



SHIRE OF KOJONUP

ANNUAL REPORT

2021/2022





VISION

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

OUR GUIDING VALUES

Integrity

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

Care and Respect for People

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

Responsible

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

Open and Reliable

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

Statistically in 2021/2022, the Shire has:

<p>Conducted 11 Council Meetings</p> 	<p>Conducted 18 Briefing Sessions</p> 	<p>Conducted 2 Special Council Meetings</p> 	<p>Obtained \$8,192,576 in Grant Revenue & Contributions</p> 
<p>Received 15,589 visitors to the Kojonup Visitors Centre</p> 	<p>Issued 15 building related approvals at a value of \$2,540 million</p> 	<p>Supported 0 Subdivision Applications.</p> 	<p>Issued 10 Development Approvals for Projects</p> 
<p>262 Travel groups camped at the designated camp ground</p> 	<p>Progressed 2 road widening programs for 4km totalling \$466,875</p> 	<p>Resealed 5.8km of bitumen totalling \$292,586.00</p> 	<p>Conducted 16km of tree pruning and mulching on rural roads</p> 
<p>Re-sheeted 0km of gravel roads totalling \$Nil</p> 	<p>7,593 people attended the K.O'H.M swimming pool between 16 November 2021 and 4 April 2022</p> 	<p>An Area of 2,937km²</p> 	<p>A population count of 1901 in the 2021 Census</p> 

Strategic Direction

Community Strategic Plan 10 years



Vision

Strategic Directions

Outcomes,
Strategies, Targets

Corporate Business Plan 4 years

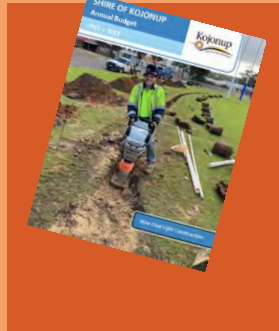


Major Projects

Programs & Services

Corporate Indicators

Annual Budget 1 year



Annual Projects,
Programs & Services

Annual Budget

Revenue Details

Resourcing Strategy – 10 Years

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

Long Term Financial Plan



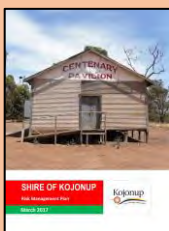
Asset Management Plan
(e.g.: Building Assessment Framework)



Workforce Plan



Risk Management Plan



Business Continuity and
Disaster Recovery Plan



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



A Word from the Shire President



Kojonup is tens of thousands of years old and has a long history. It is home to the Kaneang people of the Noongar Nation and, as a community, there is a lot we can learn from the traditional custodians of these lands.

This annual report and these financial statements reflect a period of implementation that has come to the end of its lifecycle. A period of asset building, and the subsequent increase in debt. This makes this year's report a watershed moment for the Council as we will now move from one strategic paradigm to another, from SMART to PLACEMAKING.

Your Council now wants to leverage the community assets and strengths we have built to create an environment that people will want to come and visit and live in Kojonup. We want to focus on the positive aspects of Kojonup and grow our footprint.

It is important to reflect on the community value creation the Council has achieved during this reporting period. Kojonup continued its infrastructure growth path in 2021/22 namely:

1. The finalisation and commissioning of building 26 Katanning Road and 28 Katanning Road, as a part of the Key Workers housing at the Shire and for Government Regional Officer Housing (GROH). They are fully occupied.
2. Completion of the sewage and water management system for Katanning Road subdivision.
3. The Council continued to develop the concept and community consultation for a Youth Precinct in Kojonup.
4. The Council committed funds to the Bushfire Communications Tower to be built.
5. Memorial Hall and the Harrison Street amenities precinct project was completed.
6. A Shire of Kojonup Trails Master Plan was accepted.
7. The Netball Courts project and construction were completed and are now being fully utilised by the community.
8. Works & Services completed their annual Road Program. This is aligned to the 10 Year road maintenance plan.
9. The Adventure Playground, the "Kojonup Sporting Precinct Play Space Plan", at the Sports Complex was commissioned.
10. Finalisation of the project Quin Quin reserve water runoff management.

Council creates value when it remains committed to listening to the Community every day.

We will continue to talk to the community about the future performance of the Shire. Our future is bright and we will focus on:

1. Building the Men's Shed.
2. Finalising the Emergency Services Communications Tower.
3. Finalise the Youth Precinct plan.
4. Focus on fit for purpose upgrades to technology and other process improvements to ensure we are satisfying community expectations.

Thank you to all the Team Members for support in implementing the deliverables contained within the SMART Corporate Strategic Plan over the past 5 years. To the contractors and professional consultants a huge thank you for your collective efforts.

To our Community members, thank you for your support throughout the year. I sincerely thank everyone who has volunteered their time to clubs, organisations, public events, emergency services, as together we achieve so much more than would otherwise be possible for our community.

Lastly, I would like to thank my fellow Councillors for their time and measured input into the future direction of the Shire. It is important that Kojonup residents stand up and play a part in their community by being involved in Council. It is not always a thankful task but a very rewarding one. Thank you all.

Cr. Ned Radford
Shire President



Shire of Kojonup Depot

Your Council



Shire President
Ned Radford
2021 – 2025

Delegate on the following Committees:

- Bush Fire Advisory
- Kodja Place Community Fund Inc

Delegate deputy:

- GS Zone of WALGA
- GS Joint Development Assessment Panel



Deputy Shire President
Paul Webb
2021 – 2025

Delegate on the following Committees:

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

Delegate deputy:

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



Cr Felicity Webb
2019 – 2023

Delegate on the following Committees:

- Kojonup NRM Advisory
- Kojonup Spring Advisory



Cr Parminder Singh
2019 – 2023

Delegate on the following Committees:

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



Cr Kevin Gale
2019 - 2023

Delegate on the following Committees:

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

Delegate deputy:

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



Cr Cindy Wieringa
2019 – 2023

Delegate on the following Committees:

- Kojonup Spring Advisory Group
- Great Southern Treasures

Delegate deputy:

- Kojonup Homes for the Aged Inc



Cr Roger Bilney
2021 - 2025

Delegate on the following Committees:

- Audit and Risk
- Kojonup NRM Advisor



Cr Alan Egerton-Warburton
2021 – 2025

Delegate on the following Committees:

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

Councillor Attendance at Meetings in 2021/2022

CR BILNEY	CR EGERTON- WARBURTON	CR RAFORD	CR P WEBB	CR F WEBB	CR WIERINGA	CR SINGH	CR GALE	CR FLEAY	CR PEDLER	CR BENN
Ordinary Council										
8	8	10	7	10	10	11	11	2	1	3
Special Council										
1	1	2	1	2	2	2	1	1		1
Audit and Risk Committee										
2	2		2	1	1	1	3			
Natural Resource and Management Advisory Committee										
1										
Bush Fire Advisory Committee										
3		2								
Annual Electors Meeting										
		1				1	1	1		1

Chief Executive Officer's Report



The 2021/22 audited financial report has demonstrated that whilst Kojonup continues to grow, the Shire requires prudent financial management to leverage and consolidate its resources over the coming period, particularly related to debt, cashflow and cost management. We are now in a good position to do this whilst continuing to focus on the internal performance of the Shire as a whole.

As the President mentioned in his report, this annual reporting period reflects the end of the SMART strategic plan, which commenced in 2017. Whilst the SMART plan did not achieve all of its goals, it has placed Kojonup in a good position to springboard to a new level of strategic planning, that is a focus on 'placemaking' strategy.

The finalisation of the capital growth projects, that this financial report represents, allows the Shire to now change its focus to projects such as improving the Shire's internal capability; initiatives to enhance and improve technology, cyber security and focus on security around the town such as CCTV cameras.

The challenge for the Council is the economic environment we now operate in, meaning the Shire has to consider inflationary pressures, increases in the cost of borrowing and general cost increase pressures across all areas of the organisation.

As can be observed in the financial statements, the Shire must continue to analyse expenditure, the allocation of overheads and the impact depreciation has on the relevant cost elements.

The Shire of Kojonup is a great place to live and the Community demonstrates resilience over and over, something we need to continue to achieve. Our shared renewed focus will ensure the Shire builds stronger and closer relationships with the Community, meaning that you will have a regularly informed understanding of the challenges and opportunities that present themselves.

As the Chief Executive Officer, I want to acknowledge the Kojonup Aboriginal Corporation and individuals from the Noongar community who have done a great deal of work to bring Kodja Place and the community together.

I would like to acknowledge the great team at the Shire and to all Community Members who have attended Council meetings, Forums, Briefing Sessions, Advisory meetings, Work Shops, lodged submissions, constructive feedback, made suggestions or requests - thank you for taking the time to give us your feedback and taking an interest in the present and future direction of the Shire of Kojonup.

I look forward to continuing the excellent work in the year ahead.

