Shire of
Peppermint Grove

Annual Report
2021–2022

"A Shire valued for its heritage, sense of community and natural ambience..."

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Acknowledgement of Country

The Shire of Peppermint Grove acknowledges
the Whadjuk Nyoongar people
as the traditional custodians of the lands
and pay our respects to Elders
past, present and emerging.

Introduction to the Shire of Peppermint Grove

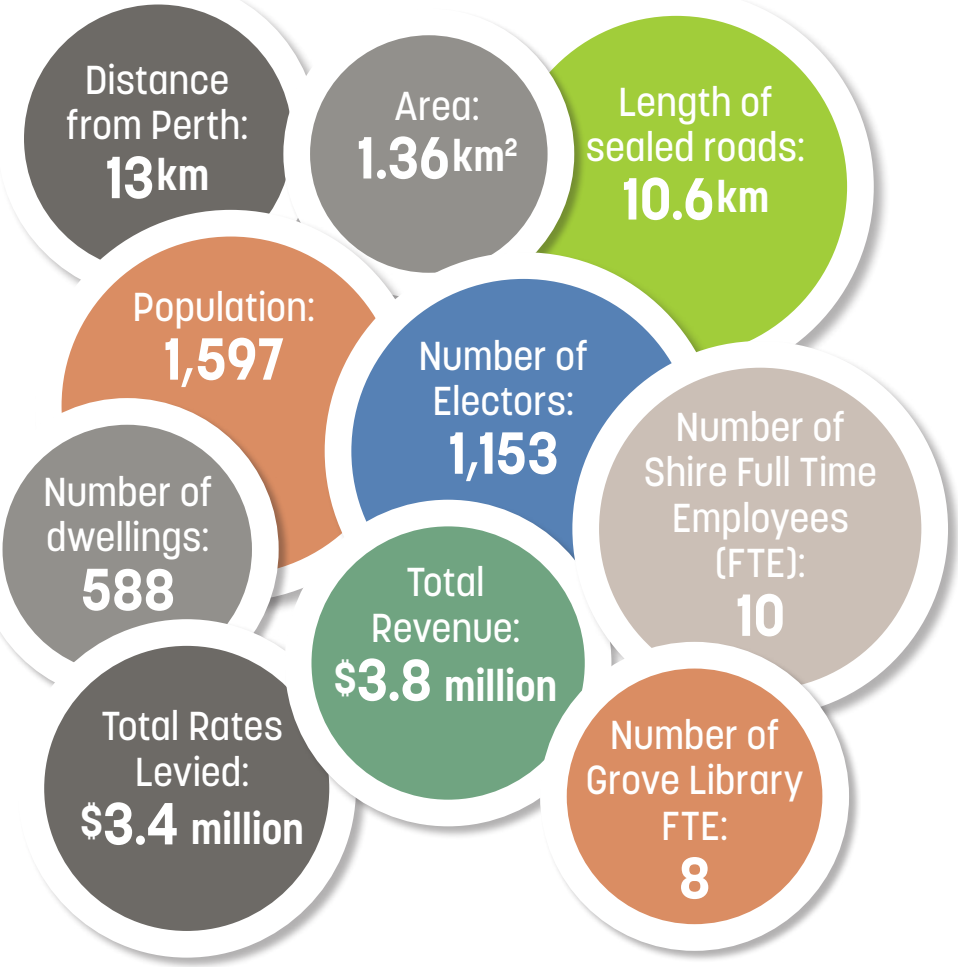
With a rich history dating back to 1832 and the early settlement of the Swan River Colony, the Shire of Peppermint Grove is known for its beauty and heritage boasting large character homes, a stunning river foreshore, beautiful gardens and shady streets lined with peppermint trees.

Many generations of families have lived in Peppermint Grove and there is a strong sense of community often not found in metropolitan communities.

With an area of only 1.36 square kilometres, the Shire prides itself on providing personalised services to its 1,597 residents who reside in a predominantly residential community. Considered to be a highly desirable suburb, Peppermint Grove has an above average socio-economic profile. Much of the Shire's activities relate to the development or redevelopment of large residences.

The maintenance of the suburb's amenity, particularly its trees, foreshore and reserves, is a high priority for residents.

Some interesting statistics about the Shire include:



Apart from the peppermint tree lined streets and pristine Freshwater Bay, some attractions in the Shire include:

- Freshwater Bay boating jetties
- Freshwater Bay foreshore beach reserve
- Royal Freshwater Bay Yacht Club
- Keane's Point parkland and barbeque facilities
- Keane's Point children's play equipment
- Manners Hill Park Reserve
- Manners Hill Pavilion
- Australia Day Festivities
- Peppermint Grove Tennis Club
- Presbyterian Ladies College
- Cottesloe Primary School
- The Grove Library
- Freshwaters Café
- The Community Centre
- Peppermint Grove Heritage Trail
- Carols by Candlelight
- St Mary Star of the Sea Church
- St Columba's Church
- Cottesloe Central Shopping Centre
- Whadjuk Trails Network
- Grove Coffee Café (Library).

The Shire President's message

It is my pleasure to present the Annual Report for the Shire of Peppermint Grove for the 2021/2022 financial year.

I'm pleased to report that the Shire completed the year with an operating surplus and with a clean bill of health from the auditors. A full set of accounts are included in this report.

Whilst there have been some continuing impacts from the COVID-19 pandemic, the Shire has had a positive year. Our development applications and building licenses have increased in comparison to previous years; library membership numbers are returning to pre-COVID levels; children's rhyme time and other library activities have had increased participant numbers; and events such as Carols by Candlelight and Australia Day were very well attended.

In 2021/22 we continued to focus on asset management to ensure that our buildings, parks, roads and drainage are all maintained to a high standard. The Shire was successful in receiving grants from the Federal Government as part of COVID-19 economic stimulus packages. These grants were used to upgrade the footpath along Stirling Highway and to replace all of the Shire's bench seats, picnic tables, bins and park bollards. As part of our asset management planning responsibilities, we increased the Shire's reserve funds by $500,000 during the year to $1.67 million.

The Council adopted a Street Tree Management Strategy for the Shire's trees on road verges and in parks. The Shire places a high value on our trees, particularly the peppermint trees. The Strategy defines how and when trees are pruned; when they will be removed and replaced; and how new construction is managed around these trees. A copy of the Strategy is on the Shire's website.

Local government elections were held during the year and I congratulate Charles Hohnen, Karen Farley and Patrick Dawkins on their re-election to Council. I also congratulate and welcome new councillor, Doug Jackson. I would like to acknowledge and thank departing councillor, Greg Peters, for his 12 years of service to the Peppermint Grove community. My thanks to all councillors for the support that they give to me and for their commitment to the well-being of the Shire and its residents.

Finally, I would like to thank the Shire's management and staff for their hard work during the year and their continued focus on customer service, good governance and sound financial management.

Rachel Thomas

Shire President

A message from the Chief Executive Officer

I am pleased to present the Annual Report, incorporating the financial statements for 2021/2022. The Shire has again received a clear audit report.

I have previously reported on the steps that the Shire is taking to ensure that we are fiscally responsible and are planning for the future. The Shire has an Asset Management Plan that is reviewed annually and identifies the funding provision required for future years to either maintain the asset or replace it. The Shire's biggest assets are the road network, footpaths, drainage and the Shire's share of the Grove Library and administration building.

Initial expectation when COVID started was that the economy would struggle, however Shire has seen the opposite with plenty of activity in the building sector in the Shire. Further into this report the Manager Development Services will expand of development applications and building licenses issued.

The green amenity of the Shire is very important to the Shire staff. A Tree Management Strategy was adopted that provides guidance on how the Shire's trees on verges and in the parks will be managed. A tree audit was completed, and the tree inventory now notes the condition of each tree and any special requirements going forward.

I would like to thank the Shire President and Councillors for their support and strong leadership throughout the 2021/2022 year. I also thank my managers and staff for their professionalism and dedication to the task of providing a high level of service to the residents of the Shire.

Don Burnett
Chief Executive Officer

> "The Shire places a high value on our trees, particularly the peppermint trees..."

Councillors at 30th June 2022

Shire President
Councillor Rachel Thomas

Deputy President
Councillor Charles Hohnen

Councillor Karen Farley

Councillor Dawne Horrex

Councillor Peter Macintosh

Councillor Patrick Dawkins

Councillor Doug Jackson
from October 2021

Councillors Meeting Attendance

Register of Councillor Attendance at Meetings (Regulation 19B(f))	Number of Ordinary Council Meetings Attended (11 Annual Meetings)	Number of Audit, Governance & Risk Management Committee Meetings Attended (3 Annual Meetings)	Number of Annual General Meeting of Electors Attended (1 Annual Meeting)	Number of Special Council Meetings Attended (3 Annual Meetings)
Cr Rachel Thomas	10	2	1	2
Cr Charles Hohnen	11	2	1	3
Cr Dawne Horrex	11	Not a member of Audit Committee	1	3
Cr Karen Farley	8	Not a member of Audit Committee	1	2
Cr Peter Macintosh	11	2	1	2
Cr Patrick Dawkins	11	1	1	3
Cr Doug Jackson (from Oct 2021)	7	1	1	2
Cr Greg Peters (to Sept 2021)	3			

Executive Staff Members

Chief Executive Officer
Don Burnett

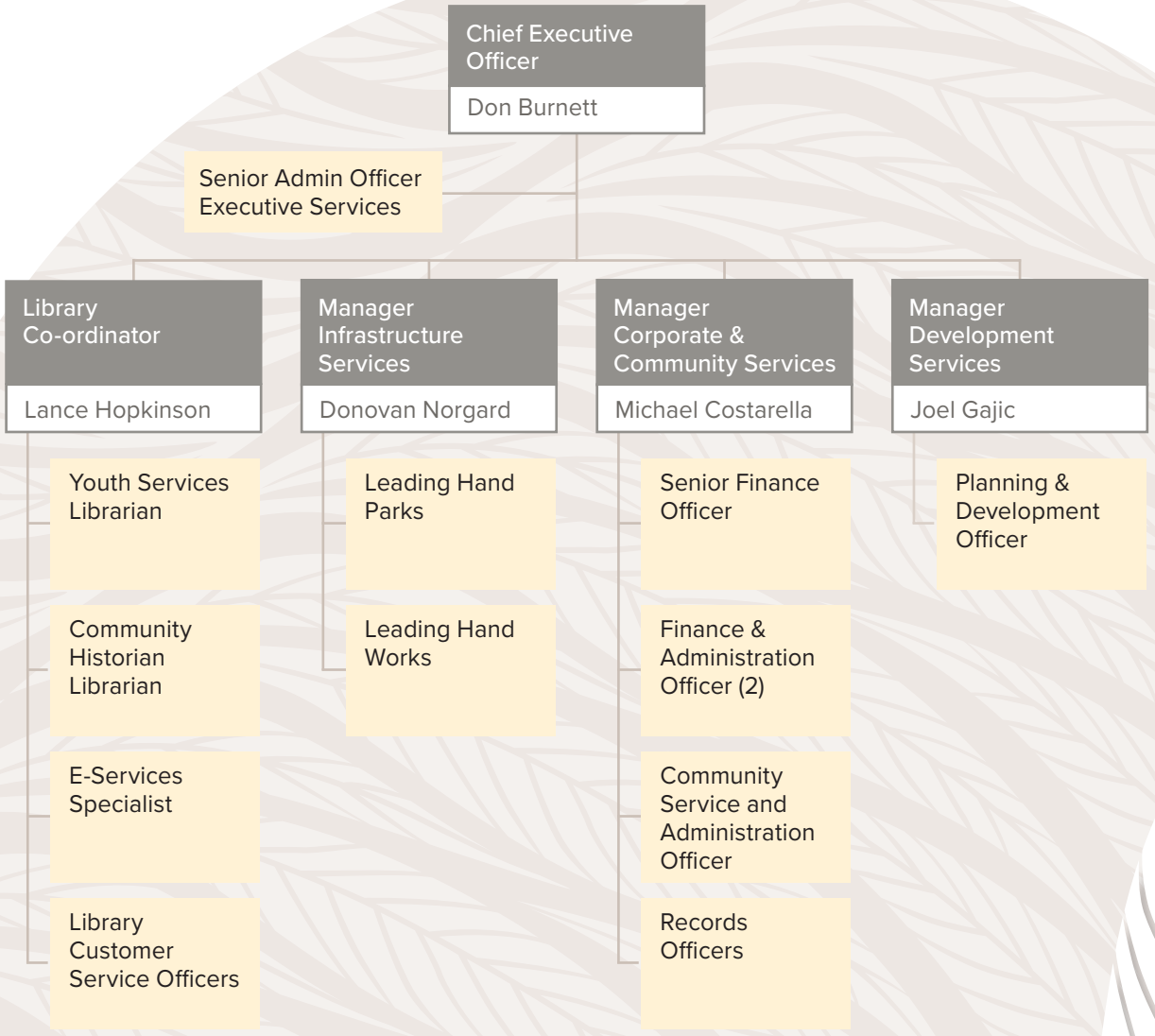
Library Co-ordinator
Lance Hopkinson

Manager Infrastructure Services
Donovan Norgard

Manager Corporate & Community Services
Mike Costarella

Manager Development Services
Joel Gajic

Organisation chart



2021–2031 Strategic Community Plan

Our Strategic Community Plan responds to the community's key areas of interest.

