



SHIRE OF KOJONUP

AGENDA

ANNUAL MEETING OF ELECTORS

16 April 2024

At the Kojonup Sporting Complex commencing 6.00pm

1. WELCOME

The Shire President, Cr Roger Bilney, will declare the meeting open at ____ and alert the meeting to the procedures for emergencies including evacuation, designated exits and muster points and outline the procedures of the meeting.

Acknowledgement of Country

The Shire of Kojonup acknowledges the first nations people of Australia as the Traditional custodians of this land and, in particular, the Keneang people of the Noongar nation upon whose land we meet.

We pay our respect to their Elders past, present and emerging.

2. ATTENDANCE AND APOLOGIES

Cr Roger Bilney	Shire President
Cr Cindy Wieringa	Deputy Shire President
Cr Ned Radford	
Cr Paul Webb	
Cr Alan Egerton-Warburton	
Cr Mick Mathwin	
Cr Kerryn Mickle	

STAFF

Grant Thompson	Chief Executive Officer
Judy Stewart	Manager Governance and Administration

LEAVE OF ABSENCE

Nil

APOLOGIES

COMMUNITY MEMBERS

3. CONFIRMATION OF PREVIOUS MINUTES

RECOMMENDATION

That the minutes of the Annual Meeting of Electors held 19 July 2023 be accepted.

4. REPORTS

4.1. Shire President

The Shire President, Cr Roger Bilney, will elaborate further on his report as contained within the Annual Report.

4.2. Chief Executive Officer

The Chief Executive Officer, Mr Grant Thompson, will elaborate further on his report as contained within the Annual Report.

5. 2022/2023 ANNUAL REPORT

RECOMMENDATION

That the Shire of Kojonup 2022/2023 President's Report be received.

RECOMMENDATION

That the Shire of Kojonup 2022/2023 Annual Report, as circulated, be received.

6. PUBLIC QUESTIONS/OTHER BUSINESS OF A GENERAL NATURE

6.1. Questions Taken on Notice

6.2. An Opportunity for Questions, Feedback or Items to be Raised from the Floor

7. CLOSURE OF MEETING

There being no further business the Shire President declared the meeting closed at ____ pm.

8. ATTACHMENTS

- 3. Unconfirmed Minutes of an Annual Electors Meeting held 19 July 2023
- 5. Annual Report and Annual Financial Report 2022/2023

Kojonup



SHIRE OF KOJONUP

MINUTES

ANNUAL ELECTORS MEETING

19 July 2023

3. CONFIRMATION OF PREVIOUS MINUTES

- 3.1 Unconfirmed minutes of the Annual Meeting of Electors held 16 August 2022 (attachment 3.1.1)

RECOMMENDATION/ANNUAL ELECTORS MEETING DECISION

1AEM/23 Moved Susanne Bilney Seconded Cr Gale
That the unconfirmed minutes of the Annual Meeting of Electors held 16 August 2022 be accepted.

CARRIED

4. REPORTS

4.1. Shire President

The Shire President, Cr Ned Radford, elaborated further on his report as contained within the Annual Report.

Cr Radford stated that Council would be looking at ways to increase the local population, housing and school student numbers.

4.2. Chief Executive Officer

The Chief Executive Officer (CEO), Mr Grant Thompson, elaborated further on his report as contained within the Annual Report envisaging a future growth period for the Shire of Kojonup.

The CEO presented a slideshow of key highlights for 2021/2022 (attachment 4.2.1).

5. 2021/2022 ANNUAL REPORT

- 5.1 – Shire of Kojonup 2021/2022 President's Report**
(contained within attachment 5.2.1)

RECOMMENDATION/ANNUAL ELECTORS MEETING DECISION

2AEM/23 Moved Kath Mathwin Seconded Jill Mathwin
That the Shire of Kojonup 2021/2022 President's Report be received.

CARRIED

5.2 Shire of Kojonup 2021/2022 Annual Report and Annual Financial Report
(attachment 5.2.1)

RECOMMENDATION/ANNUAL ELECTORS MEETING DECISION

3AEM/23 Moved Cr Gale

Seconded K Thomson

That the Shire of Kojonup 2021/2022 Annual Report and Annual Financial Report, as circulated, be received.

CARRIED

6. PUBLIC QUESTIONS/OTHER BUSINESS OF A GENERAL NATURE

6.1. Questions Taken on Notice from Previous Meeting
Nil

6.2. An Opportunity for Questions, Feedback or Items to be Raised from the Floor including prior notice questions

Prior Notice Questions (received 7 days prior to the meeting)

- 1. When is the budget going to reflect the actual cost/income of a program? That is when the apportioned cost of Shire Staff that is attributed to a program be shown. This would be useful in evaluating the cost/benefit of a program but also useful in staff allocation.**

Response

The budget already reflects the allocation of wages and other overheads by cost code and by project code. The staffing costs are allocated to the individual cost centres as:

- Wages and Salaries
- Admin re-allocation cash
- Each cost centre then reports the actual wages cost associated with each area and by project.

- 2. The budget continues to show small amounts for building and grounds maintenance, 2022/23 \$13,470. What is this money going to be spent on?**

Response

Each property/asset cost centre has its own grounds maintenance cost code budget item line, which means that amount is allocated to that property/asset for that financial year. Effectively this money reflects the cost of gardening, general grounds upkeep, spraying and minor maintenance in some codes i.e.; reticulation maintenance etc.

3. **The Shire has not appointed a Deputy CEO and replaced the Records Officer. Some of their work would be regulatory, how is this being covered? Has the Shire Council evaluated what staff positions will be required in the future and how has the Council come to this decision?**

Response

The Shire is not large enough to require a single role fulfilling the Deputy CEO functions. As per the Council policy, any requirement for an Acting CEO can be delegated to one of several Senior Management roles. It is more important to the Shire to have Senior Management roles that reflect the actual functions to be performed e.g.; Financial, Governance etc. This is more effective and efficient.

As regards to the decision to appoint roles, the Shire has regulatory obligations to fulfill certain functions as a local government. As an example, one of those functions is record management as per the *State Records Act 2000*. Due to the complexity of record keeping, the Shire requires a role to ensure it fulfills its record keeping obligations.

As far as the whole structure is determined, this is aligned to the Strategic Community and Corporate Business Plan. A Workforce & Diversity Plan is an informing and guiding document for the CEO that supports the most efficient structure to execute the Corporate Business Plan. A Workforce and Diversity Plan is being created and will be adopted as per the Integrated Planning process.

4. **When is the formatting of income and expenses in the Annual Budget going to follow the accepted norm? That is, expenses are red, income is black.**

This is a regulatory requirement for Local Government financial statements; it is not at the Shire's discretion to change.

5. **Why is the Shire Council pursuing a Youth Precinct Plan when the Upgrades to the Memorial Hall are not complete, let alone the maintenance required for the Barracks and Elverds Cottage.**

There is consideration in this year's budget for Memorial Hall and Historical Buildings Maintenance. The Council is yet to sign off on this expenditure.

The Youth Precinct is an important part of the Shire's Strategic Community Plan to give the youth of Kojonup a place to play safely and create community wellbeing.

6. **Can the raw data of the Shires accounts, i.e. bank statements be made available for analysis?**

The Shire does not make this information freely available as standard practice.

You can apply under an FOI process and that comes with fees and conditions i.e.; redaction and removal of all sensitive or confidential information.

Questions/Statements from the floor

Responses in italics

- Memorial Hall painting
In next budget to complete.
- Annual Financial Statements – page 31, item 19: personnel costs increased \$250,000.
These employee costs increased mostly due to key personnel changes and benefits paid out on long standing employment ceasing with the Shire (i.e. the previous CEO, Manager Corporate and Community Services and other key roles).
- Kodja Place (KP) – lease transition of Black Cockatoo Café (BCC)
The Kodja Place Community Fund Inc (KPCF) approached the Shire stating that the BCC isn't sustainable in the KPCF's hands. The Shire has taken back operation of the BCC with a view to stabilising, providing good service and putting any profit back into the Kodja Place, after which Council will decide on its future direction.
- Was there a Plan for the BCC when leased?
*The BCC is different to a normal business when operating as a community café; its main objective is to return value back to the Kodja Place precinct.
Lease applicants were interviewed and discussion was undertaken on how they would meet certain criteria and the original objectives of the café – the KPCF intended to return all profit back to the Kodja Place precinct.*
- How long did KPCF lease the BCC?
*From September 2022 until current date; the KPCF approached Council and Council's decision was based on what is best for the community and the management of the asset.

Analysis was done on the previous Council managed experience when it operated the BCC and the goal is to learn from this and return value back into the community.

The Shire is focused on improving three critical areas to manage the Cafe operations for sustainability:*
 - 1. Rostering and managing the labour cost component. Match labour to sales hours, not just days.*
 - 2. Food preparation and procurement, cost of goods sold management, and menu management. Need to understand how much each meal costs in its entirety and ensure pricing is aligned to the margins required. Costing of plated meals and pricing of food is essential to success.*
 - 3. Culture, training and customer service is essential.*

- KPCF and Kojonup Historical Society (KHS) meeting – where will this be held and what issues are there? The KHS, KPCF and Returned and Services League (RSL) have only a small number of people running each. Going to focus on this project?

Need to prioritise what the community wants – the Committees are self-determined. When Committees come to us struggling or with loss of ability to manage, the Shire is the organisation that can provide a safety net and offer support.

- Two groups have reached that point but don't have a plan, so much maintenance to be done.

Suggest the groups and office bearers of those groups determine whether they are ready to discuss a transition plan openly with the Shire. It will happen at the right time. The Shire is aware the groups are assessing their future – Shire is happy to facilitate and is committed to continuity.

- Look to ourselves, rather than government?

Not about monetary value, we can still be efficient, still be supportive – whilst monetary management is tight due to debt and other cost increases, there are signs of value within the community.

Need to have discussion about asset priorities, Shire is here to support what the community wants.

- Black Cockatoo Café some years ago had a \$70,000 loss – if running for 12 months?

The Shire will stabilise and the Council will determine the next steps on behalf of the community. Different options depending on the value points. Community funds built the Café to generate value for the Kodja Place.

Lessons have been learnt from the previous experience as outlined before (see above answers), we have sought advice from experienced café owners and have been given key focus areas to concentrate on such as staggered roasting, managing costs prescriptively, cost of food and plates, management of portion size or reflect in pricing.

- Doesn't help if no staff are owner of the business – sponsor a family, people who will stay.

Need housing to support; support people who are there.

- Conflict of interest – gags people? Is it worth bringing in consultants – value for money?

Regulation deems people who have a conflict of interest are unable to participate in debate.

Consultants can fill the void when there's no expertise or capability available in house. Every local government has the same challenge and regulatory framework to work within – it is sometimes more effective to use consultants.

Kodja Place Community Fund paid for this particular consultant to review its operations, consultants are accountable for output and performance like anyone else. Consultants have a finite role to play.

- Congratulations to Jill Watkin and team. With BCC, why not lease straight away? *Looking to stabilise, simplify menu, improve rostering, conduct a prescriptive food preparation cost analysis – unique factors about it. Managing those points efficiently will determine the profitability of the Café. Even a small profit comes back to KP but creates a lot of value. Café was built to fund KP, net profit leaves when people don't live in the community.*

Previous arrangement allowed a veto of any activity (community groups vetoed) – there were no day time charity functions, only evening events, no promotion of events in the community.

The objective is to capture value and put it back into the community. There was no surrender clause with KPCF but could, by agreement in writing, relinquish lease.

- Don't want to be paying rates if unsustainable. *The asset is owned by the Shire and it will always fall back to the Council to determine the Café role within the community.*
- Running BCC – current staff? Advertising? *Current structure being used - CEO and MFCS currently restructuring the Café to match the objectives of being sustainable.*
- Did pay \$70,000 previously, equipment not kept up to date. KPCF has put a lot of money into the structure, painting etc, spending money – did have a go. KPCF has few members now, like the other committees – if interested, come to a KPCF Committee meeting.
- Every community group is struggling. *Budget will come out in August.*
- Is Landcare in new plan? Employee expertise? *'Environment' is a strategic initiative.*
- Employee expertise? *Natural Resource Management (NRM) meetings have been a bit hit and miss due to resourcing and availability constraints, could utilise/engage Team Members on a different service level of agreement – still debating that in Workforce Plan (for August delivery). Look at grants through other avenues e.g.; Southern Dirt.*

- Not caring enough for NRM?
Looking at swapping, possibly employing local Noongars to develop a ranger program – haven't decided which way to go, need people willing to help and support.
- Farmers? To donate to the Shire? May present issue of conflicts of interest, how to get around that. Farmers have a choice of paying higher rates or pay higher tax to Federal Government.
Philanthropy? Depends why donating, have to be very careful, would suggest into community funds. Shire can't fund everything, lots of community groups wanting dollars - only levies, grants and rates. Need volunteers and investment outside the Shire.
Facilities and services cost the Shire but, when reviewing the assets, need to analyse what the community return on capital is. It's not always about a surplus or deficit
- KP not an essential part of community.
Not everyone is a sports person, need balance for those community members that are interested in alternative cultural activities - these facilities generate a multiplier effect like the EV charging station does.
- Katanning Road buildings?
#34 – Dr's surgery – renovating to be executive home.
#30 – re-painting and re-carpeting.
GROH (Government Regional Officers Housing) – finished and rented to GROH.
One Katanning Road house rented to MRS. GROH house attracts significant rent – paying for itself, finding contractors is not easy.
- Housing in Kojonup is extremely tight.
Katanning Road subdivision will provide for lots for sale. Soldier Road land available for subdividing.
- Federal/State Government?
Is focused on low income housing i.e.; social housing, 'no control over who goes in' this type of housing. Need to build 3 x 2 housing, get families in - no grant money at the moment.
- Somewhere coming up?
That is objective of Katanning Road subdivision – there are problems with conditions e.g.; Western Power cost with an 18 month wait time – nine blocks but waiting for approval, some complexity around how to distribute, can't get title without services provided.