Grant Thompson
Chief Executive Officer

Senior Management Team

Grant Thompson

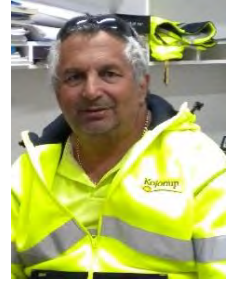
Chief Executive Officer



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

Craig McVee

Manager Works & Services



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

Anthony Middleton

Manager Corporate and Community Services



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

Ciara O'Regan

Manager Springhaven



Governance and Clinical Management - Springhaven Lodge Aged Care

Robert Jehu

Manager Regulatory Services



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

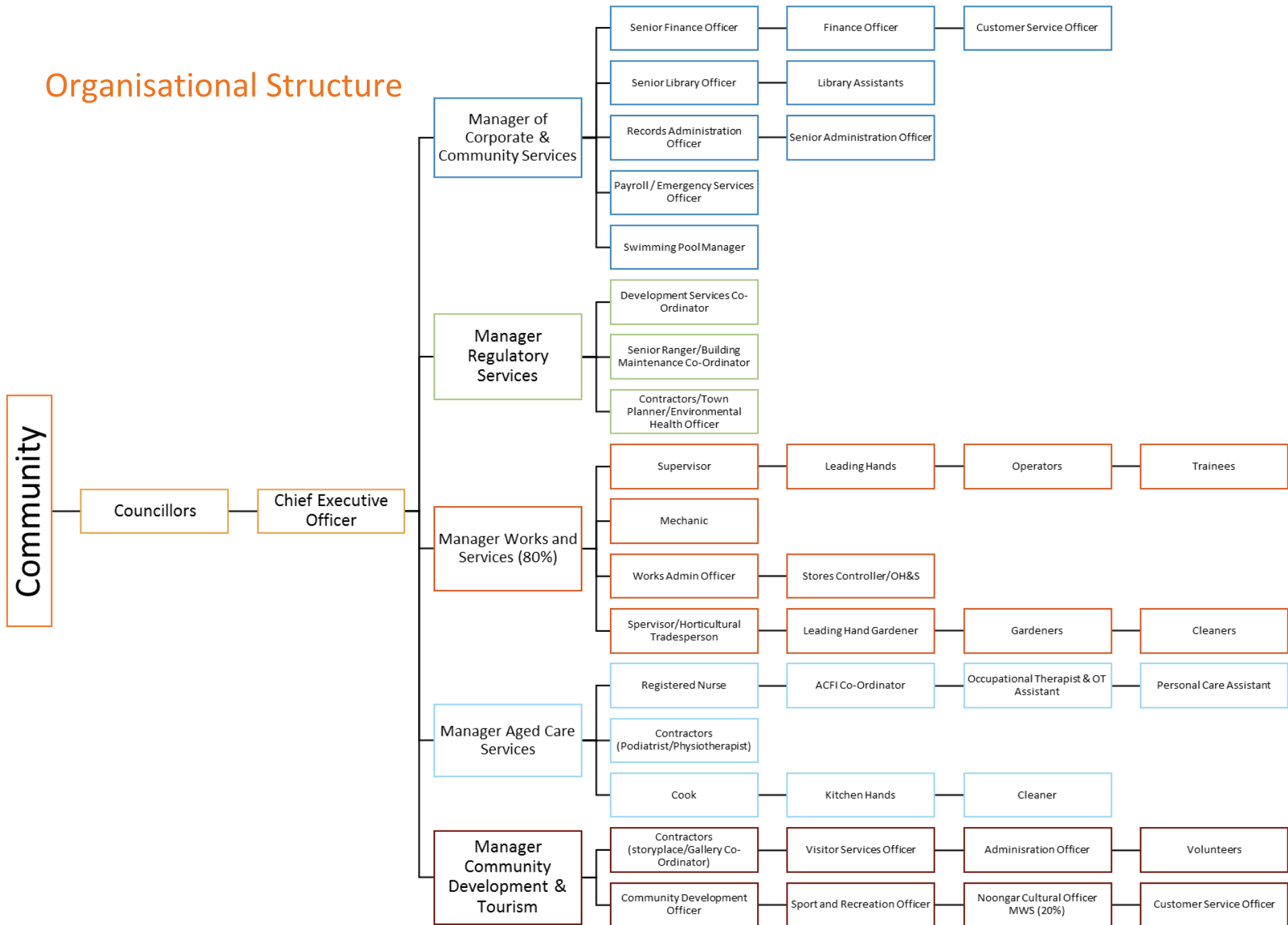
Jill Watkin

Manager the Kodja Place, Tourism & Marketing



- Management of The Kodja Place Precinct
- Tourism
- Marketing

Organisational Structure



Changes to Our Team

The Shire thanks the following staff, who departed from the Shire of Kojonup team during the 2021/2022 financial year, for their contribution:

Employee Name	Given Names	Date Commenced	Job Title
Schinzig	Alice	22/07/2020	Early Years Assistant
Matthews	Nola	21/05/2015	Casual Cleaner
Cox	Katina	27/07/2020	Noongar Trainee
Farr	Natalia	08/12/2020	Kitchen Hand/Cleaner
Mitchell-Collins	Rick	22/07/2013	Chief Executive Officer
Macri	Caroline	27/05/2020	Personal Carer
Blackman	Teagan	23/03/2021	Junior Registered Nurse
MacDonald	Aaron	11/03/2020	Personal Carer
Sullivan	Hope	21/10/2019	Personal Carer
Marland	Derek	01/11/2017	Grano Operator
Anderson	Carmen	28/04/2020	Regulatory Admin Officer
Clinch	Bradley	28/10/2009	Plant Operator
Ridley	Shania	16/08/2021	Junior Registered Nurse
Retallack	Paul	27/10/2010	Senior Ranger
Richardson-Bunbury	Gavin	02/10/2017	Swimming Pool Manager
Wyatt	Lorraine	29/01/2018	Executive/HR Coordinator
Cron	Joan	20/08/2020	Personal Care Assistant
Sawyer	Annette	17/03/2021	Early Years Co-Ordinator
Levis	Daniel	11/05/2021	Customer Service Officer
Broun	Hayley	06/02/2020	Personal Carer
Garcia	Sheryl	08/08/2019	Carer
Alimon	Mary	24/09/2021	Personal Care Assistant
Fulmer	Ryan	18/10/2016	Traffic Controller
Coyne	Francis	23/11/2021	Traffic Control/General Hand
Zenni	Caitlin	14/02/2022	Registered Nurse
Balloch	Robert	07/09/1999	Works Supervisor
Ramm	Victoria	04/06/2008	Stores Controller/OS&H Rep Officer
Retallack	Lana	24/01/2012	Registered Nurse
Harrison	Derek	23/05/2011	All Rounder/Plant Operator
Jackson	Madison	13/01/2020	Personal Carer
Finlay	Stephanie	13/04/2022	Carer
Morton	Christopher	17/11/2021	Carer
Shephard	Phillip Colin	04/03/2008	Planner
Middleton	Anthony	28/10/2013	Manager Corporate & Community Services
Marinoni	Lucy	10/04/2019	Personal Care Assistant

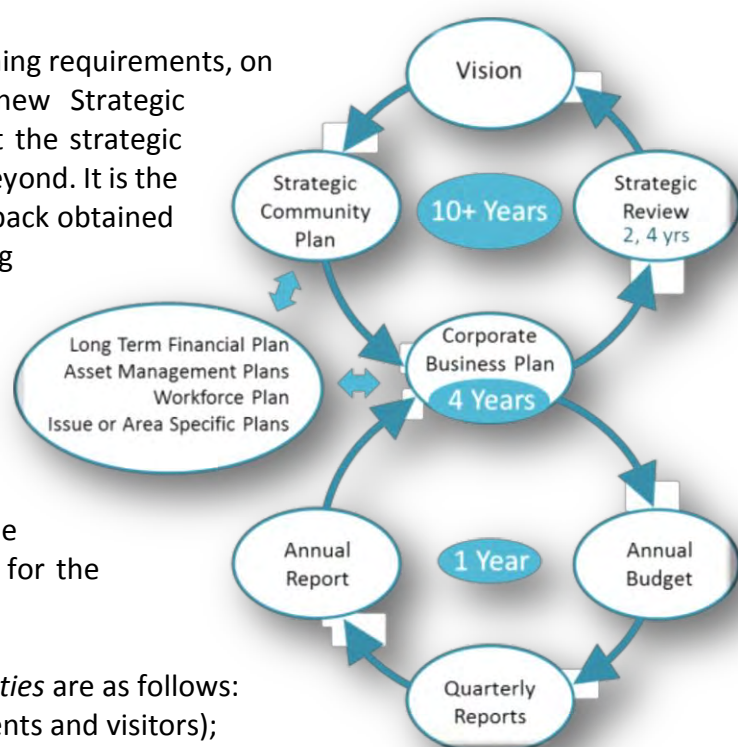
We welcomed to our team, the following new employees:

Employee Name	Given Names	Date Commenced	Job Title
Ridley	Shania	16/08/2021	Junior Registered Nurse
Alimon	Mary	24/09/2021	Personal Care Assistant
Morton	Christopher	17/11/2021	Carer
Coyne	Francis	23/11/2021	Traffic Control/General Hand
Zenni	Caitlin	14/02/2022	Registered Nurse
Fort	Kerry-Anne	12/07/2021	Cleaner
Thompson	Grant	19/07/2021	Chief Executive Officer
Bell	Karen	04/08/2021	Kichen Hand/Cleaner
Howell	James	09/08/2021	Excavator/Plant Operator
Viloria	Lemuel	06/09/2021	Gardener
Bruhn	Garry	20/09/2021	Building Surveyor
Cook	Leah	21/09/2021	Carer
Lottering	Estelle (Este)	11/10/2021	Regulatory Services - Administration Officer
Franich	Aaron	12/10/2021	Swimming Pool Manager
Swain	Stephanie	27/10/2021	Senior Ranger
Van Duyn	Morgan	08/11/2021	Carer
Hanekamp	Robert	08/12/2021	Building Maintenance Officer
Weazel	Jamaine	06/01/2022	General Hand
Riley	William	10/01/2022	Casual Customer Service Officer - Tours
Daniels	Nicole	03/03/2022	Kitchenhand/Cook
Riley	Neil	12/04/2022	Roller Driver/Plant Operator
Finlay	Stephanie	13/04/2022	Carer
Pajares	Joey	26/04/2022	Traffic Control/General Hand
MacDonald	Aaron	26/04/2022	Carer
Watkin	Jill	02/05/2022	Manager the Kodja Place, Tourism, Marketing
Anderson	Grace	19/05/2022	Carer
Lewis	Sarah	26/05/2022	Carer
Campbell	Darci	01/06/2022	Carer
Rhodes	Teresa	13/06/2022	Carer

Plan for the Future

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

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



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

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

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

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

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










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

Key Pillar 1 – Place

Kojonup celebrates its diversity for residents and visitors.

