

Annual Report

2023 - 2024



Adopted by Council
19 December 2024

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Shire of Yilgarn Profile



The Shire of Yilgarn situated along the Great Eastern Highway 380km east of Perth is 30,720 square km's with a population of approximately 1200. The Yilgarn is known by many as the gateway to the Wheatbelt and the Goldfields. The name "Yilgarn" is Aboriginal for "white stone or quarts".

The two major industries in the area are mining and agriculture. Gold, gypsum, salt and iron ore are mined, while grain, wool, sheep, cattle and pigs are the focus of the rural industry. The co-existence of mining and agriculture has balanced the Yilgarn economy, with the two (economies) supplementing and complimenting each other through their respective boom and bust cycles.

Gold was first discovered at Eenuin and Golden Valley in late 1887. In early 1888 Tom Riesley and Mick Toomey discovered gold in the locality they named "Southern Cross" after the stars which had been their guide. All the streets, parks and the salt lake, within and around the town, are named after stars and constellations.

Southern Cross is the major town centre of the Shire, other townsites include Bodallin, Bullfinch, Ghooli, Marvel Loch, Koolyanobbing, Moorine Rock and Yellowdine.

Tourism is a growing industry in the Yilgarn with there being many wonderful attractions including Frog Rock, Karalee Dam, Hunts Soak and the Yilgarn History Museum.



OUR VISION

The Shire of Yilgarn is a strong farming and mining community.

We are a progressive Shire where people of all ages love to call home. Where tourism is a key industry and local businesses thrive.

COUNCILLORS



SHIRE PRESIDENT
Cr Wayne Della Bosca

TERM

2021 - 2025



Cr Linda Rose

TERM

2023 - 2027



**SHIRE DEPUTY
PRESIDENT**
Cr Bryan Close

TERM

2021 - 2025

Cr Bianca Bradford

TERM

2023 - 2027



Cr Gary Guerini

TERM

2021 - 2025

Cr Donna Newbury

TERM

2023 - 2027

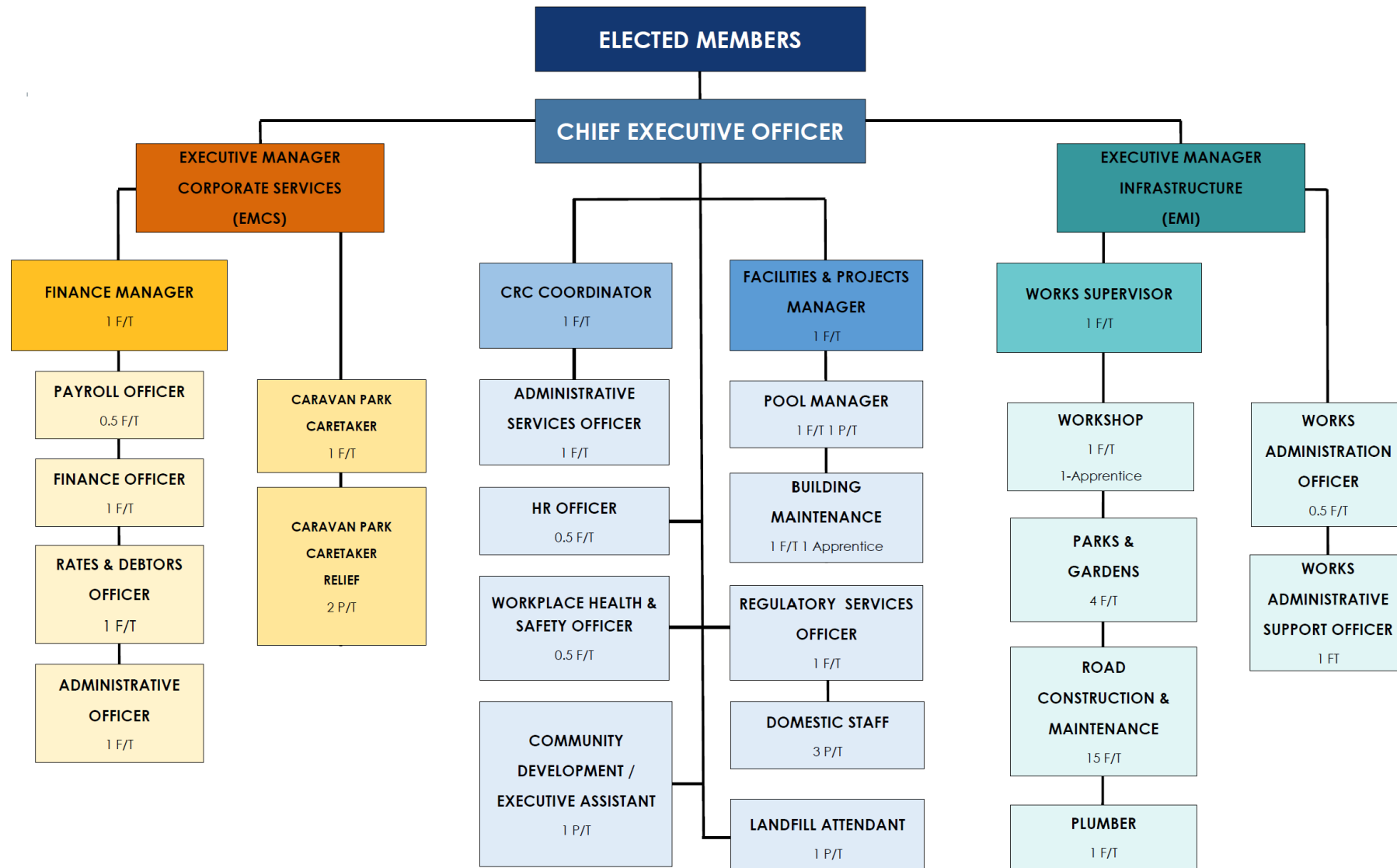


Cr Lisa Granich

TERM

2022 - 2025

ORGANISATION STRUCTURE



SHIRE PRESIDENTS REPORT 2023/2024 FINANCIAL YEAR



I am pleased to present the Annual Report to the ratepayers and residents of the district on the activities of the Shire of Yilgarn for the 2023/2024 financial year in my capacity as Shire President.

The Shire continued its run of moderate rate increases, with an approximate 2.5% increase in rates raised, as opposed to increases in the rate in the dollar. The increase across rates raised was due to significant changes to property valuations from the Valuer General and was seen to be a fair method of application. Averaging the rate rise across the rates raised means the majority of properties would see a 2.5% increase, however certain property rates may have increase above 2.5%, due to their value increasing significantly.

The 2023 Local Government elections saw Cr Bradford and Cr Newbury join Council, along with Cr Rose being re-elected. I wish to thank Cr Cobden, who chose not to contest her position, and Cr Nolan, who both departed after the elections, for the efforts they put in over their time as a Councillor for the Shire of Yilgarn.

Council and Executive staff devoted a significant portion of their time to mining operations during the financial year, working through various agreements relating to road upgrades and road use. One significant negotiation was with Covalent Lithium, which related to the upgrade and use of 113 kilometres of Shire roads. With over two years of negotiation, Council and Covalent Lithium were unable to reach a position that suited both parties. Importantly, the Shire of Yilgarn were not willing to accept a position that posed a significant liability. As such, due to the inability for both parties to agree, Main Roads WA have elected to taken on control of the road for a 50 year period, relieving the Shire of the liability of the road for Covalent Lithium's expected use.

Staff progressed the Shire's asset review, seeking to understand all assets the Shire is responsible for, their condition and the expected costs over 10 years to maintain. Council will be able to make informed decisions regarding levels of service, asset retention, and maintenance, with a full understanding of the cost. The CEO will expand on the process in his report.

The State Government has been steadily progressing reforms to the Local Government Act 1995, which Council and Executive staff have been monitoring and altering operations to comply with. The changes experienced in 2023/2024 included:

- Parental leave for council members;
- Recording votes in minutes of council meetings;

- Credit card reporting
- 2023 Local Government Election changes, including:
 - o Optional preferential voting
 - o Backfilling extraordinary elections
 - o Election of mayors and presidents
 - o Classes of local government
 - o Council sizes
 - o Changes to wards
- Council member training and development
- Payments for independent committee members
- Owners and occupiers' rolls

While the CEO will detail some of the operational work the Shire has undertaken, I wish to mention the major project undertaken by the Shire, being the upgrade of the Southern Cross Sports Complex, which commenced construction at the end of the financial year. It was exciting to see the construction commence, as it was a culmination of many years of planning, dating back to initial community consultation in 2021. I am sure this project, once completed will be an asset to the community, and a place all Yilgarn residents can be proud of.

I wish to mention the Australia Day Awards for 2024, where Mrs Robin Stevens was awarded the Premier's Citizenship Award, and the Southern Cross Op-Shop were awarded the Premier's Citizenship Award for a Community Group of Event. On behalf of Council and the community, I would like to congratulate Robin and the Committee and Volunteers involved with the op-shop for their involvement in improving the Shire of Yilgarn.

I would like to sincerely thank my fellow Councillors for their support in the year under review, particularly Cr. Bryan Close as Deputy Shire President for his loyal support. I would also like to thank the Shire staff, for their efforts during the financial year.

Last, but not least, I extend my appreciation to all of our very important volunteers in the district who make up the fabric of our community. Whether you are a Volunteer Fire Fighter, Ambulance Officer or Office Bearer of a local community or sporting group, your work is truly valued. Your involvement in these important groups is what makes our community tick, and without your input, our district would not have the heart that it does.

Cr Wayne Della Bosca
SHIRE PRESIDENT

CHIEF EXECUTIVE OFFICERS REPORT 2023/2024 FINANCIAL YEAR

It is with pleasure that I present this Report to the residents of the district, outlining the activities of the Shire of Yilgarn throughout the 2023/2024 financial year.

Whilst in the twelve months to the June 2023 quarter, the CPI rose 6.0%, the Shire implemented a moderate 2.5% rate increase on the rates raised last financial year. Due to significant value increases across UV Rural and UV Mining, the increase on rates raised seemed a fair and equitable method on increase, however this may have seen properties with significant valuation increases experience a greater than 2.5% increase in rates from the previous year.

From an operational point of view, the Shire saw a staff turnover rate of approximately 15%, which was considered a mix of natural attrition and loss to competition, as we competed with local and FIFO/DIDO mining options. The Shire executive have continued to look at ways to attract and retain staff, and whilst staff turnover poses challenges to maintaining operations, it is a credit to the Infrastructure team that a reasonably high level of service delivery has been able to be maintained.

Mining and renewable energy operations continue to increase locally, with the expansion of existing operations and new entities commencing operations within the region. A significant amount of staff resources has been applied to regulatory applications relating from these operations, as well as negotiations regarding Shire road upgrades and use. Staff and Council are committed to ensuring these road access arrangements will not leave a financial liability for future ratepayers, taking the necessary time to ensure all aspects are assessed.

Local Government reforms are being implemented in multiple tranches by the State Government. The reforms, generally positive and welcomed by staff and Council, will provide greater transparency throughout Local Governments. The reforms can be followed via the Department of Local Government Sport and Cultural Industries website.

Shire staff have finalised the majority of the full asset pickup and condition review mentioned in last year's annual report. Understanding what the Shire is responsible for, its current condition and it's expected long-term costs is vital information for staff and Council. Shire staff are now progressing with productivity reports and building, road, workforce and other related strategies in order to improve efficiencies in Shire operations and assets.