#1 priority in new Strategic Community Plan is to provide diverse accommodation options. Farmers to invest in Kojonup so people come to town - better option than Shire building houses?

- Rating system – as in United Kingdom?
Can't do in Australia, diversity problems with types of housing.

6.3 SPRINGHAVEN

Assistance from external aged care providers, Hall and Prior, has been very successful in providing back up for the 22 beds (full time and respite) and resources to manage such.

Will further develop how we can partner and grow bed numbers. Next step is for the Springhaven Working Group to meet with Hall and Prior and establish the future relationship framework.

- Encourage Council to grow – perhaps with grant money, may need a capital partnership with Hall and Prior?
- Congratulations on management of Springhaven

The CEO presented a slideshow on Springhaven (included in attachment 6.3.1).

- Praise to Springhaven staff – appreciation to the Manager (Ciara O'Regan') and Staff of Springhaven - report demonstrates Springhaven is in good shape to be a hub for aging in place in Kojonup.

7. CLOSURE OF MEETING

There being no further business the Shire President declared the meeting closed at 7.30pm.

8. ATTACHMENTS

- | | | |
|--------------|-----------------|---|
| Item 3 | 3.1 | Unconfirmed minutes of the Annual Meeting of Electors held 16 August 2022 |
| Item 4.2/6.3 | 4.2.1/
6.3.1 | Slideshow of key highlights for 2021/2022 inc
Springhaven update |
| Item 5 | 5.2 | Shire of Kojonup 2021/2022 Annual Report and Annual Financial Report |

UNCONFIRMED



SHIRE OF KOJONUP
ANNUAL REPORT
2022/2023





VISION

Kojonup is a **smart** region featuring a technologically advanced **agricultural** community, an educational and historical **destination** and a healthy and enviable **lifestyle**.

OUR GUIDING VALUES

Integrity

We will act in an honest, professional and accountable manner that maintains the community trust.

Care and Respect for People

We will treat people with respect in all of our interactions. We are committed to the safety and wellbeing of our community and employees and will show care and empathy when addressing issues.

Responsible

We are mindful of our role as custodian of the community's assets, and will make decisions in a responsible manner. We will consider value for money in decision making and ensure that our operations and systems promote efficiency and good governance.

Open and Reliable

We will carry out our business in a transparent and approachable way, respecting diverse views and valuing the input and contributions from the community. We will act consistently and communicate clearly.

Statistically in 2022/2023, the Shire has:

<p>Conducted 11 Council Meetings</p> 	<p>Conducted 19 Briefing Sessions</p> 	<p>Conducted 7 Special Council Meetings</p> 	<p>Obtained \$4,133,200 in Grant Revenue & Contributions</p> 
<p>Received 17,648 visitors to the Kojonup Visitors Centre</p> 	<p>Issued 5 building related approvals at a value of \$1,668,377 million</p> 	<p>Supported 0 Subdivision Applications.</p> 	<p>Issued 8 Development Approvals for Projects</p> 
<p>396 Travel groups camped at the designated camp ground</p> 	<p>Progressed 2 road widening programs for 5.69km totalling \$1,270,405</p> 	<p>Resealed 6.25km of bitumen totalling \$433,527</p> 	<p>Conducted 27.3km of tree pruning and mulching on rural roads</p> 
<p>Re-sheeted 0km of gravel roads totalling \$Nil</p> 	<p>7,593 people attended the K.O'H.M swimming pool between 16 November 2021 and 4 April 2022</p> 	<p>An Area of 2,937km²</p> 	<p>A population count of 1901 in the 2021 Census</p> 

Strategic Direction

Community Strategic Plan 10 years

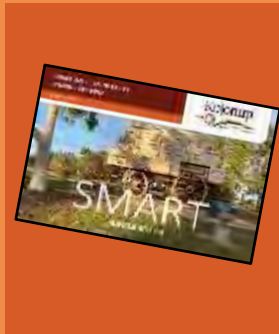


Vision

Strategic Directions

Outcomes,
Strategies, Targets

Corporate Business Plan 4 years

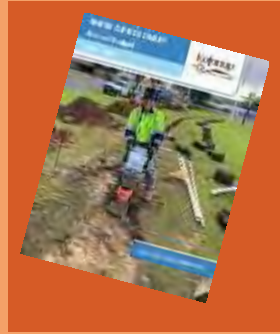


Major Projects

Programs & Services

Corporate Indicators

Annual Budget 1 year



Annual Projects,
Programs & Services

Annual Budget

Revenue Details

Resourcing Strategy – 10 Years

The Resourcing Strategy is used to test and inform the long-term aspirations of the Community Strategic Plan and to guide the deliverables which can be achieved in the Corporate Plan and Annual Budget.

Long Term Financial Plan



Asset Management Plan
(e.g.: Building Assessment Framework)



Workforce Plan



Risk Management Plan



Business Continuity and
Disaster Recovery Plan



Project Concept Plans
(e.g.: Main Street Master Plan)



A Word from the Shire President



The timeline of our auditing is such that it is into 2024 before the documentation is prepared and I have the opportunity to fully review and write this introduction to the Annual Financial Report for the previous financial year.

Before moving forward with that, I would like to take the opportunity to thank all the Councillors who were involved during the 2022/23 period; in particular, Felicity Webb, Parminder Singh and Kevin Gale who all retired at the election in October 2023. I also would like to thank our Chief Executive Officer (CEO), Grant Thompson, and his Senior Management Team for the work they have undertaken throughout the year on our behalf.

The Council, through the Management Team's previous managerial experience, is now working towards a structure aligned with an efficient organisation that provides services to its beneficiaries, i.e., community members. The Community should expect that the Council will utilise that capital, which they provide us through rates, in a very efficient manner to provide the best facilities and services for them.

Community should also expect a detailed and transparent insight into how their investment is managed and governed and, as a Council, we should be judged by how well the Shire is managed and the value it creates for the Community.

I would like to draw your attention to some significant items within these financials which have been building since 2019 and will shape the coming years.

1) The borrowings of the Shire:

- were \$453,916 in June 2019 incurring a principal repayment of \$30,645 pa and interest of \$23,934 pa whilst the rates collected were \$3,859,287.
- In July 2023 our borrowings stood at \$5,449,409 incurring a principal repayment of \$447,000 and interest of approximately \$145,000 in 2024, whilst our budgeted rates collection in 2023/24 is \$4,893,624.

2) The principal repayments reduce by \$9,800 in 2025, a further \$21,000 in 2027 and again in 2028 by \$9,800. This means that by 2029 we will still have annual principal repayments of over \$400,000.

- 3) The decision to withdraw approximately \$750,000 from our reserves was made in the 2022/23 financial year after considerable discussion with the community. These funds have gone back into general revenue, ultimately reducing the amount that would otherwise need to have been raised by rates in 2023/24.
- 4) In 2022/23 the total income from rates, fees and charges plus interest earned was \$6,126,771. The total outlay for the same period, for employee costs, insurance, interest and capital repayments is \$5,810,119. The remaining costs from materials and consumables for repairs and maintenance, water, electricity and plant replacement etc. are, in principle, funded by Financial Assistance Grants which are completely untied moneys from the Federal Government.
- 5) Even though some of the new buildings are partially or fully funded by grants, the total value of those facilities is moved onto our balance sheet where they are required to be depreciated whilst, more importantly, the annual repairs and maintenance costs are fully borne by the Shire.

I would like to point out, at this juncture, that while financial grants can be a huge benefit to asset building in our Community, they should not be relied upon. Financial Assistance Grants are not guaranteed nor is the actual amount known until it arrives, but our financial sustainability is presently totally dependent on them. There is a strong view that they will always be forthcoming but I see this as potentially problematic and am of the view that to build financial resilience we should gradually move away from this position, closer to a self-funding model.

It is important to understand that the borrowings have all been to improve facilities in Kojonup - facilities that have added value to the community and for which we can be proud. If we tried to replicate those improvements today it would be cost prohibitive, so we should enjoy them, but now we must pay for them. The Council is mindful of not simply relying on rates to resolve this cash flow issue but to also look internally for cost saving efficiencies and to having discussions with the Community around road maintenance, the future of the Kodja Place/Black Cockatoo Precinct and the Springhaven Aged Care facility.

On a brighter note, I am able to say that, through a program implemented some years ago by the Federal Government called the 'Local Roads and Community Infrastructure Programme' (LRCIP), we have fully-funded grants to complete the Men's Shed, and to also fund future projects such as CCTV for the main street and a new roof on the Old School building. This programme has strict guidelines

around where it can be spent with the Men's Shed being part of phase 3 grants and the other two projects part of the final phase four.

Finally, I would like to say that the Council has strong fortitude, to not only improve the financial resilience of the Shire, but also the performance and efficient use of the Shire's capital and resources. In conjunction with the CEO and the Shire Team, we will move toward a resilient Shire which will include a very transparent approach with the community leading to better outcomes for all of us.

Cr Roger Bilney
Shire President



**The Shire, and your Council,
would like to thank all our fire
brigades for their efforts to keep
us safe and all volunteers within
our Shire who contribute for the
benefit of all.**

Your Council



Shire President
Ned Radford
2021 – 2025

Delegate on the following Committees:

- Bush Fire Advisory
- Kodja Place Community Fund Inc.

Delegate deputy:

- GS Zone of WALGA
- GS Joint Development Assessment Panel



Deputy Shire President
Paul Webb
2021 – 2025

Delegate on the following Committees:

- Bush Fire Advisory
- Audit and Risk
- Southern Link VROC

Delegate deputy:

- GS Zone of WALGA
- GS Regional Road Group
- Kodja Place Community Fund Inc.



Cr Felicity Webb
2019 – 2023

Delegate on the following Committees:

- Kojonup NRM Advisory
- Kojonup Spring Advisory



Cr Parminder Singh
2019 – 2023

Delegate on the following Committees:

- Disability Access and Inclusion
- Southern Link VROC
- GS Joint Development Assessment Panel
- Kojonup Homes for the Aged Inc.



Cr Kevin Gale
2019 - 2023

Delegate on the following Committees:

- Audit and Risk
- GS Zone of WALGA
- GS Regional Road Group

Delegate deputy:

- Disability Access and Inclusion
- Southern Link VROC
- GS Joint Development Assessment Panel
- GS Recreation Advisory Group



Cr Cindy Wieringa
2019 – 2023

Delegate on the following Committees:

- Kojonup Spring Advisory Group
- Great Southern Treasures

Delegate deputy:

- Kojonup Homes for the Aged Inc.



Cr Roger Bilney
2021 - 2025

Delegate on the following Committees:

- Audit and Risk
- Kojonup NRM Advisor



Cr Alan Egerton-Warburton
2021 – 2025

Delegate on the following Committees:

- Audit and Risk
- Kojonup Spring Advisory
- GS Zone of WALGA
- GS Joint Development Panel

Councillor Attendance at Meetings in 2022/2023

CR BILNEY	CR EGERTON- WARBURTON	CR RAFORD	CR P WEBB	CR F WEBB	CR WIERINGA	CR SINGH	CR GALE
Ordinary Council							
10	10	11	10	10	10	9	9
Special Council							
7	7	6	7	7	6	4	5
Audit and Risk Committee							
4	4		4				4
Bush Fire Advisory Committee							
		4	2				
Local Emergency Management Committee							
		3					
Annual Electors Meeting							
1	1	1	1	1		1	1
Springhaven Working Group							
1	1	1					
Briefing Sessions							
19	18	19	18	15	16	15	15

Chief Executive Officer's Report



The 2022/23 audited financial report demonstrates a year of prudent consolidation and internal focus on performance, in particular cash-flow management. After such a significant growth phase in previous years, relying on significant grants and borrowings, it is important to understand that 2022/23 was a year of reflection and consolidation, mainly considering where the Community wants to be in 10 years' time. This is the final annual report that will document the previous SMART Strategy as we move into a new strategic era.

As the President alluded to in his report, our goal is to improve the financial disciplines in the Shire, around controls related to cost management of major projects, purchase orders, procurement practices, journaling and reporting of financial performance. This will lead to a much more resilient Shire.

In regards the finances, the Auditors raised a number of items for which the Senior Management Team is now focussed on improving prior to the next audit. These items demonstrate there is still work to do to improve the governance in the Shire.

Even though all the items were found to be reasonable and appropriate, the Auditors picked up that a number of our internal controls and processes were not followed exactly as they should be.

The main item identified was the journaling processes (cost reallocation journal procedures and general journal review processes) where it was identified that some journaling posted to roads infrastructure job ledgers (for reallocation and allocation of capital costs) were not adequately supported by documented evidence outlining the reasons and purpose of these journals. This was identified as an issue from previous years as well. The Shire has consequently moved toward better checks and traceable documentation to ensure that journals are justified with supporting documents and two step authorisation before they are processed.

As the Shire implements better cost transparency around projects and procurement controls, this issue should decline materially in the future as the Shire has better oversight of the financial controls across the organisation.

The Shire is also now in a position to review its Long Term Financial Plan which will include the plant and equipment purchases and asset management over the next 10 years. This analysis will focus on the 'self-funding' and sustainable expenditure that the President alluded to and lead to an understanding of the allocation of overheads and depreciation impact on the relevant areas of the organisation.

The Council is aware that the economic environment we all exist in doesn't just impact finances of the Shire, it places cost pressure on everyone in the community, both economically and socially. It is the Shire's intention to give the Community a shared understanding of its challenges and opportunities that

present themselves and, as a result, more community meetings will take place over the next 12 months on specific matters.

2022/23 saw the Shire emerge from the pandemic environment and come back to full operational capability. Springhaven came back from 16 beds to being 100% occupied with 22 beds. We also had close to a full workforce in 2022/23 ensuring the Shire had capability in Finance, Governance and Administration, and Works and Services.