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

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

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



**Harrison Place
Public Toilet Construction**



**Talent Show
5 February 2022
The Kodja Place**
Photograph courtesy of Astrid Volzke





Volunteering The Kodja Place Rose Maze

**Above -
L to R: Laurie Prandi, Eric Wright, Cathy Wright**









**Above –
L to R: Alan Egerton-Warburton, Marina Murray (Senior
Horticulturalist, Shire of Kojonup), Lyn Boddington, Laurie
Prandi and John Mathwin**



**Left –
L to R: Roberta McGuire, Kath Mathwin, Sharon Ramel, Norma
Ball, Wendy Thorn**

Photographs courtesy of the Kodja Place Community Fund Inc.

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

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

Netball Court Completion



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

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



Kojonup
Sporting
Complex
Playground



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

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



**Ordinary Meeting held in the
Memorial Hall - 12 April 2022
150 Year Kojonup Roads Board
Recognition**



**Kojonup Roads Board
Memorabilia – Memorial Hall
12 April 2022
150 Year Recognition**

2022 AUSTRALIA DAY AWARDS MEDAL RECIPIENTS



Quentin (Kent) Egerton-Warburton OAM
Kojonup Farmer
Recipient of an Order of Australia Medal for service to the agricultural technology industry.
Mr Egerton-Warburton founded and developed Agrimaster Farm Financial Management Software in the early 1980s.



Dawn Norrish OAM
Kojonup Farmer
Recipient of an Order of Australia Medal for services to the equine industry.













**Newly sheltered Muradup War Memorial
ANZAC Day 25 April 2022**

Key Pillar 2 - Connected















Kojonup advances through connections, partnerships and alliances.

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

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

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

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

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

2.2.15	Convert medication management and record keeping including resident files to an electronic system to increase the safe storage of information.	😊
2.2.16	Develop and adopt a 'Growing Old Gracefully' Plan	😞
2.2.17	Investigate possibility of leasing or selling Springhaven	😊



**L to R: Hayley Clarke, Ciara O'Regan, Lana Retallack
Certificate of Accreditation
Springhaven Frail Aged Hostel**

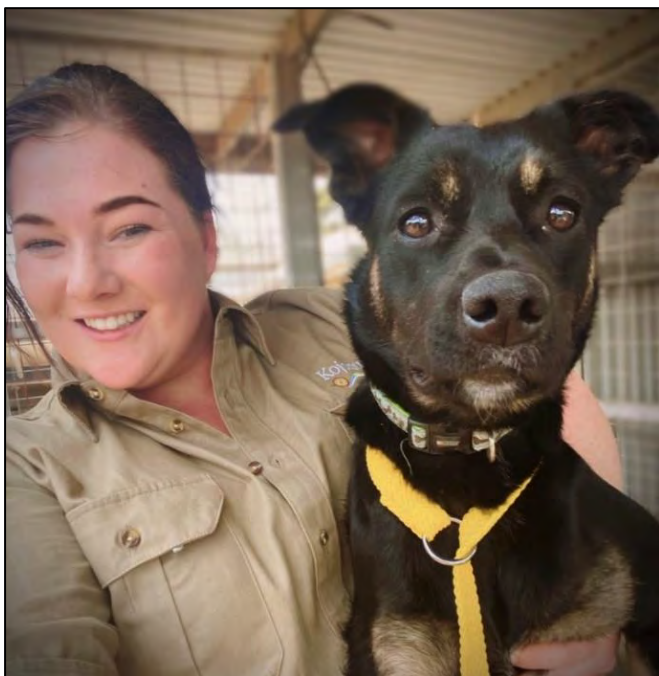


**Springhaven Aged Care Hostel
March 2022**

Photograph courtesy of Nicole Daniels

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

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



Rangering



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

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



26 Katanning Road

A

Great Southern Housing Initiative

Project










Key Pillar 3 - Performance

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

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

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

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








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

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











My Place
A collaborative body of work produced by local artist Lisa Martello Hart with
students from Kojonup District High School and St Bernard's Primary School
Autumn 2022
Sponsored by the Rotary Club of Kojonup

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

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

3.4 – Be organised and transparent with our financial management.

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



**Installation of a new culvert
Riverdale Road**



**Reseal
Broomehill-Kojonup Road**







Kerb laying - Spring Street

Key Pillar 4 - Prosperity






Kojonup invests in its own prosperity and drives economic growth.

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




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








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

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




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

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

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

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

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






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

Key Pillar 5 – Digital



Kojonup is ambitious with technology, data and analytics.

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


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

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









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

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

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

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

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

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

Statutory Statements

National Competition Policy

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

Competitive Neutrality

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

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

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

Structural Review of Public Monopolies

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

Legislative Review

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

During 2021/2022 the Shire of Kojonup proposed the Shire of Kojonup Parking Local Law 2022 and the Shire of Kojonup Cat Local Law 2022.

Disability Report

State Records Act 2000

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

During 2021/2022, the Shire of Kojonup created a legislatively current Recordkeeping Plan, and Information Management Policy, Procedures, Risk Assessment and Records Training (Tips & Tricks) documents. The final transition to ALTUS software occurred along with implementation of a fully digitised system including disposal processes for source records twelve months of age.

An overhaul of the Business Classification System was undertaken including the addition of a fourth level for further guidance and clarity when recording specific documents; a document security matrix has been implemented.

Training in Records Management was conducted for both staff and councillors.

Freedom of Information

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

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

During the 2021/2022 period the Shire of Kojonup received nil Freedom of Information applications.

Complaints Report

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

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

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

There were 0 (nil) complaints made in accordance with this legislation in the 2021/22 financial year.

Public Interest Disclosure Act 2003

In accordance with this legislation, procedures have been implemented to facilitate reporting and action of public interest disclosures. During the 2021/2022 period, no public interest disclosures were lodged.

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

Certification of Financial Report	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Rate Setting Statement	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	51

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

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

Principal place of business:
93 Albany Highway
Kojonup WA 6395

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

The attached financial report of the Shire of Kojonup 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 Kojonup 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 14th day of APRIL 2023



Chief Executive Officer

GRANT THOMPSON

Name of Chief Executive Officer

SHIRE OF KOJONUP
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)	4,244,756	4,240,015	4,021,892
Operating grants, subsidies and contributions	2(a)	3,717,380	2,216,222	3,143,027
Fees and charges	24(c),2(a)	1,372,148	1,448,162	1,323,731
Interest earnings	2(a)	40,717	61,848	46,995
Other revenue	2(a)	374,820	411,613	287,337
		9,749,821	8,377,860	8,822,982
Expenses				
Employee costs		(4,801,960)	(4,394,696)	(4,688,839)
Materials and contracts		(2,713,786)	(1,156,723)	(1,907,105)
Utility charges		(349,845)	(301,950)	(331,449)
Depreciation	10(a)	(3,546,351)	(3,471,562)	(3,443,579)
Finance costs	2(b)	(68,234)	(53,048)	(53,860)
Insurance		(370,354)	(331,965)	(331,102)
Other expenditure	2(b)	(120,480)	(927,770)	(22,189)
		(11,971,010)	(10,637,714)	(10,778,123)
		(2,221,189)	(2,259,854)	(1,955,141)
Capital grants, subsidies and contributions	2(a)	1,628,250	4,540,482	3,392,107
Profit on asset disposals	10(b)	43,698	33,000	29,654
Loss on asset disposals	10(b)	(28,879)	(117,500)	(274,580)
Fair value adjustments to financial assets at fair value through profit or loss		4,996	-	3,232
		1,648,065	4,455,982	3,150,413
Net result for the period	24(b)	(573,124)	2,196,128	1,195,272
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	15	(12,775,208)	-	-
Total other comprehensive income for the period	15	(12,775,208)	-	-
Total comprehensive income for the period		(13,348,332)	2,196,128	1,195,272