Operationally, several capital infrastructure projects were undertaken, including:

Road Construction:

- Marvel Loch Forrestania Road Construct to 8 metre prime seal SLK 0.0km - 3.0km
- Koolyanobbing Reseal SLK 37.02 to 41.00
- Moorine South Road Reseal SLK 52.50 to 57.50
- Gravel Sheet Bodallin South Road SLK 11.80 to 17.00
- Noongar North Gravel Overlay SLK 11.14 to 17.66
- Frog Rock Marvel Loch Road Reseal SLK 17.99 to 22.10
- Southern Cross South Gravel Overlay SLK 30.60 to 36.00
- Koorda Bullfinch Road Gravel Shoulders SLK 9.0 to 14.00
- Emu Fence Road Gravel overlay SLK 75.90 to 81.00
- Bodallin South Wheatbin Road Reconstruction SLK 0.9 to 3.1
- Dulyalbin Road SLK 0.00 to 5.00

Asset:

- \$82,397 for the upgrade of the Homes for the Aged (Patio, Carports and Solar);
- \$62,142 for the upgrade of Shire staff housing;
- \$22,280 for CCTV and Landfill Site
- \$1,301,514 for the Sports Complex upgrade (ongoing)
- \$630,090 for satellite townsite playgrounds
- \$36,325 AFRU and PAL system at Southern Cross Aerodrome
- \$133,816 upgrading 11E Antares Street

The Shire has also progressed the two significant Local Roads and Community Infrastructure (LRCI) funding projects. The Satellite Townsite Playground upgrades project was completed and as mentioned in the Shire Presidents report, the Southern Cross Sports Complex upgrade commencing construction in April 2024.

It is challenging to detail all that happens throughout the year within these annual reports; however, Council's Executive team is more than happy to expand further on any matters that residents may wish to discuss relating to Shire operations or projects.

I would like to thank my management team, Executive Manager Corporate Services Cameron Watson, Executive Manager Infrastructure Glen Brigg and Finance Manager Fadzai Mudau, for their support throughout the year. I would also like to thank all staff members and volunteers of the Shire, their hard work and dedication are very much appreciated, and reflected in the Shire's ability to provide quality assets and services to the community.

I would also like to thank the Shire of Yilgarn Councillors, who have been very supportive throughout the year in review. I would specifically like to thank the Shire President, Cr Wayne Della Bosca, who has been an ongoing support for me.

I look forward to another prosperous year working with the Council, Executive, staff and community.

Nic Warren

CHIEF EXECUTIVE OFFICER

CORPORATE SERVICES REPORT

2023/2024 FINANCIAL YEAR

FINANCIAL SUMMARY

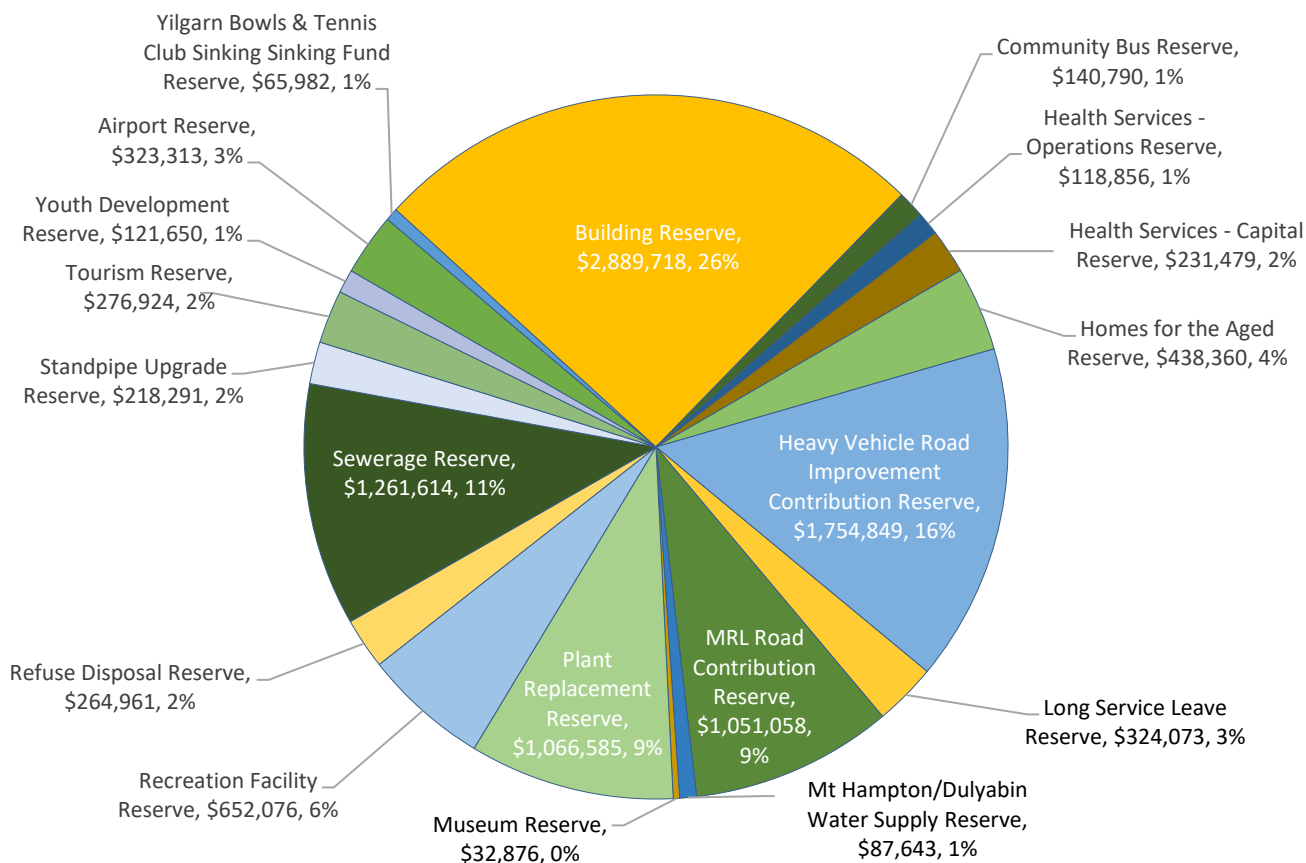
Council concluded the financial year with an unadjusted nett current asset position of \$21.263m, which is an increase of \$2.901m on the 2022 reported figure of \$18.945m. This increase is primarily due to the prepayment of approximately 87% of Councils 2024/25 Federal Assistance Grants allocation (\$3.996m).

Reserve funds increased by \$1.558m to \$11.321m. This was made possible by transfers to reserve totaling \$1.060m and interest earnings of \$0.498m.

The States Office of the Auditor General has completed an Audit of the Shire of Yilgarn's Financial Statements for the period 1st July 2023 to 30th June 2024 and has submitted an Independent Auditor Report to that effect. A copy of the Report can be found in the final pages of the Annual Financial Statements.

Reserve Funds

As at 30th June 2024, Council held \$11,321,098 within several different special purpose Reserve accounts, as per the following chart

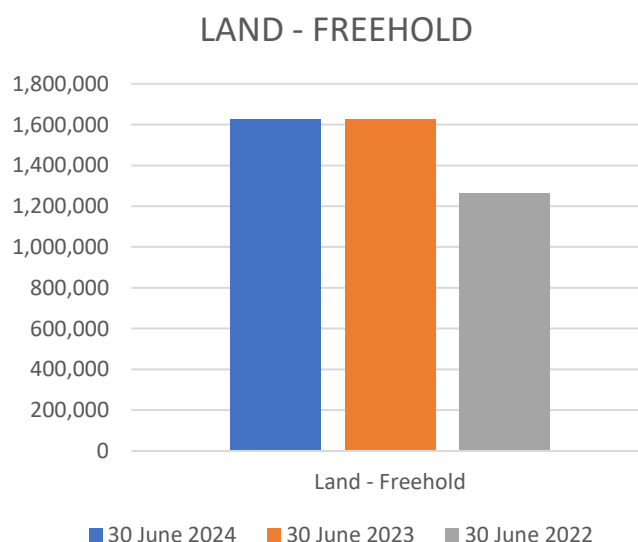
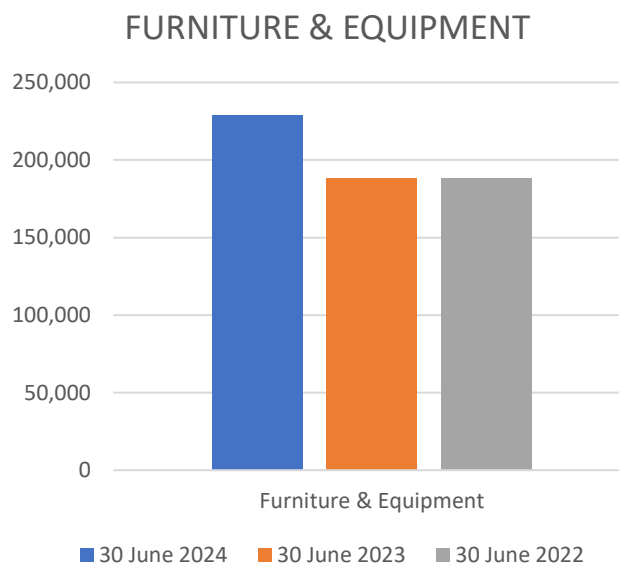
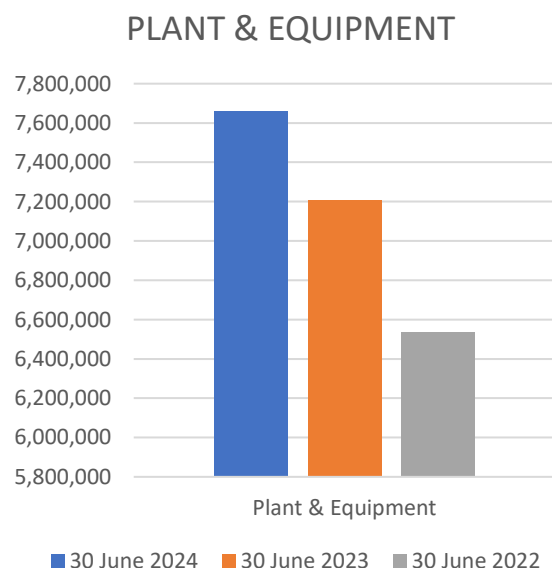


Fair Value of Assets

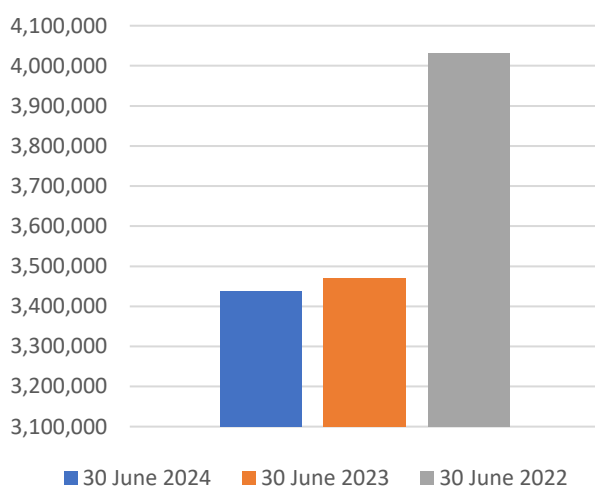
With the gazettal of the *Local Government (Financial Management) Amendment Regulations 2020* on the 6th November 2020, the resulting effect of this Amendment Regulation was that Council is to:

1. recognize its Plant and Equipment asset class including Right of Use assets, not at Fair Value but instead recognize this asset class at cost; and
2. recognize Crown Land vested with Council as a Right of Use asset but at nil cost.