Our Goal and Objectives for each strategic priority area over the next 10 years are as follows:

Strategic Priority	Objectives
1. Social	
Goal: "A community enjoying high levels of wellbeing and safety"	1.1 Maintain/increase actual and perceived safety and security. 1.2 Facilitate age-appropriate services, particularly for seniors and youth. 1.3 Preserve and promote local history and heritage. 1.4 Promote community connection and activation.
2. Economic	
Goal: "Diverse and flourishing local economy"	2.1 Improved local business centres. 2.2 Facilitate options for customers and visitors. 2.3 Effective relationships with local businesses.
3. Built Environment	
Goal: "Perpetual character and inviting, accessible and connected amenities"	3.1 Perpetual character of Peppermint Grove. 3.2 Inviting, accessible and connected Shire.
4. Natural Environment	
Goal: "Preserved natural environment and minimised environmental impact"	4.1 Protect and enhance Peppermint Grove's natural environment and biodiversity. 4.2 Maintain a clean, healthy and sustainable environment. 4.3 Protect our natural resources for future generations.
5. Governance	
Goal: "Aligned and accountable Council and Community Leadership"	5.1 Provide accountable and transparent leadership. 5.2 Engage, communicate and consult with our community and stakeholders. 5.3 Advocate to reflect the community's Vision. 5.4 Sustainable and optimal use of Shire resources.

2021–2025
Corporate Business Plan

The Corporate Business Plan outlines the Shire's key priorities and actions for a 4-year period.

The plan is informed by the Strategic Community Plan and aims to integrate the community's aspirations into the Shire's operations.

The Strategic Community Plan and the Corporate Business Plan form part of the WA Governments Integrated Planning and Reporting Framework. The 2021–2022 Annual Report provides information on the activities and projects that have been undertaken to achieve the objectives contained in the 2021–2025 Corporate Business Plan.

Community and Social Strategies 2021–2022

The Grove Library has continued to provide a quality service to the community during these uncertain times.

Children's Rhyme time and Story time have continued to be popular, with the Youth Services Coordinator increasing the number of Rhyme time sessions to allow for larger numbers and social distancing. Community History has produced a number of excellent exhibitions on notable locals and working with Adult Services have undertaken a series of Memories events to harvest photos and oral histories from residents.

E-services has provided quality Tech help to the community through PLC tech help, group workshops and Friday volunteer tech help.

The lessening effects of COVID-19 have seen a return of parents and children to the library with a subsequent increase in circulation for the junior collection, but the adult and senior patrons have been slower to return meaning a small decrease in usage. E-services have continued to grow throughout the year especially in the e-audio books and e-magazines that have both benefitted from direct promotion to the patrons.

Active library memberships are down from the previous year, but the majority of the fall can be attributed to a 700 reduction in library use by people from outside of the Western Suburbs Library Group (WSLG) area.

The Community Centre hosts numerous community groups such as West Coast Community Centre, Men's and Women's Probus Clubs, and U3A, which provide a wide range of recreational and social programs for local residents.

Grove Library and Community Centre

- Book loans increased by 6.3% to 189,636, with the use of e-services increasing by 33% to a total of 34,391 at around 15% of total loans. The rise in e-services can primarily be put down to the promotion of e-audio books as the library moves away from the CD audio book format.
- Technology help for seniors was offered in conjunction with students from PLC, and a small team of dedicated volunteers.
- The Grove Classics the annual series of classical music concerts were postponed until October due to COVID restrictions on numbers. The events once staged, proved

to be well supported by local audiences. The inclusion of a one-off event, the Valentine's Day Champagne Concert, also proved very popular.

- Eight book groups held their regular meetings at The Grove.
- Four art exhibitions featuring local artists were held.
- West Coast Community Centre hosted 196 events, down from 279 pre-COVID. These events were impacted by the reduced capacity in the Community Centre (down from 100 to 48 maximum capacity) and cancellation of some programs by users due to lockdowns and restrictions. Total attendance of all events at the Community Centre was 8,045.

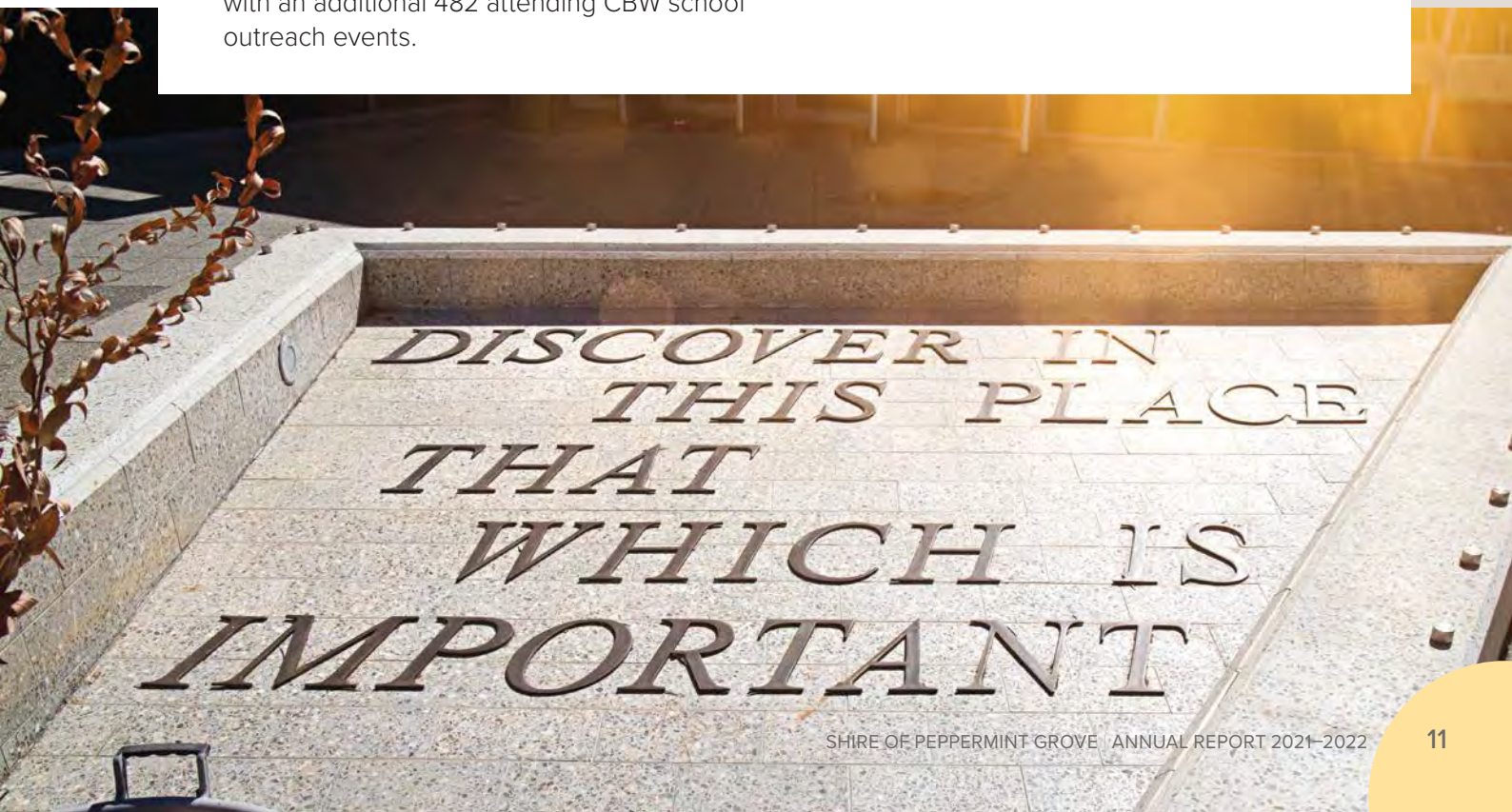
Library Services to Children and Students

- Due to the COVID restrictions on numbers Baby Rhyme Time sessions were doubled to reduce the number of patrons in each session. The library now runs 6 sessions a week. These sessions continued through the school holidays. Total sessions run 253; Attendance approx. 9,955 toddlers and parents.
- The Youth Services Librarian visited every school, kindergarten and playgroup in the Shire throughout the year.
- 114,701 children's books were loaned, an increase of 13% on the previous year.
- 890 students came to the Library from local schools for Children's Book Week (CBW), with an additional 482 attending CBW school outreach events.
- Turning Points in History for 9–12 year olds. A new series specifically designed to cover historical events not covered by current school curriculums. Attendance for each session ranges from 18–24 students per session.

Community History

The Grove's Community History Library collects and curates the history of the suburbs of Mosman Park, Cottesloe and Peppermint Grove, with an emphasis on digital preservation and dissemination.

- The Community History Librarian raided the archives for an exhibition to help celebrate the 10th anniversary of the opening of The Grove Library.
- Two themed "Memories" events were held. These events were designed to help bring in photos and oral histories from the people who grew up in the area during the 50's and 60's. The event presented the attendees with a panel discussion that allowed them to share their childhood memories of growing up in the area.
- Two Community History exhibitions, held in the library main hall, celebrated the lives of prominent residents. The exhibitions, for Dr Blackall who served the needs of local residents during the first half of the 20th century and the Earle Sisters who crusaded for women's rights were both well attended.
- Community History undertook 211 enquiry searches (property searches etc.) and 17 Oral history interviews within the year.



Carols by Candlelight

The Shire's annual Carols by Candlelight was held at Manners Hill Park on Sunday 12 December 2021 and was led by the Mighty Camelot Choir and Balga Community Band. This event always proves to be popular attracting approximately 500 people. The occasion provides an opportunity to catch up, it unites local residents, friends and family. As has been the tradition for over twenty years the Shire supports The Salvation Army who in turn gives all proceeds raised on the night to the BALGA Early Learning Centre. The centre supports underprivileged children as well as struggling families at Christmas who are in need of assistance. Our volunteers encourage local businesses to donate fabulous prizes and we raise money by selling raffle tickets and song books.

Australia Day 26th January 2022

The Combined Councils of Shire of Peppermint Grove and Towns of Cottesloe and Mosman Park amalgamate for this event. 2022 was hosted by the Shire of Peppermint Grove in the spacious grounds of Manners Hill Park in Peppermint Grove, the location and weather were perfect. The event was attended by over 400 people and included Welcome to Country, Citizenship Ceremony welcoming 58 new citizens to the community, an Affirmation Ceremony, 9 Citizen of the Year Awards were presented as well as a free sausage sizzle and refreshments for the Community.