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

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

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	5,500,684	3,958,480
Trade and other receivables	5	850,427	773,932
Inventories	6	171,905	236,281
Other assets	7	-	1,019,408
TOTAL CURRENT ASSETS		6,523,016	5,988,101
NON-CURRENT ASSETS			
Trade and other receivables	5	96,882	77,752
Other financial assets	4	97,254	92,258
Inventories	6	-	78,000
Property, plant and equipment	8	33,885,752	35,407,180
Infrastructure	9	122,316,129	131,484,314
TOTAL NON-CURRENT ASSETS		156,396,017	167,139,504
TOTAL ASSETS		162,919,033	173,127,605
CURRENT LIABILITIES			
Trade and other payables	11	3,051,095	2,956,737
Other liabilities	12	1,049,302	327,096
Borrowings	13	413,134	231,147
Employee related provisions	14	731,667	715,081
TOTAL CURRENT LIABILITIES		5,245,198	4,230,061
NON-CURRENT LIABILITIES			
Borrowings	13	4,835,981	2,686,909
Employee related provisions	14	102,397	126,206
Other provisions	14	-	640
TOTAL NON-CURRENT LIABILITIES		4,938,378	2,813,755
TOTAL LIABILITIES		10,183,576	7,043,816
NET ASSETS		152,735,457	166,083,789
EQUITY			
Retained surplus		67,659,417	68,713,276
Reserve accounts	28	4,019,914	3,539,179
Revaluation surplus	15	81,056,126	93,831,334
TOTAL EQUITY		152,735,457	166,083,789

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

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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		67,567,279	3,489,904	93,831,334	164,888,517
Comprehensive income for the period					
Net result for the period		1,195,272	-	-	1,195,272
Total comprehensive income for the period		1,195,272	-	-	1,195,272
Transfers from reserves	28	1,199,169	(1,199,169)	-	-
Transfers to reserves	28	(1,248,444)	1,248,444	-	-
Balance as at 30 June 2021		68,713,276	3,539,179	93,831,334	166,083,789
Comprehensive income for the period					
Net result for the period		(573,124)	-	-	(573,124)
Other comprehensive income for the period	15	-	-	(12,775,208)	(12,775,208)
Total comprehensive income for the period		(573,124)	-	(12,775,208)	(13,348,332)
Transfers from reserves	28	1,455,620	(1,455,620)	-	-
Transfers to reserves	28	(1,936,355)	1,936,355	-	-
Balance as at 30 June 2022		67,659,417	4,019,914	81,056,126	152,735,457

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

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

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		4,193,292	4,285,732	3,963,852
Operating grants, subsidies and contributions		3,768,762	3,264,130	3,097,245
Fees and charges		1,371,508	1,450,162	1,094,423
Interest received		40,717	61,848	46,995
Goods and services tax received		99,500	119,120	99,218
Other revenue		374,820	411,613	287,337
		9,848,599	9,592,605	8,589,070
Payments				
Employee costs		(4,719,660)	(4,496,390)	(4,641,286)
Materials and contracts		(1,713,009)	(1,404,546)	(2,354,199)
Utility charges		(349,845)	(301,950)	(331,449)
Finance costs		(53,697)	(53,048)	(56,335)
Insurance paid		(370,354)	(331,965)	(331,102)
Goods and services tax paid		(85,703)	-	-
Other expenditure		(78,515)	(927,770)	(43,725)
		(7,370,783)	(7,515,669)	(7,758,096)
Net cash provided by (used in) operating activities	16(b)	2,477,816	2,076,936	830,974
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of land held for resale		-	(616,833)	(9,167)
Payments for purchase of property, plant & equipment	8(a)	(1,784,651)	(2,462,316)	(1,892,537)
Payments for construction of infrastructure	9(a)	(4,084,135)	(6,616,051)	(2,311,118)
Non-operating grants, subsidies and contributions		2,350,456	4,540,482	2,860,648
Proceeds from sale of property, plant & equipment	10(b)	251,659	319,000	176,181
Net cash provided by (used in) investing activities		(3,266,671)	(4,835,718)	(1,175,993)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	27(a)	(255,019)	(254,654)	(224,097)
Proceeds from new borrowings	27(a)	2,586,078	2,486,833	255,000
Net cash provided by (used in) financing activities		2,331,059	2,232,179	30,903
Net increase (decrease) in cash held		1,542,204	(526,603)	(314,116)
Cash at beginning of year		3,958,480	3,957,334	4,272,596
Cash and cash equivalents at the end of the year	16(a)	5,500,684	3,430,730	3,958,480

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

SHIRE OF KOJONUP
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)	1,033,480	906,990	213,493
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Rates (excluding general rate)	25(b)	1,467	-	1,397
Operating grants, subsidies and contributions		3,717,380	2,216,222	3,143,027
Fees and charges		1,372,148	1,448,162	1,323,731
Interest earnings		40,717	61,848	46,995
Other revenue		374,820	411,613	287,337
Profit on asset disposals	10(b)	43,698	33,000	29,654
Fair value adjustments to financial assets at fair value through profit or loss		4,996	-	3,232
		5,555,226	4,170,845	4,835,373
Expenditure from operating activities				
Employee costs		(4,801,960)	(4,394,696)	(4,688,839)
Materials and contracts		(2,713,786)	(1,156,723)	(1,907,105)
Utility charges		(349,845)	(301,950)	(331,449)
Depreciation		(3,546,351)	(3,471,562)	(3,443,579)
Finance costs		(68,234)	(53,048)	(53,860)
Insurance		(370,354)	(331,965)	(331,102)
Other expenditure		(120,480)	(927,770)	(22,189)
Loss on asset disposals	10(b)	(28,879)	(117,500)	(274,580)
Loss on revaluation of non-current assets		-	-	-
		(11,999,889)	(10,755,214)	(11,052,703)
Non-cash amounts excluded from operating activities	26(a)	3,781,900	3,558,062	3,679,728
Amount attributable to operating activities		(2,662,763)	(3,026,307)	(2,537,602)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		1,628,250	4,540,482	3,392,107
Proceeds from disposal of assets	10(b)	251,659	319,000	176,181
Payments for land held for resale		-	(616,833)	(9,167)
Purchase of property, plant and equipment	8(a)	(1,784,651)	(2,462,316)	(1,892,537)
Purchase and construction of infrastructure	9(a)	(4,084,135)	(6,616,051)	(2,311,118)
		(3,988,877)	(4,835,718)	(644,534)
Amount attributable to investing activities		(3,988,877)	(4,835,718)	(644,534)
FINANCING ACTIVITIES				
Repayment of borrowings	27(a)	(255,019)	(254,654)	(224,097)
Proceeds from borrowings	27(a)	2,586,078	2,486,833	255,000
Transfers to restricted cash		-	223,750	-
Transfers to reserves (restricted assets)	28	(1,936,355)	(975,113)	(1,248,444)
Transfers from reserves (restricted assets)	28	1,455,620	1,234,204	1,199,169
Amount attributable to financing activities		1,850,324	2,715,020	(18,372)
Surplus/(deficit) before imposition of general rates		(3,767,836)	(4,240,015)	(2,987,015)
Total amount raised from general rates	25(a)	4,243,289	4,240,015	4,020,495
Surplus/(deficit) after imposition of general rates	26(b)	475,453	-	1,033,480

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

SHIRE OF KOJONUP
FOR THE YEAR ENDED 30 JUNE 2022
INDEX OF NOTES TO THE FINANCIAL REPORT

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Other Assets	15
Note 8	Property, Plant and Equipment	16
Note 9	Infrastructure	18
Note 10	Fixed Assets	20
Note 11	Trade and Other Payables	23
Note 12	Other Liabilities	24
Note 13	Borrowings	25
Note 14	Employee Related Provisions	26
Note 15	Revaluation Surplus	27
Note 16	Notes to the Statement of Cash Flows	28
Note 17	Contingent Liabilities	29
Note 18	Related Party Transactions	30
Note 19	Joint Arrangements	32
Note 20	Financial Risk Management	33
Note 21	Events Occurring After the End of the Reporting Period	37
Note 22	Other Significant Accounting Policies	38
Note 23	Function and Activity	39
Information required by legislation		
Note 23	Rating Information	42
Note 24	Rate Setting Statement Information	45
Note 25	Borrowing and Lease Liabilities	46
Note 26	Reserve accounts	48
Note 27	Trust Funds	50

SHIRE OF KOJONUP
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.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 of the financial report.

Judgements and estimates

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

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

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

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	Total
	\$	\$	\$	\$	\$
Rates	-	-	4,243,289	1,467	4,244,756
Operating grants, subsidies and contributions	1,683,272	-	-	2,034,108	3,717,380
Fees and charges	1,071,169	-	300,979	-	1,372,148
Interest earnings	-	-	36,750	3,967	40,717
Other revenue	43,762	-	-	331,058	374,820
Non-operating grants, subsidies and contributions	-	1,628,250	-	-	1,628,250
Total	2,798,203	1,628,250	4,581,018	2,370,600	11,378,071

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	-	-	4,020,644	1,248	4,021,892
Operating grants, subsidies and contributions	1,568,805	-	-	1,574,222	3,143,027
Fees and charges	1,272,874	-	50,857	-	1,323,731
Interest earnings	-	-	40,308	6,687	46,995
Other revenue	249,483	-	-	37,854	287,337
Non-operating grants, subsidies and contributions	-	3,392,107	-	-	3,392,107
Total	3,091,162	3,392,107	4,111,809	1,620,011	12,215,089

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

2. REVENUE AND EXPENSES (Continued)

	Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings				
Interest on reserve funds		3,967	8,848	6,113
Rates instalment and penalty interest (refer Note 25(d))		36,750	41,000	40,308
Other interest earnings		-	12,000	574
		40,717	61,848	46,995
(b) Expenses				
Auditors remuneration				
- Audit of the Annual Financial Report		32,400	65,800	30,600
- Other services		500	-	4,200
		32,900	65,800	34,800
Finance costs				
Borrowings	27(a)	68,234	53,048	53,860
		68,234	53,048	53,860
Other expenditure				
Write down of inventories to net realisable value	6	41,966	-	-
Sundry expenses		78,514	927,770	22,189
		120,480	927,770	22,189

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

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
Total cash and cash equivalents

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

Note	2022 \$	2021 \$
	5,500,684	3,958,480
16	5,500,684	3,958,480
	977,401	286,818
16	4,523,283	3,671,662
	5,500,684	3,958,480

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

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

Details of restrictions on financial assets can be found at Note 16.