As the Chief Executive Officer, I want to acknowledge and appreciate the effort of the Team Members within the Shire. Thank you to all the Team Members and Volunteers who went above and beyond to keep Kojonup safe and to keep services continuing over this period.

Grant Thompson
Chief Executive Officer



Art Trail – Elverd's Cottage

Senior Management Team

Grant Thompson

Chief Executive Officer



- Strategic Planning
- Organisational performance
- Medical/Health Services
- Environment/NRM/ Sports Precinct

Craig McVee

Manager Works & Services



- Roads/Verges
- Parks/Gardens/ Reserves
- Plant/Equipment
- Signage
- Drainage
- Cultural Officer

Vacant

Manager Corporate and Community Services

- Financial Management
- Information Technology
- Asset and Risk Management
- Integrated Planning and Reporting
- Governance, Policies and Delegations

Ciara O'Regan

Manager Springhaven



Governance and Clinical Management - Springhaven Lodge Aged Care

Robert Jehu

Manager Regulatory Services



- Environmental Health
- Waste Management
- Building Maintenance
- Work Health and Safety
- Project Management
- Emergency Services

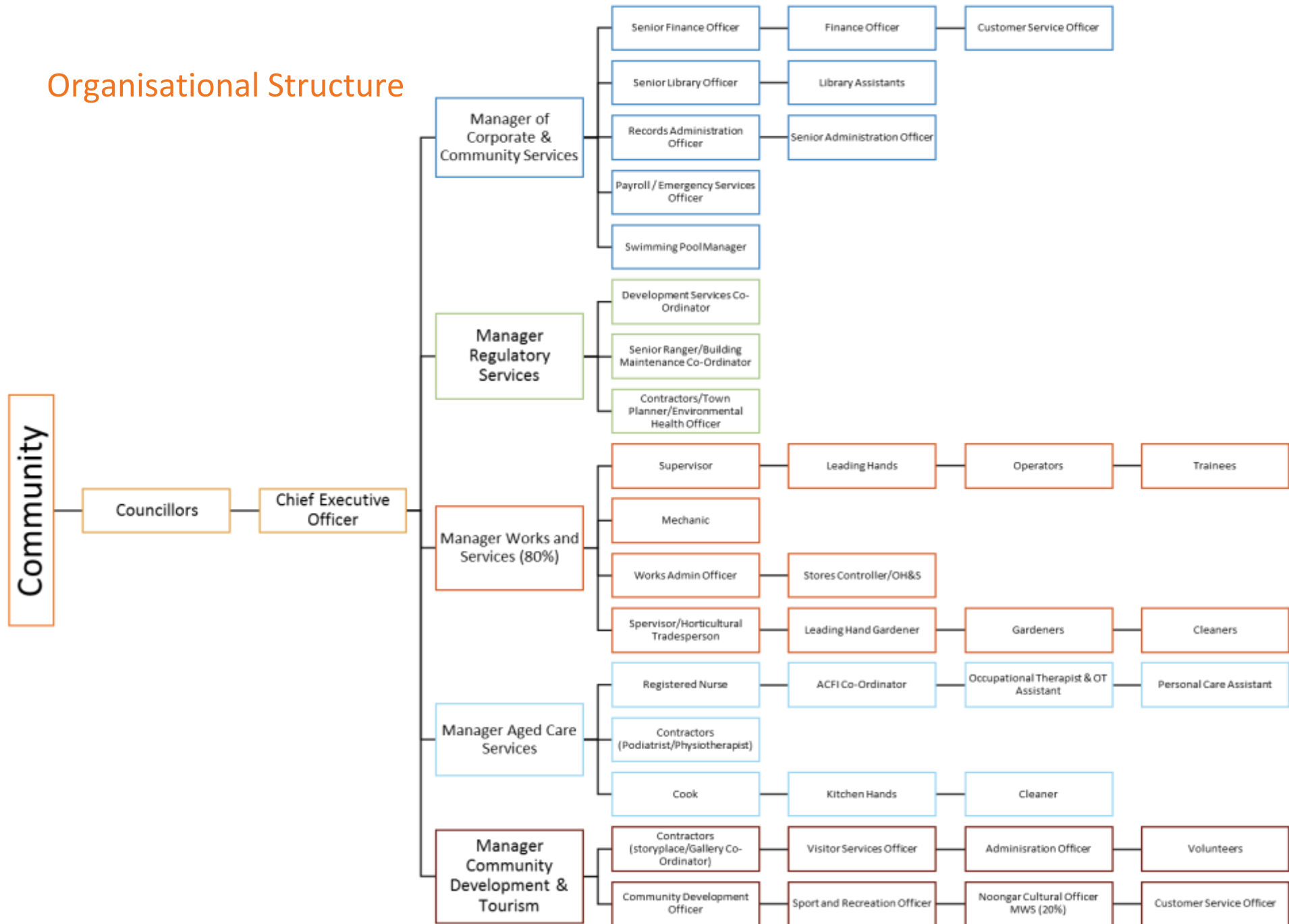
Jill Watkin

Manager the Kodja Place, Tourism & Marketing



- Management of The Kodja Place Precinct
- Tourism
- Marketing

Organisational Structure



Changes to Our Team

The Shire thanks the following staff, who departed from the Shire of Kojonup team during the 2022/2023 financial year, for their contribution:

Departing Employees			
Employee Name	Given Names	Date Commenced	Job Title
Anderson	Grace	19/05/2022	Carer
Sullivan	Hope	14/07/2022	Carer
Sage	Abigail	26/08/2022	Carer
Hansen	Felicity	26/10/2022	Carer
Byrne	Anna	19/09/2022	Customer Service Officer
Macri	Caroline	01/11/2022	Personal Care Assistant
Hill	Rebekka	15/08/2022	Kitchenhand
Hall	Ionie	25/01/2023	Carer
Campbell	Darci	01/06/2022	Carer
Drake	Annabelle	06/03/2023	Carer
Valdehueza	Rio Maybello	04/04/2023	Kitchenhand
Pearce	Sharon	18/08/2015	Carer
Servaas	Claire	31/01/2023	Springhaven Admin/ Customer Services Officer
McCarthy	Aaron	11/07/2022	Technical Officer
Vercoe	Vicky	02/03/2023	Personal Care Assistant
MacDonald	Aaron	26/04/2022	Personal Care Assistant

We welcomed to our team, the following new employees:

Employee Name	Given Names	Date Commenced	Job Title
McKenzie	James Alexander	04/07/2022	Traffic Control - General Hand
Fraser	Douglas	04/07/2022	Works Foreman
Broun	Hayley	12/08/2022	Carer
Gementiza	Fatima	30/09/2022	Cleaner (Springhaven)
Peet	Emelee	10/10/2022	Bushfire Risk Planning Coordinator
Moore	Precious May	23/09/2022	Carer
Gibbons	Michael	25/10/2022	Truck Driver/Plant Operator
Clinch	Craig	08/11/2022	All Rounder/Plant Operator
Jones	Nathan Ian	16/11/2022	Swimming Pool Manager
Robertson	Bethany	04/01/2023	Junior Lifeguard
Benn	Reese	26/01/2023	Carer
North	Bronwyen	25/01/2023	Carer
Gahan	Stephanie	21/01/2023	Carer
Durano	Jennifer	22/02/2023	Cleaner
Johnson	Jillian	27/02/2023	Senior Finance Officer
Durano	Shaine	19/03/2023	Carer
Wilson	Tracy	23/03/2023	Carer
Trout	Susan Elizabeth	17/05/2023	Registered Nurse
Hammond	Wendy Lynne	17/05/2023	Kitchenhand
Berliner	Chyan	08/06/2023	Customer Services Officer
Thomson	Brendon	15/06/2023	Building Maintenance Casual
Woolley	Ryan	13/06/2023	Acting Director of Nursing

Plan for the Future

In accordance with local government integrated planning requirements, on 25 July 2017 the Shire of Kojonup adopted a new Strategic Community Plan, titled *Smart Possibilities*, which set the strategic direction for the organisation for ten (10) years and beyond. It is the community's plan and is based primarily on the feedback obtained through surveys, workshops and interactive voting sessions.

The updated Corporate Business Plan entitled, "*SMART Implementation*" was adopted by Council on 16 June 2020 and sets the direction and priorities for Kojonup until 2024 and beyond. *SMART Implementation* is the first step towards achieving the community aspirations and sets out the key actions for the first four years against five (5) Key Pillars.

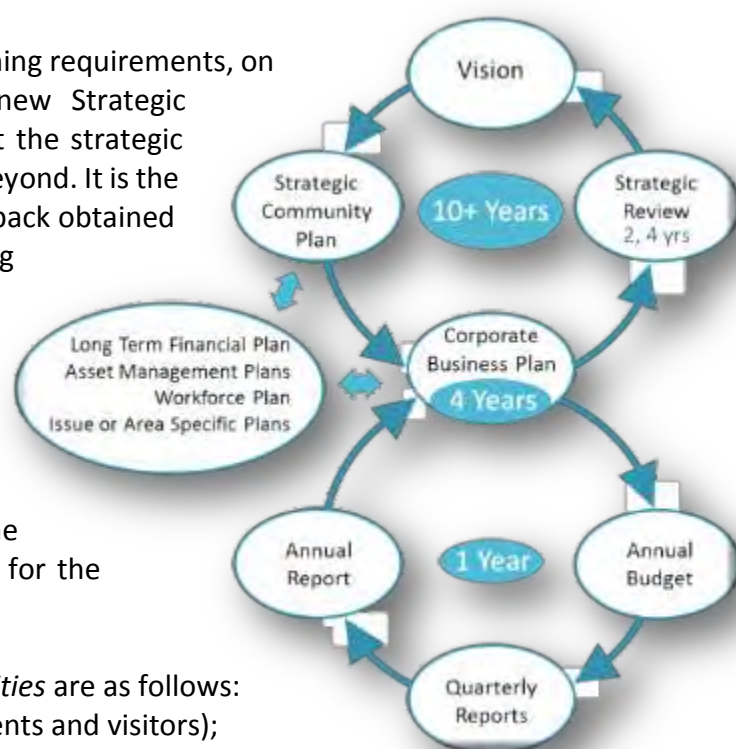
The five (5) 'key pillars' established in *SMART Possibilities* are as follows:

1. **Place** (Kojonup celebrates its diversity for residents and visitors);
2. **Connected** (Kojonup advances through connections, partnerships and alliances);
3. **Performance** (Kojonup's people show commitment to strategy and operational excellence)
4. **Prosperity** (Kojonup invests in its own prosperity and drives economic growth); and
5. **Digital** (Kojonup is ambitious with technology, data and analytics).

Smart Implementation represents a significant improvement on previous plans and is increasing in importance as a vital document. This plan is now equal in importance to the Annual Budget and *SMART Possibilities* and requires regular reference on a day-to-day basis by both staff and elected members.

The community's aspirations in each theme are described, followed by a commitment from the Shire of Kojonup to work towards realising these aspirations. Each commitment by the Shire includes an implementation timeframe that relates to the Shire's four year corporate business planning cycle.

The following commentary outlines actions taken or about to be commenced for each objective within our SMART Implementation. The plan is divided into 'Outcomes' under which 'Objectives' are listed and then 'Actions'. The 'Action' headings have been colour coded to indicate the progress made on achieving this action.












	The 'Action' has been COMPLETED
	The 'Action' is currently still IN PROGRESS
	The 'Action' has NOT COMMENCED

Key Pillar 1 – Place

Kojonup celebrates its diversity for residents and visitors.

During the stakeholder engagement phase of 2017 our community members raised issues regarding balancing resourcing and investment in arts, culture, environment, tourism, sporting clubs, non-sports based fun and recreation, education, indoor activities, and activities to celebrate the diversity of our people.

1.1 – Have maximised our ‘One Community’ program through specific events, celebration of built form and enhancement of our environment.

Ref	Corporate Actions	Status
1.1.1	Develop and grow an annual calendar of events where community and visitors celebrate diversity, history, and place.	
1.1.2	Celebrate the significance of cultural, social and built heritage including local indigenous and multicultural groups.	
1.1.3	Grow The Kodja Place to become an iconic WA attraction.	
1.1.4	Through delivery of an Events Strategy, sponsor, support and promote events that stimulate economic activity and attract visitors to the area.	
1.1.7	Develop and adopt an Event Management and Risk Plan	
1.1.8	Memorial Hall Refurbishment/Upgrade <ul style="list-style-type: none"> Theatrical Society, toilets (internal & external) and Harrison Place Park - \$609,000 Replacement of Guttering and Downpipes - \$50,000 	
1.1.9	Develop Marketing Implementation Plan <ul style="list-style-type: none"> Redevelop the Kodja Place Website Develop a brand and style guide 	
1.1.10	Implement A Hierarchy of Signage <ul style="list-style-type: none"> Tier 1: Main Highway/ Roads – Identity and High level information Tier 2: Township and Precinct entrance points - Directional Tier 3: Precinct Way Finding 	
1.1.17	Visitor centre and retail area – More user friendly	



Kojonup Wildflowers



**Poppies
Open Gardens 2022**

**The Kodja Place's
Billy Riley
Tour Guide**
Photo: Cody McColl,
C & M Images

**Kojonup's
Wildflower and Herbarium Display –
The Kodja Place**
Kindly arranged annually by long
standing volunteer, Chris Lewis



Twilight Markets December 2022



Puggle Lane Designs









Delicious Icecream



Tutus to go!

1.2 – Be a happy, healthy, connected and inclusive community driven by the provision of high standard sport, recreation and open space facilities and programs.