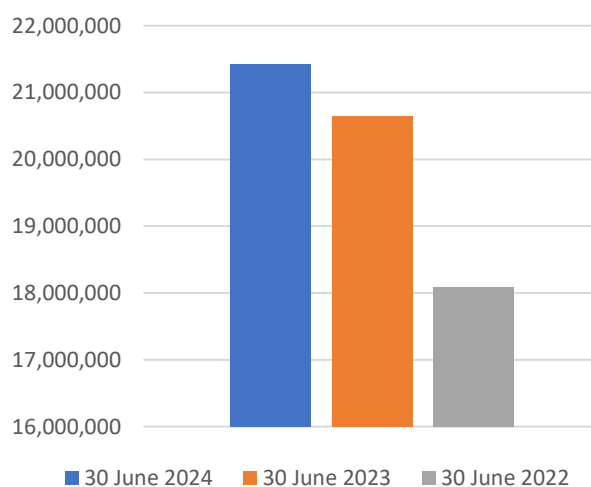
The Shire's Infrastructure asset class underwent a Fair Value assessment valuation in the 2022/2023 financial year. The Shire of Yilgarn's non-Infrastructure asset Written down valuations by class are as follows:



BUILDINGS - NON-SPECIALISED

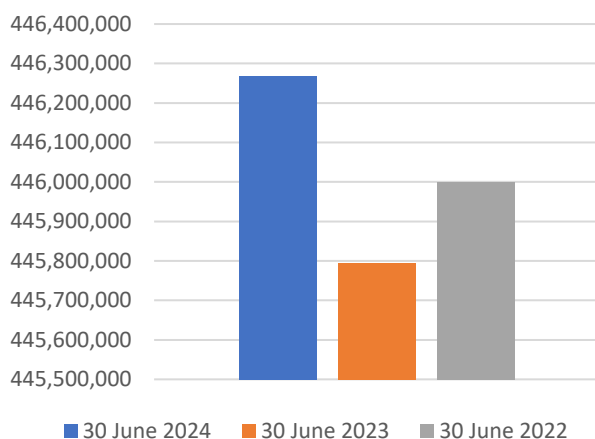


BUILDINGS - SPECIALISED

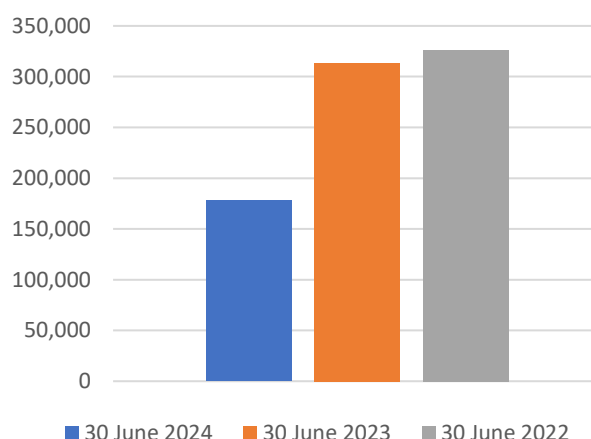


Council also maintains a Register of Small, Portable and Attractive assets which is a list of assets that fall below the statutory minimum asset acquisition value of \$5,000 but still require recording. This register was also reviewed and updated during the reporting year.

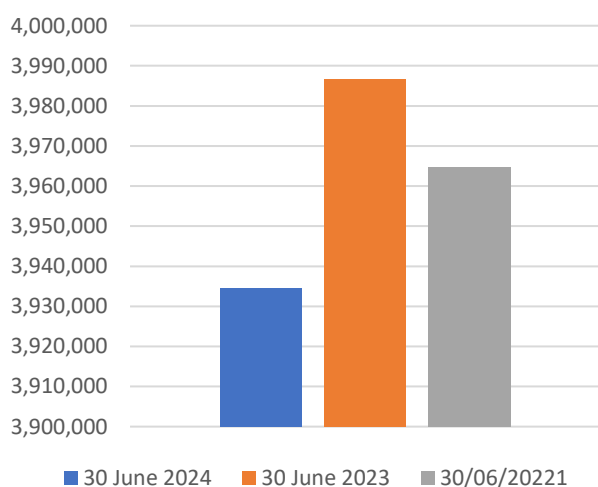
The Shire of Yilgarn's Infrastructure asset depreciated valuations by class are as follows:

ROADS, LANEWAYS, FOOTPATHS
& URBAN DRAINAGE

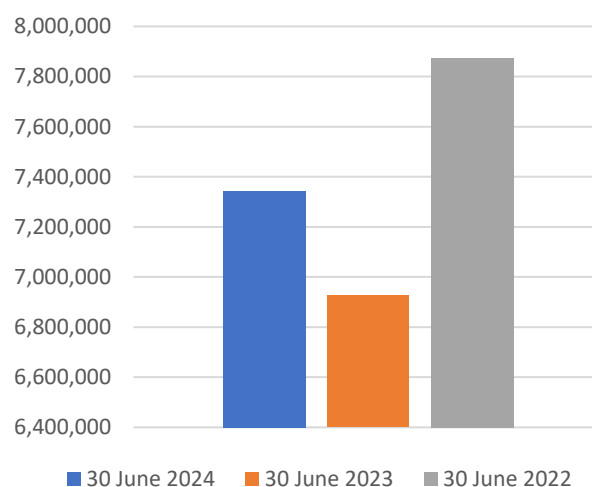
REFUSE SITES



SEWERAGE



OTHER INFRASTRUCTURE

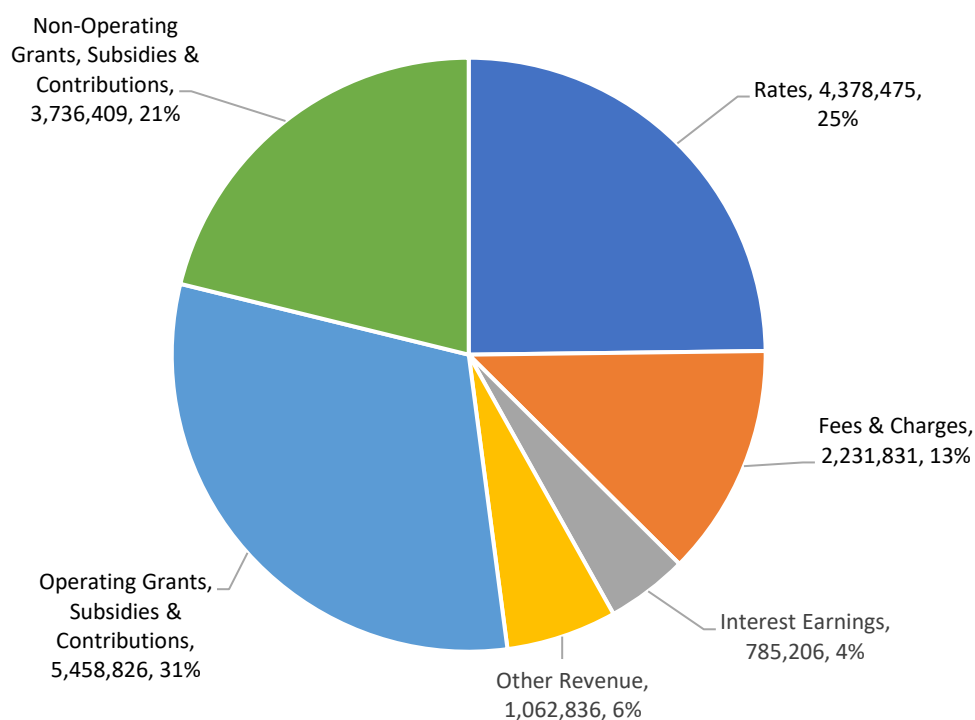


Revenue

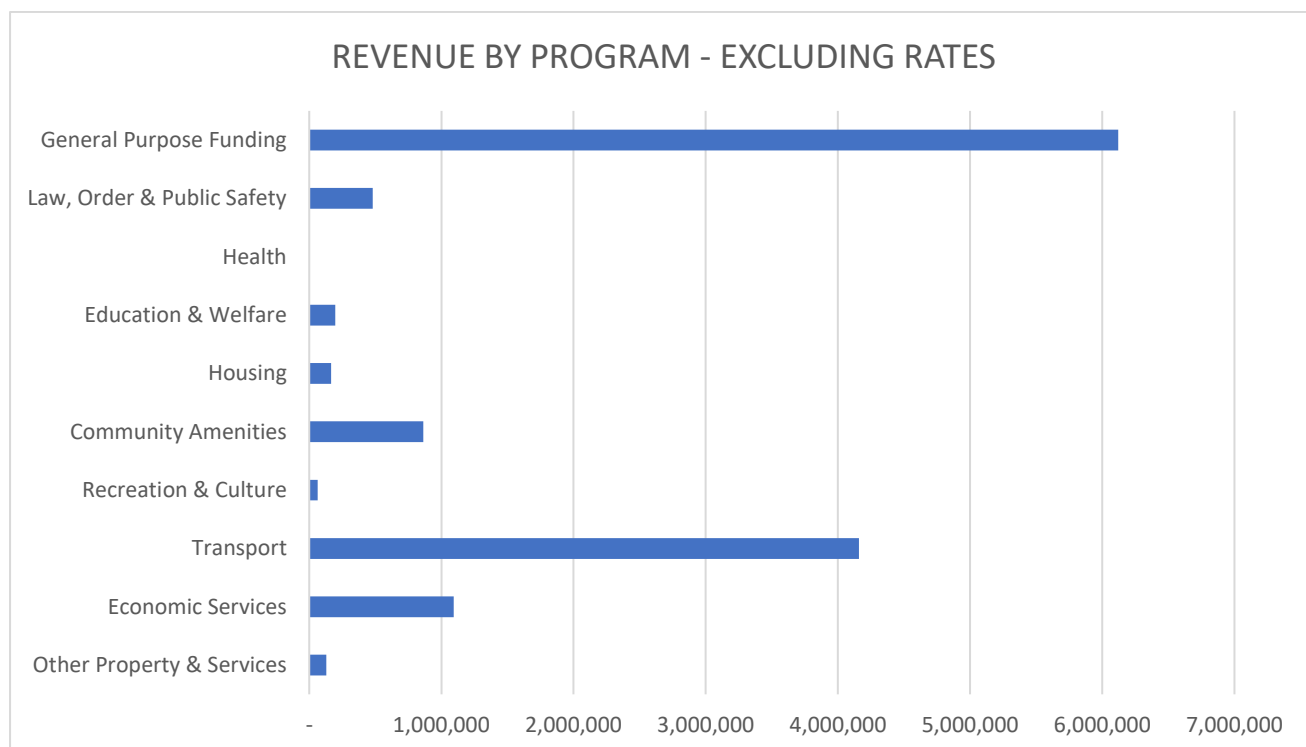
Council receives its revenue from several diverse sources, primarily through Rates & Service Charges, User Fees & Charges, Interest earnings and Operating & Non-Operating Grants.

Rates & Service charges and user fees & charges are the only income streams that Council has any influence over that can affect the desired outcome.

The following chart is an indication of the source and amount of the available income streams, both operating and non-operating, in the 2023/2024 financial year:



The graph below illustrates Councils revenue by Program.



Rating

The amount of revenue raised from rates depends upon three factors:

- The type of rate – Gross Rental Value (GRV) or Unimproved Value (UV)
- The valuation of the property; and
- The rate in the dollar set for each Rate Type.

Gross Rental Values are generally applied to properties within town sites as well as mining infrastructure and single persons quarters. Unimproved Values relate more to rural farmland and mining tenements.

GRV (Town) are revalued every 6 years with 2024 being the last revaluation year. UV (Farming / Mining) are revalued every year. Property valuations are set by the Valuer General and are outside Council's control. Variations in valuation can be quite widespread throughout the Shire and can create inconsistencies in the rates applied to individual properties, which in turn can create confusion and uncertainty.

Council sets its rate budget to generate overall revenue for each type of rating and is sympathetic to those ratepayers where increases are higher than average due to increased valuations. Unfortunately, there is little that Councils can do, except encourage those ratepayers unhappy with their valuation, to appeal to the Valuer General. Councils staff are more than happy to provide advice regarding this process.

Council has elected to use a Differential Rating Model based on the individual lands zoning.