Jenny Davis, Australia Day Ambassador, gave the Australia Day Address. Shire President Rachel Thomas, together with Jenny Davis, awarded Graham Dart Citizen of the Year. Graham has been the Principal of Cottesloe Primary School for over ten years. Under his stewardship, Cottesloe Primary has developed a reputation for having a supportive, inclusive and positive learning environment focusing on excellence in learning, the development of critical and creative thinking and the fostering of strength of character.

As a result of Graham's commitment to the positive culture he has fostered at the school, it now attracts highly capable and well credentialed teachers, all of whom give up significant amounts of their own time to run everything from Drama and Performing Arts clubs to sporting groups.

Graham has ensured that a school that is over 120 years old continues to develop and adapt to provide a broad and inclusive education that engages and challenges its students.

From top:
The popular Carols by Candlelight; and Citizen of the Year Graham Dart with Rachel Thomas.

Above: Team 32, recipients of the Active Citizenship – Community Group Award of the Year, with Rachel Thomas.

Right: Australia Day 2022: new citizens, Citizens of the Year and residents.

Rachel Thomas, together with Jenny Davis, also awarded Peter Iancov and Team 32 the Active Citizenship – Community Group Award of the Year. Peter built a team of people from across Perth walking every weekend in preparation to raise money for worthy causes. They have raised money every year for 7 years and are incredibly active and loyal supporters of the Harry Perkins Institute of Medical Research. The Harry Perkins Institute hold an annual walk to raise funds for Women's Cancer Research and in 2021 Peter and Team 32 were the highest fundraisers in the entire event.

Their continuous fundraising and commitment to a number of important charitable causes also includes supporting: The Black Dog Institute, Beyond Blue and Legacy which supports the families of our veterans.

Seniors Morning Tea

During Seniors' Week 2021 on November 8th we held the annual Seniors' Morning Tea in collaboration with the Towns of Mosman Park and Cottesloe at the Mosman Park Bowling Club, the location offered magnificent views over the Swan River. The morning acknowledges seniors and provides an opportunity to show our appreciation for their valued contribution to the community.

The high-tea style event included two sets of entertainment from 7th Heaven—the duo sang an assortment of popular vintage tunes from 1940's–1960's to the delight of those fortunate enough to have attended. Seniors were also able to enjoy the possibility of winning multiple door prizes which consisted of an assortment of potted plants as well as a magnificent Garden Hamper kindly donated by Bunnings Claremont.

Volunteers

A Volunteer Resource Centre is located in the "Pod" in the library each Monday. This service is provided by the Nedlands Volunteer Resource Centre and provides information about volunteering, local volunteer positions available and has assisted many residents find a suitable volunteering role.

From top:
The Seniors' Morning Tea; and the entertainers 7th Heaven Duo.

> Promote community connection and activation...

Wardrobe Refresh

The Shire remains supportive of the work done by the Western Metropolitan Regional Council (WMRC) including the courses that are run out of The Grove each year. In October we created a sense of community by running a Wardrobe Refresh for adults which was hugely successful. Clothing swaps are a great way to exchange items you no longer require for items you like or need. They promote slow versus fast fashion and are an environmentally friendly reuse strategy that helps reduce our environmental footprint while supporting a circular economy. The manufacturing of textiles has harsh impacts on the environment, such as the disposal of large amounts of chemicals, resulting in contamination of water resources or other natural resources that are essential to both human and animal life.

Cloth Nappy Workshop

In November in conjunction with WMRC we held another Cloth Nappy workshop in the Community Room for expectant mothers, new mothers and young families which was very successful detailing the benefits of cloth compared to disposables. Cloth nappies are environmentally friendly, even using them part-time makes a significant reduction to a person's landfill contribution.

Above: The recycling hub in the Shire's foyer.

Below: October's Wardrobe Refresh was well attended.

The Recycling Hub

Located in The Grove foyer for residents and library members the Recycling Hub is always a popular and convenient drop off point to place batteries, globes and printer cartridges for recycling.

Unfortunately some of the Shire's other workshops such as Wardrobe Refresh for children and seminars scheduled for 2021–2022 were postponed or cancelled due to the COVID-19 pandemic.

Built and Economic Environment 2021–2022

Services and Staffing

The business activity area combines Urban Planning, Building Regulation and Asset Management, and Environmental Health and Ranger Services. Development Services reporting and administration is undertaken by two (2) full-time technical staff.

Regulatory services are provided in accordance with Federal and State legislation and are informed by a diverse regulatory framework that includes local laws, technical standards, the Local Planning Scheme and suite of local planning policies.

The Shire has a number of Service Agreements with other local government authorities to fulfil statutory requirements as follows:

- Town of Cottesloe – Environmental Health and Rangers
- City of Nedlands – Building Certification and Compliance
- City of Nedlands – Swimming Pool Compliance
- Town of Claremont – Building Maintenance and Project Management

Continuous Improvement

During the 2021–2022 reporting period a new Manager of Development Services was appointed who commenced an operational review of the business activity area. Implementation of the review findings is expected to extend into the following reporting period. Key focus areas of the review included:

- Service Agreement performance, tracking and oversight
- Shire website and documentation including application forms, letter and permit templates, and information sheets
- The local planning policy framework
- Process mapping approvals processes
- Planning and building approval conditions and advice notes
- Compliance and enforcement activities

> “Perpetual character and inviting, accessible and connected amenities...”

Opposite page: The Scotch College Boat Shed, due for completion in late 2022.

Revenue

Notwithstanding that revenue generation is not a driver of the services provided, the principles of cost recovery is a key consideration for determining many of the non-statutory fees and charges. Development Services fees and charges are reviewed prior to the commencement of each financial year to ensure fees and charges reflect the time taken and disbursement costs for the services we provide. In the 2021–2022 financial year Development Services generated $162,000 in total revenue.

Urban Planning

Development Trends

The Shire predominantly comprises low density residential land containing single detached houses. Higher density residential development including multiple and grouped dwellings are focused along, or in close proximity, to Stirling Highway. Commercial and civic areas are also focused on Stirling Highway and include the Grove Civic precinct, and Cottesloe Central shopping centre.

In 2021–2022 the COVID recovery trend was reflected in the increased value of building construction works since 2017–2018. A small number of larger residential properties continue to be subdivided, and the creation of new lots facilitate corresponding applications for new houses. Redevelopment of heritage listed places continues to result in innovative re-thinking of how an older style house may be refreshed to give it contemporary appeal. A limited number of applications for commercial development and associated works were received.

Urban infill development and increased residential densities in neighbouring local government areas has resulted in increased pressure on local roads and rights-of-way.

From top: 10A Keane Street is an example of contemporary design featuring open aspect front fencing; and 45 Irvine Street is an example of innovative redevelopment.

The PLC Music Room an example of commercial building work.

Whilst community feedback has historically advised that wholesale changes to rights-of-way are not desirable, redevelopment pressures will inevitably raise issues due to the varying and limited widths and standard of surface treatments. Determination of major development through the development assessment panel process and subdivision are processes controlled by the Western Australian Planning Commission (WAPC). Although the Shire provides comment to the WAPC on subdivision applications the advice is not necessarily adopted in full. The Shire continues to work with developers to minimise the impact of subdivision to other property owners; however, the Shire accepts that the governance around subdivision and infill development are ultimately the responsibility of the WAPC in their remit as decision-maker.

Planning Applications and Deemed-to-Comply Checks

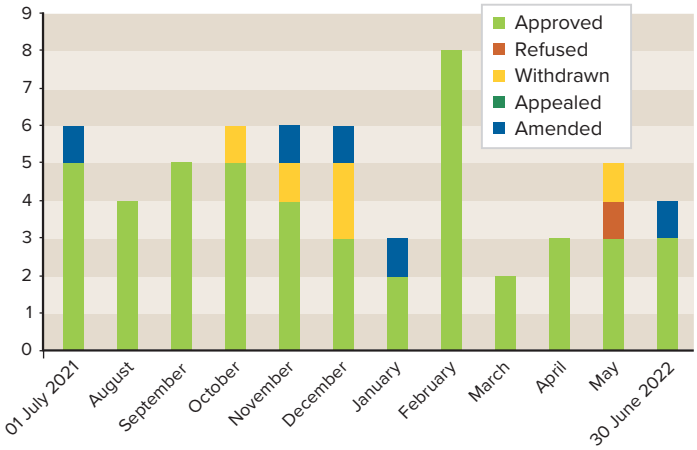
Due to their scale and complexity most planning applications for residential development seek to vary design requirements of the local planning policy framework and/or the Residential Design Codes of Western Australia (R-Codes) and/or involved a property on the Shire's Municipal Heritage List. A high degree of specialised design is typically required for projects to fully satisfy the Shire Policies and strategy. As such, most planning applications are determined at Council Meetings rather than issued under delegated authority.

The Shire continues to promote pre-lodgement discussions for development applications to identify site constraints and variations to the local planning policy framework early in the assessment process. Such discussions allow plans to be refined and improved design outcomes. In 2020–2022 no proponents sought to review a decision or condition of approval of Council at the State Administrative Tribunal. Lack of tribunal attendance is considered a strong indicator of sufficient engagement with proponents and broad acceptance of Council determinations. Acceptance of planning decisions results in downstream efficiencies in the issuance of Building Permits and commencement of building works.

For the 2021–2022 reporting period the Shire determined 44 Planning Permits representing over $48.6M in construction costs and generating $96,569 in revenue.

> "Diverse and flourishing local economy..."

Additionally, five (5) permits were amended. Four (4) Deemed-to-Comply checks that assess the compliance of a proposed development with the R-Codes and local planning policy framework were also performed.



Planning applications determined by month

Cott Village Local Structure Plan

The Cott Village activity centre on Stirling Highway is the community hub for shopping, dining and leisure experiences. The centre has grown and adapted to lifestyle changes over the past 100 years. The centre is currently transitioning towards larger scale mixed use developments that will deliver housing diversity, increased density, and vibrancy.

In August 2019 the Shire joined with the Town of Cottesloe to initiate research to determine how best to reinvigorate the Cott Village and improve resilience. In August 2021 the Government introduced *State Planning Policy 7.2 – Precinct Design* to guide the planning of precincts. To comply with this policy more detailed investigation, community consultation and reporting was necessary. The finalisation of a precinct structure plan will provide design guidance for the centre overall and inform a future Local Planning Strategy, and amendments to the Local Planning Scheme and local planning policies. The design guidelines will seek to retain our local character, whilst encouraging investment to update buildings, facilities and service offerings.

The Cott Village project will set the scene for what will be a major visioning and urban revitalisation project, as well as inform the future review of the Shire's Local Planning Strategy and amendments to the Local Planning Scheme.

The completed research has identified several areas for improvement including:

- Improved offering of niche goods and services
- Focus on high quality of experiences and places (design and services).
- Upgrades to infrastructure and buildings to connect with the railway station.
- Maintaining the scale and human appeal of buildings and spaces.
- Calming highway traffic—better connection by encouraging local walking and cycling and access for all ages and abilities.
- Making decisions which shape Cottesloe Village as a local place which appeals to locals and visitors who appreciate our values and an attractive natural setting.

Through the development of a responsive local planning policy framework and engagement with the private sector and other levels of government and their agencies the Shire is optimistic that the quality and vitality of the Cott Village will improve. Our challenge will be to work together to facilitate sustainable development that will reinvigorate the centre and its setting for the next 100 years.

State Government Planning Reforms

The Government planning reform agenda advocates planning reform to 'cut red tape' and additionally seeks to minimise the economic impacts of COVID. The Government's Planning Reform agenda has resulted in legislative changes and amendments to policy and practice for which Shire staff are required to contribute to consultative processes, attend workshops, and provide advice to the community and developers.