Ref	Corporate Actions	Status
1.2.1	Develop and adopt a Trails Master Plan to develop and activate a trail network and reserve walks in conjunction with State-wide recreation partners.	
1.2.2	Implement and action a Sport, Recreation and Open Space Master Plan.	
1.2.3	Provide community infrastructure that attracts outsourced or privately run facilities and programs.	
1.2.4	Plan and develop appropriate passive recreation facilities (S2.2.3)	
1.2.5	Improve disability access to infrastructure and services (S2.2.4) <ul style="list-style-type: none"> • Re-establish Disability Access Committee • Review Disability Access and Inclusion Plan • Progress Implementation Plan 	
1.2.10	Sporting Infrastructure Upgrades: <ul style="list-style-type: none"> • Reconstruction of Netball Courts • Upgrade Top Oval Lighting • Install destination playground & Outdoor Gym • Upgrade Kitchen in the Sporting Complex • Install Audio/Visual equipment in the pavilion • Upgrade shade shelter on the baby swimming pool • Upgrade Swimming Pool Car Park • Create Swimming Pool leisure activities (e.g. basketball) • Sports Complex Building Defects/Building Compliance/Service Area for bins • East Pool Fence upgrade • Lease Complex – include line marking by clubs • Power Metering 	

Granny Etty's Tree



**Back: Garry Coyne, Eliza Woods, Aden Eades
Front: Patsy Michaels, Annette Woods**

1.3 – Have systems in place to attract youth to the region, even in a transient manner.

Ref	Corporate Actions	Status
1.3.1	Collect data on the needs of youth, as they live, educate, work, visit and return to Kojonup.	😊
1.3.2	Account for long-term and forecasted social changes such as changing household types and density.	😊
1.3.3	Promote the opportunities for traineeships within local government (S1.3.1)	😊
1.3.4	Explore opportunities with local schools and youth organisations to create a Youth Advisory Council to engage and advise the Shire and Councillors on youth issues (S1.2.1)	😊
1.3.5	Develop and adopt an Early Childhood Strategy	😞
1.3.6	Develop and adopt a Youth Engagement Plan	😊



**Learning about
Kojonup's historical
past**

**Kojonup District High
School students**



Mulching at the Rose Maze

**St Bernard's curriculum
volunteers**

1.4 – Be enjoying a Main Street which is an inviting meeting place where we celebrate our history and heritage in a modern way.

Ref	Corporate Actions	Status
1.4.1	Work with local retail outlets to build a people-friendly, active, vibrant and smart Main Street.	🟡
1.4.2	Plan, construct and enable improved off-street parking with a people-friendly Town Square.	🟡
1.4.3	Form a programmed upgrade of Main Street through landscaping, furniture and signage.	🟡
1.4.4	Draft and implement a Parks, Garden and Street Trees policy (N1.3.2)	🟡
1.4.5	Review and implement a townscape plan and “main street” development (N2.2.3)	🟡
1.4.6	Redevelop the main street to create a people friendly and vibrant retail centre (N2.2.4)	🟡
1.4.7	Develop and adopt a Tourism/Destination Signage Plan	🟡

Kojonup Gala Talent Show



‘Basil and Manuel’













Timea Gregova
former Rotary Exchange Student from
Slovakia

Key Pillar 2 - Connected

Kojonup advances through connections, partnerships and alliances.

During the stakeholder engagement phase of 2017 our community members raised issues regarding partnering for growth in childcare, children's activities, public transport, airport provisions, accommodation options, utility services (such as water quality) and forming alliances to grow employment options














2.1 – Be growing our state-wide and local tourism and shopping capabilities through regional alliances.

Ref	Corporate Actions	Status
2.1.1	Build partnerships with WA recreation, business and tourism.	
2.1.2	Promote and facilitate Kojonup as a short-term tourism destination to and from Albany.	
2.1.3	Cooperate to increase activation of Main Street and better use of underutilised Main Street spaces.	
2.1.4	Reach out to investors for management of amenities and future industry growth.	
2.1.5	Foster a strong relationship with Kojonup's Aboriginal community to further recognise and grow the recognition of Aboriginal culture and leadership in the Shire.	
2.1.6	Explore shared services options with neighbouring local governments to improve efficiencies (G1.3.1)	
2.1.7	Support local tourism initiatives (E2.1.4)	
2.1.8	Develop and Adopt a Tourism Marketing Plan	
2.1.9	Develop and Adopt a Tourism Strategy & Plan	
2.1.10	Kodja Place Building Improvements: <ul style="list-style-type: none"> Repair / replace defective walls and wall cladding CCTV and security upgrade Solar Array - \$60,000 	

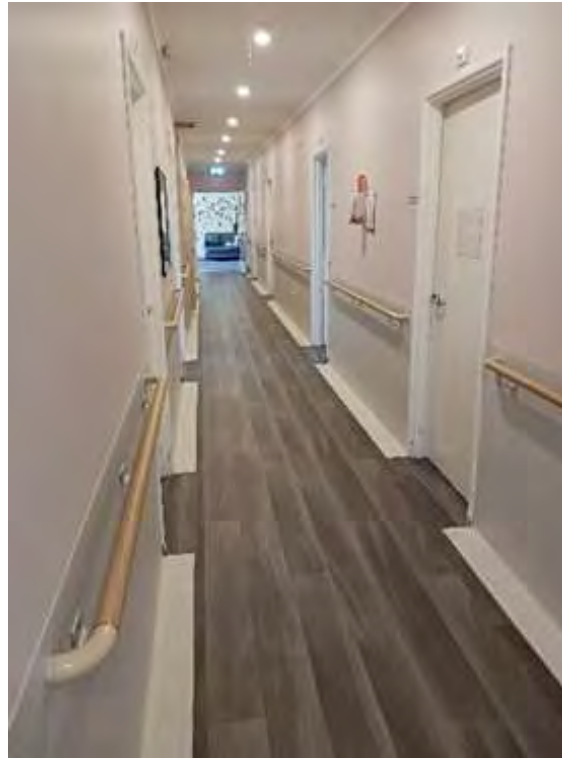


**Spring has Sprung
The Kodja Place Flower Display**

2.2 – Have enhanced our aged-care and health provisions by progressing our connections with regional and state-wide groups.

Ref	Corporate Actions	Status
2.2.1	Work with regional, state and national health providers to develop innovative health services.	
2.2.2	Enhance alliances with state and local health providers to grow a sustainable and modern health system.	
2.2.3	Establish formal networks between all health service providers within Kojonup.	
2.2.4	Enable a sustainable aged-care service through public-private partnerships.	
2.2.5	Advocate for the Department of Health to maintain the presence of existing health services and promote their availability throughout the region (S3.1.2)	
2.2.6	<p>Aged care service will remain compliant with the following accreditation standards:</p> <ul style="list-style-type: none"> Standard 1 – Management systems, staffing and organisational development. Standard 2 – Health and personal care. Standard 3 – Resident lifestyle Standard 4 – Physical environment and safe systems <p>Above standards no longer in place – New standards as follows from 1/7/2019</p> <ul style="list-style-type: none"> Standard 1 – Consumer dignity and choice. Standard 2 – Ongoing assessment and planning with consumers. Standard 3 – Personal care and clinical care. Standard 4 - Services and support for daily living. Standard 5 – Organisation's service environment. Standard 6 – Feedback and complaints. Standard 7 – Human resources. Standard 8 – Organisation governance/ <p><i>*Reaccreditation audits next due February 2021</i></p>	
2.2.7	Springhaven Frail Aged Lodge strategic plan will be completed for 2017-2022.	
2.2.8	Emergency management plan for Springhaven Lodge to be updated to enhance our emergency service provision for residents and staff at the facility.	
2.2.9	Design and upgrade the Springhaven Lodge kitchen	
2.2.10	Explore funding avenues to purchase a bus for use by Springhaven Lodge and the Community.	
2.2.11	Install reticulation to southern side of Springhaven to complete enhancement programme.	
2.2.12	Extend parking area at northern side of Springhaven and incorporate undercover walkway to the entrance of the building.	
2.2.13	Extend IT services to Springhaven including Wi-Fi so residents can remain independent and in touch with the world.	

2.2.14	Design and plan an upgrade to MACS office/Care office to incorporate a meeting room and staff room to maintain privacy and confidentiality for residents, their relatives and staff.	☹️
2.2.15	Convert medication management and record keeping including resident files to an electronic system to increase the safe storage of information.	😊
2.2.16	Develop and adopt a 'Growing Old Gracefully' Plan	☹️
2.2.17	Investigate possibility of leasing or selling Springhaven	😊



Springhaven - New Railing

2.3 – Be providing for a safe and secure environment by working with State and Federal authorities.

Ref	Corporate Actions	Status
2.3.1	Maximise community safety through safe urban design and advocate for enhanced emergency service provisions.	☹️
2.3.2	Support appropriate initiatives to improve safety and reduce crime (N2.4.2)	😊
2.3.3	<ol style="list-style-type: none"> 1. Commence planning and undertake test of documented incident plans 2. Review document as a result of test and in preparation for Council; 3. Investigate and document the procedure to divert Shire land line phones to mobile phones; 4. Prepare Emergency Kits as identified in the plan; and 5. Investigate contractual requirements for radio failure and alternative contingency plans for methods of communications for works staff. 	😊
2.3.4	<p>Replace Dog Pound.</p> <p>Recommended a new pound be located in the Industrial area away from residential area and it be designed to cater for boarding dogs as well as for impounding animals. Estimated cost \$150,000.00.</p>	☹️



2.4 – Have enabled and facilitated improved housing options through public and private partnerships.

Ref	Corporate Actions	Status
2.4.1	Adopt new Town Planning Scheme to support infill residential growth and private subdivisions and advocate for change in the cost of development headworks at a state level	🟡
2.4.2	Commit appropriate staff and resources to be a leader of regional planning initiatives, and services (G1.3.3)	🟡
2.4.3	Support the creation of additional residential lots (E2.1.5)	🟡










Elverd's Cottage

Key Pillar 3 - Performance










Kojonup's people show commitment to strategy and operational excellence.

During the stakeholder engagement phase of 2017 our community members raised issues regarding a considered and agreed customer service charter, efficiency in shared services with VROC, a modern governance structure to attract young professionals within Shire activities, as well as more action with less planning.








3.1 – Be a continually engaged and strategic community which leads and organises throughout the entire stakeholder group.

Ref	Corporate Actions	Status
3.1.1	Have a highly rated Customer Service experience from a cohesive, happy and technology-driven workforce.	
3.1.2	Encourage interaction and input to the Shire of Kojonup, particularly through contemporary working party teams.	
3.1.3	Conduct a bi-annual Community Engagement Survey.	
3.1.4	Implement strategies to improve Councillors role as community leaders and asset custodians (G1.5.3)	
3.1.5	Manage implementation of container deposit scheme legislation	
3.1.6	Determine responsibilities for all assets and review and update lease conditions where other entities have partial or full responsibility for assets on Council managed land.	
3.1.7	Develop and adopt a Community Development Strategic Plan	

3.2 – Be exceptional in two-way communication within our community, and market our brand outside of our community.

Ref	Corporate Actions	Status
3.2.1	Develop uniformity of Kojonup's visual identity and encourage use by all community groups.	
3.2.2	Engage with our residents and industry members through increased use of social media and the provision of information on the Shire's Website.	
3.2.3	Establish social media policy and procedures.	
3.2.4	Develop and implement a formal media and two-way communications strategy.	
3.2.5	Develop an inside-out brand strategy to promote Kojonup to visitors, future residents and potential partners.	
3.2.6	Promote the Shire of Kojonup as an opportunistic place to live.	
3.2.7	Define and grow our brand, and continually promote and activate the diverse features of Kojonup.	
3.2.8	Develop and Adopt a Communications Strategy	
3.2.9	Develop and Adopt a Community Engagement Plan	

3.3 – Use a Building Assessment Framework and control our investment in building maintenance.

Ref	Corporate Actions	Status
3.3.1	Implement an asset rationalisation process based on the Building Assessment Framework.	
3.3.2	Maximise usage of community facilities whilst reducing the financial obligation on the Shire and its people.	
3.3.4	Undertake an asset management planning process to review and rationalize Shire buildings to maximize their use and value to the community (G1.2.1)	
3.3.5	Define, document and implement 'Levels of Service' for all assets and services	
3.3.6	Adapt the current 'Buildings Assessment Framework' project to include review of other asset classes; and dispose of surplus/unsustainable assets as required.	
3.3.7	Ensure the Shire has an appropriate database for storage of asset information and complete a detailed data pick-up and condition assessment of all assets.	
3.3.8	Utilise the results of implementation of recommendation 9 to prepare: <ul style="list-style-type: none"> • A sustainable 'operations and maintenance' plan; • A 'renewal and replacement' plan; and • A 'new, upgrade and disposal (capital investment)' plan. 	



**‘...and the roof goes on’
Harrison Place Public Conveniences
with access ramp**

**Modifications
to Administration Building Front Counter
to provide for easier access**



3.4 – Be organised and transparent with our financial management.

Ref	Corporate Actions	Status
3.4.1	Increase regularity of readable financial reporting to the community.	😊
3.4.2	Act with sound long-term and transparent financial management and deliver residents considered value for money.	😊
3.4.3	Commit to future state-wide measurement systems testing local government performance.	😐
3.4.4	Design a program of activities to imbed sound asset management practice its culture and activities at all levels of the organisation.	😊
3.4.5	Complete a formal assessment of future demand for assets. This will be undertaken as part of economic development planning and consider factors such as potential population growth and changes in demographics. Once complete, update the Asset Management Plan with the results.	😞
3.4.6	Identify the requirements to ensure finance data and information is matched to asset management data (i.e. the same/ integrated classification, storage and reporting systems are utilised). Implement changes as needed.	😊
3.4.7	Compile expenditure information for the past three years, separated by asset class. Utilise this information for modelling purposes when updating the next version of the Asset Management Plan.	😊
3.4.8	Update the Long-Term Financial Plan and ensure there is a mechanism in place to continuously link Asset Management to the Long-Term Financial Plan update cycle.	😐



Craig McVee,
Manager Works and
Services,
accepts a Certificate
of Appreciation for
40 years of service
to the Shire of
Kojonup -
with Shire
President, Cr Ned
Radford
November 2022

Shire President,
Cr Ned Radford,
thanking Heather
Marland, Senior
Finance Officer,
for 21 years of
service to the
Shire of Kojonup
and wishing
Heather well in
retirement
December 2022



Kojonup's new Australian Citizens



**Jason Jury and Rebecca Hagedoorn
February 2023**

**Ariel Carcillar, Francis & Joan Padilla, May Alizer
May 2023**



**Steven, Devina and Stephen Antao
December 2022**







Key Pillar 4 - Prosperity






Kojonup invests in its own prosperity and drives economic growth.

