related provision	(3,136)	0	0
	Employee benefit provisions	(9,502)	0	10,751
	Non-cash amounts excluded from operating activities	3,595,462	3,517,700	3,568,955
(b) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
	Less: Reserve accounts	(843,727)	(804,337)	(1,663,783)
	Add: Current liabilities not expected to be cleared at end of year			
	- Current portion of borrowings	92,870	94,500	26,185
	- Current portion of lease liabilities	2,915	3,000	3,014
	- Employee benefit provisions	121,793	119,480	117,714
	Total adjustments to net current assets	(626,149)	(587,357)	(1,516,870)
Net current assets used in the Statement of Financial Activity				
	Total current assets	7,488,523	1,118,152	6,763,161
	Less: Total current liabilities	(866,278)	(529,033)	(2,643,079)
	Less: Total adjustments to net current assets	(626,149)	(587,357)	(1,516,870)
	Surplus or deficit after imposition of general rates	5,996,096	0	2,603,212

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

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget				
		Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
44 Curlew Rd - Housing		\$ 246,581	\$ 0	\$ (25,799)	\$ 220,782	\$ 0	\$ (26,185)	\$ 194,596	\$ 220,782	\$ 0	\$ (26,185)	\$ 194,597
Reconstruct Supermarket		0	0	0	0	2,100,000	0	2,100,000	0	2,100,000	(33,974)	2,066,026
Total		246,581	0	(25,799)	220,782	2,100,000	(26,185)	2,294,596	220,782	2,100,000	(60,159)	2,260,623

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
44 Curlew Rd - Housing		3	WATC*	1.4900%	1/05/2030	\$ (5,394)	\$ (3,192)	\$ (3,578)
Reconstruct Supermarket		4	WATC*	4.5411%	3/05/2043	(17,665)	(44,229)	0
Total						(23,059)	(47,421)	(3,578)

* WA Treasury Corporation

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

26. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2022/23

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2023 Actual	2023 Budget	2023 Actual	2023 Budget		
Reconstruct Supermarket	WATC*	Debeture	20	4.5411%	\$ 2,100,000	\$ 2,100,000	\$ (133,363)	\$ 2,100,000	\$ 1,118,237	\$ 1,966,637
					\$ 2,100,000	\$ 2,100,000	\$ (133,363)	\$ 2,100,000	\$ 1,118,237	\$ 1,966,637

* WA Treasury Corporation

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2022	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2023
Reconstruct Supermarket	WATC*	3/05/2023	\$ 0	\$ 2,100,000	\$ (133,363)	\$ 1,966,637
			\$ 0	\$ 2,100,000	\$ (133,363)	\$ 1,966,637

* WA Treasury Corporation

(d) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
PTAWA - Saleyards (50%)		\$ 8,509	\$ 0	\$ (1,359)	\$ 7,150	\$ 0	\$ (1,407)	\$ 5,743	\$ 8,462	\$ 0	\$ (2,719)	\$ 5,743
PTAWA - Batching Plant (50%)		8,509	0	(1,358)	7,151	0	(1,408)	5,743	8,462	0	(2,719)	5,743
PTAWA - Yarding Sandpit		1,374	0	(1,175)	199	0	(199)	0	199	0	(199)	0
Total Lease Liabilities	11(b)	18,392	0	(3,892)	14,500	0	(3,014)	11,486	17,123	0	(5,637)	11,486

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term
PTAWA - Saleyards (50%)		L7109	Burgess Rawson	3.60%	31/03/2027	\$ (231)	\$ (230)	\$ (280)	10 years
PTAWA - Batching Plant (50%)		L7109	Burgess Rawson	3.60%	31/03/2027	(230)	(230)	(279)	10 years
PTAWA - Yarding Sandpit		L7338	Burgess Rawson	3.60%	31/08/2022	(1)	(1)	(25)	10 years
Total Finance Cost Payments						(462)	(461)	(584)	