Key reforms for which Development Services staff have participated in the consultation process have included:

- The proposed introduction of the Special Matters Development Assessment Panel (SMDAP) to assess development applications of state significance.
- Consultation pertaining to the *Aboriginal Cultural Heritage Act 2021*.
- Consultation pertaining to the amending of the *Residential Design Codes Volume 2 – Apartments*.

Whilst the Shire accepts the reform agenda it is obligated to work with the Western Australian Local Government Association and other stakeholders to ensure that due regard is given to the local planning policy framework and local government decision-making powers are retained as far as practical.

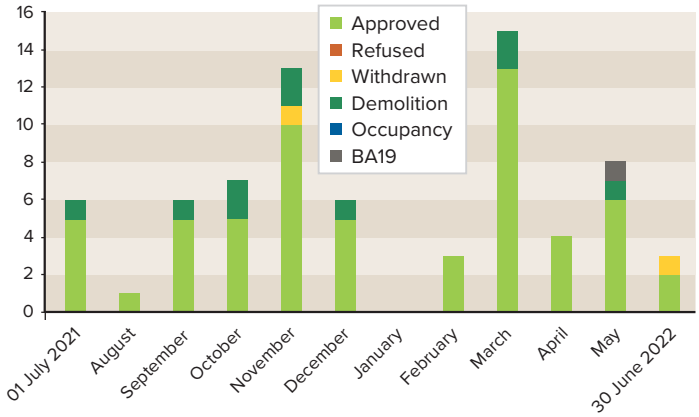
Building Regulation and Asset Management

Building Applications

The majority of building applications lodged to the Shire are certified by private building surveyors (certified applications). Shire staff have focused on implemented practices and procedures to ensure building applications better align with their respective planning approvals, and that building works are supported by construction management plans that address amenity issues including traffic management.

For the 2021–2022 reporting period the Shire issued 59 Building Permits, representing over $28.4 million in construction costs and generating $46,031 in revenue excluding the Building Services Levy and Building and Construction Industry Training Fund (BCITF) levy component. Revenue collected from the BCITF levy goes back to the industry to support training and skills development. Ten (10) Demolition Permits were additionally amended.

Under our Service Agreement with the City of Nedlands 60 swimming pools were inspected as part of a four-year inspection cycle to ensure compliant pool barriers are in place. Of these inspections 40% of barriers were compliant, 38% were non-compliant, and access was not granted for 22% of properties. Where access is not granted follow up inspections are sought.



Building applications determined by month

Plan Searches

For the 2021–2022 reporting period Development Services performed 33 plan searches that generated $2,146 in application and processing fees. Digitisation of the Shire's building and planning records will commence in late 2022. The digitisation project will assist in the preservation of historical records and expedite the delivery of plan search applications.

Asset Management

The Shire manages the Grove Centre which includes a library, community centre rooms, café, Shire offices and parking station and civic gardens. The building and grounds have been progressively upgraded to maintain a high standard of amenity and safety for public use.

Investigations for the incremental replacement of timber decking commenced in 2022 and are expected to commence this calendar year.

Service agreements for ongoing building maintenance activities are continually reviewed to ensure they are cost competitive and maintain the performance of building assets and systems.

Environmental Health and Ranger Services

Food Premises Inspections

Under our Service Agreement with the Town of Cottesloe, Development Services administer duties under the *Food Act 2008*. The objectives of the *Food Act 2008* are to ensure food for sale is both safe and suitable for human consumption, to prevent misleading conduct in connection with the sale of food, and to apply the *Food Standards Code*. Food premises must be registered and are routinely inspected with the frequency of inspections reflecting their risk classification. Health officers from the Town of Cottesloe may issue Improvement Notices where standards pertaining to the handling and storage of food, equipment, or transportation is not demonstrated.

For the 2021–2022 reporting period 17 food premises licences were issued totalling $6,865.

Liquor Licensing

Development Services is responsible for processing Section 39 and Section 40 applications under the *Liquor Control Act 1988*.

A Section 39 Certificate is issued by the Town of Cottesloe under the Service Agreement and states whether the premises, or the proposed premises complies with the *Health Act 1911* and the *Food Act 2008*. A Section 40 Certificate is issued by Development Services and states whether the proposed use of the premises is consistent with the current planning approval affecting the property.

Noise Management

Noise limits are regulated under the *Environmental Protection (Noise) Regulations 1997* and inform permissible construction hours stipulated by Planning Permits, Demolition Permits and Building Permits.

It is not always practical for some construction and maintenance activities to be conducted within usual hours due to the need to shut down power or close roads and footpaths. Shire approval must be obtained for out of hours works, or for those that exceed permitted noise levels.

Development Services assess Construction Management Plans including Noise Management Plans and, in conjunction with Infrastructure Services, Traffic Management Plans for construction and maintenance works outside of permitted hours.

Proponents must notify noise sensitive premises, such as residences, by way of a letter drop the nature and timing of works for which noise levels may be exceeded.

Public Health Plan

Local Government is the closest level of Government to the community and provides a significant contribution to public health and mental wellbeing of the community.

The Government introduced the *Public Health Act 2016* for Western Australia which requires Local Governments to develop local public health plans. These plans provide the strategic directions focusing on prevention, health promotion and health protection strategies that aim to prevent disease, illness, injury, disability and premature death in Western Australia.

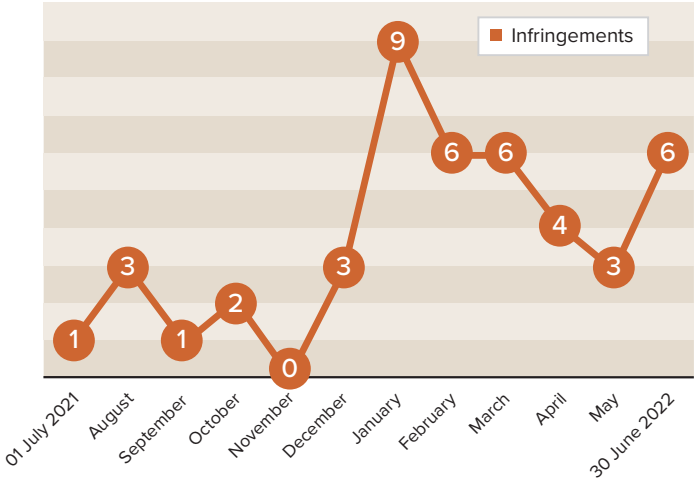
The Shire will collaborate with the Town of Mosman Park who share the same Census data collection area to commence preparation of a Community Health Plan in late 2022.

Parking Control

Under our Service Agreement the Town of Cottesloe provides parking inspection and animal control functions to the Shire. Whilst compliance is always encouraged, enforcement is necessary where non-compliance is observed, or otherwise brought to the Shire's attention.

For the 2021–2022 reporting period 44 parking infringements were issued totalling $1,745.

Residential Parking Permits are available to residents with street frontages subject to parking restrictions, such as those to control parking around PLC and Cottesloe Primary School and in close proximity to commercial premises along Stirling Highway.



Parking infringements by month

Animal Control

All cats and dogs must be registered. There were 48 cats and 225 dogs registered in the Shire as of 21 October 2022.

The *Cat Act 2011* is about responsible pet ownership; reducing the number of unwanted cats in the community and reducing the number that are euthanised each year. All cats must be sterilised/desexed before they reach six months. For maximum health and social benefits, all kittens should be sterilised before they reach sexual maturity around three months.

The *Dog Act 1976* addresses the control and registration of dogs, the ownership and keeping of dogs; and the obligations and rights of dog owners and others. All dogs must be registered before they reach three months of age.

The registration year commences on the 1st of November each year and expires on 31st October the following year. For the 2021–2022 reporting period cat registrations totalled $485 and dog registration totalled $4,578.

Conclusion

Development Services is committed to working with developers, the community, and the elected members to champion sustainable, beneficial and compliant development outcomes.

Residents are welcomed to discuss development and regulatory policy matters with staff, and we encourage proponents to discuss their proposals prior to lodgement.

Staff are committed to continuous improvement and welcome feedback to ensure our service delivery meet or exceed expectations.

Natural Environment 2021–2022

The ongoing maintenance and renewal of the Shire's assets were a priority for the Infrastructure team in 2021/2022.

Some key achievements include:

Drinking fountain replacement

The old drinking fountains in Manners Hill were replaced with new modern units that include a low mounted tippable bowl so thirsty dogs can enjoy a refreshing drink too.

Schaffer 3550 Front-End Loader

As part of the Shire's Asset Management Plan, the old skid steer loader was replaced with a new articulated front-end loader. This versatile and highly manoeuvrable machine comes with a number of attachments allowing it to quickly be reconfigured from a loader, to a road sweeper, to a forklift, to a crane.

Street Trees

The Shire's tree maintenance and replacement program continued resulting in many new peppermint and tuart trees being planted on verges and in parks throughout the area. This ongoing process will ensure that Peppermint Grove's beautiful streetscapes will continue to be enjoyed for many years to come.

Water Trailer

A new water trailer was purchased which has proved useful for a number of tasks such as tree planting, graffiti removal and dust suppression.

Stirling Highway Footpath Paving Project – Phase 2

The tired old brick pavers were replaced with a new exposed aggregate product along the Stirling Highway frontage south of Irvine Street.

Shire Administration Building and Grove Library

Work continued on landscaping the grounds of the Shire's Administration Building and Grove Library.

Turf replacement

Manners Hill Park and Keanes Point had sections of damaged and compacted turf replaced with new roll-on Kikuyu.

“Maintain a clean, healthy and sustainable environment...”

Drainage Improvements and Maintenance

Work continued on cleaning and maintaining the Shire’s stormwater drainage system. New grates and pits are being installed on an ongoing basis with a focus on laneways.

Footpath maintenance

The footpath maintenance and replacement program continued with damaged sections replaced.

Right of way upgrades

All the unpaved Rights of Way are being systematically tidied and re-sheeted with recycled road profilings.

Governance Strategies 2021–2022

> Aligned and accountable Council and Community Leadership...

Recordkeeping Plan

The Shire has an ongoing commitment to recordkeeping in accordance with the *State Records Act 2000* and *Records Management Standard AS ISO 15489* through corporate systems and management/disposal processes.

The Shire's recordkeeping plan (RKP) was adopted in 2020. There is an annual review that is undertaken to ensure compliance with the agreed plan and this is submitted to the State Records Office for their consideration.

National Competition Policy

The application of national competition policy (NCP) is guided by the Clause 7 Statement which requires annual reporting of the implementation, application and effects of NCP principles as well as structural reform of public monopolies.

Competitive Neutrality

Competitive neutrality principles apply to any significant business activities conducted by, or under the control of, a local government that generate an income of $200,000 or more in a financial year.

In the 2021/22 financial year the Shire did not undertake any business activities that met this threshold.

Structural Reform of Public Monopolies

The Shire of Peppermint Grove is not classified as a natural monopoly nor does it conduct any business activities that could be classified as public monopolies.

Compliance Annual Return

Council is required to submit an annual return to the Department of Local Government by March each year.

The return assesses the compliance of a number of sections of the *Local Government Act* and associated *Regulations*.

The 2022 Compliance Annual Return assessed the following matters:

- Commercial Enterprises by Local Governments
- Delegation of Power/Duty
- Disclosure of Interest
- Disposal of Property
- Elections
- Finance
- Integrated Planning and Reporting
- Local Government Employees
- Official Conduct
- Optional Questions
- Tenders for Providing Goods and Services.

There were no issues of non-compliance during the 2021/22 financial year.

Disability Access and Inclusion

The Disability Access and Inclusion Plan 2017–2022 (DAIP) guides the Shire's commitment to providing equitable access to services, information, facilities, events and employment.