4. OTHER FINANCIAL ASSETS

Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust

2022 \$	2021 \$
97,254	92,258
97,254	92,258
97,254	92,258
97,254	92,258

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

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

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

Financial assets at fair value through profit 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 21.

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

5. TRADE AND OTHER RECEIVABLES

Current

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

Note	2022 \$	2021 \$
	449,477	428,246
	314,651	333,031
	87,441	13,797
21(b)	(1,142)	(1,142)
	850,427	773,932
	96,882	77,752
	96,882	77,752

Non-current

Pensioner's rates and ESL deferred

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 21.

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 value is considered immaterial.

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

6. INVENTORIES

	Note	2022 \$	2021 \$
Current			
Fuel and materials		20,905	43,315
Land held for resale		151,000	192,966
		171,905	236,281
Non-current			
Land held for resale		-	78,000
		-	78,000

The following movements in inventories occurred during the year:

Balance at beginning of year		314,281	285,761
Inventories expensed during the year		(307,443)	(118,418)
Write down of inventories to net realisable value	2(b)	(41,966)	-
Additions to inventory		207,033	146,938
Balance at end of year		171,905	314,281

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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

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

7. OTHER ASSETS

Other assets - current

Contract assets

2022	2021
\$	\$
-	1,019,408
-	1,019,408

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Contract assets

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

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

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Note	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Tools	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020		2,175,526	12,144,785	16,500,820	30,821,131	238,685	4,067,399	3,957	35,131,172
Additions		-	819,068	439,811	1,258,879	42,027	591,631	-	1,892,537
Disposals		(23,000)	-	(232,980)	(255,980)	-	(148,977)	-	(404,957)
Depreciation		-	(258,290)	(468,446)	(726,736)	(15,293)	(468,134)	(1,409)	(1,211,572)
Balance at 30 June 2021	10(a)	2,152,526	12,705,563	16,239,205	31,097,294	265,419	4,041,919	2,548	35,407,180
Comprises:									
Gross balance amount at 30 June 2021		2,152,526	13,325,796	17,896,522	33,374,844	295,976	5,036,221	12,541	38,719,582
Accumulated depreciation at 30 June 2021		-	(620,233)	(1,657,317)	(2,277,550)	(30,557)	(994,302)	(9,993)	(3,312,402)
Balance at 30 June 2021		2,152,526	12,705,563	16,239,205	31,097,294	265,419	4,041,919	2,548	35,407,180
Additions		-	222,008	698,940	920,948	122,531	741,172	-	1,784,651
Disposals		-	-	(5,325)	(5,325)	-	(231,515)	-	(236,840)
Revaluation increments / (decrements) transferred to revaluation surplus		128,898	(1,898,015)	(74,294)	(1,843,411)	-	-	-	(1,843,411)
Depreciation		-	(274,671)	(468,132)	(742,803)	(19,495)	(462,654)	(876)	(1,225,828)
Balance at 30 June 2022	10(a)	2,281,424	10,754,885	16,390,394	29,426,703	368,455	4,088,922	1,672	33,885,752
Comprises:									
Gross balance amount at 30 June 2022		2,281,424	10,754,885	16,390,846	29,427,155	418,507	5,404,070	12,541	35,262,273
Accumulated depreciation at 30 June 2022		-	-	(452)	(452)	(50,052)	(1,315,148)	(10,869)	(1,376,521)
Balance at 30 June 2022		2,281,424	10,754,885	16,390,394	29,426,703	368,455	4,088,922	1,672	33,885,752

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

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

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - roads \$	Infrastructure - kerbing \$	Infrastructure - drainage \$	Infrastructure - bridges \$	Infrastructure - footpaths \$	Infrastructure - parks \$	Infrastructure - other \$	Total Infrastructure \$
Balance at 1 July 2020	102,282,019	2,479,501	13,386,036	5,254,729	1,088,742	546,398	6,383,928	131,421,353
Additions	1,035,383	56,135	6,346	-	34,949	891,802	286,503	2,311,118
(Disposals)	-	-	-	-	-	-	(16,150)	(16,150)
Depreciation	(1,392,594)	(107,540)	(282,993)	(53,620)	(38,753)	(23,254)	(333,253)	(2,232,007)
Balance at 30 June 2021	101,924,808	2,428,095	13,109,389	5,201,109	1,084,938	1,414,946	6,321,028	131,484,314
Comprises:								
Gross balance at 30 June 2021	105,979,862	2,744,634	14,156,019	5,361,968	1,198,741	1,478,000	8,280,928	139,200,152
Accumulated depreciation at 30 June 2021	(4,055,054)	(316,538)	(1,046,630)	(160,859)	(113,803)	(63,054)	(1,959,900)	(7,715,838)
Balance at 30 June 2021	101,924,808	2,428,095	13,109,389	5,201,109	1,084,938	1,414,946	6,321,028	131,484,314
Additions	1,527,260	-	-	-	36,343	2,362,264	158,268	4,084,135
Revaluation increments / (decrements) transferred to revaluation surplus	(7,721,593)	255,999	(1,616,890)	592,245	(10,831)	(1,735,325)	(695,402)	(10,931,797)
Depreciation	(1,424,621)	(109,785)	(283,120)	(53,620)	(39,918)	(67,843)	(341,616)	(2,320,523)
Transfers	(895,902)	109,785	283,120	53,620	39,918	67,843	341,616	-
Balance at 30 June 2022	93,409,952	2,684,095	11,492,499	5,793,354	1,110,450	2,041,885	5,783,894	122,316,129
Comprises:								
Gross balance at 30 June 2022	144,325,294	4,985,965	24,994,145	11,332,778	1,823,976	2,053,074	5,783,894	195,299,126
Accumulated depreciation at 30 June 2022	(50,915,342)	(2,301,870)	(13,501,646)	(5,539,424)	(713,526)	(11,189)	-	(72,982,997)
Balance at 30 June 2022	93,409,952	2,684,095	11,492,499	5,793,354	1,110,450	2,041,885	5,783,894	122,316,129

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

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

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

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

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

10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - non-specialised	8(a)	274,671	270,000	258,290
Buildings - specialised	8(a)	468,132	465,000	468,446
Furniture and equipment	8(a)	19,495	17,000	15,293
Plant and equipment	8(a)	462,654	480,000	468,134
Tools	8(a)	876	1,300	1,409
Infrastructure - roads	9(a)	1,424,621	1,410,000	1,392,594
Infrastructure - kerbing	9(a)	109,785	100,000	107,540
Infrastructure - drainage	9(a)	283,120	280,000	282,993
Infrastructure - bridges	9(a)	53,620	53,500	53,620
Infrastructure - footpaths	9(a)	39,918	40,000	38,753
Infrastructure - parks	9(a)	67,843	23,000	23,254
Infrastructure - other	9(a)	341,616	331,762	333,253
		3,546,351	3,471,562	3,443,579

Depreciation rates

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

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

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

10. 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
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	-	-	-	-	-	-	-	-	23,000	46,363	23,363	-
Buildings - specialised	5,325	5,455	130	-	-	-	-	-	232,980	-	-	(232,980)
Plant and equipment	231,515	246,204	43,568	(28,879)	403,500	319,000	33,000	(117,500)	148,977	129,818	6,291	(25,450)
Infrastructure - other	-	-	-	-	-	-	-	-	16,150	-	-	(16,150)
	236,840	251,659	43,698	(28,879)	403,500	319,000	33,000	(117,500)	421,107	176,181	29,654	(274,580)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Governance				
Caprice V Series Sedan V8 Auto	15,745	35,454	19,709	-
Holden Equinox	13,242	17,477	4,235	-
Housing				
Holden Equinox (KO5)	11,903	16,364	4,461	-
Transport				
Caterpillar Grader 12MT - KO007	131,309	126,500	-	(4,809)
Toro Z Master Mower	12,600	4,545	-	(8,055)
New Holland Tractor	25,515	9,500	-	(16,015)
Holden Colorado LTZ Crewcab	21,201	36,364	15,163	-
	231,515	246,204	43,568	(28,879)
Buildings - Specialised				
Recreation and culture				
Netball clubrooms transportable	5,325	5,455	130	-
	5,325	5,455	130	-
	236,840	251,659	43,698	(28,879)

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, 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, and infrastructure 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 10(a).

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

11. TRADE AND OTHER PAYABLES

Current

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

2022	2021
\$	\$
495,644	742,754
40,261	51,364
107,296	92,699
162,367	-
27,606	13,069
2,195,000	2,047,145
22,921	9,706
3,051,095	2,956,737

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.

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

12. OTHER LIABILITIES

Current

Capital grant/contributions liabilities

Reconciliation of changes in capital grant/contribution liabilities

Opening balance

Additions

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

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year

	2022	2021
	\$	\$
Capital grant/contributions liabilities	1,049,302	327,096
	1,049,302	327,096
Opening balance	327,096	858,555
Additions	1,049,302	327,096
Revenue from capital grant/contributions held as a liability at the start of the period	(327,096)	(858,555)
	1,049,302	327,096
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	1,049,302	327,096
	1,049,302	327,096

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

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

13. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Bank Loans		413,134	4,835,981	5,249,115	231,147	2,686,909	2,918,056
Total secured borrowings	27(a)	413,134	4,835,981	5,249,115	231,147	2,686,909	2,918,056

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Kojonup.