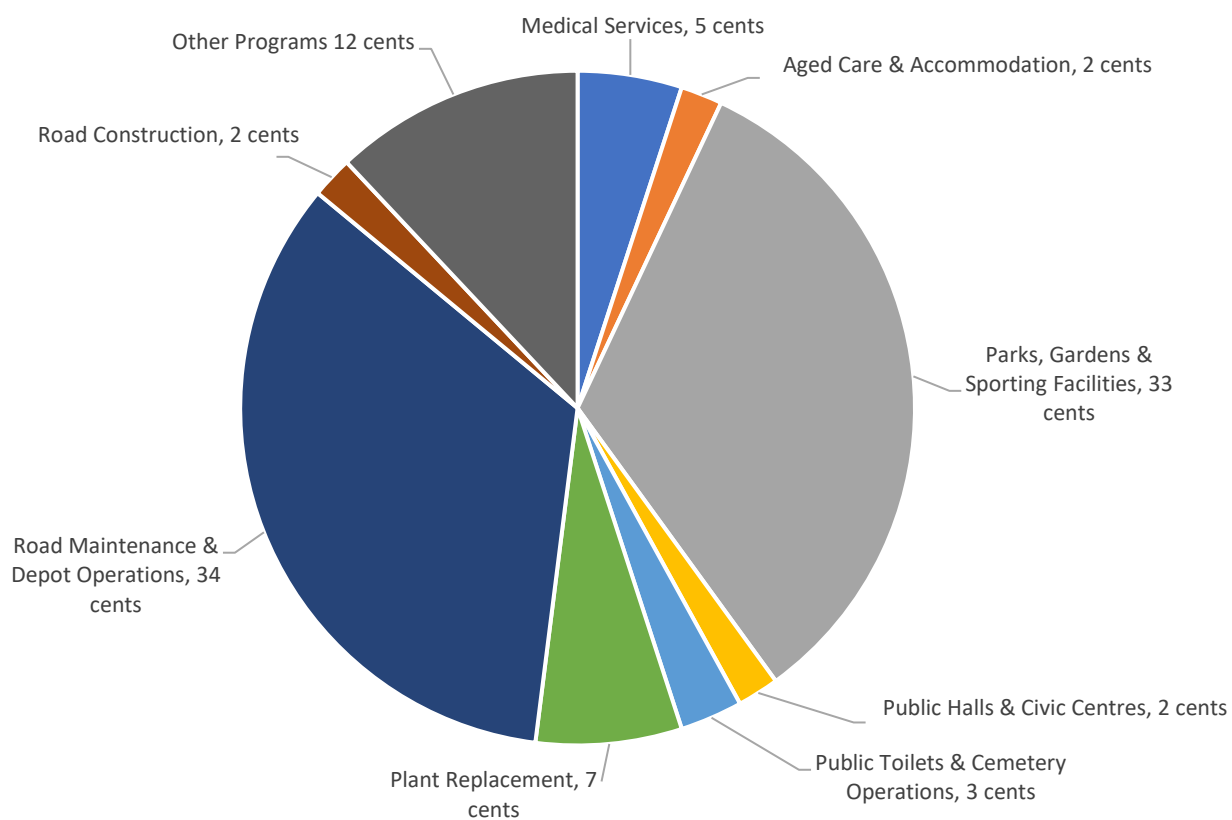
RATE TYPE

	Rate in \$ / Min	No Properties	Rate Revenue	Average Valuation	Average Rate Revenue
Differential General Rate					
GRV - Residential / Industrial	11.6294	370	\$384,363	8,933	1,039
GRV - Commercial	8.1865	33	\$79,799	29,538	2,418
GRV - Minesites	16.3728	7	\$86,705	75,652	12,386
GRV - Single Persons Quarters	16.3728	10	\$133,638	81,622	13,364
UV - Rural	1.2500	351	\$1,938,164	441,747	5,522
UV - Mining	14.9184	344	\$1,613,699	31,444	4,691
		1,115	\$4,236,368		

Minimum Payment

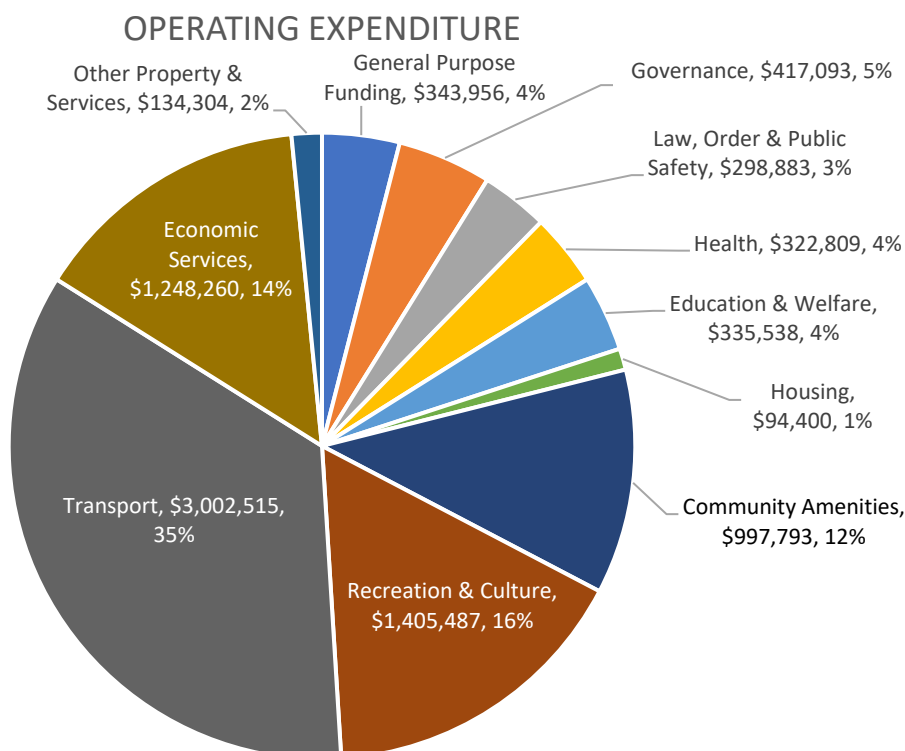
GRV - Residential / Industrial	\$600	138	\$82,800
GRV - Commercial	\$450	8	\$3,600
GRV - Minesites	\$450	3	\$1,350
GRV - Single Persons Quarters	\$450	2	\$900
UV - Rural	\$450	45	\$20,250
UV - Mining	\$450	276	\$124,200
		472	\$233,100

Where Your Rate Dollar Goes



Expenditure

Council's operating expenditure was mainly in the areas of transport, recreation & culture, community amenities and economic services as can be seen from the following graph (figures adjusted for Depreciation).

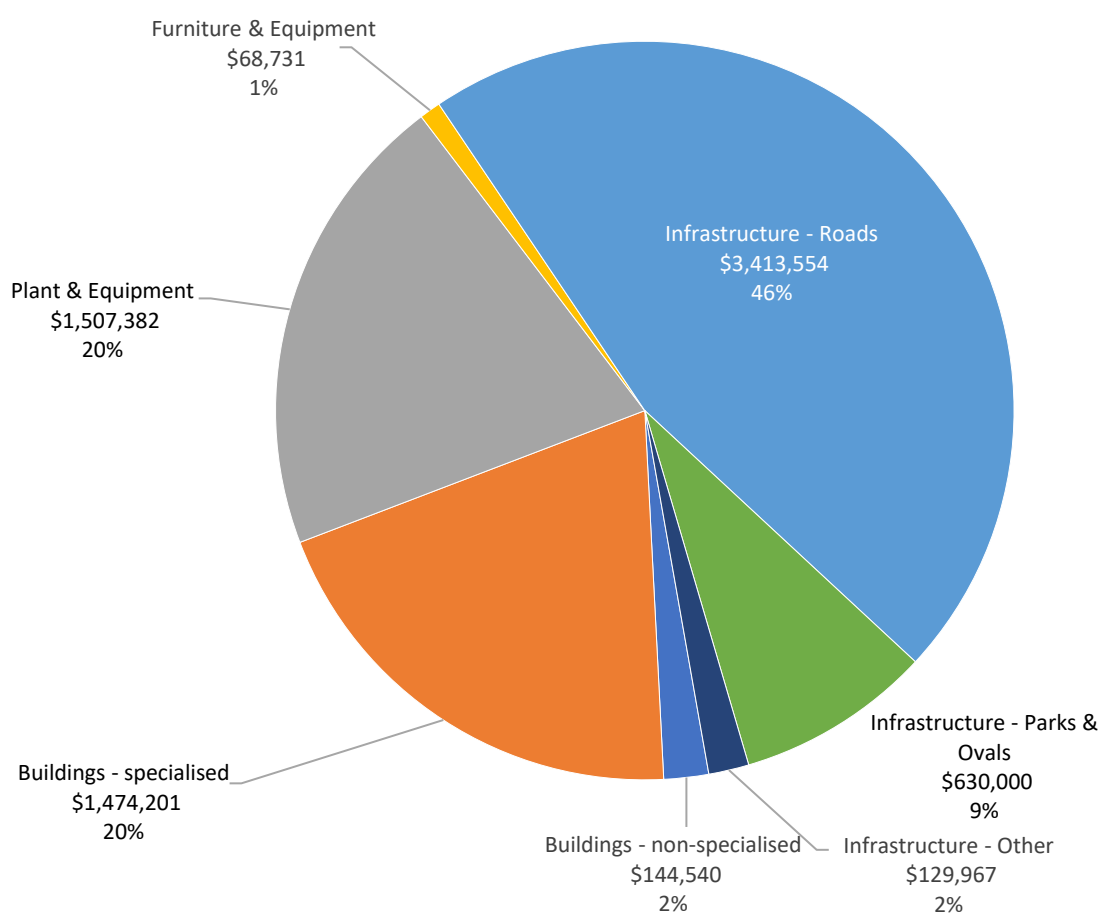


A brief description of the service-oriented activities/programs graphed above are:

<i>GOVERNANCE</i>	To provide a decision-making process for the efficient allocation of scarce resources.
<i>GENERAL PURPOSE FUNDING</i>	To collect revenue to allow for the provision of services.
<i>LAW, ORDER & PUBLIC SAFETY</i>	To provide services to help ensure a safer and environmentally conscious community.
<i>HEALTH</i>	To provide an operational framework for environmental and community health.
<i>EDUCATION AND WELFARE</i>	To provide services to disadvantaged persons, the elderly, children and youth.
<i>HOUSING</i>	To provide and maintain staff, professional and elderly / disabled residents housing.
<i>COMMUNITY AMENITIES</i>	To provide services required by the community such as waste disposal, sewerage, cemetery and Town Planning.
<i>RECREATION AND CULTURE</i>	To establish and effectively manage infrastructure and resource which will help the social well-being of the community.
<i>TRANSPORT</i>	To provide safe, effective and efficient transport services and infrastructure to the community.
<i>ECONOMIC SERVICES</i>	To help promote the shire and its economic wellbeing.
<i>OTHER PROPERTY AND SERVICES</i>	To monitor and control council's overheads operating accounts including plant operations, private works and engineering office expenses.

Council's capital expenditure was mainly in the areas of roads and replacement of Plant & Equipment.

Capital expenditure in 2023/2024 was broken down as follows.



COMMUNITY SERVICES

Community Contributions

The Shire of Yilgarn supports local clubs and groups by allowing them to use facilities free of charge. Council also supports the community by providing facilities to important service providers such as chiropractors, physiotherapists, podiatrists and veterinarians. This support is made up of either cash or in-kind contributions, donations or waivers of fees and charges.