A copy is available at the Shire's administration office and on the Shire's website.

The DAIP sets out the Shire's priorities over five years and is due for review. Community consultation for a new DAIP for the period 2022–2027 will commence in late 2022 and be published in early 2023.

The seven outcomes of the DAIP are:

1. People with disability have the same opportunities as other people to access the services of, and any events organised by the Shire.
2. People with disability have the same opportunities as other people to access the buildings and other facilities of the Shire.
3. People with disability receive information from the Shire in a format that will enable them to access the information as readily as other people are able to access it.
4. People with disability receive the same level and quality of service from the staff of the Shire as other people receive from the staff of the Shire.
5. People with disability have the same opportunities as other people to make complaints to the Shire.
6. People with disability have the same opportunities as other people to participate in public consultation by the Shire.
7. People with disability have the same opportunities as other people to obtain and maintain employment with the Shire.

Freedom of Information

The *Freedom of Information Act 1992* allows the public the right to apply for access to information held by the Shire. The Act requires the review and adoption of a Freedom of Information Statement, a copy of which is available on the Shire's website. During 2020/21, one application was received and dealt with in accordance with the *Freedom of Information Act*.

Register of Complaints

Minor breaches of the rules of conduct or a local law of the Shire by a Council member must be recorded in a register noting the outcome of the investigation of the complaint and the action subsequently taken.

No complaints regarding such breaches were received by the Shire's Complaints Officer during 2021/22.

Equal Employment Opportunity Management Plan

The Shire has provided an annual report to the Commissioner on the equal employment opportunities for the 2021–22 financial year.

This plan assists the Shire in building a workforce and supporting a workplace culture that reflects the diversity of the local community.

Employee Remuneration

In accordance with Regulation 19B of the *Local Government (Administration) Regulations 1996* the Shire is required to disclose the number of employees with an annual cash salary of $130,000 or more within bands of $10,000. There is one Officer whose salary is within band $130,000 and $139,999.

In accordance with Regulation 19B (e) the CEO is paid a total salary of $187,304 and consists of the following:

- Cash Salary
- Superannuation
- Vehicle Allowance
- Professional Development.

Financial Report

for the year ended 30 June 2022

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Community Vision

A Shire valued for its heritage, sense of community and natural ambience.

Principal place of business

1 Leake Street, Peppermint Grove, Western Australia 6011

Certification of Financial Report

SHIRE OF PEPPERMINT GROVE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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

Signed on the Thirtheen day of December 2022

Chief Executive Officer

Don Burnett
Name of Chief Executive Officer

DRY/KIRKNESS

OAG AUDITED

Statement of Comprehensive Income by Nature or Type

for the year ended 30 June 2022

	NOTE	2022 Actual	2022 Budget	2021 Actual
		$	$	$
Revenue				
Rates	25(a),2(a)	3,437,101	3,419,406	3,347,309
Operating grants, subsidies and contributions	2(a)	113,604	1,276,524	215,736
Fees and charges	24(c),2(a)	298,408	325,698	267,385
Interest earnings	2 (a)	26,533	35,200	15,651
Other revenue	2(a)	12,135	7,442	374
		3,887,781	5,064,270	3,846,455
Expenses				
Employee costs		(1,456,082)	(2,133,401)	(1,370,106)
Materials and contracts		(1,450,028)	(2,017,916)	(1,350,244)
Utility charges		(67,635)	(94,650)	(69,702)
Depreciation	8(a)	(596,059)	(582,290)	(578,664)
Finance costs	2(b)	(54,375)	(54,964)	(59,418)
Insurance		(55,341)	(104,134)	(69,293)
Other expenditure	2(b)	(46,904)	(109,732)	(140,916)
		(3,726,424)	(5,097,087)	(3,638,343)
		161,357	(32,817)	208,112
Capital grants, subsidies and contributions	2 (a)	187,493	177,734	50,658
Profit on asset disposals	8(b)	21,165	0	31,841
Loss on asset disposals	8(b)	0	(20,504)	(26,967)
Fair value adjustments to financial assets at fair value through profit or loss		1,934	0	0
Share of net profit of associates accounted for using the equity method	19	(10,669)	0	(25,000)
Loss on revaluation of land and buildings	6(a)	(646,241)	0	0
		(446,318)	157,230	30,532
Net result for the period	24(b)	**(284,961)**	**124,413**	**238,644**
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	13	1,321,239	0	60,094
Total other comprehensive income for the period	13	**1,321,239**	**0**	**60,094**
Total comprehensive income for the period		**1,036,278**	**124,413**	**298,738**

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

DRY KIRKNESS

Statement of Financial Position

as at 30 June 2022

	NOTE	2022	2021
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	2,361,797	2,141,936
Trade and other receivables	5	102,980	31,694
TOTAL CURRENT ASSETS		2,464,777	2,173,630
NON-CURRENT ASSETS			
Trade and other receivables	5	92,709	98,504
Other financial assets	4(b)	19,451	17,517
Investment in associate	19	109,376	120,045
Property, plant and equipment	6	15,694,132	15,174,805
Infrastructure	7	14,591,192	14,713,658
Right-of-use assets	9(a)	28,761	60,916
TOTAL NON-CURRENT ASSETS		30,535,621	30,185,445
TOTAL ASSETS		33,000,398	32,359,075
CURRENT LIABILITIES			
Trade and other payables	10	402,774	728,482
Lease liabilities	9(b)	14,497	33,762
Borrowings	11	36,822	34,439
Employee related provisions	12	203,995	181,724
TOTAL CURRENT LIABILITIES		658,088	978,407
NON-CURRENT LIABILITIES			
Lease liabilities	9(b)	16,977	31,475
Borrowings	11	654,693	691,029
Employee related provisions	12	3,117	26,919
TOTAL NON-CURRENT LIABILITIES		674,787	749,423
TOTAL LIABILITIES		1,332,875	1,727,830
NET ASSETS		31,667,523	30,631,245
EQUITY			
Retained surplus		9,175,867	9,841,269
Reserve accounts	28	1,671,204	1,290,763
Revaluation surplus	13	20,820,452	19,499,213
TOTAL EQUITY		31,667,523	30,631,245

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

DRY/KIRKNESS

Statement of Changes in Equity

for the year ended 30 June 2022

	NOTE	RETAINED SURPLUS	RESERVE ACCOUNTS	REVALUATION SURPLUS	TOTAL EQUITY
		$	$	$	$
Balance as at 1 July 2020		**9,729,511**	**1,163,877**	**19,439,119**	**30,332,507**
Comprehensive income for the period					
Net result for the period		238,644	0	0	238,644
Other comprehensive income for the period	13	0	0	60,094	60,094
Total comprehensive income for the period		238,644	0	60,094	298,738
Transfers to reserves	28	(126,886)	126,886	0	0
Balance as at 30 June 2021		**9,841,269**	**1,290,763**	**19,499,213**	**30,631,245**
Comprehensive income for the period					
Net result for the period		(284,961)	0	0	(284,961)
Other comprehensive income for the period	13		0	1,321,239	1,321,239
Total comprehensive income for the period		(284,961)	0	1,321,239	1,036,278
Transfers to reserves	28	(380,441)	380,441	0	0
Balance as at 30 June 2022		**9,175,867**	**1,671,204**	**20,820,452**	**31,667,523**

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

DRY/KIRKNESS

Statement of Cash Flows

for the year ended 30 June 2022

	NOTE	2022 Actual $	2022 Budget $	2021 Actual $
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		3,427,533	3,359,406	3,353,594
Operating grants, subsidies and contributions		71,328	1,376,524	500,466
Fees and charges		298,408	285,698	267,385
Interest received		26,533	35,200	15,651
Goods and services tax received		210,876	65,000	161,324
Other revenue		12,135	7,442	374
		4,046,813	5,129,270	4,298,794
Payments				
Employee costs		(1,513,024)	(2,133,401)	(1,420,914)
Materials and contracts		(1,743,078)	(2,017,916)	(1,170,588)
Utility charges		(67,635)	(94,650)	(69,702)
Finance costs		(54,375)	(54,964)	(59,418)
Insurance paid		(55,341)	(104,134)	(69,293)
Goods and services tax paid		(210,876)	(65,000)	(161,324)
Other expenditure		(46,905)	(109,732)	(117,631)
		(3,691,234)	(4,579,797)	(3,068,870)
Net cash provided by (used in) operating activities	14(b)	355,579	549,473	1,229,924
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	6(a)	(140,869)	(222,900)	(308,376)
Payments for construction of infrastructure	7(a)	(210,645)	(667,850)	(648,069)
Non-operating grants, subsidies and contributions		187,493	177,734	50,658
Proceeds from sale of property, plant & equipment	8(b)	96,019	50,000	99,000
Net cash provided by (used in) investing activities		(68,002)	(663,016)	(806,787)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	27(a)	(33,953)	(40,077)	(31,726)
Payments for principal portion of lease liabilities	27(b)	(33,763)	0	(31,583)
Proceeds from new borrowings	27(a)	0	25,000	0
Net cash provided by (used In) financing activities		(67,716)	(15,077)	(63,309)
Net increase (decrease) in cash held		219,861	(128,620)	359,828
Cash at beginning of year		2,141,936	1,390,626	1,782,107
Cash and cash equivalents at the end of the year	14(a)	2,361,797	1,262,006	2,141,935

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

DRY KIRKNESS

Rate Setting Statement

for the year ended 30 June 2022

	NOTE	2022 Actual $	2022 Budget $	2021 Actual $
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	26(b)	78,475	83,169	281,423
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Operating grants, subsidies and contributions		113,604	1,276,524	215,736
Fees and charges		298,408	325,698	267,385
Interest earnings		26,533	35,200	15,651
Other revenue		12,135	7,442	374
Profit on asset disposals	8(b)	21,165	0	31,841
Fair value adjustments to financial assets at fair value through profit or loss		1,934	0	0
Share of net profit of associates and joint ventures accounted for using the equity method		(10,669)	0	(25,000)
		463,110	1,644,864	505,987
Expenditure from operating activities				
Employee costs		(1,456,082)	(2,133,401)	(1,370,106)
Materials and contracts		(1,452,765)	(2,017,916)	(1,350,244)
Utility charges		(67,635)	(94,650)	(69,702)
Depreciation		(596,059)	(582,290)	(578,664)
Finance costs		(54,375)	(54,964)	(59,418)
Insurance		(55,341)	(104,134)	(69,293)
Other expenditure		(46,904)	(109,732)	(140,916)
Loss on asset disposals	8(b)	0	(20,504)	(26,967)
Loss on revaluation of non-current assets		(646,241)	0	0
		(4,375,402)	(5,117,591)	(3,665,310)
Non-cash amounts excluded from operating activities	26(a)	1,256,429	602,794	606,047
Amount attributable to operating activities		(2,655,863)	(2,869,933)	(2,553,276)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		187,493	177,734	50,658
Proceeds from disposal of assets	8(b)	96,019	50,000	99,000
Purchase of property, plant and equipment	6(a)	(140,869)	(222,900)	(308,376)
Purchase and construction of infrastructure	7(a)	(210,645)	(667,850)	(648,069)
Payments for intangible assets	9	0	(25,000)	
		(68,002)	(688,016)	(806,787)
Amount attributable to investing activities		(68,002)	(688,016)	(806,787)
FINANCING ACTIVITIES				
Repayment of borrowings	27(a)	(33,953)	(40,077)	(31,726)
Proceeds from borrowings	27(a)	0	25,000	0
Payments for principal portion of lease liabilities	27(b)	(33,763)	0	(31,583)
Transfers to reserves (restricted assets)	28	(380,441)	(172,930)	(126,886)
Transfers from reserves (restricted assets)	28	0	248,000	0
Amount attributable to financing activities		(448,157)	59,993	(190,195)
Surplus/(deficit) before imposition of general rates		(3,093,547)	(3,414,787)	(3,268,835)
Total amount raised from general rates	25(a)	3,437,101	3,419,404	3,347,309
Surplus/(deficit) after imposition of general rates	26(b)	**343,554**	**4,617**	**78,475**