During the stakeholder engagement phase of 2017 our community members raised issues regarding ways to reach new and diverse markets, having a thriving new industry over the next ten years, stimulating employment, successful and unique food and beverage, plus retail ventures, and targeted population growth.




4.1 – Be providing business assistance for growth in small local industry.








Ref	Corporate Actions	Status
4.1.1	Amend Town Planning Scheme to encourage economic development and private investment.	
4.1.2	Establish partnerships with Small Business Centre Albany and Chamber of Commerce and Industry to support local business.	
4.1.3	Advocate regionally, state-wide and federally for issues such as traffic control and water quality.	
4.1.4	Draft a local economic development policy focused to create employment opportunities that attract and retain population in Kojonup (E2.1.2)	

4.2 – Have added value to the agricultural sectors to attract new people to the region.




Ref	Corporate Actions	Status
4.2.1	Encourage community engagement through the establishment of a local Chamber of Commerce and Industry, particularly advancing Kojonup's future and smart agricultural capabilities.	
4.2.2	Enable and advocate for new industry to set up in and around Kojonup.	
4.2.3	Identify and adopt alternate Heavy Haulage Route into the Kojonup planning schemes.	
4.2.4	Expand the industrial estate as required (E2.1.6)	
4.2.5	Establish a Sale Yards Working Group and implement LGIS report	

4.3 – Be attracting support industries and diverse and new business sectors to the region.

Ref	Corporate Actions	Status
4.3.1	Whilst growing business, advocate and manage for expected water efficiency, energy efficiency and waste management to support regional and state-wide environmental standards.	
4.3.2	Establish a noteworthy Kojonup Business Hub for the provision of shared facilities and services.	
4.3.3	Enhance the Agricultural Farm and Education Precinct component to Kojonup District High School, including programs to attract university education or further study in Kojonup.	

4.3.4	Drive population growth through the support of local industry, development of new industry and promotion of Kojonup's point of difference.	
4.3.5	Develop a transient and seasonal worker, and an all-age educational strategy.	
4.3.6	Promote positive environmental and waste management and reduction messages in the community (S3.3.1)	
4.3.7	Develop and adopt an Economic Development Strategy	
4.3.8	Develop and adopt an Economic Development Plan	
4.3.9	Develop and adopt a Waste Management Plan	
4.3.10	Construction of Liquid Waste Ponds	

4.4 – Have collaborated to enhance and attract diverse retail to ensure a successful and renewed Main Street.






Ref	Corporate Actions	Status
4.4.1	Support Main Street urban renewal through in-kind support and policy development.	
4.4.2	Further develop Council policies and business incentives to enhance a 'shop local' philosophy.	
4.4.3	Implement free WIFI on the main street (E1.1.3)	

Key Pillar 5 – Digital



Kojonup is ambitious with technology, data and analytics.

During the stakeholder engagement phase of 2017 our community members raised issues regarding ongoing transparent data to and from the Shire, realised they didn't know enough about Kojonup in real-time, wished for a more digitally connected community, discussed how technology could make the Shire safer, requested greater access to broadband services, and realised the tech farming skills were a point of difference within the region


5.1 – Be fuelling our analytical knowledge to support business growth, operational excellence and farming productivity.

Ref	Corporate Actions	Status
5.1.1	Undertake bi-annual economic and productivity audit of the Shire to enable ongoing knowledgeable planning.	
5.1.2	Improve technology to enable 24 hour two-way digital communication strategy with, within, and outside of the Shire.	
5.1.3	Move to a fully Electronic Record Keeping System by 2019	
5.1.4	Development of Key Performance Indicators for Records Management	
5.1.5	Develop and adopt an Information & Communications Technology Plan.	

5.2 – Be the State's tech-farming epicentre and have an Agricultural Technology Centre for Excellence.

Ref	Corporate Actions	Status
5.2.1	Create partnerships with key stakeholders and business partners to develop Kojonup's Agricultural Technology Centre for Excellence.	
5.2.2	Provide co-location of Kojonup's agricultural community-based organisations with similar objectives into one public technology facility: the Kojonup Business Hub.	

5.3 – Be focussing on agricultural research and have maximised the educational potential of such knowledge.

Ref	Corporate Actions	Status
5.3.1	Engage with state-wide, international or private education institutions to establish an Agricultural Education Precinct in Kojonup.	

5.4 – Have used technology to become a smart, safe, collaborative and informed region.

Ref	Corporate Actions	
5.4.1	Enable and advocate for public access to NBN for all residents.	😊
5.4.2	Set up Kojonup so industry can increase productivity, better connect to the global market place or work remotely, through enhanced technology provisions.	😐
5.4.3	Attract new residents who can run businesses remotely, whilst living in Kojonup.	😞
5.4.4	Use continually collected data and analysis to better plan for population, accommodation, education, health and aged care services.	😐
5.4.5	Provide surrounding regions with data to support their growth and to build alliances.	😐
5.4.6	Technology provisions to ensure all residents have instant access to innovative health provisions.	😐
5.4.7	Partner with Kojonup District High School to promote the advantages of local education	😐
5.4.8	Advocate for the retention of years 11 and 12 at Kojonup District High School	😐



Open Gardens – Pine Avenue

Photograph courtesy of Kim Woods Rabbidge

Statutory Statements

National Competition Policy

Local Governments are required to report their progress in implementing National Competition Policy in their annual report. There are a number of specific requirements placed on local government in the areas of competitive neutrality, legislation review and structural reform.

Competitive Neutrality

The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage or disadvantage, simply as a result of their public sector ownership.

Competitive Neutrality should apply to all significant business activities which generate a user-pays income of over \$200,000 per annum unless it can be shown it is in the public interest.

A public benefit test is used to determine if competitive neutrality is in the public interest. This involves assessing the benefits of implementing competitive neutrality against the costs. If the benefits exceed the costs, competitive neutrality should be implemented.

Structural Review of Public Monopolies

- There were no instances where structural reform principles were applied during the reporting period; and
- There were no instances where structural reform was considered but not applied in the reporting period.

Legislative Review

The Annual Report is to include a statement of which local laws have been reviewed, the conclusions of those reviews and a forward strategy for all local laws still to be reviewed. Local Laws are required by legislation to be reviewed every eight years.

During 2021/2022 the Shire of Kojonup proposed the Shire of Kojonup Parking Local Law 2022 and the Shire of Kojonup Cat Local Law 2022. 2022/2023 saw changes to these proposed local laws, as a result of required consultation, and they continue to be going through the legislative process as at the end of June 2023.

Disability Access and Inclusion Report

During the 2022/2023 reporting period, Council adjusted a section of its front of house counter to improve accessibility for community members with disability.

Council also invested \$280,000 renovating and renewing disability railings and flooring for easier transit and safer access between rooms at its Springhaven Aged Care Facility.

Work desk space was also adjusted to improve Work Health and Safety and railing has been placed near steps to assist a team member post operation and to assist an ageing workforce into the future.

Related Party Disclosures

There were nil Related Party Disclosures during the 2022/2023 period.

State Records Act 2000

The Shire of Kojonup is responsible for managing the Shire's records in accordance with the *State Records Act 2000* and the Recordkeeping Plan RKP2015028/1.

The Shire of Kojonup has a legislatively current Recordkeeping Plan, and Information Management Policy, and has in place Procedure, Risk Assessment and Records Training (Tips & Tricks) documents.

Training in Records Management continued following the implementation of ALTUS in 2021/2022 and as the new records system was imbedded throughout the organisation.

Freedom of Information

(Section 96 & 97 of the *Freedom of Information Act 1992*)

Council's Freedom of Information (FOI) Statement was reviewed and adopted by the Council on 27 July 2021 with a copy being available from the Shire Administration Office, 93 Albany Highway, Kojonup, or from our website at: www.kojonup.wa.gov.au

During the 2022/2023 period the Shire of Kojonup received nil Freedom of Information applications.

Complaints Report

(Section 5.121 of the *Local Government Act 1995*)

This annual report is required to contain details of entries made in the register of complaints, including:

- The number of complaints recorded in the register of complaints; and
- How the recorded complaints were dealt with.

There were nil complaints made in accordance with this legislation in the 2022/23 financial year.

Public Interest Disclosure Act 2003

In accordance with this legislation, procedures have been implemented to facilitate reporting and action of public interest disclosures. During the 2022/2023 period, nil public interest disclosures were lodged.

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

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

Kojonup is a smart region featuring a technologically advanced agricultural community, an educational and historical destination, and a healthy and enviable lifestyle

Principal place of business:
93 Albany Highway
Kojonup WA 6395

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

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

STATEMENT BY CEO

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

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

Signed on the 11th day of January 2024



Chief Executive Officer

GRANT THOMPSON

Name of Chief Executive Officer



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

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
Revenue				
Rates	2(a),24	4,593,076	4,517,462	4,244,756
Grants, subsidies and contributions	2(a)	4,133,200	2,236,715	3,717,380
Fees and charges	2(a)	1,455,695	1,463,986	1,372,148
Interest revenue	2(a)	78,200	43,019	40,717
Other revenue	2(a)	339,984	419,371	374,820
		<u>10,600,155</u>	<u>8,680,553</u>	<u>9,749,821</u>
Expenses				
Employee costs	2(b)	(4,842,312)	(4,641,287)	(4,801,960)
Materials and contracts		(2,272,579)	(1,291,155)	(2,713,786)
Utility charges		(381,105)	(307,140)	(349,845)
Depreciation		(4,822,083)	(3,774,415)	(3,546,351)
Finance costs	2(b)	(132,107)	(133,718)	(68,234)
Insurance		(422,807)	(395,462)	(370,354)
Other expenditure	2(b)	(130,121)	(1,074,777)	(120,480)
		<u>(13,003,114)</u>	<u>(11,617,954)</u>	<u>(11,971,010)</u>
		<u>(2,402,959)</u>	<u>(2,937,401)</u>	<u>(2,221,189)</u>
Capital grants, subsidies and contributions	2(a)	4,786,956	4,479,712	1,628,250
Profit on asset disposals		16,320	16,000	43,698
Loss on asset disposals		(12,308)	(26,000)	(28,879)
Fair value adjustments to financial assets at fair value through profit or loss	4	4,608	0	4,996
		<u>4,795,576</u>	<u>4,469,712</u>	<u>1,648,065</u>
Net result for the period		2,392,617	1,532,311	(573,124)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	0	0	(12,775,208)
Total other comprehensive income for the period	15	0	0	(12,775,208)
Total comprehensive income for the period		2,392,617	1,532,311	(13,348,332)

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

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

	NOTE	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	3	6,019,273	5,500,684
Trade and other receivables	5	2,307,951	850,427
Inventories	6	166,878	171,905
Other assets	7	12,760	0
TOTAL CURRENT ASSETS		8,506,862	6,523,016
NON-CURRENT ASSETS			
Trade and other receivables	5	110,473	96,882
Other financial assets	4	101,862	97,254
Inventories	6	18,861	0
Property, plant and equipment	8	33,568,228	33,885,752
Infrastructure	9	122,628,808	122,316,129
TOTAL NON-CURRENT ASSETS		156,428,232	156,396,017
TOTAL ASSETS		164,935,094	162,919,033
CURRENT LIABILITIES			
Trade and other payables	11	2,588,706	3,051,095
Other liabilities	12	819,546	1,049,302
Borrowings	13	447,038	413,134
Employee related provisions	14	786,161	731,667
TOTAL CURRENT LIABILITIES		4,641,451	5,245,198
NON-CURRENT LIABILITIES			
Borrowings	13	4,988,862	4,835,981
Employee related provisions	14	176,707	102,397
TOTAL NON-CURRENT LIABILITIES		5,165,569	4,938,378
TOTAL LIABILITIES		9,807,020	10,183,576
NET ASSETS		155,128,074	152,735,457
EQUITY			
Retained surplus		71,068,011	67,659,417
Reserve accounts	27	3,003,937	4,019,914
Revaluation surplus	15	81,056,126	81,056,126
TOTAL EQUITY		155,128,074	152,735,457

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



SHIRE OF KOJONUP
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		68,713,276	3,539,179	93,831,334	166,083,789
Comprehensive income for the period					
Net result for the period		(573,124)	0	0	(573,124)
Other comprehensive income for the period	15	0	0	(12,775,208)	(12,775,208)
Total comprehensive income for the period		(573,124)	0	(12,775,208)	(13,348,332)
Transfers from reserve accounts	27	1,455,620	(1,455,620)	0	0
Transfers to reserve accounts	27	(1,936,355)	1,936,355	0	0
Balance as at 30 June 2022		67,659,417	4,019,914	81,056,126	152,735,457
Comprehensive income for the period					
Net result for the period		2,392,617	0	0	2,392,617
Total comprehensive income for the period		2,392,617	0	0	2,392,617
Transfers from reserve accounts	27	1,062,701	(1,062,701)	0	0
Transfers to reserve accounts	27	(46,724)	46,724	0	0
Balance as at 30 June 2023		71,068,011	3,003,937	81,056,126	155,128,074