Support to Community Groups - Cash or In-Kind

Moorine Rock Primary School	242.29
St Joseph's Primary School	238.64
Southern Cross District High School	581.40
Yilgarn Netball Association	187.20
Yilgarn Motoring Enthusiasts	3,000.00
Yilgarn Agricultural Society	9,100.00
Yilgarn History Museum	233.18
Yilgarn Bowls Club	163.64
Southern Cross Seniors	3,545.45
Southern Cross Golf Club	91.74
Bullfinch Progress Association	1,727.27
Southern Cross Speedway Club	409.08
Yilgarn Community Support Group	127.28

Community Events

Australia Day	7,173.37
ANZAC Day	149.43
Community Christmas Tree	296.00

Donations

Big Morning Tea Event	127.27
Clontarf Foundation	95.45
"Pipeline Challenge" Charity Mountain Bike Ride - Use of Rec Centre	327.27

Support to Service Providers

Podiatrist	1,418.16
Veterinary Services	381.84
Wheatbelt AgCare	500.00
Crest Chiropractic	1,527.24

Community Funding Program

Southern Cross Motorcycle Club	Urns, Bain Marie, Printer, Square POS and Clocks	1,720.39
Yilgarn Men's Shed	Various Tools	1,336.01
Yilgarn Agricultural Society	Tablet Device & Square Register	1,478.00
Moorine Rock Tennis Club	Concrete Basketball Court	2,000.00
Yilgarn Netball Association	Uniforms for Mixed Juniors	2,000.00
Bullfinch Shooting Club	2 x iPads	1,406.00
St Joseph's Parents & Friends	Laptop and Software	1,090.91

OTHER DOCUMENTS

Members of the public are encouraged to read Council's other publications which are available from the Shire Library / Community Resource Centre or Councils website, www.yilgarn.wa.gov.au.

These include:

- Community Strategic Plan 2024-2034**
 The four-yearly review (Regulation 19C (4)) of Councils Strategic Community Plan was adopted in mid-2024. The plan was formulated with the involvement of the district's electors and ratepayers. This community involvement process was carried out through online surveys and in person community meetings.
- Corporate Business Plan 2024/25 to 2028/2029**
 This plan was reviewed in April 2024. It details the services, operations, and projects a local government will deliver within a defined period. It also includes the processes for delivery and associated costs.
- Long Term Financial Plan 2024/2025 to 2033/2034**
 The Shire of Yilgarn's Long Term Financial Plan 2024/25 to 2033/34 which includes the Forward Capital Works Plan was reviewed April 2024 and its content assisted with the formulation of the 2024/25 Budget.
- Adopted 2024/2025 Budget**
 Council's Budget is a working document used by Council's staff on a daily basis, detailing Council income and expenditure for the twelve months to 30 June 2025. Naturally, copies of the 2024/2025 adopted budget, which reflected income and expenditure associated with this Annual Report are also available.

Cameron Watson

EXECUTIVE MANAGER CORPORATE SERVICES

STATUTORY COMPLIANCE

Remuneration

Regulation 19B (a) and (e) of the Local Government (Administration) Regulations states:

(2) for the purposes of Section 5.53 (2) (g) and (i), the annual report for a financial year beginning on or after 1 July 2020 must contain the following

- (a) the number of employees of the local government entitled to an annual salary of \$130,000 or more;
- (b) the number of employees of the local government entitled to an annual salary that falls within each band of \$10,000 over \$130,000

Salary Range	Number of Employees
\$130,000 to \$140,000	1
\$140,001 to \$150,000	0
\$150,001 to \$160,000	0
\$160,001 to \$170,000	0
\$170,001 to \$180,000	1
Remuneration	Employee
\$205,598	Chief Executive Officer

- (e) the remuneration paid or provided to the CEO in the financial year;
- (f) the number of Council and committee meetings attended by each council member during the financial year

	Ordinary Meetings of Council	Special Meetings of Council	Audit Committee Meetings	Annual Electors Meeting
Cr W Della Bosca	11 of 11	4 of 4	2 of 2	1 of 1
Cr B Close	9 of 11	4 of 4	2 of 2	1 of 1
Cr J Cobden (to Sept 23)	3 of 3	1 of 1	n/a	n/a
Cr L Granich	10 of 11	4 of 4	n/a	1 of 1
Cr G Guerini	10 of 11	4 of 4	n/a	1 of 1
Cr P Nolan (to Sept 23)	3 of 3	1 of 1	n/a	n/a
Cr L Rose	9 of 11	3 of 4	n/a	1 of 1
Cr B Bradford	7 of 8	3 of 3	2 of 2	1 of 1
Cr D Newbury	7 of 8	3 of 3	n/a	1 of 1

Ordinary Meetings of Council are held on the third Thursday of each month with the exception of January. Council meetings are held in Council Chambers located in the Shire of Yilgarn administration building, 23 Antares Street, Southern Cross with the exception of the October meeting (September meeting during election years) which is held at the Mt Hampton Hall located on the corner of Moorine South Rd and Dulyalbin Road, Mount Hampton.

The Council and Committee meetings are open to the public with public question time at the beginning of both Council and Committee meetings, at which time, the general public may ask questions on any Local Government matter. Meeting dates and times are subject to change, if this does occur, notice of such change is advertised as per the requirements of the Local Government Act 1995.

Register of Complaints and Minor Breach

In accordance with section 5.53(2) and 5.121 of the Local Government Act 1995, the Annual Report is required to disclose the number of Complaints of Minor Breach received each year.

For the year 2023-2024 the Shire of Yilgarn received no Complaints of Minor Breach

Disability Access and Inclusion Plan

The Shire of Yilgarn is committed to ensuring that the community is accessible and inclusive for people with disabilities, their families, and carers. The Shires Disability Access and Inclusion Plan addressed our commitments and can be found on the Shires website. Whilst no capital upgrades were undertaken, the Shire staff continued to ensure all residents and visitors to the Shire had access to facilities and events.

National Competition Policy

In accordance with statutory requirements set down in the National Competition Policy legislation, outlined below is a compliance report for the Shire of Yilgarn.

Competitive Neutrality

It is the Shire of Yilgarn responsibility to determine whether it is engaged in “significant business activities” within the context of its operations and therefore whether it is required to apply the competitive neutrality principles. Local government is only required to implement the above principles to the extent that the benefits to be realised from implementation outweigh the costs in respect of individual business activities exceeding an annual income of \$500,000. Within these criteria, the Shire has not identified any business activities for the 2023/24 financial year.

State Records Act 2000 - Record Keeping Plan

In compliance with the State Records Act 2000, as required by Standard 2, Principle 6, Council maintains a Record Keeping Plan, the Shire of Yilgarn Record Keeping Plan was evaluated and updated during the 2022 year. Both Councillors and staff are informed and educated with training ongoing in record management compliance. An onboarding training schedule is in the process of being developed.

Public Interest Disclosures

In compliance with the Public Interest Disclosure Act 2003, as required by Section 23, part 1, Council has appointed a PID Officer in the agency, being the Chief Executive Officer, and Council has published internal procedures relating to the agency's obligations.

For the 2023-2024 the Shire of Yilgarn received no Public Interest Disclosures

Freedom of Information Act 1992 -Information Statement

In compliance with the Freedom of Information Act 1992 Council has an Information Statement that can be obtained from the Shire's Administration Office or Shire of Yilgarn Website Councils Freedom of Information Statement was reviewed during 2022.

Financial Management Review

As per the Local Government (Financial Management) Regulations 1996, the Chief Executive Officer is to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

The last review was undertaken in 2022-2023.

Audit Regulation 17 Review

Guidelines released from the Department of Local Government, Sport and Cultural Industries has revised the timeframes surrounding this audit. An amendment to Regulation 17(2) of the Local Government (Audit) Regulations 1996 requires the CEO to undertake a review of audit systems and procedures no less than once in every 3 financial years. This change will introduce consistency in CEO responsibilities to review financial management and audit systems and procedures in a timely manner.

The last review was carried out during 2022-2023.

Plan for the Future

The current Shire of Yilgarn Strategic Community Plan was adopted in June 2020 and reviewed in September 2022 with no modifications made. The plan is the Shire's key Strategic Planning document.

Council's other planning documents, including the Corporate Business Plan, Forward Capital Works Plan, Workforce Plan and Long Term Financial Plan collectively form the Shire's plan for the future.

The Local Government Act, 1995 requires that Council provide an overview of the Plan for the Future, detailing activities that are prepared to commence or continue in the next financial year be included in the Shire's Annual Report.



SHIRE OF YILGARN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024
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The Shire of Yilgarn conducts the operations of a local government with the following community vision:

We are a proud agricultural and mining based economy, providing opportunities for our residents that will build an inclusive and prosperous community in the future.

Principal place of business:
23 Antares Street
Southern Cross
WA 6426

**SHIRE OF YILGARN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

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

STATEMENT BY CEO

The accompanying financial report of the Shire of Yilgarn 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 2024 and the financial position as at 30 June 2024.

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 December 2024



CEO



Name of CEO *

SHIRE OF YILGARN
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual (Restated) \$
Revenue				
Rates	2(a),24	4,378,475	4,354,273	4,207,039
Grants, subsidies and contributions	2(a)	5,458,826	517,278	6,911,256
Fees and charges	2(a)	2,231,831	1,981,998	2,438,200
Interest revenue	2(a)	785,206	614,324	479,452
Other revenue	2(a)	539,028	716,810	331,374
		13,393,366	8,184,683	14,367,321
Expenses				
Employee costs	2(b)	(4,254,497)	(4,214,390)	(3,975,413)
Materials and contracts		(1,754,332)	(2,311,179)	(1,634,117)
Utility charges		(928,375)	(873,180)	(1,000,941)
Depreciation		(4,977,389)	(4,830,700)	(4,548,477)
Finance costs		(8,478)	(12,662)	(19,619)
Insurance		(374,154)	(345,199)	(335,304)
Other expenditure		(284,027)	(853,840)	(273,381)
		(12,581,252)	(13,441,150)	(11,787,252)
		812,114	(5,256,467)	2,580,069
Capital grants, subsidies and contributions	2(a)	3,736,409	3,982,064	2,352,021
Profit on asset disposals		14,983	16,275	54,569
Loss on asset disposals		(244,924)	(286,154)	(394,174)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	1,681	0	3,685
		3,508,149	3,712,185	2,016,101
Net result for the period		4,320,263	(1,544,282)	4,596,170
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	0	0	2,545,973
Total other comprehensive income for the period		0	0	2,545,973
Total comprehensive income for the period		4,320,263	(1,544,282)	7,142,143

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



SHIRE OF YILGARN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	NOTE	2024 \$	2023 (Restated) \$
CURRENT ASSETS			
Cash and cash equivalents	3	20,479,306	17,257,362
Trade and other receivables	5	682,395	678,977
Inventories	6	37,455	14,114
Other assets	7	139,938	1,069,179
TOTAL CURRENT ASSETS		21,339,094	19,019,632
NON-CURRENT ASSETS			
Trade and other receivables	5	67,678	62,288
Other financial assets	4(b)	83,171	81,490
Property, plant and equipment	8	34,411,026	33,139,865
Infrastructure	9	457,722,270	457,382,594
Right-of-use assets	11(a)	3,104	4,424
TOTAL NON-CURRENT ASSETS		492,287,249	490,670,661
TOTAL ASSETS		513,626,343	509,690,293
CURRENT LIABILITIES			
Trade and other payables	12	784,488	570,069
Other liabilities	13	670,303	986,988
Lease liabilities	11(b)	1,296	1,326
Borrowings	14	98,814	97,695
Employee related provisions	15	472,459	425,957
TOTAL CURRENT LIABILITIES		2,027,360	2,082,035
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	1,683	2,979
Borrowings	14	564,069	662,883
Employee related provisions	15	75,527	62,432
Other provisions	16	0	242,523
TOTAL NON-CURRENT LIABILITIES		641,279	970,817
TOTAL LIABILITIES		2,668,639	3,052,852
NET ASSETS		510,957,704	506,637,441
EQUITY			
Retained surplus		69,236,941	66,475,036
Reserve accounts	27	11,321,098	9,762,740
Revaluation surplus	17	430,399,665	430,399,665
TOTAL EQUITY		510,957,704	506,637,441