The Shire of Kojonup 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 materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

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

Risk

Information regarding exposure to risk can be found at Note 21.

Details of individual borrowings required by regulations are provided at Note 27(a).

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

14. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave

Long Service Leave

Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
Annual Leave	399,510	368,104
Long Service Leave	332,157	346,977
	731,667	715,081
Long Service Leave	102,397	126,206
	834,064	841,287

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

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

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2022	2021
	\$	\$
Less than 12 months after the reporting date	258,948	355,276
More than 12 months from reporting date	575,116	486,011
	834,064	841,287

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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

15. REVALUATION SURPLUS

	2022	2022	2022	2022	2022	2021	2021	2021	2021	2021	2021
	Opening	Revaluation	Revaluation	Total	2022	Opening	Revaluation	Revaluation	Total	2021	2021
	Balance	Increment	(Decrement)	Movement on	Closing	Balance	Increment	(Decrement)	Movement on	Closing	Closing
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land & Buildings	13,433,197	-	-	(1,843,411)	11,589,786	13,433,197	-	-	-	13,433,197	
Revaluation surplus - Furniture and equipment	77,021	-	-	-	77,021	77,021	-	-	-	77,021	
Revaluation surplus - Plant and equipment	497,970	-	-	-	497,970	497,970	-	-	-	497,970	
Revaluation surplus - Infrastructure - roads	70,905,293	-	(8,501,070)	(8,501,070)	62,404,223	70,905,293	-	-	-	70,905,293	
Revaluation surplus - Infrastructure - other	8,917,853	-	(2,430,727)	(2,430,727)	6,487,126	8,917,853	-	-	-	8,917,853	
	93,831,334	-	(12,775,208)	(12,775,208)	81,056,126	93,831,334	-	-	-	93,831,334	

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

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

16. 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	5,500,684	3,430,730	3,958,480

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	4,523,283	3,280,092	3,671,662
		4,523,283	3,280,092	3,671,662

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

Restricted reserve accounts	28	4,019,914	3,280,092	3,539,179
Unspent loans	27(c)	503,369	-	132,483
Total restricted financial assets		4,523,283	3,280,092	3,671,662

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

Net result		(573,124)	2,196,128	1,195,272
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(4,996)	-	(3,232)
Depreciation/amortisation		3,546,351	3,471,562	3,443,579
(Profit)/loss on sale of asset		(14,819)	84,500	244,926
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(95,625)	1,267,109	(1,220)
(Increase)/decrease in other assets		1,019,408	-	(229,308)
(Increase)/decrease in inventories		142,376	35,315	(19,353)
Increase/(decrease) in trade and other payables		94,358	(437,196)	(442,977)
Increase/(decrease) in employee related provisions		(7,223)	-	35,394
Increase/(decrease) in other provisions		(640)	-	-
Increase/(decrease) in other liabilities		722,206	-	(531,459)
Non-operating grants, subsidies and contributions		(2,350,456)	(4,540,482)	(2,860,648)
Net cash provided by/(used in) operating activities		2,477,816	2,076,936	830,974

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit	200,000		200,000
Bank overdraft at balance date	-		-
Credit card limit	30,000		30,000
Credit card balance at balance date	-		(655)
Total amount of credit unused	230,000		229,345

Loan facilities

Loan facilities - current	413,134		231,147
Loan facilities - non-current	4,835,981		2,686,909
Total facilities in use at balance date	5,249,115		2,918,056

Unused loan facilities at balance date	503,369		132,483
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SHIRE OF KOJONUP
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

17. CONTINGENT LIABILITIES

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

18. CAPITAL COMMITMENTS

Contracted for:

- capital expenditure projects

2022	2021
\$	\$
457,330	118,737
457,330	118,737

The capital expenditure commitments for 2022 and 2021 relate to building construction works as follows:

Key Worker Housing - 26 Katanning Road	0	59,847
Key Worker Housing - 28 Katanning Road	0	58,890
Kojonup Play Space	457,330	0
	457,330	118,737

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

19. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Elected member Cr Benn

President's annual allowance

Meeting attendance fees

Annual allowance for ICT expenses

Elected member Cr Radford

President's annual allowance

Deputy President's annual allowance

Meeting attendance fees

Annual allowance for ICT expenses

Elected member Cr Fleay

Meeting attendance fees

Annual allowance for ICT expenses

Travel and accommodation expenses

Elected member Cr S Pedler

Meeting attendance fees

Annual allowance for ICT expenses

Elected member Cr Gale

Meeting attendance fees

Annual allowance for ICT expenses

Travel and accommodation expenses

Elected member Cr F Webb

Meeting attendance fees

Annual allowance for ICT expenses

Elected member Cr Wierenga

Meeting attendance fees

Annual allowance for ICT expenses

Elected member Cr Singh

Meeting attendance fees

Annual allowance for ICT expenses

Elected member Cr Bilney

Meeting attendance fees

Annual allowance for ICT expenses

Elected member Cr A Egerton-Warburton

Meeting attendance fees

Annual allowance for ICT expenses

Elected member Cr P Webb

Deputy President's annual allowance

Meeting attendance fees

Annual allowance for ICT expenses

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

President's annual allowance
Deputy President's annual allowance
Meeting attendance fees
Annual allowance for ICT expenses
Travel and accommodation expenses

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
	8,059	28,000	27,718
	5,526	13,825	19,007
	872	3,000	3,000
	14,457	44,825	49,725
	20,788	-	-
	1,732	7,000	6,929
	17,324	13,025	12,276
	3,000	3,000	3,000
	42,844	23,025	22,205
	3,569	13,025	12,275
	872	3,000	3,000
	589	100	75
	5,030	16,125	15,350
	3,569	13,025	13,025
	872	3,000	2,250
	4,441	16,025	15,275
	9,206	13,025	13,025
	2,250	3,000	2,250
	98	600	534
	11,554	16,625	15,809
	12,275	13,025	12,275
	3,000	3,000	3,000
	15,275	16,025	15,275
	12,275	13,025	13,025
	3,000	3,000	2,250
	15,275	16,025	15,275
	12,275	13,025	13,025
	3,000	3,000	2,250
	15,275	16,025	15,275
	9,956	-	-
	1,500	-	-
	11,456	-	-
	6,888	-	-
	1,500	-	-
	8,388	-	-
	5,196	-	-
	9,206	-	-
	2,250	-	-
	16,652	-	-
	160,647	164,700	164,189
	28,847	28,000	27,718
	6,928	7,000	6,929
	102,069	105,000	107,933
	22,116	24,000	21,000
	687	700	609
	160,647	164,700	164,189

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

19. 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:

Short-term employee benefits
 Post-employment benefits
 Employee - other long-term benefits

2022 Actual \$	2021 Actual \$
899,131	592,380
94,059	73,664
5,723	71,891
998,913	737,935

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.

(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:

Sale of goods and services
 Purchase of goods and services
 Short term employee benefits - other related parties

2022 Actual \$	2021 Actual \$
3,054	-
248,392	258,433
-	3,170

(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.

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

20. JOINT ARRANGEMENTS

Share of joint operations

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

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

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

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

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

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

21. 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	0.07%	5,500,684	-	5,500,044	640
2021					
Cash and cash equivalents	0.17%	3,958,480	-	3,957,940	540

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*	55,000	39,579

* 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).

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

21. 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						
Expected credit loss	-	-	-	-	-	
Gross carrying amount	3,640	235,741	81,342	225,636	546,359	
Loss allowance	-	-	-	-	-	5
30 June 2021						
Rates receivable						
Expected credit loss	-	-	-	-	-	
Gross carrying amount	175,249	94,609	72,402	163,738	505,998	
Loss allowance	-	-	-	-	-	5

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

	Less than 1 year past due	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	-	-	-	0.90%	-	
Gross carrying amount	143,953	23,458	20,631	126,609	314,651	
Loss allowance	-	-	-	1,142	1,142	5
30 June 2021						
Trade and other receivables						
Expected credit loss	-	-	-	1.32%	-	
Gross carrying amount	223,309	19,638	3,376	86,708	333,031	
Loss allowance	-	-	-	1,142	1,142	5

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

21. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
	\$	\$	\$	\$	\$	\$
Opening loss allowance as at 1 July	-	-	1,142	1,142	-	-
Closing loss allowance at 30 June	-	-	1,142	1,142	-	-

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contract Assets

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Shire has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

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

21. 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 16(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	3,051,095	-	-	3,051,095	3,051,095
Borrowings	547,415	2,168,993	3,554,923	6,271,331	5,249,115
	3,598,510	2,168,993	3,554,923	9,322,426	8,300,210
2021					
Trade and other payables	2,956,737	-	-	2,956,737	2,956,737
Borrowings	308,716	1,226,534	1,718,182	3,253,432	2,918,056
	3,265,453	1,226,534	1,718,182	6,210,169	5,874,793

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

22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

23. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

k) Initial application of accounting standards

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

New accounting standards for application in future years

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

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

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

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

24. FUNCTION AND ACTIVITY

(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.

Includes the activities of members of council and the administrative support available to the council for the provision of governance for the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

General purpose funding

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

Law, order, public safety

To provide services to help ensure a safer and environmentally conscious community.