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

27. RESERVE ACCOUNTS

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Long Service Leave reserve	117,716	4,079	0	121,795	117,716	1,766	0	119,480	116,372	1,344	0	117,716
(b) Plant Replacement reserve	6,421	220	0	6,641	6,418	96	0	6,514	6,348	73	0	6,421
(c) Housing reserve	226,800	7,411	(20,000)	214,211	226,800	3,402	(20,000)	210,202	230,156	2,644	(6,000)	226,800
(d) Council Housing reserve	3,744	129	0	3,873	3,744	56	0	3,800	3,701	43	0	3,744
(e) Transport Infrastructure reserve	754,709	11,192	(664,000)	101,901	754,710	11,321	(664,000)	102,031	751,444	3,265	0	754,709
(f) Sports Facility Replacement reserve	126,819	4,393	0	131,212	126,818	11,902	0	138,720	118,834	11,385	(3,400)	126,819
(g) Bowls Sporting Club Facility Replacement reserve	12,667	6,154	0	18,821	12,667	6,190	0	18,857	6,646	6,021	0	12,667
(h) Cricket Sporting Club Facility Replacement reserve	25,950	4,816	0	30,766	25,951	6,389	0	32,340	21,469	6,068	(1,587)	25,950
(i) Football Sporting Club Facility Replacement reserve	11,998	8,146	(8,000)	12,144	11,999	6,180	0	18,179	4,982	7,016	0	11,998
(j) Hockey Sporting Club Facility Replacement reserve	30,723	6,374	0	37,097	30,724	6,461	0	37,185	24,645	6,078	0	30,723
(k) Netball Sporting Club Facility Replacement reserve	16,754	3,203	0	19,957	16,754	6,251	0	23,005	16,701	53	0	16,754
(l) Squash Sporting Facility Replacement reserve	1,138	390	0	1,528	1,139	717	0	1,856	387	751	0	1,138
(m) Tennis Sporting Facility Replacement reserve	30,714	6,373	0	37,087	30,714	6,461	0	37,175	24,636	6,078	0	30,714
(n) Supermarket Guarantee reserve	50,000	958	(958)	50,000	50,000	0	(50,000)	0	50,000	224	(224)	50,000
(o) Supermarket Reconstruction reserve	217,582	583,662	(801,244)	0	217,583	3,264	(220,846)	0	216,999	583	0	217,582
(p) Shire Hockey Turf Facility Replacement reserve	30,048	15,365	0	45,413	30,048	15,451	0	45,499	15,000	15,048	0	30,048
(q) Shackleton Bowls Club Facility Replacement Reserve	0	11,281	0	11,281	0	9,494	0	9,494	0	0	0	0
	1,663,783	674,146	(1,494,202)	843,727	1,663,785	95,401	(954,846)	804,337	1,608,320	66,674	(11,211)	1,663,783
	1,663,783	674,146	(1,494,202)	843,727	1,663,785	95,401	(954,846)	804,337	1,608,320	66,674	(11,211)	1,663,783

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

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

Name of reserve account	Anticipated date of use	Purpose of the reserve account
Restricted by council		
(a) Long Service Leave reserve	Ongoing	To be used to fund long service leave requirements for employees.
(b) Plant Replacement reserve	Ongoing	To be used to fund major plant purchases.
(c) Housing reserve	Ongoing	To be used for the construction of future joint venture housing projects.
(d) Council Housing reserve	Ongoing	To be used for the construction of housing for Council staff.
(e) Transport Infrastructure reserve	Ongoing	To be used for the road infrastructure network within the Shire.
(f) Sports Facility Replacement reserve	Ongoing	To be used towards the replacement of sporting playing surfaces and facilities within the Shire.
(g) Bowls Sporting Club Facility Replacement reserve	Ongoing	To be used for the Bruce Rock Bowls Club's contribution to upgrade or replacement of facilities at the Bruce Rock Recreation Centre.
(h) Cricket Sporting Club Facility Replacement reserve	Ongoing	To be used for the Bruce Rock Shackleton Armath Cricket Club's contribution to upgrade or replacement of facilities at the Bruce Rock Recreation Centre.
(i) Football Sporting Club Facility Replacement reserve	Ongoing	To be used for the Bruce Rock Football Club's contribution to upgrade or replacement of facilities at the Bruce Rock Recreation Centre.
(j) Hockey Sporting Club Facility Replacement reserve	Ongoing	To be used for the Bruce Rock Hockey Club's contribution to upgrade or replacement of facilities at the Bruce Rock Recreation Centre.
(k) Netball Sporting Club Facility Replacement reserve	Ongoing	To be used for the Bruce Rock Netball Club's contribution to upgrade or replacement of facilities at the Bruce Rock Recreation Centre.
(l) Squash Sporting Facility Replacement reserve	Ongoing	To be used for the Bruce Rock Squash Club's contribution to upgrade or replacement of facilities at the Bruce Rock Recreation Centre.
(m) Tennis Sporting Facility Replacement reserve	Ongoing	To be used for the Bruce Rock Tennis Club's contribution to upgrade or replacement of facilities at the Bruce Rock Recreation Centre.
(n) Supermarket Guarantee reserve	30/06/2023	To be used as a bank security guarantee for a trading account with Metcash Trading Ltd to purchase groceries and stock for the Bruce Rock Supermarket.
(o) Supermarket Reconstruction reserve	Ongoing	To be used for the reconstruction of the supermarket.
(p) Shire Hockey Turf Facility Replacement reserve	Ongoing	To be used towards the replacement of the Hockey Turf at the Bruce Rock Recreation Centre.
(q) Shackleton Bowls Club Facility Replacement Reserve	Ongoing	To be used for the Shackleton Bowls Club contribution to upgrade or replace synthetic bowls playing surface.

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

28. TRUST FUNDS

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

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
Factory Unit Bonds	2,495	1,103	(1,060)	2,538
Vietnam Veterans	7,541	0	0	7,541
	10,036	1,103	(1,060)	10,079



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Bruce Rock

To the Council of the Shire of Bruce Rock

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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

Mark Ambrose
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
7 December 2023