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



SHIRE OF YILGARN
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2022		62,425,959	9,215,647	427,853,692	499,495,298
Comprehensive income for the period					
Net result for the period (as previously reported)		4,302,628	0	0	4,302,628
Correction of prior period error	29	293,542	0	0	293,542
Other comprehensive income for the period	17	0	0	2,545,973	2,545,973
Total comprehensive income for the period		4,596,170	0	2,545,973	7,142,143
Transfers from reserve accounts	27	1,234,022	(1,234,022)	0	0
Transfers to reserve accounts	27	(1,781,115)	1,781,115	0	0
Balance as at 30 June 2023		66,475,036	9,762,740	430,399,665	506,637,441
Comprehensive income for the period					
Net result for the period		4,320,263	0	0	4,320,263
Other comprehensive income for the period	17	0	0	0	0
Total comprehensive income for the period		4,320,263	0	0	4,320,263
Transfers to reserve accounts	27	(1,558,358)	1,558,358	0	0
Balance as at 30 June 2024		69,236,941	11,321,098	430,399,665	510,957,704

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



SHIRE OF YILGARN
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 Actual \$	2023 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		4,349,603	4,464,818
Grants, subsidies and contributions		5,188,726	6,856,161
Fees and charges		2,231,831	2,438,200
Interest revenue		785,206	479,452
Goods and services tax received		0	10,325
Other revenue		420,026	331,374
		12,975,392	14,580,330
Payments			
Employee costs		(4,300,737)	(3,963,976)
Materials and contracts		(553,476)	(3,112,658)
Utility charges		(928,375)	(1,000,941)
Finance costs		(8,478)	(10,695)
Insurance paid		(374,154)	(335,304)
Goods and services tax paid		(1,221)	0
Other expenditure		(284,027)	(273,381)
		(6,450,468)	(8,696,955)
Net cash provided by operating activities		6,524,924	5,883,375
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(3,215,712)	(2,255,561)
Payments for construction of infrastructure	9(a)	(4,173,611)	(3,610,266)
Capital grants, subsidies and contributions		3,736,409	2,352,021
Proceeds from sale of property, plant & equipment		448,955	640,482
Net cash (used in) investing activities		(3,203,959)	(2,873,324)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	26(a)	(97,695)	(96,588)
Payments for principal portion of lease liabilities	26(b)	(1,326)	(12,009)
Net cash (used in) financing activities		(99,021)	(108,597)
Net increase in cash held		3,221,944	2,901,454
Cash at beginning of year		17,257,362	14,355,908
Cash and cash equivalents at the end of the year		20,479,306	17,257,362

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



SHIRE OF YILGARN
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	24	4,330,390	4,304,468	4,170,989
Rates excluding general rates	24	48,085	49,805	36,050
Grants, subsidies and contributions		5,458,826	517,278	6,911,256
Fees and charges		2,231,831	1,981,998	2,438,200
Interest revenue		785,206	614,324	479,452
Other revenue		539,028	716,810	331,374
Profit on asset disposals		14,983	16,275	54,569
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	1,681	0	3,685
		<u>13,410,030</u>	<u>8,200,958</u>	<u>14,425,575</u>
Expenditure from operating activities				
Employee costs		(4,254,497)	(4,214,390)	(3,975,413)
Materials and contracts		(1,754,332)	(2,311,179)	(1,634,117)
Utility charges		(928,375)	(873,180)	(1,000,941)
Depreciation		(4,977,389)	(4,830,700)	(4,548,477)
Finance costs		(8,478)	(12,662)	(19,619)
Insurance		(374,154)	(345,199)	(335,304)
Other expenditure		(284,027)	(853,840)	(273,381)
Loss on asset disposals		(244,924)	(286,154)	(394,174)
		<u>(12,826,176)</u>	<u>(13,727,304)</u>	<u>(12,181,426)</u>
Non cash amounts excluded from operating activities	25(a)	5,094,352	5,409,579	4,871,329
Amount attributable to operating activities		<u>5,678,206</u>	<u>(116,767)</u>	<u>7,115,478</u>
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		3,736,409	3,982,064	2,352,021
Proceeds from disposal of assets		448,955	563,500	640,482
		<u>4,185,364</u>	<u>4,545,564</u>	<u>2,992,503</u>
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(3,215,712)	(4,818,574)	(2,255,561)
Purchase and construction of infrastructure	9(a)	(4,173,611)	(4,647,866)	(3,610,266)
		<u>(7,389,323)</u>	<u>(9,466,440)</u>	<u>(5,865,827)</u>
Amount attributable to investing activities		<u>(3,203,959)</u>	<u>(4,920,876)</u>	<u>(2,873,324)</u>
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	27	0	0	1,234,022
		<u>0</u>	<u>0</u>	<u>1,234,022</u>
Outflows from financing activities				
Repayment of borrowings	26(a)	(97,695)	(97,695)	(96,588)
Payments for principal portion of lease liabilities	26(b)	(1,326)	0	(12,009)
Transfers to reserve accounts	27	(1,558,358)	(636,515)	(1,781,115)
		<u>(1,657,379)</u>	<u>(734,210)</u>	<u>(1,889,712)</u>
Amount attributable to financing activities		<u>(1,657,379)</u>	<u>(734,210)</u>	<u>(655,690)</u>
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	25(b)	7,273,878	5,017,473	3,687,414
Amount attributable to operating activities		5,678,206	(116,767)	7,115,478
Amount attributable to investing activities		(3,203,959)	(4,920,876)	(2,873,324)
Amount attributable to financing activities		(1,657,379)	(734,210)	(655,690)
Surplus or deficit after imposition of general rates	25(b)	<u>8,090,746</u>	<u>(754,380)</u>	<u>7,273,878</u>

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



SHIRE OF YILGARN
FOR THE YEAR ENDED 30 JUNE 2024
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SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

1. BASIS OF PREPARATION

The financial report of the Shire of Yilgarn which is a Class 3, as applicable 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 *Local Government Act 1995*, 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 Leases which would have required the Shire to measure any vested improvements at zero cost.

The *Local Government (Financial Management) Regulations 1996* provide that:

- Land and Buildings classified as property, plant and equipment; or
- Infrastructure; or
- vested improvements that the local government controls;

and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 - *Property, Plant and Equipment* which would have required the Shire to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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.

Critical accounting estimates and judgements

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 amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - note 8
 - Infrastructure - note 9
- Expected credit losses on financial assets - note 5
- Assets held for sale - note 7
- Impairment losses of non-financial assets - note
- Investment property - note 11
- Estimated useful life of intangible assets - note 11
- Measurement of employee benefits - note 15
- Measurement of provisions - note 16

Fair value hierarchy information can be found in note 23

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.

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 2021-2 Amendments to Australian Accounting Standards - *Disclosure of Accounting Policies or Definition of Accounting Estimates*

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

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 2021-7c 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*
- These amendments are not expected to have any material impact on the financial report on initial application.
- AASB 2022-10 Amendments to Australian Accounting Standards - *Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

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

- AASB 2023-1 Amendments to Australian Accounting Standards - *Supplier Finance Arrangements*

These amendments may result in additional disclosures in the case of applicable finance arrangements.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
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 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	4,378,475	0	4,378,475
Grants, subsidies and contributions	0	0	0	5,458,826	5,458,826
Fees and charges	1,909,551	0	322,280	0	2,231,831
Interest revenue	0	0	0	785,206	785,206
Other revenue	236,715	0	0	302,313	539,028
Capital grants, subsidies and contributions	0	3,736,409	0	0	3,736,409
Total	2,146,266	3,736,409	4,700,755	6,546,345	17,129,775

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	4,155,738	51,301	4,207,039
Grants, subsidies and contributions	0	0	0	6,911,256	6,911,256
Fees and charges	2,082,871	0	355,308	21	2,438,200
Interest revenue	0	0	0	479,452	479,452
Other revenue	170,982	0	0	160,392	331,374
Capital grants, subsidies and contributions	0	1,441,852	0	910,169	2,352,021
Total	2,253,853	1,441,852	4,511,046	8,512,591	16,719,342

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2024 Actual \$	2023 Actual \$
Interest revenue		
Interest on reserve account	498,470	311,291
Trade and other receivables overdue interest	40,725	30,069
Other interest revenue	246,011	138,092
	785,206	479,452

The 2024 original budget estimate in relation to:
Trade and other receivables overdue interest was \$40,000.

Fees and charges relating to rates receivable

Charges on instalment plan	4,130	2,830
----------------------------	-------	-------

The 2024 original budget estimate in relation to:
Charges on instalment plan was \$3,500.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	48,000	32,090
	48,000	32,090

Employee Costs

Payroll Costs	3,969,712	3,893,310
Other employee costs	284,785	82,103
	4,254,497	3,975,413

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Term deposits
Total cash and cash equivalents

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

Note	2024	2023
	\$	\$
	18,629,306	17,257,362
	1,850,000	0
	20,479,306	17,257,362
18	8,528,998	6,550,015
	11,950,308	10,707,347
	20,479,306	17,257,362

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(b) Non-current assets

Financial assets at fair value through profit or loss

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

Note	2024	2023
	\$	\$
	83,171	81,490
	83,171	81,490
	81,490	77,805
	1,681	3,685
	83,171	81,490

Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

SIGNIFICANT ACCOUNTING POLICIES

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 YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

5. TRADE AND OTHER RECEIVABLES

Current

Rates and statutory receivables	
Trade receivables	
GST receivable	
Allowance for credit losses of rates and statutory receivables	
ESL payable	

Non-current

Pensioner deferred rates	
--------------------------	--

Note	2024	2023
	\$	\$
	343,588	289,416
	243,847	299,137
	75,512	74,291
	(4,452)	(4,452)
	23,900	20,585
	682,395	678,977
	67,678	62,288
	67,678	62,288

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:

Trade and other receivables from contracts with customers	
Contract assets	
Total trade and other receivables from contracts with customers	

Note	30 June 2024 Actual	30 June 2023 Actual	1 July 2022 Actual
	\$	\$	\$
	82,419	166,468	77,203
7	135,262	1,063,123	178,731
	217,681	1,229,591	255,934

MATERIAL 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 or for the construction of recognisable non financial assets 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 and amounts received as 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 YILGARN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2024

6. INVENTORIES

	Note	2024	2023
Current		\$	\$
Fuel and materials		37,455	14,114
		37,455	14,114
The following movements in inventories occurred during the year:			
Balance at beginning of year		14,114	47,225
Net additions to inventory		23,341	(33,111)
Balance at end of year		37,455	14,114

MATERIAL 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 YILGARN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2024

7. OTHER ASSETS

Other assets - current

Accrued income
 Contract assets

2024	2023
\$	\$
4,676	6,056
135,262	1,063,123
139,938	1,069,179

MATERIAL 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 YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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.