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

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

	NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		4,611,407	4,193,292
Grants, subsidies and contributions		2,576,965	3,768,762
Fees and charges		1,455,695	1,371,508
Interest revenue		78,200	40,717
Goods and services tax received		87,441	99,500
Other revenue		339,984	374,820
		<u>9,149,692</u>	<u>9,848,599</u>
Payments			
Employee costs		(4,695,030)	(4,719,660)
Materials and contracts		(2,800,692)	(1,713,009)
Utility charges		(381,105)	(349,845)
Finance costs		(132,107)	(53,697)
Insurance paid		(422,807)	(370,354)
Goods and services tax paid		0	(85,703)
Other expenditure		(130,121)	(78,515)
		<u>(8,561,862)</u>	<u>(7,370,783)</u>
Net cash provided by (used in) operating activities		<u>587,830</u>	<u>2,477,816</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(830,662)	(1,784,651)
Payments for construction of infrastructure	9(a)	(4,052,337)	(4,084,135)
Capital grants, subsidies and contributions		4,557,200	2,350,456
Proceeds from sale of property, plant & equipment		69,773	251,659
Net cash provided by (used in) investing activities		<u>(256,026)</u>	<u>(3,266,671)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	26(a)	(413,215)	(255,019)
Proceeds from new borrowings	26(a)	600,000	2,586,078
Net cash provided by (used in) financing activities		<u>186,785</u>	<u>2,331,059</u>
Net increase (decrease) in cash held		<u>518,589</u>	<u>1,542,204</u>
Cash at beginning of year		<u>5,500,684</u>	<u>3,958,480</u>
Cash and cash equivalents at the end of the year	3	<u><u>6,019,273</u></u>	<u><u>5,500,684</u></u>

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

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

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	24	4,590,857	4,517,462	4,243,289
Rates excluding general rates	24	2,219	0	1,467
Grants, subsidies and contributions		4,133,200	2,236,715	3,717,380
Fees and charges		1,455,695	1,463,986	1,372,148
Interest revenue		78,200	43,019	40,717
Other revenue		339,984	419,371	374,820
Profit on asset disposals		16,320	16,000	43,698
Fair value adjustments to financial assets at fair value through profit or loss	4	4,608	0	4,996
		10,621,083	8,696,553	9,798,515
Expenditure from operating activities				
Employee costs		(4,842,312)	(4,641,287)	(4,801,960)
Materials and contracts		(2,272,579)	(1,291,155)	(2,713,786)
Utility charges		(381,105)	(307,140)	(349,845)
Depreciation		(4,822,083)	(3,774,415)	(3,546,351)
Finance costs		(132,107)	(133,718)	(68,234)
Insurance		(422,807)	(395,462)	(370,354)
Other expenditure		(130,121)	(1,074,777)	(120,480)
Loss on asset disposals		(12,308)	(26,000)	(28,879)
		(13,015,422)	(11,643,954)	(11,999,889)
Non-cash amounts excluded from operating activities	25(a)	4,658,060	3,786,415	3,781,900
Amount attributable to operating activities		2,263,721	839,014	1,580,526
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		4,786,956	4,479,712	1,628,250
Proceeds from disposal of assets		69,773	72,000	251,659
		4,856,729	4,551,712	1,879,909
Outflows from investing activities				
Payments for development of land held for resale	6	0	(94,000)	0
Purchase of property, plant and equipment	8(a)	(830,662)	(2,770,429)	(1,784,651)
Purchase and construction of infrastructure	9(a)	(4,052,337)	(3,833,364)	(4,084,135)
		(4,882,999)	(6,697,793)	(5,868,786)
Amount attributable to investing activities		(26,270)	(2,146,081)	(3,988,877)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	26(a)	600,000	600,000	2,586,078
Transfers from reserve accounts	27	1,062,701	759,623	1,455,620
		1,662,701	1,359,623	4,041,698
Outflows from financing activities				
Repayment of borrowings	26(a)	(413,215)	(413,134)	(255,019)
Transfers to reserve accounts	27	(46,724)	(114,867)	(1,936,355)
		(459,939)	(528,001)	(2,191,374)
Amount attributable to financing activities		1,202,762	831,622	1,850,324
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	25(b)	475,453	475,446	1,033,480
Amount attributable to operating activities		2,263,721	839,014	1,580,526
Amount attributable to investing activities		(26,270)	(2,146,081)	(3,988,877)
Amount attributable to financing activities		1,202,762	831,622	1,850,324
Surplus or deficit after imposition of general rates	25(b)	3,915,666	1	475,453

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

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

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

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

The local government reporting entity

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

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

Judgements and estimates

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Specified area rates	Rates charge for specific defined purpose	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Fees and charges	Building, cemetery services, library fees, property hire, private works, planning, development, animal management..	Single point in time	Full payment prior to issue	None	Output method based on provision of service or completion of works, or on payment and issue of the licence, registration or approval
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Reimbursements	Insurance claims and reimbursable expenses	Single point in time	Payment in arrears for claimable event	None	When claim is agreed or when expense is incurred

Consideration from contracts with customers is included in the transaction price

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	4,590,857	2,219	4,593,076
Grants, subsidies and contributions	1,957,774	-	-	2,175,426	4,133,200
Fees and charges	1,138,483	-	317,212	-	1,455,695
Interest revenue	-	-	39,544	38,656	78,200
Other revenue	101,517	-	-	238,467	339,984
Capital grants, subsidies and contributions	-	4,786,956	-	-	4,786,956
Total	3,197,774	4,786,956	4,947,613	2,454,768	15,387,111

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	4,243,289	1,467	4,244,756
Grants, subsidies and contributions	1,683,272	-	-	2,034,108	3,717,380
Fees and charges	1,071,169	-	300,979	0	1,372,148
Interest revenue	-	-	36,750	3,967	40,717
Other revenue	43,762	-	-	331,058	374,820
Capital grants, subsidies and contributions	-	1,628,250	-	0	1,628,250
Total	2,798,203	1,628,250	4,581,018	2,370,600	11,378,071

Note	2023 Actual	2022 Actual
	\$	\$
Interest revenue		
Interest on reserve account funds	38,584	3,967
Rates instalment and penalty interest	39,544	36,750
Other interest revenue	72	-
	78,200	40,717
Fees and charges relating to rates receivable		
Charges on instalment plan	3,951	7,609

The 2023 original budget estimate in relation to Charges on instalment plan was \$3,500.

(b) Expenses

Auditors remuneration		
- Audit of the Annual Financial Report	34,200	32,400
- Other services – grant acquittals	3,500	500
	37,700	32,900
Employee Costs		
Employee benefit costs	4,842,312	4,801,960
	4,842,312	4,801,960
Finance costs		
Borrowings	132,107	68,234
	132,107	68,234
Write down of inventories to net realisable value	-	41,966
Sundry expenses	130,121	78,514
	130,121	120,480

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

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	6,019,273	5,500,684
Total cash and cash equivalents	6,019,273	5,500,684
Held as		
- Unrestricted cash and cash equivalents	2,721,457	977,401
- Restricted cash and cash equivalents	3,297,816	4,523,283
16	6,019,273	5,500,684

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

	2023	2022
	\$	\$
Non-current assets		
Financial assets at fair value through profit or loss	101,862	97,254
	101,862	97,254
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	97,254	92,258
Movement attributable to fair value increment	4,608	4,996
Units in Local Government House Trust - closing balance	101,862	97,254

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

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

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

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

Financial assets at fair value through profit or loss

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

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

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

5. TRADE AND OTHER RECEIVABLES

Current

Rates and statutory receivables
Trade receivables
GST receivable
Allowance for credit losses of trade receivables

Non-current

Pensioner's rates and ESL deferred

Note	2023	2022
	\$	\$
	451,798	449,477
	1,857,295	314,651
	0	87,441
	(1,142)	(1,142)
	<u>2,307,951</u>	<u>850,427</u>
	110,473	96,882
	<u>110,473</u>	<u>96,882</u>

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

	Note	2023	2022
Current		\$	\$
Fuel and materials		15,878	20,905
Land held for resale			
Acquisition & development costs for lots listed for sale		151,000	151,000
		<u>166,878</u>	<u>171,905</u>
Non-current			
Land held for resale			
Acquisition & development costs for ongoing land lots being developed		18,861	0
		<u>18,861</u>	<u>0</u>

The following movements in inventories occurred during the year:

Balance at beginning of year		171,905	314,281
Inventories expensed during the year		(320,158)	(307,443)
Write down of inventories to net realisable value	2(b)	0	(41,966)
Additions to inventory		<u>333,992</u>	<u>207,033</u>
Balance at end of year		185,739	171,905

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the council's intentions to release for sale.

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

7. OTHER ASSETS

	2023	2022
	\$	\$
Other assets - current		
Contract assets	12,760	0
	12,760	0

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Contract assets

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

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

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land \$	Buildings - non- specialised \$	Buildings - specialised \$	Total land and buildings	Furniture and equipment \$	Plant and equipment \$	Tools \$	Total property, plant and equipment \$
Balance at 1 July 2021	2,152,526	12,705,563	16,239,205	31,097,294	265,419	4,041,919	2,548	35,407,180
Additions	-	222,008	698,940	920,948	122,531	741,172	-	1,784,651
Disposals	-	-	(5,325)	(5,325)	-	(231,515)	-	(236,840)
Revaluation increments / (decrements) transferred to revaluation surplus	128,898	(1,898,015)	(74,294)	(1,843,411)	-	-	-	(1,843,411)
Depreciation	-	(274,671)	(466,132)	(742,803)	(19,495)	(462,654)	(876)	(1,225,828)
Balance at 30 June 2022	2,281,424	10,754,885	16,390,394	29,426,703	368,455	4,088,922	1,672	33,885,752
Comprises:								
Gross balance amount at 30 June 2022	2,281,424	10,754,885	16,390,846	29,427,155	418,507	5,404,070	12,541	35,262,273
Accumulated depreciation at 30 June 2022	-	-	(452)	(452)	(50,052)	(1,315,148)	(10,869)	(1,376,521)
Balance at 30 June 2022	2,281,424	10,754,885	16,390,394	29,426,703	368,455	4,088,922	1,672	33,885,752
Additions	-	21,541	450,756	472,297	9,243	349,122	-	830,662
Disposals	-	-	-	-	-	(65,761)	-	(65,761)
Assets classified as held for sale	-	-	-	-	-	-	-	-
Depreciation	-	(226,849)	(427,343)	(654,192)	(20,776)	(406,582)	(875)	(1,082,425)
Balance at 30 June 2023	2,281,424	10,549,577	16,413,807	29,244,808	356,922	3,965,701	797	33,568,228
Comprises:								
Gross balance amount at 30 June 2023	2,281,424	10,776,426	16,841,602	29,899,452	427,750	5,593,893	12,541	35,933,636
Accumulated depreciation at 30 June 2023	-	(226,849)	(427,795)	(654,644)	(70,828)	(1,628,192)	(11,744)	(2,365,408)
Balance at 30 June 2023	2,281,424	10,549,577	16,413,807	29,244,808	356,922	3,965,701	797	33,568,228

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuers	June 2022	Price per m ² /market borrowing rate
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuers	June 2022	Observable open market values of similar assets adjusted for condition and comparability at the highest value and best use.
Buildings - specialised	3	Cost approach using current replacement cost	Independent registered valuers	June 2022	Construction costs and current condition, residual values and remaining useful life assessment inputs
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
(ii) Cost					
Furniture and equipment		N/A	Cost	N/A	N/A
Plant and equipment		N/A	Cost	N/A	N/A

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure kerbing	Infrastructure drainage	Infrastructure bridges	Infrastructure footpaths	Infrastructure parks	Other infrastructure	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	101,924,608	2,428,095	13,109,388	5,201,108	1,084,938	1,414,846	6,321,026	131,484,314
Additions	1,527,260	-	-	-	36,343	2,362,264	158,268	4,084,135
Revaluation increments / (decrements) transferred to revaluation surplus	(7,721,593)	255,999	(1,616,590)	592,245	(10,831)	(1,735,325)	(686,402)	(10,931,797)
Depreciation	(1,424,621)	(109,785)	(283,120)	(53,620)	(39,919)	(67,843)	(341,616)	(2,320,523)
Transfers	(895,602)	109,785	283,120	53,620	39,918	67,843	341,616	-
Balance at 30 June 2022	93,409,952	2,684,095	11,492,499	5,793,354	1,110,450	2,041,885	5,783,894	122,316,129
Comprises:								
Gross balance at 30 June 2022	144,325,294	4,985,965	24,994,145	11,332,778	1,823,976	2,053,074	5,783,894	195,299,126
Accumulated depreciation at 30 June 2022	(50,915,342)	(2,301,870)	(13,501,646)	(5,539,424)	(713,526)	(11,189)	-	(72,982,987)
Balance at 30 June 2022	93,409,952	2,684,095	11,492,499	5,793,354	1,110,450	2,041,885	5,783,894	122,316,129
Additions	3,483,009	-	26,403	-	-	427,935	114,990	4,052,337
Depreciation	(2,474,061)	(199,439)	(499,926)	(113,328)	(60,738)	(117,193)	(274,973)	(3,739,658)
Balance at 30 June 2023	94,418,900	2,484,656	11,018,976	5,680,026	1,049,712	2,352,627	5,623,911	122,628,808
Comprises:								
Gross balance at 30 June 2023	147,808,303	4,985,965	25,020,548	11,332,778	1,823,976	2,481,009	5,898,884	199,351,463
Accumulated depreciation at 30 June 2023	(53,389,403)	(2,501,309)	(14,001,572)	(5,652,752)	(774,264)	(126,382)	(274,973)	(76,722,655)
Balance at 30 June 2023	94,418,900	2,484,656	11,018,976	5,680,026	1,049,712	2,352,627	5,623,911	122,628,808