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

Health

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

Education and welfare

To provide services to disadvantaged persons, the elderly, children and youth.

Maintenance of pre-school facilities.

Housing

To provide and maintain staff and elderly

Provision and maintenance of staff housing and Springhaven Lodge.

Community amenities

To provide services required by the community.

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

Recreation and culture

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

Maintenance of public halls, civic centres, swimming pool, recreation centre and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

Transport

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting, etc.

Economic services

To help promote the shire and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of The Kodja Place. Provision of rural services including weed control, vermin control and standpipes, building control.

Other property and services

To monitor and control council's overheads operating accounts.

Private works operation, plant repair and operation costs and engineering operation costs.

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

24. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

Income excluding grants, subsidies and contributions

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Governance	62,745	36,450	41,000
General purpose funding	4,297,108	4,298,225	4,080,152
Law, order, public safety	14,842	5,970	4,698
Health	833	2,100	8,529
Education and welfare	5,184	3,100	3,595
Housing	991,917	984,000	992,531
Community amenities	303,257	331,230	294,233
Recreation and culture	34,794	97,180	35,029
Transport	9,579	57,000	10,273
Economic services	129,141	251,700	165,994
Other property and services	231,735	127,683	76,807
	6,081,135	6,194,638	5,712,841

Grants, subsidies and contributions

Governance	0	0	37
General purpose funding	2,008,578	710,872	1,554,141
Law, order, public safety	45,556	50,000	54,148
Education and welfare	13,257	21,750	5,802
Housing	1,367,869	1,637,000	2,451,987
Community amenities	84,626	54,950	73,650
Recreation and culture	630,236	1,249,127	1,084,002
Transport	1,057,697	2,902,605	1,232,006
Economic services	121,935	106,400	64,236
Other property and services	15,876	24,000	15,125
	5,345,630	6,756,704	6,535,134

Total Income

11,426,765 12,951,342 12,247,975

Expenses

Governance	(722,068)	(640,740)	(544,589)
General purpose funding	(101,977)	(105,549)	(73,684)
Law, order, public safety	(312,877)	(280,778)	(277,288)
Health	(45,630)	(175,815)	(60,161)
Education and welfare	(165,507)	(52,062)	(268,388)
Housing	(2,828,340)	(2,761,204)	(2,729,845)
Community amenities	(612,860)	(731,106)	(676,205)
Recreation and culture	(1,449,342)	(1,420,139)	(1,502,412)
Transport	(4,023,589)	(3,521,668)	(3,719,463)
Economic services	(1,031,978)	(996,153)	(906,035)
Other property and services	(705,721)	(70,000)	(294,633)
Total expenses	(11,999,889)	(10,755,214)	(11,052,703)

Net result for the period

(573,124) 2,196,128 1,195,272

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

24. FUNCTION AND ACTIVITY (Continued)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
(c) Fees and Charges			
Governance	13	250	184
General purpose funding	7,636	6,900	7,265
Law, order, public safety	14,717	4,300	4,188
Health	833	2,100	9,397
Education and welfare	2,584	3,100	2,727
Housing	916,910	927,000	841,047
Community amenities	289,613	320,830	293,375
Recreation and culture	34,539	37,550	34,969
Transport	-	-	975
Economic services	80,675	110,450	118,144
Other property and services	24,628	35,682	11,460
	1,372,148	1,448,162	1,323,731
(d) Total Assets			
Governance	1,755,065	1,818,244	
General purpose funding	1,569,611	420,797	
Law, order, public safety	384,885	455,867	
Health	86,000	190,440	
Education and welfare	1,230,536	1,014,356	
Housing	14,773,954	16,423,523	
Community amenities	1,270,370	765,461	
Recreation and culture	13,746,539	13,680,064	
Transport	120,678,128	129,736,963	
Economic services	5,218,841	5,346,923	
Other property and services	2,205,104	3,274,967	
	162,919,033	173,127,605	

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

25. RATING INFORMATION

(a) General Rates

RATE TYPE	Basis of valuation	Rate in \$	Number of Properties	2021/22 Actual Rateable Value *	2021/22 Actual Revenue	2021/22 Actual Interim Rates	2021/22 Actual Back Rates	2021/22 Budget Revenue	2021/22 Budget Interim Rate	2021/22 Budget Back Rate	2021/22 Budget Total Revenue	2020/21 Actual Total Revenue
GRV - Urban	Gross rental valuation	0	558	6,993,382	926,623	701	-	926,623	-	-	926,623	872,568
UV - Rural	Unimproved valuation	0	472	398,825,525	3,211,805	1,476	-	3,211,742	300	100	3,212,142	3,053,756
Sub-Total			1,030	405,818,907	4,138,428	2,177	-	4,138,365	300	100	4,138,765	3,926,324
Minimum payment												
GRV - Urban	Gross rental valuation	750	75	294,413	56,250	-	-	56,250	-	-	56,250	55,440
UV - Rural	Unimproved valuation	750	62	3,154,425	46,500	-	-	46,500	-	-	46,500	39,600
Sub-Total			137	3,448,838	102,750	-	-	102,750	-	-	102,750	95,040
			1,167	409,267,745	4,241,178	2,177	-	4,241,115	300	100	4,241,515	4,021,364
Concessions on general rates (Refer note 25(c))												
Total amount raised from general rates											(1,500)	(869)
											4,240,015	4,020,495
* Rateable value is based on the value of properties at the time the rate is raised.												
(b) Rates (excluding general rates)												
Ex-gratia Rates												
CBh Ex-gratia rates					1,467	-	-	-	-	-	-	1,397
Sub-Total			-	-	1,467	-	-	-	-	-	-	1,397
Total amount raised from rates (excluding general rates)												
(c) Total Rates												
											4,240,015	4,021,892

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

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

25. RATING INFORMATION (Continued)

(c) Discounts, Incentives, Concessions, & Write-offs
Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/ Concession	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$
Property Rates	Concession	100.00%					
General Rates - small balances	Write-off				-	1,500	720
					66	-	149
					66	1,500	869
Total discounts/concessions (Note 25)					66	1,500	869
Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession				
Property Rates	Specific Council decisions	Waive rates for community medical centre	To waive the rates applicable to the Community Medical Centre at Lots 2 and 3 Spring Rd, Kojonup.				

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

25. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	3/09/2021	-	0.00%	7%
Option Two				
First instalment	3/09/2021	-	0.00%	7%
Second instalment	8/01/2022	9	5.50%	7%
Option Three				
First instalment	3/09/2021	-	0.00%	7%
Second instalment	4/11/2021	9	5.50%	7%
Third instalment	8/01/2022	9	5.50%	7%
Fourth instalment	12/03/2022	9	5.50%	7%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	29,141	31,000	30,133
Interest on instalment plan	7,609	10,000	10,175
Charges on instalment plan	3,204	3,800	3,888
	39,954	44,800	44,196

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

26. RATE SETTING STATEMENT INFORMATION

		2021/22 (30 June 2022 Carried Forward) \$	Budget (30 June 2022 Carried Forward) \$	2020/21 (30 June 2021 Carried Forward) \$
	Note			
(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 <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	10(b)	(43,698)	(33,000)	(29,654)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(4,996)	-	(3,232)
Add: Loss on disposal of assets	10(b)	28,879	117,500	274,580
Add: Write down of inventories to net realisable value		41,965	-	-
Add: Movement in springhaven bonds		147,855		
Add: Depreciation	10(a)	3,546,351	3,471,562	3,443,579
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(19,130)	-	(7,222)
Employee benefit provisions		(7,223)	-	(37,840)
Movement in accrued interest on loans		14,537	-	
Other provisions		(640)	2,000	39,517
Inventory		78,000	-	-
Non-cash amounts excluded from operating activities		3,781,900	3,558,062	3,679,728
(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 <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	28	(4,019,914)	(3,280,091)	(3,539,179)
- Land held for resale	6	(151,000)	(809,799)	(192,966)
- Provision for doubtful debts		1,142	3,142	1,142
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	13	413,134	2,013,326	231,147
- Accrued interest on loans		27,606	13,069	13,070
- Springhaven Lodge bonds		2,195,000	2,047,785	2,047,145
- Employee benefit provisions		731,667	713,027	715,081
Total adjustments to net current assets		(802,365)	700,459	(724,560)
Net current assets used in the Rate Setting Statement				
Total current assets		6,523,016	4,880,388	5,988,101
Less: Total current liabilities		(5,245,198)	(5,580,847)	(4,230,061)
Less: Total adjustments to net current assets		(802,365)	700,459	(724,560)
Net current assets used in the Rate Setting Statement		475,453	-	1,033,480