	Assets not subject to operating lease					Plant and equipment		Total property, plant and equipment
		Buildings - non-specialised	Buildings - specialised	Work in progress	Total Property	Furniture and equipment	Plant and equipment	
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	1,262,000	4,032,181	18,080,047	0	23,374,228	187,949	6,535,973	30,098,150
Additions	0	107,829	398,770	6,875	513,474	22,507	1,719,580	2,255,561
Disposals	(40,000)	0	(226,686)	0	(266,686)	0	(713,399)	(980,085)
Revaluation increments / (decrements) transferred to revaluation surplus	405,000	(573,898)	2,814,155	0	2,645,257	0	0	2,645,257
Depreciation	0	(95,112)	(425,786)	0	(520,898)	(22,374)	(335,746)	(879,018)
Balance at 30 June 2023	1,627,000	3,471,000	20,640,500	6,875	25,745,375	188,082	7,206,408	33,139,865
Comprises:								
Gross balance amount at 30 June 2023	1,627,000	4,122,518	23,550,524	6,875	29,306,917	265,666	8,532,106	38,104,689
Accumulated depreciation at 30 June 2023	0	(651,518)	(2,910,024)	0	(3,561,542)	(77,584)	(1,325,698)	(4,964,824)
Balance at 30 June 2023	1,627,000	3,471,000	20,640,500	6,875	25,745,375	188,082	7,206,408	33,139,865
Additions	0	144,540	1,474,201	20,858	1,639,599	68,731	1,507,382	3,215,712
Disposals	0	0	0	0	0	(4,540)	(666,156)	(670,696)
Depreciation	0	(177,953)	(682,474)	0	(860,427)	(23,635)	(389,793)	(1,273,855)
Balance at 30 June 2024	1,627,000	3,437,587	21,432,227	27,733	26,524,547	228,638	7,657,841	34,411,026
Comprises:								
Gross balance amount at 30 June 2024	1,627,000	4,267,058	25,024,725	27,733	30,946,516	328,397	9,219,950	40,494,863
Accumulated depreciation at 30 June 2024	0	(829,471)	(3,592,498)	0	(4,421,969)	(99,759)	(1,562,109)	(6,083,837)
Balance at 30 June 2024	1,627,000	3,437,587	21,432,227	27,733	26,524,547	228,638	7,657,841	34,411,026

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Land and buildings					
Land	Level 2	Market Approach using recent observable market data or similar properties	Independent registered Valuers	June 2023	Price per hectare
Buildings - non-specialised	Level 2	Market Approach using observable market data or similar properties	Independent registered Valuers	June 2023	Price per square metre
Buildings - specialised	Level 3	Cost Approach using current replacement cost	Independent registered Valuers	June 2023	Construction costs and current condition , residual values and remaining useful life assessments inputs

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks and ovals	Infrastructure - Townscapes	Infrastructure - Sewerage	Infrastructure - landfill assets	Other infrastructure - Aerodromes	Other infrastructure - other (inc. digital infrastructure)	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	411,368,018	967,600	33,664,792	386,100	121,000	3,964,700	326,218	885,300	5,745,580	457,429,308
Additions	3,328,173	0	120,997	75,318	0	73,382	0	0	12,396	3,610,266
Depreciation	(2,664,875)	(31,557)	(596,516)	(21,806)	(6,338)	(51,371)	(12,930)	(32,903)	(238,684)	(3,656,980)
Balance at 30 June 2023	412,031,316	936,043	33,189,273	439,612	114,662	3,986,711	313,288	852,397	5,519,292	457,382,594
Comprises:										
Gross balance at 30 June 2023	574,577,094	2,524,520	35,327,925	495,869	125,208	4,183,032	348,415	987,100	6,353,295	624,922,458
Accumulated depreciation at 30 June 2023	(162,545,778)	(1,588,477)	(2,138,652)	(56,257)	(10,546)	(196,321)	(35,127)	(134,703)	(834,003)	(167,539,864)
Balance at 30 June 2023	412,031,316	936,043	33,189,273	439,612	114,662	3,986,711	313,288	852,397	5,519,292	457,382,594
Additions	3,413,554	0	12,979	630,090	116,988	0	0	0	0	4,173,611
(Disposals)	0	0	0	(8,200)	0	0	0	0	0	(8,200)
Reversal of provision	0	0	0	0	0	0	(123,521)	0	0	(123,521)
Depreciation	(2,691,752)	(31,556)	(592,307)	(43,759)	(6,729)	(52,288)	(12,030)	(32,903)	(238,890)	(3,702,214)
Balance at 30 June 2024	412,753,118	904,487	32,609,945	1,017,743	224,921	3,934,423	177,737	819,494	5,280,402	457,722,270
Comprises:										
Gross balance at 30 June 2024	577,990,648	2,524,520	35,340,904	1,117,759	242,196	4,183,032	212,409	987,100	6,353,295	628,951,863
Accumulated depreciation at 30 June 2024	(165,237,530)	(1,620,033)	(2,730,959)	(100,016)	(17,275)	(248,609)	(34,672)	(167,606)	(1,072,893)	(171,229,593)
Balance at 30 June 2024	412,753,118	904,487	32,609,945	1,017,743	224,921	3,934,423	177,737	819,494	5,280,402	457,722,270

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

9. INFRASTRUCTURE (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - roads	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2022	Construction costs and current condition, residual and remaining useful life assessments
Infrastructure - footpaths	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2022	Construction costs and current condition, residual and remaining useful life assessments
Infrastructure - drainage	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2022	Construction costs and current condition, residual and remaining useful life assessments
Infrastructure - parks and ovals	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2022	Construction costs and current condition, residual and remaining useful life assessments
Infrastructure - Townscapes	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2022	Construction costs and current condition, residual and remaining useful life assessments
Infrastructure - Sewerage	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2022	Construction costs and current condition, residual and remaining useful life assessments
Infrastructure - landfill assets	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2022	Construction costs and current condition, residual and remaining useful life assessments
Other infrastructure - Aerodromes	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2022	Construction costs and current condition, residual and remaining useful life assessments
Other infrastructure - other (inc. digital infrastructure)	Level 3	Cost approach using depreciated replacement cost	Management valuation	June 2022	Construction costs and current condition, residual and remaining useful life assessments

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

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

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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	27 to 80 years
Furniture and equipment	4 to 30 years
Plant and equipment	5 to 30 years
Sealed roads and streets	
formation	120 years
pavement	120 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	120 years
Footpaths - slab	80 years
Sewerage piping	80 years
Water supply piping and drainage systems	60 years
Landfill assets	30 years
Right-of-use (plant and equipment)	Based on the remaining lease term

10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the 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. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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 *Local Government (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.

Individual assets that are land, buildings and infrastructure 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 reportable value.

Measurement after recognition

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

Reportable Value

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are *land and buildings classified as property, plant and equipment*, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

Revaluation

Land and buildings classified as property, plant and equipment, *infrastructure or vested improvements that the local government controls* and measured at reportable value, are only required to be revalued 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 land vested in the Shire.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Shire to revalue earlier if it chooses to do so.

For land, buildings 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.

Impairment

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the Shire is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the 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 YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

Note	Right-of-use assets - plant and equipment	Right-of-use assets Total
	\$	\$
Balance at 1 July 2022	16,903	16,903
Depreciation	(12,479)	(12,479)
Balance at 30 June 2023	4,424	4,424
Gross balance amount at 30 June 2023	70,393	70,393
Accumulated depreciation at 30 June 2023	(65,969)	(65,969)
Balance at 30 June 2023	4,424	4,424
Depreciation	(1,320)	(1,320)
Balance at 30 June 2024	3,104	3,104
Gross balance amount at 30 June 2024	70,393	70,393
Accumulated depreciation at 30 June 2024	(67,289)	(67,289)
Balance at 30 June 2024	3,104	3,104

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

	2024 Actual	2023 Actual
	\$	\$
Depreciation on right-of-use assets	(1,320)	(12,479)
Finance charge on lease liabilities	(66)	(1,176)
Total amount recognised in the statement of comprehensive income	(1,386)	(13,655)
Total cash outflow from leases	(1,392)	(13,185)

(b) Lease Liabilities

Current	1,296	1,326
Non-current	1,683	2,979
	2,979	4,305

The Shire has one lease relating to plant and equipment. The lease term is 5 years and has fixed payments. The measurement of lease liabilities does not include variable lease payments and any future cashflows associated with leases not yet commenced to which the Shire is committed.

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.

MATERIAL 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 for a period of time in exchange for consideration.

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

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease. Details of individual lease liabilities required by regulations are provided at Note 26(b).

Right-of-use assets - measurement

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

Refer to Note 10 under revaluation for details on the material 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 YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued payroll liabilities
 ATO liabilities
 Bonds and deposits held
 Accrued Expenditure

2024	2023
\$	\$
76,169	163,731
144,062	118,762
0	133,401
108,391	80,827
86,313	73,348
369,553	0
784,488	570,069

MATERIAL 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 YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

13. OTHER LIABILITIES

Current

Capital grant/contributions liabilities
 Unearned Revenue

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

	2024	2023
	\$	\$
Capital grant/contributions liabilities	629,210	944,607
Unearned Revenue	41,093	42,381
	670,303	986,988
Opening balance	944,607	958,411
Additions	629,210	944,607
Revenue from capital grant/contributions held as a liability at the start of the period	(944,607)	(958,411)
	629,210	944,607
Less than 1 year	629,210	944,607
	629,210	944,607

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.

MATERIAL ACCOUNTING POLICIES

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 own credit risk.

SHIRE OF YILGARN
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2024

14. BORROWINGS

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		98,814	564,069	662,883	97,695	662,883	760,578
Total secured borrowings	26(a)	98,814	564,069	662,883	97,695	662,883	760,578

Secured liabilities and assets pledged as security
 Debentures are secured by a floating charge over the assets of the Shire of Yilgarn.

MATERIAL 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 hierachy (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 YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Total non-current employee related provisions

Total employee related provisions

2024	2023
\$	\$
244,291	239,183
228,168	186,774
472,459	425,957
75,527	62,432
75,527	62,432
547,986	488,389

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.

MATERIAL 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 YILGARN

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

16. OTHER PROVISIONS

	Make good provisions	Total
	\$	\$
Opening balance at 1 July 2023		
Non-current provisions	242,523	242,523
	242,523	242,523
Reversal of provision	(242,523)	(242,523)
Balance at 30 June 2024	0	0

MATERIAL ACCOUNTING POLICIES

Provisions

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

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

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

17. REVALUATION SURPLUS

	2024 Opening Balance	2024 Closing Balance	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	15,111,845	15,111,845	12,466,588	2,645,257	15,111,845
Revaluation surplus - Plant and equipment	2,322,193	2,322,193	2,322,193	0	2,322,193
Revaluation surplus - Infrastructure - roads	412,965,627	412,965,627	413,064,911	(99,284)	412,965,627
	430,399,665	430,399,665	427,853,692	2,545,973	430,399,665

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

18. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2024 Actual \$	2023 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	11,950,308	10,707,347
		11,950,308	10,707,347
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	27	11,321,098	9,762,740
Capital grant liabilities	13	629,210	944,607
Total restricted financial assets		11,950,308	10,707,347

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

Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	25,000	25,000
Credit card balance at balance date	(1,776)	(2,191)
Total amount of credit unused	23,224	22,809
Loan facilities		
Loan facilities - current	98,814	97,695
Loan facilities - non-current	564,069	662,883
Total facilities in use at balance date	662,883	760,578
Unused loan facilities at balance date	NIL	NIL

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

20. CONTINGENT LIABILITIES

The Shire of Yilgarn currently operates the Southern Cross airport, located at Lot 88 on plan 161201, Southern Cross, 6426. The site has a known contamination issue due to a pesticide leak from 2012, which the Shire has an obligation to remediate in the future.

These future remediation costs form contingent liabilities to the Shire of Yilgarn, as until the Shire conducts an investigation to determine the scope and risk of the contamination, the timing and costs cannot be reliably measured.

Further, there are four other contaminated sites within the district that are owned by the Shire of Yilgarn. These sites do not form a contingent liability to the Shire; management does not consider the Shire to be liable for the remediation costs, as all sites are contaminated by pumping stations and associated infrastructure operated by Water Corporation.

The other contaminated sites are:
 Lot 1588 on plan 127359, Carrabin, 6423
 Lot 350 on plan 55290, Ghooli, 6426
 Parcel 70083, Ghooli, 6426
 Parcel 74577, Ghooli, 6426

21. CAPITAL COMMITMENTS

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

	2024	2023
	\$	\$
	4,128,509	0
	91,890	401,465
	4,220,399	401,465
	4,220,399	401,465

The capital expenditure projects outstanding at the end of the current reporting period represent recreation centre upgrades and modification of a Mack truck to become a side tipper.
 The prior year commitment was for purchasing a Backhoe and a Skid Steer.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

22. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
President's annual allowance	12,000	12,000	12,000
President's meeting attendance fees	13,400	9,000	9,800
President's ICT expenses	1,180	1,180	1,180
President's travel expenses	733	0	0
	27,313	22,180	22,980
Deputy President's annual allowance	3,000	3,000	3,000
Deputy President's meeting attendance fees	5,400	6,200	6,200
Deputy President's ICT expenses	1,180	1,180	0
Deputy President's travel and accommodation expenses	0	500	0
	9,580	10,880	9,200
All other council member's meeting attendance fees	28,800	31,000	24,000
All other council member's ICT expenses	5,900	5,900	5,900
All other council member's travel expenses	5,026	5,000	6,050
	39,726	41,900	35,950
22(b)	76,619	74,960	68,130

(b) Key Management Personnel (KMP) Compensation

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

Short-term employee benefits	511,140	555,536
Post-employment benefits	64,692	79,473
Employee - other long-term benefits	22,241	48,039
Council member costs	76,619	68,130
22(a)	674,692	751,178

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 YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

22. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

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

	2024 Actual	2023 Actual
	\$	\$
Sale of goods and services	8,832	14,214
Purchase of goods and services	205,280	332,001
Short term employee benefits - other related parties	78,362	139,332
Payment of council member costs (Refer to Note 22(a))	76,619	68,130

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 Shire, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 22(a) and 22(b).
- ii. Other Related Parties

An associate person of KMP 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.