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost Approach using depreciated replacement cost	Management valuation	June 2022	Construction costs (Level 2) and current condition residual values and remaining useful life assessments (Level 3) inputs
Infrastructure kerbing	3	Cost Approach using depreciated replacement cost	Management valuation	June 2022	Construction costs (Level 2) and current condition residual values and remaining useful life assessments (Level 3) inputs
Infrastructure drainage	3	Cost Approach using depreciated replacement cost	Management valuation	June 2022	Construction costs (Level 2) and current condition residual values and remaining useful life assessments (Level 3) inputs
Infrastructure bridges	3	Cost Approach using depreciated replacement cost	Management valuation	June 2022	Construction costs (Level 2) and current condition residual values and remaining useful life assessments (Level 3) inputs
Infrastructure footpaths	3	Cost Approach using depreciated replacement cost	Management valuation	June 2022	Construction costs (Level 2) and current condition residual values and remaining useful life assessments (Level 3) inputs
Infrastructure parks	3	Cost Approach using depreciated replacement cost	Independent registered valuers/Management Valuation	June 2022	Construction costs (Level 2) and current condition residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure	3	Cost Approach using depreciated replacement cost	Independent registered valuers/Management Valuation	June 2022	Construction costs (Level 2) and current condition residual values and remaining useful life assessments (Level 3) inputs

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

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

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

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings - non-specialised	30 to 50 years
Buildings - specialised	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Tools	4 to 10 years
Infrastructure - roads	12 to 50 years
Infrastructure kerbing	12 to 50 years
Infrastructure drainage	20 to 50 years
Infrastructure bridges	20 to 50 years
Infrastructure footpaths	20 to 50 years
Infrastructure parks	20 to 100 years
Other infrastructure	20 to 100 years

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

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

Initial recognition and measurement between

mandatory revaluation dates for assets held at fair value

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

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

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

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

Revaluation

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

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

Revaluation (continued)

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

Depreciation

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

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

Impairment

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

Gains or losses on disposal

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

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

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued payroll liabilities
ATO liabilities
Accrued interest on long term borrowings
Springhaven accommodation bonds
Accrued expenses

2023	2022
\$	\$
234,601	495,644
60,913	40,261
134,868	107,296
153,273	162,367
25,851	27,606
1,945,000	2,195,000
34,200	22,921
2,588,706	3,051,095

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

Prepaid rates

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

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

12. OTHER LIABILITIES

	2023	2022
	\$	\$
Current		
Capital grant/contributions liabilities	819,546	1,049,302
	<u>819,546</u>	<u>1,049,302</u>
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	1,049,302	327,096
Additions	819,546	1,049,302
Revenue from capital grant/contributions held as a liability at the start of the period	<u>(1,049,302)</u>	<u>(327,096)</u>
	819,546	1,049,302
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	<u>819,546</u>	<u>1,049,302</u>
	819,546	1,049,302

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

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

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

13. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		447,038	4,988,862	5,435,900	413,134	4,835,981	5,249,115
Total secured borrowings	26(a)	447,038	4,988,862	5,435,900	413,134	4,835,981	5,249,115

Secured liabilities and assets pledged as security

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 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 KOJONUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

14. 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

	2023	2022
	\$	\$
	472,479	399,510
	313,682	332,157
	<u>786,161</u>	<u>731,667</u>
	<u>786,161</u>	<u>731,667</u>
	176,707	102,397
	<u>176,707</u>	<u>102,397</u>
	<u>176,707</u>	<u>102,397</u>
	<u>962,868</u>	<u>834,064</u>

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

SHIRE OF KOJONUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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15. REVALUATION SURPLUS

	2023 Opening Balance	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	11,589,786	11,589,786	13,433,197	(1,843,411)	11,589,786
Revaluation surplus - Furniture and equipment	77,021	77,021	77,021	-	77,021
Revaluation surplus - Plant and equipment	497,970	497,970	497,970	-	497,970
Revaluation surplus - Infrastructure - roads	62,404,223	62,404,223	70,905,293	(8,501,070)	62,404,223
Revaluation surplus - Other infrastructure	6,487,126	6,487,126	8,917,853	(2,430,727)	6,487,126
	81,056,126	81,056,126	93,831,334	(12,775,208)	81,056,126

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

16. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2023 Actual \$	2022 Actual \$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	3,297,816	4,523,283
		3,297,816	4,523,283

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

Restricted reserve accounts	27	3,003,937	4,019,914
Unspent loans	26(c)	293,879	503,369
Total restricted financial assets		3,297,816	4,523,283

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

Bank overdraft limit	200,000	200,000
Bank overdraft at balance date	-	-
Credit card limit	30,000	30,000
Credit card balance at balance date	(7,545)	-
Total amount of credit unused	222,455	230,000

Loan facilities

Loan facilities - current	447,038	413,134
Loan facilities - non-current	4,988,862	4,835,981
Total facilities in use at balance date	5,435,900	5,249,115

Unused loan facilities at balance date	293,879	503,369
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SHIRE OF KOJONUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

18. CONTINGENT LIABILITIES

The Shire is not aware of any reportable contingent liabilities as at the reporting date.

19. CAPITAL COMMITMENTS

	<u>2023</u>	<u>2022</u>
	\$	\$
Contracted for:		
- capital expenditure projects	-	457,330
	-	457,330
Payable:		
- not later than one year	-	457,330
The capital expenditure commitments for 2022 relate to construction works as follows:		
Kojonup Play Space	-	457,330

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

20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
President's annual allowance	28,411	28,800	28,847
President's meeting attendance fees	19,482	21,400	14,188
President's annual allowance for ICT expenses	3,000	2,667	2,372
	<u>50,893</u>	<u>52,867</u>	<u>45,407</u>
Deputy President's annual allowance	5,327	7,200	6,928
Deputy President's meeting attendance fees	9,436	10,700	17,868
Deputy President's annual allowance for ICT expenses	2,250	2,667	3,750
	<u>17,013</u>	<u>20,567</u>	<u>28,546</u>
All other council member's meeting attendance fees	72,270	74,900	70,013
All other council member's annual allowance for ICT expenses	17,250	18,666	15,994
All other council member's annual allowance for travel and accommodation expenses	339	700	687
	<u>89,859</u>	<u>94,266</u>	<u>86,694</u>
	<u>157,765</u>	<u>167,700</u>	<u>160,647</u>

(b) Key Management Personnel (KMP) Compensation

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

Note	2023 Actual \$	2022 Actual \$
Short-term employee benefits	685,886	899,131
Post-employment benefits	75,300	94,059
Employee - other long-term benefits	14,288	5,723
Council member costs	<u>157,765</u>	<u>160,647</u>
	<u>933,239</u>	<u>1,159,560</u>

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

20. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

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

	2023 Actual \$	2022 Actual \$
Sale of goods and services	4,698	3,054
Purchase of goods and services	301,012	248,392
Amounts outstanding from related parties:		
Trade and other receivables	2,018	0
Amounts payable to related parties:		
Trade and other payables	11,687	0

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 20(a) and 20(b)

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

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

21. JOINT ARRANGEMENTS

Share of joint operations

In 1998/99, the Shire in conjunction with Homeswest, constructed 2 units for low income residents in the Kojonup townsite. In 2002 an additional 3 units were constructed. The Shire's interest in these units is as follows:

5A and 5B Vanzuilecom Street (2 x 2 Bedroom Units) - 18.20%
 2,4 and 6 Elverd Street (2 x 2 Bedroom Units & 1x3 bedroom Unit) - 20.65%

	2023	2022
	Actual	Actual
	\$	\$
Statement of Financial Position		
Land and Buildings	227,409	219,709
Less: accumulated depreciation	(4,108)	0
Total assets	223,301	219,709
Accumulated surplus	223,301	219,709
Total equity	223,301	219,709
Statement of Comprehensive Income		
Other revenue	37,960	37,960
Depreciation	(4,108)	0
Other expense	(19,372)	(15,168)
Profit/(loss) for the period	14,480	22,792
Statement of Cash Flows		
Other revenue	37,960	37,960
Other expense	(19,372)	(15,168)
Net cash provided by (used in) operating activities	18,588	22,792

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

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

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

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

22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire did not have any events occurring after the reporting date that have a significant effect on the financial statements.

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

23. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

24. RATING INFORMATION

(a) General Rates

RATE TYPE		Rate in	Number	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2021/22
Rate Description	Basis of valuation	\$	of Properties	Actual Rateable Value*	Actual Rate Revenue	Actual Interim Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Total Revenue	Actual Total Revenue
GRV - Urban	Gross rental valuation	0.138150	555	7,017,621	969,484	70,573	1,040,057	969,484	-	969,484	927,324
UV - Rural	Unimproved valuation	0.007420	484	464,233,010	3,444,600	1,813	3,446,413	3,443,058	400	3,443,458	3,213,281
Total general rates			1,039	471,250,631	4,414,084	72,386	4,486,470	4,412,542	400	4,412,942	4,140,605
Minimum Payment		\$									
GRV - Urban	Gross rental valuation	780	78	113,133	60,840	-	60,840	60,840	-	60,840	56,250
UV - Rural	Unimproved valuation	780	56	2,983,489	43,680	-	43,680	45,240	-	45,240	45,500
Total minimum payments			134	3,096,622	104,520	-	104,520	106,080	-	106,080	102,750
Total general rates and minimum payments		Rate in	1,173	474,347,253	4,518,604	72,386	4,590,990	4,518,622	400	4,519,022	4,243,355
Ex-gratia Rates											
CBH Ex-gratia rates					2,219	-	2,219			1,500	1,467
Total amount raised from rates (excluding general rates)			0	-	2,219	-	2,219	-	-	1,500	1,467
Rate write-offs							(133)			(100)	(66)
Concessions							-			(1,560)	-
Total Rates							4,593,076			4,518,862	4,244,756
Rate instalment interest							12,432			8,000	7,609
Rate overdue interest							27,112			30,000	29,141

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

*Rateable Value at time of raising of rate

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

25. DETERMINATION OF SURPLUS OR DEFICIT

	2022/23	2022/23	2021/22
	(30 June 2023	(30 June 2023	(30 June 2022
	Carried	Carried	Carried
Note	Forward)	Forward)	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 *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals		(16,320)	(16,000)	(43,698)
Less: Fair value adjustments to financial assets at fair value through profit or loss	4	(4,608)	0	(4,996)
Add: Loss on disposal of assets		12,308	26,000	28,879
Add: Write down of inventories to net realisable value	6	0	0	41,965
Add: Movement on springhaven bonds		(250,000)	0	147,855
Add: Depreciation	8(a), 9(a)	4,822,083	3,774,415	3,546,351
Add: Provisions fro doubtful debt movement			2,000	
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(13,591)	0	(19,130)
Employee benefit provisions		128,804	0	(7,223)
Movement in accrued interest on loans		(1,755)	0	14,537
Other provisions		0	0	(640)
Inventory		(18,861)	0	78,000
Non-cash amounts excluded from operating activities		4,658,060	3,786,415	3,781,900

(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 *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Reserve accounts	27	(3,003,937)	(3,375,160)	(4,019,914)
Less: Current assets not expected to be received at end of year				
- Land held for resale	6	(151,000)	(673,045)	(151,000)
- Provision for doubtful debts	5	1,142	3,142	1,142
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	13	447,038	150,000	413,134
- Accrued interest on loans	11	25,851	27,606	27,606
- Springhaven Lodge bonds	11	1,945,000	2,195,000	2,195,000
- Employee benefit provisions	14	786,161	731,667	731,667
Total adjustments to net current assets		50,255	(940,790)	(802,365)

Net current assets used in the Statement of Financial Activity

Total current assets		8,506,862	4,838,704	6,523,016
Less: Total current liabilities		(4,641,451)	(3,897,913)	(5,245,198)
Less: Total adjustments to net current assets		50,255	(940,790)	(802,365)
Surplus or deficit after imposition of general rates		3,915,666	1	475,453

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

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Borrowings		Actual						Budget				
		New Loans		Principal	New Loans		Principal	New Loans		Principal		
Purpose	Note	Principal at 1 July 2021	During 2021-22	Repayments During 2021-22	Principal at 30 June 2022	During 2022-23	Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Loans During 2022-23	Repayments During 2022-23	Principal at 30 June 2023
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Medical Centre Donation		131,928	-	(8,405)	123,523	0	(4,294)	119,229	123,523	-	(8,551)	114,972
Bagg Street unit		73,130	-	(9,517)	63,613	0	(9,811)	53,802	66,407	-	(9,811)	58,596
GRDH Housing - GSHI		1,041,456	-	(108,396)	933,060	0	(115,236)	818,822	934,059	-	(110,579)	823,080
Aged Units - GSHI		40,269	-	(5,692)	34,577	0	(10,006)	24,561	30,377	-	(10,008)	20,369
Staff Housing - GSHI		914,071	-	(58,234)	855,837	0	(64,268)	791,569	855,837	-	(58,246)	798,591
Sports Complex		232,211	-	(16,344)	215,867	0	(17,162)	198,705	224,140	-	(17,162)	206,978
Sports Complex Retaining Wall		81,552	-	(5,501)	76,051	0	(9,692)	66,359	72,050	-	(9,692)	62,358
Orval Lighting		255,000	-	(23,572)	231,428	0	(24,220)	206,908	231,128	-	(24,220)	206,908
Netball Courts & Roof		-	1,390,000	-	1,390,000	0	(52,268)	1,337,732	1,390,000	-	(52,268)	1,337,732
Airstrip Lighting		146,439	-	(9,856)	136,583	0	(4,884)	131,699	136,944	-	(10,005)	176,939
Staff Housing		-	55,000	-	55,000	0	(10,594)	44,406	55,000	-	(10,594)	44,406
GRDH Housing		-	55,000	-	55,000	0	(10,594)	44,406	55,000	-	(10,594)	44,406
Hammond Place Toilets & Park		-	400,000	-	400,000	0	(33,385)	366,615	400,000	-	(33,385)	366,615
Land development		-	386,078	-	386,078	0	(32,223)	353,855	386,078	-	(32,223)	353,855
Staff Housing Renovations		-	300,000	-	300,000	0	(14,476)	285,524	300,000	-	(14,396)	285,604
Communications Tower		-	-	-	0	400,000	0	400,000	-	400,000	-	400,000
Hammond Place Toilet & Park (New)		-	-	-	0	200,000	0	200,000	-	200,000	-	200,000
Total		2,918,058	2,586,078	(250,019)	5,248,115	600,000	(415,215)	5,435,900	5,282,543	600,000	(413,134)	5,449,409

All loan repayments were financed by general purpose revenue.