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

DRY KIRKNESS

Notes to and forming part of the Financial Report

for the year ended 30 June 2022

1. BASIS OF PREPARATION

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

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

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

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

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

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation uncertainties made in relation to lease accounting
- estimation of useful lives of non-current assets

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	Not applicable	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	Returns limited to repayment of transaction price of terms breached	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	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	Not applicable	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	Not applicable	Output method based on provision of service or completion of works
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	Not applicable	When claim is agreed

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

Revenue Recognition

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

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other
	$	$	$	$
Rates			3,437,101	
Operating grants, subsidies and contributions	113,604			
Fees and charges	298,408			
Interest earnings	7,899		18,634	
Other revenue				12,135
Non-operating grants, subsidies and contributions		187,493		
Total	419,911	187,493	3,455,735	12,135

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other
	$	$	$	$
Rates			3,347,309	
Operating grants, subsidies and contributions	215,736			
Fees and charges	267,759			
Interest earnings			4,815	10,835
Other revenue				374
Non-operating grants, subsidies and contributions		49,658		1,000
Total	483,495	49,658	3,352,124	12,209

REVENUE AND EXPENSES

	Note	2022 Actual	2022 Budget	2021 Actual
Revenue (Continued)		$	$	$
Rates instalment and penalty interest (refer Note 25(b))		26,532	35,200	15,651
Auditors remuneration				
- Audit of the Annual Financial Report		25,000	25,000	27,400
- Other services		4,200	2,000	7,250
		29,200	27,000	34,650
Borrowings	27(a)	54,375	54,964	59,418
		54,375	54,964	59,418
Sundry expenses		46,904	109,732	140,916
		46,904	109,732	140,916

3. CASH AND CASH EQUIVALENTS

	Note	2022	2021
		$	$
Cash at bank and on hand		2,361,797	2,141,936
Total cash and cash equivalents	14(a)	2,361,797	2,141,936
Held as			
- Unrestricted cash and cash equivalents		690,593	851,173
- Restricted cash and cash equivalents	14(a)	1,671,204	1,290,763
		2,361,797	2,141,936

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 six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

Restricted financial assets

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

Details of restrictions on financial assets can be found at Note 14.

4. OTHER FINANCIAL ASSETS

	2022	2021
	$	$
(b) Non-current assets		
Financial assets at fair value through profit and loss	19,451	17,517
	19,451	17,517
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	19,451	17,517
	19,451	17,517

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 hierachy (see Note 22 (i)) due to the observable market rates.

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

Financial assets at fair value through profit and loss

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 20.

5. TRADE AND OTHER RECEIVABLES

	Note	2022 $	2021 $
Current			
Rates receivable		37,307	14,092
Trade and other receivables		65,673	17,602
		102,980	31,694
Non-current			
Lease receivables		92,709	98,504
		92,709	98,504

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 20.

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

6. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Note	Land $	Buildings - non-specialised $	Buildings - specialised $	Total land and buildings $	Furniture and equipment $	Plant and equipment $	Total property, plant and equipment $
Balance at 1 July 2020		7,184,121	0	7,598,077	14,782,198	29,355	310,346	15,121,899
Additions				161,833	161,833	9,367	137,176	308,376
Disposals		0	0	(17,722)	(17,722)	0	(76,404)	(94,126)
Revaluation increments / (decrements) transferred to revaluation surplus		855,879		(795,785)	60,094			60,094
Depreciation	8(a)			(154,481)	(154,481)	(3,950)	(63,007)	(221,438)
Balance at 30 June 2021		8,040,000	0	6,791,922	14,831,922	34,772	308,111	15,174,805
Comprises:								
Gross balance amount at 30 June 2021		8,040,000	0	7,280,782	15,320,782	52,051	408,324	15,781,157
Accumulated depreciation at 30 June 2021		0	0	(488,860)	(488,860)	(17,279)	(100,213)	(606,352)
Balance at 30 June 2021		8,040,000	0	6,791,922	14,831,922	34,772	308,111	15,174,805
Additions				1,299	1,299		139,570	140,869
Disposals		0	0	0	0	0	(74,854)	(74,854)
Revaluation increments / (decrements) transferred to revaluation surplus		1,445,000		(123,761)	1,321,239			1,321,239
Revaluation (loss) / reversals transferred to profit or loss				(646,241)	(646,241)			(646,241)
Depreciation	8(a)			(126,146)	(126,146)	(4,572)	(66,717)	(197,435)
Transfers				(24,251)	(24,251)			(24,251)
Balance at 30 June 2022		9,485,000	0	5,872,822	15,357,822	30,200	306,110	15,694,132
Comprises:								
Gross balance amount at 30 June 2022		9,485,000	0	5,872,822	15,357,822	52,051	428,914	15,838,787
Accumulated depreciation at 30 June 2022		0	0	0	0	(21,851)	(122,804)	(144,655)
Balance at 30 June 2022		9,485,000	0	5,872,822	15,357,822	30,200	306,110	15,694,132

6. 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	Level 3	Current Replacement Costs	Independent Expert Valuer	June 2022	Current Replacement Costs/ Condition Assessment (Level 2) & Residual Values and Estimated Remaining Lives (Level 3)
Buildings - specialised	Level 3	Current Replacement Costs	Independent Expert Valuer	June 2022	Current Replacement Costs/ Condition Assessment (Level 2) & Residual Values and Estimated Remaining Lives (Level 3)

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	Cost	Cost	N/A	N/A	N/A
Plant and equipment	Cost	Cost	N/A	N/A	N/A

7. INFRASTRUCTURE

(a) Movements in Balances

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

	Note	Infrastructure - roads	Other infrastructure- Footpaths	Other infrastructure - Drainage	Other infrastructure- Parks & Ovals	Other infrastructure- Other	Total Infrastructure
		$	$	$	$	$	$
Balance at 1 July 2020		10,369,972	1,953,693	684,333	1,073,532	309,131	14,390,661
Additions		324,154	65,918		257,997		648,069
Depreciation	8(a)	(210,348)	(39,552)	(9,774)	(57,390)	(8,008)	(325,072)
Balance at 30 June 2021		10,483,778	1,980,059	674,559	1,274,139	301,123	14,713,658
Comprises:							
Gross balance at 30 June 2021		11,068,360	2,132,239	715,547	1,456,807	323,025	15,695,978
Accumulated depreciation at 30 June 2021		(584,582)	(152,180)	(40,988)	(182,668)	(21,902)	(982,320)
Balance at 30 June 2021		10,483,778	1,980,059	674,559	1,274,139	301,123	14,713,658
Additions			85,480		125,165		210,645
Depreciation	8(a)	(213,941)	(40,414)	(9,777)	(85,218)	(17,119)	(366,469)
Transfers						33,357	33,357
Balance at 30 June 2022		10,269,837	2,025,125	664,782	1,314,086	317,362	14,591,191
Comprises:							
Gross balance at 30 June 2022		11,068,360	2,217,722	715,547	1,581,972	356,383	15,939,984
Accumulated depreciation at 30 June 2022		(798,523)	(192,597)	(50,765)	(267,886)	(39,021)	(1,348,792)
Balance at 30 June 2022		10,269,837	2,025,125	664,782	1,314,086	317,362	14,591,192

7. 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	Level 3	Current Replacement Cost	Independent Expert Valuer	June 2018	Current Replacement Cost/Condition Assessment (Level 2) and Estimated Remaining Lives (Level 3)
Other infrastructure- Footpaths	Level 3	Current Replacement Cost	Independent Expert Valuer	June 2018	Current Replacement Cost/Condition Assessment (Level 2) and Estimated Remaining Lives (Level 3)
Other infrastructure - Drainage	Level 3	Current Replacement Cost	Independent Expert Valuer	June 2018	Current Replacement Cost/Condition Assessment (Level 2) and Estimated Remaining Lives (Level 3)
Other infrastructure- Parks & Ovals	Level 3	Current Replacement Cost	Independent Expert Valuer	June 2018	Current Replacement Cost/Condition Assessment (Level 2) and Estimated Remaining Lives (Level 3)
Other infrastructure- Other	Level 3	Current Replacement Cost	Independent Expert Valuer	June 2018	Current Replacement Cost/Condition Assessment (Level 2) and Estimated Remaining Lives (Level 3)

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.

8. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual	2022 Budget	2021 Actual
		$	$	$
Buildings - specialised	6(a)	126,146	220,675	154,481
Furniture and equipment	6(a)	4,572	2,238	3,950
Plant and equipment	6(a)	66,717	32,504	63,007
Infrastructure - roads	7(a)	213,941	187,118	210,348
Other infrastructure- Footpaths	7(a)	40,414	56,314	39,552
Other infrastructure - Drainage	7(a)	9,777	15,607	9,774
Other infrastructure- Parks & Ovals	7(a)	85,218	60,886	57,390
Other infrastructure- Other	7(a)	17,119	6,947	8,008
Right-of-use assets - plant and equipment	9(a)	32,155		32,155
		596,059	582,289	578,665

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	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
formation	not depreciated
pavement	40 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	50 years
Footpaths & Dual Use Paths	50 years
Drainage	70 years

8. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	$	$	$	$	$	$	$	$	$	$	$	$
Buildings - specialised									17,722	0		(17,722)
Plant and equipment	74,854	96,019	21,165	0	70,505	50,000		(20,505)	76,404	99,000	31,841	(9,245)
	74,854	96,019	21,165	0	70,505	50,000	0	(20,505)	94,126	99,000	31,841	(26,967)

The following assets were disposed of during the year.

Plant and Equipment	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Transport				
Case Skid Steer Loader	32,483	34,750	2,267	0
Toyota Hi-Lux (1GUE 295)	18,764	30,455	11,691	0
Mazda Wagon (1HCS 650)	23,607	30,814	7,207	0
	74,854	96,019	21,165	0

8. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

Revaluation

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

Revaluation (continued)

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. 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.

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

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

Depreciation on revaluation

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

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

(ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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 8(a).

9. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - plant and equipment	Right-of-use assets Total
		$	$
Balance at 1 July 2020		93,071	93,071
Depreciation		(32,155)	(32,155)
Balance at 30 June 2021		60,916	60,916
Depreciation	8(a)	(32,155)	(32,155)
Balance at 30 June 2022		28,761	28,761
Total cash outflow from leases			(33,763)
(b) Lease Liabilities			
Current			14,497
Non-current			16,978
	27(b)		31,475

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

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 27(b) .

SIGNIFICANT ACCOUNTING POLICIES
The Shire as Lessor
Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

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

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

Refer to Note 8 under revaluation for details on the significant accounting policies applying to vested improvements.

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

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

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

10. TRADE AND OTHER PAYABLES

	2022	2021
	$	$
Current		
Sundry creditors	244,695	563,013
Prepaid rates	13,647	0
Accrued payroll liabilities	0	55,406
Bonds and deposits held	108,310	84,808
Other payables Building Levies	36,122	25,255
	402,774	728,482

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

Prepaid rates

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

11. BORROWINGS

		2022			2021		
	Note	Current	Non-current	Total	Current	Non-current	Total
Secured		$	$	$	$	$	$
Debentures		36,822	654,693	691,515	34,439	691,029	725,468
Total secured borrowings	27(a)	36,822	654,693	691,515	34,439	691,029	725,468

Secured liabilities and assets pledged as security

The Shire of Peppermint Grove has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

Fair values of borrowings are not materiallly different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierachy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 20.
Details of individual borrowings required by regulations are provided at Note 27(a).

12. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2022	2021
Current provisions	$	$
Employee benefit provisions		
Annual Leave	86,114	73,618
Long Service Leave	117,881	108,106
	203,995	181,724
Non-current provisions		
Long Service Leave	3,117	26,919
	3,117	26,919
	207,112	208,643

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

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

	Note	2022	2021
Amounts are expected to be settled on the following basis:		$	$
Less than 12 months after the reporting date		203,995	73,618
More than 12 months from reporting date		3,117	135,025
		207,112	208,643

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.

13. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	Total Movement on Revaluation	2022 Closing Balance	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	Total Movement on Revaluation	2021 Closing Balance
	$	$	$	$	$	$	$	$	$	$
Revaluation surplus - Land - freehold land	8,039,800	1,445,000	0	1,445,000	9,484,800	7,183,921	855,879	0	855,879	8,039,800
Revaluation surplus - Buildings - specialised	123,761	0	(123,761)	(123,761)	0	919,546	0	(795,785)	(795,785)	123,761
Revaluation surplus - Infrastructure - roads	9,768,320	0	0	0	9,768,320	9,768,320	0	0	0	9,768,320
Revaluation surplus - Other infrastructure- Footpaths	920,836	0	0	0	920,836	920,836	0	0	0	920,836
Revaluation surplus - Other infrastructure - Drainage	418,528	0	0	0	418,528	418,528	0	0	0	418,528
Revaluation surplus - Other infrastructure- Other	227,968	0	0	0	227,968	227,968	0	0	0	227,968
	19,499,213	1,445,000	(123,761)	1,321,239	20,820,452	19,439,119	855,879	(795,785)	60,094	19,499,213

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

14. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2022 Actual $	2022 Budget $	2021 Actual $
Cash and cash equivalents	3	2,361,797	1,262,006	2,141,936
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	1,671,204	1,242,944	1,290,763
		1,671,204	1,242,944	1,290,763
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	28	1,671,204	1,242,944	1,290,763
Total restricted financial assets		1,671,204	1,242,944	1,290,763

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

Net result		(284,961)	124,413	238,644
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(1,934)	0	0
Depreciation/amortisation		596,059	582,289	578,665
(Profit)/loss on sale of asset		(21,165)	20,505	(4,874)
Share of profits of associates		10,669	0	25,000
Loss on revaluation of fixed assets		646,241	0	0
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(65,491)		291,017
Increase/(decrease) in trade and other payables		(334,815)		179,417
Increase/(decrease) in employee related provisions		(1,531)		(27,287)
Non-operating grants, subsidies and contributions		(187,493)	(177,734)	(50,658)
Net cash provided by/(used in) operating activities		355,579	549,473	1,229,924

(c) Undrawn Borrowing Facilities Credit Standby Arrangements

Loan facilities			
Loan facilities - current	36,822		34,439
Loan facilities - non-current	654,693		691,029
Total facilities in use at balance date	691,515		725,468
Unused loan facilities at balance date	0		0

15. CONTINGENT LIABILITIES

As at the 30 June 2022, The Shire does not have any Contingent Liabilities.

16. CAPITAL COMMITMENTS

As at the 30 June 2022, The Shire does not have any Capital Commitments

17. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration	Note	2022 Actual $	2022 Budget $	2021 Actual $
Cr Rachel Thomas				
President's annual allowance		15,048	15,048	15,048
Meeting attendance fees		18,176	18,176	18,176
		33,224	33,224	33,224
Cr Charles Hohnen				
Deputy President's annual allowance		3,762	3,762	3,762
Meeting attendance fees		9,088	9,088	9,088
		12,850	12,850	12,850
Cr Dawne Horrex				
Meeting attendance fees		9,088	9,088	9,088
		9,088	9,088	9,088
Cr Peter MacIntosh				
Meeting attendance fees		9,088	9,088	9,088
		9,088	9,088	9,088
Cr Greg Peters- to October 2021				
Meeting attendance fees		2,667	9,088	9,088
		2,667	9,088	9,088
Cr Karen Farley				
Meeting attendance fees		9,088	9,088	9,088
		9,088	9,088	9,088
Cr Patrick Dawkins				
Meeting attendance fees		9,088	9,088	9,088
		9,088	9,088	9,088
Cr Doug Jackson- From October 2021				
Meeting attendance fees		6,421	0	
		6,421	0	0
		91,514	91,514	91,514

Fees, expenses and allowances to be paid or reimbursed to elected council members.		2022 Actual $	2022 Budget $	2021 Actual $
President's annual allowance		15,048	15,048	15,048
Deputy President's annual allowance		3,762	3,762	3,762
Meeting attendance fees		72,704	72,704	72,704
	17(b)	91,514	91,514	91,514

17. RELATED PARTY TRANSACTIONS

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:		2022 Actual $	2021 Actual $
Short-term employee benefits		751,298	695,486
Post-employment benefits		114,734	90,846
Employee - other long-term benefits		16,495	15,381
Employee - termination benefits		4,715	0
Council member costs	17(a)	91,514	91,514
		978,756	893,227

Short-term employee benefits
These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits
These amounts are the current-year's cost of the Shire's superannuation contributions made during the year.

Other long-term benefits
These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits
These amounts represent termination benefits paid to KMP.

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

(c) Transactions with related parties

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

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

In addition to KMP compensation above the following transactions occurred with related parties:	2022 Actual $	2021 Actual $
Town of Mosman Park		
Contribution to Library and Community Centre	(618,817)	(632,906)
Town of Cottesloe	(536,823)	(549,047)
Investments in associates:		
Distributions received from investments in associates	(10,669)	(17,908)
Amounts payable to related parties:		
Trade and other payables	0	255,854

17 RELATED PARTY TRANSACTIONS

(d) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

iv. Joint Venture entities accounted for under the proportionate consolidation method

The Shire has a one-third interest in an environmental health and building service. The interest in the joint venture entity is accounted for in these financial statements using the proportionate consolidation method of accounting. For details of interests held in the joint venture refer to Note 14.

18. JOINT ARRANGEMENTS

Share of joint operations

The Shire has a 9.09 per cent interest in the Grove Library, which provides library services to the ratepayers of the Shire of Peppermint Grove, Town of Mosman Park and the Town of Cottesloe. The voting rights of the Shire is 33.33per cent. The Principal place of business of the Grove Library is 1 Leake Street Peppermint Grove WA 6011.

The Shire's interets in the Grove Library are accounted for as a joint operation using the proportional consolidation method in the financial statements. Summarised financial information of the joint operation based on IFRS financial statements as at the 30 June 2022 and the year then ended, and adjsuted for the Shire's proportional interest (9.09%) is set out below.

Statement of Financial Position	2022 Actual	2021 Actual
Non Current Assets	$	$
Property Plant & Equipment	1,138,691	1,210,871
Total assets	1,138,691	1,210,871
Total Liabilities		
Employee Related Provisions- Current	(19,001)	(18,237)
Employee Related Provisions- Non Current	(575)	(509)
	(19,576)	(18,746)
Total equity	1,119,115	1,192,125
Statement of Comprehensive Income		
Revenue		
Fees & Charges	4,099	3,366
Other Revenue	191	1,364
	4,290	4,730
Expenses		
Employee Costs	(73,277)	(72,417)
Materials & Contractors	(30,121)	(32,334)
Utility Charges	(3,182)	(2,829)
Insurance Expenses	(4,117)	(2,985)
Other Expenses	(5,439)	(5,576)
Profit/(loss) for the period	(116,135)	(116,141)
Other comprehensive income		
Total comprehensive income for the period	(111,845)	(111,411)

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

A joint operation is a joint arrangement where the Shire has joint control with another party to the joint arrangement. All parties to joint 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.

19. INVESTMENT IN ASSOCIATES

Share of Investment in WMRC
The Shire of Peppermint Grove, together with the Town of Cottesloe Claremont and Mosman Park & the City of Subiaco, have a joint venture arrangement for the provision of a waste transfer Station via the Western Metropolitan Regional Council. The Shire's interest in the joint venture as at the 30 June 2022 is 3.69% (2021: 3.69%) representing its share of the net assets of the Western Metropolitan Regional Council of $2,964,205 (2021: $3,253,263)

Summarised statement of comprehensive income	2022 Actual $	2021 Actual $
Revenue	237,265	204,922
Interest income	113	284
Interest expense	(41)	(36)
Depreciation	(8,884)	(8,151)
Profit/(loss) from continuing operations	(10,669)	(14,431)
Profit/(loss) from discontinued operations		
Profit/(loss) for the period	(10,669)	(14,431)
Other comprehensive income		
Total comprehensive income for the period	(10,669)	(14,431)
Summarised statement of financial position		
Cash and cash equivalents	52,876	39,634
Other current assets	15,319	15,835
Total current assets	68,195	55,469
Non-current assets	91,980	91,983
Total assets	160,175	147,452
Current financial liabilities	38,646	17,793
Other current liabilities	9,343	7,843
Total current liabilities	47,989	25,636
Non-current financial liabilities	0	0
Other non-current liabilities	2,810	1,771
Total non-current liabilities	2,810	1,771
Total liabilities	50,799	27,407
Net assets	109,376	120,045
Reconciliation to carrying amounts		
Opening net assets 1 July	120,045	134,476
Changes in members contributions		
Profit/(Loss) for the period	(10,669)	(14,431)
Other comprehensive income	0	0
Closing net assets 1 July	109,376	120,045
Carrying amount at 1 July	0	0
- Distribution of equity by associate	109,376	120,045
Carrying amount at 30 June (Refer to Note 19.)	109,376	120,045

SIGNIFICANT ACCOUNTING POLICIES

Investments in associates
An associate is an entity over which the Shire has the power to participate in the financial and operating policy decisions of the investee but not control or joint control of those policies. Investments in associates are accounted for using the equity method.

The equity method of accounting, is whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

20. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	$	$	$	$
2022					
Cash and cash equivalents	0.65%	2,361,797	0	2,361,252	545
Financial assets at amortised cost - term deposits		0	0		
2021					
Cash and cash equivalents	0.057%	2,141,936	1,290,763	850,628	545
Financial assets at amortised cost - term deposits		0	0		

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

	2022	2021
	$	$
Impact of a 1% movement in interest rates on profit and loss and equity*	23,613	8,506

* Holding all other variables constant

Borrowings
Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 27(a).

20. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

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

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

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

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

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

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable	$ 35,503	$ 1,804	0	0	$ 37,307	
Expected credit loss	0.00%	0.00%			0	
Gross carrying amount					0	
Loss allowance					0	5
30 June 2021						
Rates receivable	$ 7,975	$ 6,117	0	0	$ 14,092	
Expected credit loss	0.00%	0.00%				
Gross carrying amount					0	
Loss allowance					0	5

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
30 June 2022						
Trade and other receivables						
Expected credit loss	0.00%					
Gross carrying amount	$ 53,658	$ 0	$ 738	$ 11,277	$ 65,673	
Loss allowance	0				0	5
30 June 2021						
Trade and other receivables						
Expected credit loss	0.00%					
Gross carrying amount	$ 17,602				$ 17,602	
Loss allowance					0	5

20. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 14(c).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
2022	$	$	$	$	$
Trade and other payables	389,127	0	0	389,127	389,127
Borrowings	36,822	206,169	448,524	691,515	691,515
Lease liabilities	14,497	16,977	0	31,474	31,474
	440,446	223,146	448,524	1,112,116	1,112,116
2021					
Trade and other payables	728,482	0	0	728,482	728,482
Borrowings	34,439	242,990	450,752	728,181	725,468
Lease liabilities	33,762	31,475	0	65,237	65,237
	796,683	274,465	450,752	1,521,900	1,519,187

21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no events occurring after the end of the reporting period.