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

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

23. OTHER MATERIAL 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 *Fair Value Measurement* 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 except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

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 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

24. RATING INFORMATION

RATE TYPE	Rate Description
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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.

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SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

25. DETERMINATION OF SURPLUS OR DEFICIT

		2023/24 Budget (30 June 2024 Carried Forward)	2022/23 (30 June 2023 Carried Forward)
Note	2023/24 (30 June 2024 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	(14,983)	(16,275)	(54,569)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(1,681)	0	(3,685)
Add: Loss on disposal of assets	244,924	286,154	394,174
Add: Depreciation	4,977,389	4,830,700	4,548,477
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(5,390)	9,000	(8,055)
Employee benefit provisions	13,095	300,000	(13,937)
Other provisions	(119,002)	0	8,924
Non-cash amounts excluded from operating activities	5,094,352	5,409,579	4,871,329
(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	27	(11,321,098)	(10,399,255)
Less: Financial assets at amortised cost			(9,762,740)
Less: Current assets not expected to be received at end of year			
-Rates receivable		0	(371,922)
Add: Current liabilities not expected to be cleared at end of year			0
- Current portion of borrowings	14	98,814	96,617
- Current portion of lease liabilities	11(b)	1,296	(2,749)
- Employee benefit provisions		0	308,330
Total adjustments to net current assets		(11,220,988)	(10,368,979)
Net current assets used in the Statement of Financial Activity			
Total current assets		21,339,094	12,449,534
Less: Total current liabilities		(2,027,360)	(2,834,935)
Less: Total adjustments to net current assets		(11,220,988)	(10,368,979)
Surplus or deficit after imposition of general rates		8,090,746	7,273,878

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget			
		Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	New Loans During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	Principal at 30 June 2024
		\$	\$	\$	\$	\$	\$	\$	\$
Southern Cross swimming pool		857,166	0	(96,588)	760,578	0	(97,695)	662,883	662,883
Total		857,166	0	(96,588)	760,578	0	(97,695)	662,883	662,883

All loan repayments were financed by general purpose revenue.

Borrowing Finance Cost Payments

Purpose	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023
					\$	\$	\$
Southern Cross swimming pool	0001	* WATC	1.1426%	10/06/2030	(8,412)	(8,432)	(9,519)
Total					(8,412)	(8,432)	(9,519)
Total Finance Cost Payments					(8,412)	(8,432)	(9,519)

* WA Treasury Corporation

(b) Lease Liabilities

Purpose	Note	Actual				Budget			
		Principal at 1 July 2022	New Leases During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	New Leases During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	Principal at 30 June 2024
		\$	\$	\$	\$	\$	\$	\$	\$
Cannon Image Runner Photocopier		16,314	0	(12,009)	4,305	0	(1,326)	2,979	0
Total Lease Liabilities	11(b)	16,314	0	(12,009)	4,305	0	(1,326)	2,979	0

Lease Finance Cost Payments

Purpose	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023	Lease Term
					\$	\$	\$	
Cannon Image Runner Photocopier		Canon Finance	2.30%	30/10/2026	(66)	0	(1,176)	60 months
Total Finance Cost Payments					(66)	0	(1,176)	

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

27. RESERVE ACCOUNTS

Restricted by Council

	2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Actual Closing Balance	2024 Budget Opening Balance	2024 Budget Transfer to	2024 Budget Transfer (from)	2024 Budget Closing Balance	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance
	\$	\$		\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Airport Reserve	307,607	15,706	0	323,313	307,607	13,842	0	321,449	296,451	11,156	0	307,607
(b) Yilgarn Bowls & Tennis Club Sinking Fund Reserve	62,776	3,206	0	65,982	62,776	9,491	0	72,267	54,074	8,702	0	62,776
(c) Building Reserve	2,749,341	140,377	0	2,889,718	2,749,341	123,720	0	2,873,061	2,649,631	99,710	0	2,749,341
(d) Community Bus Reserve	133,951	6,840	0	140,791	133,951	6,028	0	139,979	129,093	4,858	0	133,951
(e) Health Services - Operations Reserve	113,082	5,774	0	118,856	113,082	5,089	0	118,171	108,981	4,101	0	113,082
(f) Health Services - Capital Reserve	220,234	11,245	0	231,479	220,234	9,911	0	230,145	212,247	7,987	0	220,234
(g) Homes for the Aged Reserve	417,066	21,294	0	438,360	417,066	18,768	0	435,834	401,940	15,126	0	417,066
(h) Heavy Vehicle Road Improvement	668,379	1,086,470	0	1,754,849	668,379	210,077	0	878,456	584,840	252,486	(168,947)	668,379
(i) Long Service Leave	308,330	15,742	0	324,072	308,330	13,875	0	322,205	297,149	11,181	0	308,330
(j) Mineral Resources Limited Contributions	1,000,000	51,058	0	1,051,058	1,000,000	45,000	0	1,045,000	0	1,000,000	0	1,000,000
(k) Hampton/Dulyalbin Water Supply Reserve	78,033	9,610	0	87,643	78,033	11,011	0	89,044	54,691	23,342	0	78,033
(l) Museum Reserve	29,452	3,425	0	32,877	29,452	4,351	0	33,803	24,827	4,625	0	29,452
(m) Plant Reserve	1,014,773	51,812	0	1,066,585	1,014,773	45,665	0	1,060,438	894,946	233,677	(113,850)	1,014,773
(n) Recreation Facility Reserve	620,400	31,676	0	652,076	620,400	27,918	0	648,318	597,900	22,500	0	620,400
(o) SX Refuse Disposal Site Reserve	252,089	12,871	0	264,960	252,089	11,344	0	263,433	242,947	9,142	0	252,089
(p) Sewerage Reserve	1,200,327	61,287	0	1,261,614	1,200,327	54,015	0	1,254,342	1,156,794	43,533	0	1,200,327
(q) Standpipe Maintenance / Upgrade Reserve	207,687	10,604	0	218,291	207,687	9,346	0	217,033	200,155	7,532	0	207,687
(r) Tourism Reserve	263,472	13,452	0	276,924	263,472	11,856	0	275,328	253,917	9,555	0	263,472
(s) Youth Development Reserve	115,741	5,909	0	121,650	115,741	5,208	0	120,949	111,542	4,199	0	115,741
(t) Unspent grants	0	0	0	0	0	0	0	0	943,522	7,703	(951,225)	0
	9,762,740	1,558,358	0	11,321,098	9,762,740	636,515	0	10,399,255	9,215,647	1,781,115	(1,234,022)	9,762,740

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserve accounts.

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

27. 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	Purpose of the reserve account
(a) Airport Reserve	To be used for the upkeep and any major upgrade works to the Southern Cross Airport.
(b) Yilgarn Bowls & Tennis Club Sinking Fund Reserve	To recognise the Yilgarn Bowls & tennis Clubs contribution to future playing surface upgrades.
(c) Building Reserve	To be used for major construction and improvements to Council's Buildings.
(d) Community Bus Reserve	To provide a conduit Reserve for the proceeds from the hire of the Yilgarn Community Bus.
(e) Health Services - Operations Reserve	To be use when the Shire of Yilgarn is required to take operational control of the Southern Cross GP practice.
(f) Health Services - Capital Reserve	To be used to maintain the Health Service GP practice and associated assets.
(g) Homes for the Aged Reserve	To be used as a conduit for the placement of rental income from all twelve units, providing funding for future redevelopment works at this facility.
(h) Heavy Vehicle Road Improvement	To provide adequate disclosure of funds received under the HVRIC and the relevant road funds are expended on.
(i) Long Service Leave	To be used to fund Long Service Leave requirements. Council approves the fixing of this Reserve to the level of Long Service Leave liability, recognised as at the 30th June each year, totalling the combined balance of the Current and Non-Current Long Service Leave Liability.
(j) Mineral Resources Limited Contributions	To recognise contributions made by Mineral Resources Limited for the purpose of future remedial road works.
(k) Hampton/Dulyalbin Water Supply Reserve	To be used To fund future maintenance works at the Mt Hampton Dam and Dulyalbin Water Supply Tank via annual contributions from the sale of water from these facilities.
(l) Museum Reserve	Monies held on behalf of the Yilgarn Historical Museum for their purpose and use as required.
(m) Plant Reserve	To be used for the purchase of major plant.
(n) Recreation Facility Reserve	To be used To fund any major projects relating To Recreation within the community.
(o) SX Refuse Disposal Site Reserve	To be used To meet future costs of major works to be carried out at Refuse Disposal Sites within the Shire of Yilgarn. Funds held in this Reserve will provide a buffer in the event of an emergency where a substantial, catastrophic or undesired Refuse Disposal incident was to occur and could not be accommodated within the confines of Council's facilities.
(p) Sewerage Reserve	To be used to fund any major maintenance or future construction works required for the Southern Cross Sewerage and Marvel Loch Effluent Waste Water Schemes.
(q) Standpipe Maintenance / Upgrade Reserve	To be used for major maintenance and upgrades to the Shires standpipe network.
(r) Tourism Reserve	To be used to fund tourism in the Yilgarn District.
(s) Youth Development Reserve	To be used for the development of Youth in the Yilgarn District.
(t) Unspent grants	To recognise unspent grants.

**SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

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 Nil

SHIRE OF YILGARN
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

29. CORRECTION OF ERROR

Retrospective restatements as per AASB108.42:

Infrastructure Depreciation

During the revaluation of infrastructure assets for the year ended 30 June 2022, certain assets were moved to different asset classes, each with varying depreciation rates. Unfortunately, these updated depreciation rates were not reflected in the accounting system, resulting in an overstatement of depreciation for the financial year ended 30 June 2023, amounting to \$293,542. To correct this error, a prior period adjustment has been made to remove the overstatement of depreciation and accurately reflect the depreciation expenses for the period. This adjustment has resulted in an increase in net income for FY 2022/23 and a corresponding adjustment to retained surplus as of 1 July 2023.

The accounting system has been updated to ensure that depreciation rates for revalued assets are accurately applied in future periods.

Statement of Financial Position (Extract)	Note	30 June 2023	Adjustment	30 June 2023 (Restated)
		\$	\$	\$
Infrastructure	9	457,089,052	293,542	457,382,594
Total Assets		509,396,751	293,542	509,690,293
Net Assets		506,343,899	293,542	506,637,441
Retained Surplus		66,181,494	293,542	66,475,036

Statement of Comprehensive Income (Extract)	2023	Adjustment	2023 (Restated)
	\$	\$	\$
Depreciation	(4,842,019)	293,542	(4,548,477)
Net result for the period	4,302,628	293,542	4,596,170



Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

Shire of Yilgarn

To the Council of the Shire of Yilgarn

Opinion

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

- the Statement of Financial Position as at 30 June 2024, 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 material 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 2024 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

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

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

Emphasis of Matter – Restatement of comparative balances

I draw attention to Note 29 of the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

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 2024, 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 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, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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 Yilgarn for the year ended 30 June 2024 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.

Carly Meagher
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
13 December 2024