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Insitution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
Medical Centre Donation		137	WATC*	1.73%	28/02/2035	(2,050)	(2,100)	(2,197)
Bagg Street unit		135	WATC*	3.07%	22/05/2028	(1,871)	(1,878)	(2,165)
GRDH Housing - GSHI		138	WATC*	1.44%	28/02/2030	(12,509)	(13,052)	(14,098)
Aged Units - GSHI		139	WATC*	1.17%	28/02/2029	(267)	(326)	(403)
Staff Housing - GSHI		140	WATC*	1.73%	28/02/2035	(14,203)	(14,551)	(15,220)
Sports Complex		134	WATC*	4.94%	28/06/2032	(10,450)	(10,454)	(11,267)
Sports Complex Retaining Wall		136	WATC*	1.88%	31/05/2029	(1,370)	(1,385)	(1,560)
Orval Lighting		142	WATC*	1.45%	28/04/2031	(3,206)	(3,268)	(3,555)
Netball Courts & Roof		143	WATC*	7.86%	4/03/2042	(39,136)	(39,623)	(12,902)
Airstrip Lighting		141	WATC*	1.51%	26/08/2034	(1,976)	(1,663)	(2,127)
Staff Housing		144	WATC*	1.87%	4/03/2027	(915)	(960)	(333)
GRDH Housing		145	WATC*	1.67%	4/03/2027	(915)	(940)	(333)
Hammond Place Toilet & Park		146	WATC*	3.92%	8/05/2032	(15,263)	(15,345)	(985)
Land development		147	WATC*	3.92%	8/05/2032	(14,732)	(14,811)	(950)
Staff Housing Renovations		148	WATC*	4.49%	28/05/2037	(13,076)	(13,296)	(109)
Communications Tower		150	WATC*	4.52%	29/06/2033	(49)	-	-
Hammond Place Toilet & Park (New)		149	WATC*	4.52%	29/06/2033	(99)	-	-
Total						(132,107)	(133,718)	(68,234)
Total Finance Cost Payments						(132,107)	(133,718)	(68,234)

* WA Treasury Corporation

SHIRE OF KOJONUP
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26. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2022/23

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2022 Actual	2022 Budget	2022 Actual	2022 Budget		
				%	\$	\$	\$	\$	\$	\$
Communications Tower	WATC*	Fixed Interest	10	4.52%	400,000	400,000	-	(400,000)	101,586	400,000
Harrison Place Toilets & Park (New)	WATC*	Fixed Interest	10	4.52%	200,000	200,000	(68,871)	(200,000)	50,793	131,129
					600,000	600,000	(68,871)	(600,000)	152,379	531,129

* V/A Treasury Corporation

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2022	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2023
			\$	\$	\$	\$
Loan 143 - Netball courts	WATC*	2/03/2022	158,815	-	(158,815)	-
Loan 146 - Harrison Place Toilets & Park	WATC*	8/06/2022	44,554	-	(44,554)	-
Loan 148 - Staff house renovations	WATC*	24/06/2022	200,000	-	(8,121)	293,879
			503,369	-	(209,490)	293,879

* V/A Treasury Corporation

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27. RESERVE ACCOUNTS

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	235,650	11,771	-	247,421	235,650	10,236	-	245,886	225,393	10,257	-	235,650
(b) Plant reserve	582,448	6,733	(337,835)	251,346	582,448	-	(202,470)	379,978	489,415	583,567	(490,534)	582,448
(c) Economic development reserve	88,507	786	(89,293)	-	88,507	88	(64,000)	24,596	88,409	98	-	88,507
(d) Springhaven lodge reserve	2,195,000	-	(250,000)	1,945,000	2,195,000	-	-	2,195,000	2,047,145	930,000	(782,145)	2,195,000
(e) Low income housing reserve	83,483	1,267	-	84,750	83,483	11,583	(10,000)	85,066	67,408	16,075	-	83,483
(f) Sporting facility reserve	62,737	916	-	63,653	62,737	63	(42,178)	20,622	78,120	20,067	(35,450)	62,737
(g) Springhaven buildings upgrade and renewal reserve	2,165	15,904	(18,069)	-	2,165	2,197	-	4,362	18	2,147	-	2,165
(h) Bushfire communications reserve	89,346	793	(90,139)	-	89,346	89	(89,346)	89	109,492	118	(20,264)	89,346
(i) Landfill waste management reserve	80,047	1,215	-	81,262	80,047	26,550	(50,000)	56,597	55,304	25,743	(1,000)	80,047
(j) Energy efficiency reserve	-	-	-	-	-	-	-	-	4,130	4	(4,134)	0
(k) Land acquisition and development reserve	37,289	333	(37,622)	-	37,289	37	(37,000)	326	37,247	42	-	37,289
(l) Community grants reserve	9,745	149	-	9,894	9,745	10	-	9,755	9,735	10	-	9,745
(m) Independent living units reserve	158,168	2,401	-	160,569	158,168	158	(18,793)	139,533	38,324	125,044	(5,200)	158,168
(n) Spencer street youth precinct reserve	31,270	278	(31,548)	-	31,270	31	(20,000)	11,301	11,245	20,025	-	31,270
(o) Natural resource management reserve	97,430	1,479	-	98,909	97,430	60,097	(83,164)	74,363	111,578	60,165	(74,313)	97,430
(p) Memorial hall & lesser hall upgrades reserve	7,146	63	(7,209)	-	7,146	7	-	7,153	12,118	30,028	(35,000)	7,146
(q) Day care building maintenance reserve	14,766	146	(14,812)	-	14,766	15	(7,000)	7,781	12,051	2,715	-	14,766
(r) Swimming pool reserve	40,469	614	-	41,083	40,469	40	-	40,509	20,433	20,036	-	40,469
(s) Springhaven equipment reserve	16,503	146	(16,649)	-	16,503	17	(10,000)	6,520	6,489	10,014	-	16,503
(t) Salsyards reserve	39,555	351	(39,906)	-	39,555	-	(9,570)	29,985	39,511	44	-	39,555
(u) RSL hall renewal reserve	10,300	92	(10,392)	-	10,301	10	-	10,311	10,289	11	-	10,300
(v) Benn parade multi-facility reserve	14,301	119	(14,420)	-	14,301	14	(14,301)	14	14,269	12	-	14,301
(w) Townscape reserve	49,801	442	(50,243)	-	49,801	50	(49,801)	50	25,333	30,048	(5,580)	49,801
(x) Kodja place building upgrade & renewal reserve	17,630	250	-	17,880	17,628	18	(10,000)	7,646	9,611	10,019	(2,000)	17,630
(y) Kodja place masterplan implementation	10,007	89	(10,079)	17	-	-	-	-	0	10,007	-	10,007
(z) Shire office/library building upgrade & renewal reserve	1,007	-	(1,007)	-	1,007	1	-	1,008	1,007	-	-	1,007
(aa) Works depot building upgrade & renewal reserve	1,006	-	(1,006)	-	1,006	1	-	1,007	1,006	-	-	1,006
(ab) Netball court resurface reserve	1,007	8	-	1,013	1,007	3,501	-	4,508	1,007	-	-	1,007
(ac) The spring reserve	16,018	142	(16,160)	-	16,018	18	(16,000)	34	1,007	15,011	-	16,018
(ad) Sporting complex building upgrade & renewal reserve	1,080	56	-	1,136	1,080	1	-	1,081	1,049	31	-	1,080
(ae) Playgrounds & parks reserve	20,026	179	(20,205)	-	20,027	20	(10,000)	10,047	10,009	10,017	-	20,026
(af) Trails network construction reserve	6,007	2	(6,007)	2	6,009	6	(6,000)	15	1,007	5,000	-	6,007
(ag) Kodja place tourist precinct reserve	-	-	-	-	10,007	10	(10,000)	17	0	-	-	0
	4,019,914	46,724	(1,062,701)	3,003,937	4,019,916	114,867	(759,623)	3,375,160	3,539,179	1,936,355	(1,455,620)	4,019,914

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

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

Name of reserve account	Purpose of the reserve account
Restricted by council	

(a) Leave reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Plant reserve	Ongoing	To smooth funding allocations over financial years for the purchase of major plant items.
(c) Economic development reserve	Ongoing	To be used for Pillar 5 - 'Digital' within 'Smart Possibilities' in the Kojonup Community Strategic Plan.
(d) Springhaven lodge reserve	Ongoing	To cash back refundable bonds paid by residents of the facility.
(e) Low income housing reserve	Ongoing	To be used for major maintenance of Jean Sullivan Units. All operating profit is to be transferred to this reserve in accordance with the joint venture agreement.
(f) Sporting facility reserve	Ongoing	To fund Council contribution to CSRFF Funding grants or to fund construction or renewal of Shire sporting facilities.
(g) Springhaven buildings upgrade and renewal reserve	Ongoing	To be used for major maintenance and capital renewal of Springhaven facility buildings.
(h) Bushfire communications reserve	Ongoing	To construct and maintain critical bushfire communication infrastructure.
(i) Landfill waste management reserve	Ongoing	To be used for future upkeep, maintenance, expansion, post closure activities and/or reclamation of the Shire's waste management facilities.
(j) Energy efficiency reserve	Ongoing	To fund energy efficiency initiatives within the Shire's operations. 50% of any savings resulting from expenditure of this reserve account is to be transferred back into the Shire's operations.
(k) Land acquisition and development reserve	Ongoing	To fund the purchase of land, sub-division expenses and receipt sub-division sales revenue.
(l) Community grants reserve	Ongoing	To finance community grant scheme rounds and to financially manage larger community grants that may extend over more than one financial year.
(m) Independent living units reserve	Ongoing	To transfer operating profits from Loton Close units to this reserve to fund major maintenance and future asset replacement.
(n) Spencer Street youth precinct reserve	Ongoing	To fund development, planning and construction of a skate park, pump track and youth centre at the Spencer Street site.
(o) Natural resource management reserve	Ongoing	For the Shire of Kojonup to progress the following projects:- 1. Bridal Creeper and legume Eradication program. 2. Managing water resources including water harvesting and re-use opportunities in the Shire for the use in Kojonup parks and reserves during summer. 3. Undertake weed management and planting of native trees and shrubs in conjunction with Schools, Kojonup Aboriginal Corporation and community groups within its area. a) Myrtle Benn, Farrar and Quin Quin. b) Showground's area, and c) Blackwood Road arboretum To improve bio diversity, fauna habitat and natural resource management outcomes.
(p) Memorial hall & lesser hall upgrades reserve	Ongoing	To construct a medical centre as defined within the existing Shire of Kojonup Town Planning Scheme No.3.
(q) Day care building maintenance reserve	Ongoing	For the expenditure of major building maintenance items on the Kojonup Day Care Centre building, corner of Elverd & Honner Streets, Kojonup.
(r) Swimming pool reserve	Ongoing	To fund major refurbishment and/or asset replacement of the Kevin O'Halloran Memorial Swimming Pool.
(s) Springhaven equipment reserve	Ongoing	To fund major equipment purchases at Springhaven Lodge.
(t) Saleyards reserve	2023	To fund capital renewal and upgrades to the Kojonup Saleyards.
(u) RSL hall renewal reserve	2023	To be used for major refurbishment and/or re-purposing of the Kojonup RSL Hall.
(v) Benn parade multi-facility reserve	2023	To be used to fund the co-location of Historical Society, Men's Shed and Kojonup Tourist Railway facilities to the Benn Parade Railway precinct.
(w) Townscape reserve	Ongoing	To be used for major townscape improvements to the Kojonup Town Centre.
(x) Kodja place building upgrade & renewal reserve	Ongoing	To be used for building upgrades and renewals to Kodja Place.
(y) Kodja place masterplan implementation	Ongoing	To be used to fund the implementation of the recommendations contained within the Kodja Place Master Plan.
(z) Shire office/library building upgrade & renewal reserve	Ongoing	To be used for major upgrade and capital renewal of the Shire Administration Centre and library buildings.
(aa) Works depot building upgrade & renewal reserve	Ongoing	To be used for major upgrade and capital renewal of the Works & Services Depot buildings.
(ab) Netball court resurface reserve	Ongoing	To be used for the future replacement of the netball court playing surfaces.
(ac) The spring reserve	Ongoing	To be used for major capital upgrades and improvements at the Kojonup Spring area.
(ad) Sporting complex building upgrade & renewal reserve	Ongoing	To be used for major upgrade and renewal of the Sporting Complex Building.
(ae) Playgrounds & parks reserve	Ongoing	To be used to fund the major asset renewal of playground equipment and park infrastructure.
(af) Trails network construction reserve	Ongoing	To be used to construct recreational trails within the Shire of Kojonup in accordance with the Great Southern Master Trails Plan and the Shire of Kojonup Trails Plan.
(ag) Kodja place tourist precinct reserve	Ongoing	To be used for funding projects after considering advice from 'Storyplace/Gallery Work Group'.

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28. TRUST FUNDS

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

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
Loton Close bonds	761	-	-	761
	761	-	-	761