22. OTHER SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

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

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

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

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

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

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

j) Impairment of assets
In accordance with Australian Accounting Standards the Shire's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

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

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

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

k) Initial application of accounting standards
During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years
The following new accounting standards will have application to local government in future years:
- *AASB 2020-1 Amendments to Australian Accounting* Standards - Classification of *Liabilities as Current or Non-current*
- *AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*
- *AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*

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

23. FUNCTION AND ACTIVITY- Statement of Objectives

(a) Service objectives and descriptions

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

Objective	Description
GOVERNANCE	
To provide a decision-making process for the efficient allocation of scarce resources.	Administration and operation of facilities and services to Members of Council. Other costs that relate to the tasks of assisting elected members and ratepayers.
GENERAL PURPOSE FUNDING	
To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue. Costs associated with raising of rates and other funding activities.
LAW, ORDER, PUBLIC SAFETY	
To provide services to help ensure a safer and environmentally conscious community.	Supervision of various local laws, fire prevention, emergency services and animal control.
HEALTH	
To provide an operational framework for environmental and community health.	Maternal and infant health, immunisation control, health inspections, pest control and preventative services.
EDUCATION AND WELFARE	
To provide services to disadvantaged persons, the elderly, children and youth.	Contribution towards the operations of a community services provider, Aged Persons Support Service, community centre and other voluntary services.
COMMUNITY AMENITIES	
To provide services to the community.	Rubbish collection and recycling services, administration of the Town Planning Scheme, maintenance of bus shelters.
RECREATION AND CULTURE	
To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.	Maintenance of parks and reserves. Administration of the library and community centre that services the Cottesloe, Mosman Park and Peppermint Grove localities.
TRANSPORT	
To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, drainage works, footpaths, parking facilities and traffic signs. Cleaning of streets and maintaining street verges and street trees.
ECONOMIC SERVICES	
To help promote the Shire and its economic wellbeing.	Implementation of building controls.
OTHER PROPERTY AND SERVICES	
To monitor and control Council's overhead operating accounts.	Plant operation and public works overhead costs.

24. FUNCTION AND ACTIVITY

(a) Income and expenses

	2022 Actual $	2022 Budget $	2021 Actual $
Income excluding grants, subsidies and contributions			
Governance	382	8,000	10,618
General purpose funding	2,388,527	3,476,699	3,383,134
Law, order, public safety	10,998	9,000	8,865
Health	7,609	11,000	6,176
Community amenities	263,121	120,900	93,501
Recreation and culture	885,475	94,646	79,966
Transport	207,203	0	24,058
Economic services	7,543	67,500	56,242
Other property and services	3,319	0	0
	3,774,177	3,787,745	3,662,560
Grants, subsidies and contributions			
General purpose funding	36,438	29,194	45,281
Health	0	0	4,080
Recreation and culture	225,395	1,425,064	199,765
Transport	39,264	0	16,606
Other property and services	0	0	662
	301,097	1,454,258	266,394
Total Income	4,075,274	5,242,003	3,928,954
Expenses			
Governance	(1,476,513)	(1,664,814)	(1,253,345)
General purpose funding	0	(2,750)	(1,076)
Law, order, public safety	(21,388)	(22,000)	(35,096)
Health	(10,422)	(12,000)	(16,266)
Education and welfare	(42,687)	(17,500)	(16,955)
Community amenities	(745,908)	(829,505)	(680,522)
Recreation and culture	(470,236)	(1,608,495)	(889,271)
Transport	(556,360)	(641,377)	(516,657)
Economic services	(76)	(6,000)	(29,553)
Other property and services	(1,036,645)	(313,150)	(251,569)
Total expenses	(4,360,235)	(5,117,591)	(3,690,310)
Net result for the period	(284,961)	124,412	238,644

24. FUNCTION AND ACTIVITY (Continued)

(b) Fees and Charges	2022 Actual $	2022 Budget $	2021 Actual $
General purpose funding	11,015	13,831	10,801
Law, order, public safety	5,063	7,800	4,634
Health	0	43,664	6,175
Housing	0	97,645	114,872
Community amenities	149,159	87,835	54,576
Recreation and culture	73,949	74,923	3,166
Transport	1,745	0	0
Economic services	57,477	0	73,161
	298,408	325,698	267,385

(c) Total Assets	2022 $	2021 $
Governance	4,747,521	4,345,917
Education and welfare	8,340,502	8,340,502
Community amenities	1,797,671	1,797,671
Recreation and culture	3,851,620	3,836,161
Transport	14,210,950	13,961,673
Other property and services	52,134	77,151
	33,000,398	32,359,075

25. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in $	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Rate Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Actual Total Revenue	2021/22 Budget Rate Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
				$	$	$	$	$	$	$	$	$	$
General rental valuations	Gross rental valuation	0.0875	591	38,044,460	3,326,988	18,977	0	3,345,965	3,320,268	8,000		3,328,268	3,257,709
Sub-Total			591	38,044,460	3,326,988	18,977	0	3,345,965	3,320,268	8,000	0	3,328,268	3,257,709
Minimum payment		**Minimum $**											
General rental valuations	Gross rental valuation	1,424	64	810,290	91,136			91,136	91,136			91,136	89,600
Sub-Total			64	810,290	91,136	0	0	91,136	91,136	0	0	91,136	89,600
Total amount raised from general rates			655	38,854,750	3,418,124	18,977	0	3,437,101	3,411,404	8,000	0	3,419,404	3,347,309

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

25. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		$	%	%
Option One				
Single full payment	2/09/2021	0.0		4.00%
Option Two				
First instalment	2/09/2021			4.00%
Second instalment	4/11/2021	15.0	4.00%	4.00%
Option Three				
First instalment	2/09/2021			4.00%
Second instalment	4/11/2021	15.0	4.00%	4.00%
Third instalment	6/01/2022	15.0	4.00%	4.00%
Fourth instalment	10/03/2022	15.0	4.00%	4.00%

	2022 Actual	2022 Budget	2021 Actual
	$	$	$
Interest on unpaid rates	7,497	4,700	4,815
Interest on instalment plan	11,136	15,000	0
Charges on instalment plan	5,940	2,400	0
	24,573	22,100	4,815

26. RATE SETTING STATEMENT INFORMATION

	Note	2021/22 (30 June 2022 Carried Forward)	2021/22 Budget (30 June 2022 Carried Forward)	2021/22 (1 July 2021 Brought 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 Rate Setting Statement in accordance with *Financial Management Regulation 32.*				
Adjustments to operating activities				
Less: Profit on asset disposals	8(b)	(21,165)	0	(31,841)
Less: Movement in liabilities associated with restricted cash		(23,802)		7,257
Less: Fair value adjustments to financial assets at fair value through profit and loss		(1,934)	0	0
Less: Share of net profit of associates and joint ventures accounted for using the equity method		10,669	0	25,000
Add: Loss on disposal of assets	8(b)	0	20,504	26,967
Add: Loss on revaluation of fixed assets	6 (a)	646,241	0	0
Add: Depreciation	8 (a)	596,059	582,290	578,664
Non-cash movements in non-current assets and liabilities:				
Employee benefit provisions		50,361		0
Non-cash amounts excluded from operating activities		1,256,429	602,794	606,047
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement 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	28	(1,671,204)	(1,242,944)	(1,290,763)
Less: Financial assets at amortised cost - self supporting loans		0	(6,124)	0
Less: Current assets not expected to be received at end of year				(570)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	11	36,822	36,822	34,439
- Current portion of lease liabilities	9(b)	14,497	14,497	33,762
- Employee benefit provisions		156,750	152,900	106,384
Total adjustments to net current assets		(1,463,135)	(1,044,849)	(1,116,748)
Net current assets used in the Rate Setting Statement				
Total current assets		2,464,777	2,100,000	2,173,630
Less: Total current liabilities		(658,088)	(1,050,480)	(978,407)
Less: Total adjustments to net current assets		(1,463,135)	(1,044,849)	(1,116,748)
Net current assets used in the Rate Setting Statement		343,554	4,671	78,475

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

		Actual							Budget			
Purpose	Note	Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		$	$	$	$	$	$	$	$	$	$	$
Library & Community Centre		757,194		(31,726)	725,468		(33,953)	691,515	724,982		(33,953)	691,029
Total		757,194	0	(31,726)	725,468	0	(33,953)	691,515	724,982	0	(33,953)	691,029
Self Supporting Loans												
PG Tennis Club					0			0		25,000	(6,124)	18,876
Total Self Supporting Loans		0	0	0	0	0	0	0	0	25,000	(6,124)	18,876
Total Borrowings	11	757,194	0	(31,726)	725,468	0	(33,953)	691,515	724,982	25,000	(40,077)	709,905

* WA Treasury Corporation

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

Borrowing Interest Repayments

Purpose	Note	Function and activity		Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022	Actual for year ending 30 June 2021
							$	$	$
Library & Community Centre		Recreation and culture	Library & Community Centre	41	WATC	6.90%	(54,375)	(54,964)	(59,418)
Total							(54,375)	(54,964)	(59,418)
PG Tennis Club									
Total Interest Repayments							(54,375)	(54,964)	(59,418)

(b) Lease Liabilities

		Actual							Budget			
Purpose	Note	Principal at 1 July 2020	New Leases During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
		$	$	$	$	$	$	$	$	$	$	$
Photocopier		52,387	0	(11,025)	41,362		(11,785)	29,577	41,362		(4,732)	36,630
Folding Machine		4,655	0	(2,154)	2,501		(2,304)	197	2,501		(2,400)	101
Photocopier- Library		39,778		(18,404)	21,374		(19,674)	1,700	21,374		(6,836)	14,538
Total Lease Liabilities	9(b)	96,820	0	(31,583)	65,237	0	(33,763)	31,474	65,237	0	(13,968)	51,269

28. RESERVE ACCOUNTS

28. RESERVE ACCOUNTS

Restricted by legislation/agreememt	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
	$	$	$	$	$	$	$	$	$	$	$	$
(a) Leave Reserve	106,384	50,366		156,750	108,273	50,900		159,173	105,816	568		106,384
(b) Plant Reserve	20,985	82,072		103,057	21,214			21,214	20,873	112		20,985
(c) Infrastructure Building Reserve	642,983	102,213		745,196	643,402	101,300	(135,000)	609,702	589,552	53,431		642,983
(d) Information Technology Reserve	24,202	68		24,270	24,465			24,465	24,073	129		24,202
(e) Arts & Culture Reserve	20,934	20,083		41,017	20,823			20,823	823	20,111		20,934
(f) Legal Costs Reserve	19,974	73		20,047	20,085			20,085	19,867	107		19,974
(g) Roads & Drainage Reserve	444,108	101,528		545,636	444,239	30	(113,000)	331,269	391,739	52,369		444,108
(h) Library Infrastructure Reserve	11,193	24,038		35,231	35,513	20,700		56,213	11,134	59		11,193
	1,290,763	380,441	0	1,671,204	1,318,014	172,930	(248,000)	1,242,944	1,163,877	126,886	0	1,290,763

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave Reserve	on- going	To fund Annual and Long Service Leave entitlements.
(b) Plant Reserve	on- going	To fund replacement and upgrading of Council vehicles and plant
(c) Infrastructure Building Reserve	on- going	To fund replacement and upgrading of recreational infrastructure and municipal Buildings
(d) Information Technology Reserve	on- going	To fund replacement and upgrading of Council's Information & Technology Assets
(e) Arts & Culture Reserve	on- going	To enable the purchase of Public Art
(f) Legal Costs Reserve	on- going	To provide for future general expenses including building and Planning actions
(g) Roads & Drainage Reserve	on- going	To fund renewal and expansion of Council's roads and drainage system
(h) Library Infrastructure Reserve	on- going	To fund the Shire's portion of Captial items at the Grove Library and /or Community Centre

Independent Auditor's Report

Auditor General

INDEPENDENT AUDITOR'S REPORT
2022
Shire of Peppermint Grove

To the Councillors of the Shire of Peppermint Grove

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

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

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

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

The Chief Executive Officer of the Shire is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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

Patrick Arulsingham
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
15 December 2022