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

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget			
		Principal		New Loans		Principal		New Loans	
		Principal at 1 July 2020	Repayments During 2020-21	Principal at 30 June 2021	Repayments During 2021-22	Principal at 1 July 2021	Repayments During 2021-22	Principal at 30 June 2022	Repayments During 2021-22
Medical Centre Donation		\$ 140,000	-	\$ 131,928	-	\$ 131,928	-	\$ 123,523	-
Bagg Street unit		82,361	-	73,130	-	73,129	-	63,612	-
GROH Housing - GSHI		1,150,000	-	1,043,456	-	1,043,456	-	934,058	-
Aged Units - GSHI		50,000	-	40,269	-	40,269	-	30,377	-
Staff Housing - GSHI		970,000	-	914,071	-	914,071	-	855,837	-
Sports Complex		247,777	-	232,211	-	232,212	-	215,868	-
Sports Complex Retaining Wall		90,867	-	81,552	-	81,552	-	72,050	-
Oval Lighting		-	255,000	255,000	-	255,000	-	231,128	-
Netball Courts & Roof		-	-	-	1,390,000	-	1,390,000	-	1,390,000
Airstrip Lighting		156,148	-	146,439	-	146,800	-	137,309	-
Staff Housing		-	-	-	55,000	-	55,000	-	55,000
GROH Housing		-	-	-	55,000	-	55,000	-	55,000
Harrison Place Toilets & Park		-	-	-	400,000	-	400,000	-	400,000
Land development		-	-	-	386,078	-	386,078	-	586,833
Staff Housing Renovations		-	-	-	300,000	-	-	-	-
Total		2,887,153	255,000	2,918,056	2,586,078	2,918,417	2,486,833	5,150,595	(254,654)

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
Medical Centre Donation		Health	137	WATC*	1.73%	(2,197)	(2,246)	(2,338)
Bagg Street unit		Housing	135	WATC*	3.07%	(2,165)	(2,173)	(2,451)
GROH Housing - GSHI		Housing	138	WATC*	1.44%	(14,098)	(14,633)	(15,643)
Aged Units - GSHI		Housing	139	WATC*	1.17%	(403)	(442)	(517)
Staff Housing - GSHI		Housing	140	WATC*	1.73%	(15,220)	(15,563)	(16,199)
Sports Complex		Recreation and culture	134	WATC*	4.94%	(11,267)	(11,272)	(12,046)
Sports Complex Retaining Wall		Recreation and culture	136	WATC*	1.99%	(1,560)	(1,576)	(1,747)
Oval Lighting		Recreation and culture	142	WATC*	1.45%	(3,556)	(3,616)	(647)
Netball Courts & Roof		Recreation and culture	143	WATC*	2.88%	(12,932)	-	-
Airstrip Lighting		Transport	141	WATC*	1.51%	(2,127)	(1,528)	(2,272)
Staff Housing		Housing	144	WATC*	1.87%	(333)	-	-
GROH Housing		Housing	145	WATC*	1.87%	(333)	-	-
Harrison Place Toilets & Park		Community amenities	146	WATC*	3.92%	(985)	-	-
Land development		Community amenities	147	WATC*	3.92%	(950)	-	-
Staff Housing Renovations		Housing	148	WATC*	4.49%	(109)	-	-
Total						(68,234)	(53,048)	(53,860)
Total Interest Repayments	2(b)					(68,234)	(53,048)	(53,860)

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

27. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2021/22

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2022 Actual	2022 Budget	2022 Actual	2022 Budget		
Netball courts	WATC	Debenture	20	2.88%	\$ 1,390,000	\$ 1,390,000	\$ (1,231,185)	\$ (1,390,000)	\$ 447,816	\$ 158,815
Staff Housing	WATC	Debenture	5	1.87%	55,000	55,000	(55,000)	(55,000)	2,868	-
GROH Housing	WATC	Debenture	5	1.87%	55,000	55,000	(55,000)	(55,000)	2,868	-
Harrison Place Toilets & Park	WATC	Debenture	10	3.92%	400,000	400,000	(355,446)	(400,000)	87,304	44,554
Land development	WATC	Debenture	10	3.92%	386,078	586,833	(386,078)	(586,833)	84,265	-
Staff Housing Renovations	WATC	Debenture	15	4.49%	300,000	-	-	-	115,380	300,000
					2,586,078	2,486,833	(2,082,709)	(2,486,833)	740,501	503,369

* WA Treasury Corporation

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2021	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2022
			\$	\$	\$	\$
Loan 143 - Netball courts	WATC	4/03/2022	-	1,390,000	(1,231,185)	158,815
Loan 146 - Harrison Place Toilets & Park	WATC	8/06/2022	-	400,000	(355,446)	44,554
Loan 148 - Staff house renovations	WATC	24/06/2022	-	300,000	-	300,000
Loan 142 - Oval Lighting	WATC	28/04/2021	132,483	-	(132,483)	-
			132,483	2,090,000	(1,719,114)	503,369

* WA Treasury Corporation

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

28. RESERVE ACCOUNTS

Restricted by council

	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	225,393	10,257	-	235,650	225,393	10,563	-	235,956	205,018	20,375	-	225,393
(b) Plant reserve	489,415	583,567	(490,534)	582,448	489,415	583,024	(761,075)	-	375,327	550,861	(436,573)	489,415
(c) Economic development reserve	88,409	98	-	88,507	88,409	221	(30,000)	58,630	88,253	156	-	88,409
(d) Springhaven lodge reserve	2,047,145	930,000	(782,145)	2,195,000	2,047,145	-	-	2,047,145	2,078,388	300,000	(331,243)	2,047,145
(e) Low income housing reserve	67,408	16,075	-	83,483	67,409	16,869	(10,000)	74,278	41,408	26,000	-	67,408
(f) Sporting facility reserve	78,120	20,067	(35,450)	62,737	78,163	20,195	(80,000)	18,358	49,912	50,078	(21,870)	78,120
(g) Springhaven buildings upgrade and renewal reserve	18	2,147	-	2,165	18	5,118	(5,000)	136	15,487	6,538	(22,007)	18
(h) Bushfire communications reserve	109,492	118	(20,264)	89,346	109,493	274	(105,767)	-	111,568	197	(2,273)	109,492
(i) Landfill waste management reserve	55,304	25,743	(1,000)	80,047	55,304	25,801	(30,521)	50,584	50,539	24,514	(19,749)	55,304
(j) Energy efficiency reserve	4,130	4	(4,134)	-	4,131	10	(4,141)	-	40,308	(2,832)	(33,346)	4,130
(k) Land acquisition and development reserve	37,247	42	-	37,289	37,248	93	(30,000)	7,341	27,191	10,056	-	37,247
(l) Community grants reserve	9,735	10	-	9,745	9,735	24	-	9,759	9,717	18	-	9,735
(m) Independent living units reserve	38,324	125,044	(5,200)	158,168	38,325	127,896	(12,000)	154,221	133,077	119,490	(214,243)	38,324
(n) Spencer street youth precinct reserve	11,245	20,025	-	31,270	11,245	20,028	-	31,273	11,225	20	-	11,245
(o) Natural resource management reserve	111,578	60,165	(74,313)	97,430	111,578	60,279	(101,700)	70,157	93,579	60,179	(42,180)	111,578
(p) Memorial hall & lesser hall upgrades reserve	12,118	30,028	(35,000)	7,146	12,118	30,030	(35,000)	7,148	4,600	15,018	(7,500)	12,118
(q) Day care building maintenance reserve	12,051	2,715	-	14,766	12,052	2,730	-	14,782	9,385	2,666	-	12,051
(r) Swimming pool reserve	20,433	20,036	-	40,469	20,432	20,051	-	40,483	5,414	15,019	-	20,433
(s) Springhaven equipment reserve	6,489	10,014	-	16,503	6,488	10,016	-	16,504	6,478	11	-	6,489
(t) Saleyards reserve	39,511	44	-	39,555	39,511	(38,301)	-	1,210	45,355	79	(5,923)	39,511
(u) RSL hall renewal reserve	10,289	11	-	10,300	10,289	26	-	10,315	10,271	18	-	10,289
(v) Benn parade multi-facility reserve	14,289	12	-	14,301	14,289	36	-	14,325	10,268	4,021	-	14,289
(w) Townscape reserve	25,333	30,048	(5,580)	49,801	25,332	30,063	(20,000)	35,395	10,298	25,035	(10,000)	25,333
(x) Kodja place building upgrade & renewal reserve	9,611	10,019	(2,000)	17,630	9,611	10,024	(5,000)	14,635	4,600	5,011	-	9,611
(y) Kodja place masterplan implementation	-	10,007	-	10,007	-	10,000	-	10,000	-	-	-	-
(z) Shire office/library building upgrade & renewal reserve	1,007	-	-	1,007	1,007	3	-	1,010	-	1,007	-	1,007
(aa) Works depot building upgrade & renewal reserve	1,006	-	-	1,006	1,006	3	-	1,009	-	1,006	-	1,006
(ab) Netball court resurfacing reserve	1,007	-	-	1,007	1,007	3	-	1,010	-	1,007	-	1,007
(ac) The Spring reserve	1,007	15,011	-	16,018	1,007	15,003	-	16,010	-	1,007	-	1,007
(ad) Sporting complex building upgrade & renewal reserve	1,049	31	-	1,080	1,007	3	-	1,010	-	1,049	-	1,049
(ae) Playgrounds & parks reserve	10,009	10,017	-	20,026	10,009	10,025	-	20,034	-	10,009	-	10,009
(af) Trails network construction reserve	1,007	5,000	-	6,007	1,007	5,003	-	6,010	-	1,007	-	1,007
(ag) Gravel pits reserve	-	-	-	-	-	-	-	-	32,288	8	(32,296)	-
(ah) Building upgrade reserve	-	-	-	-	-	-	-	-	11,498	3	(11,501)	-
(ai) Historical buildings reserve	-	-	-	-	-	-	-	-	7,501	13	(7,514)	-
(aj) Kodja place tourist precinct reserve	-	-	-	-	-	-	-	-	951	-	(951)	-
	3,539,179	1,936,355	(1,455,620)	4,019,914	3,539,183	975,113	(1,234,204)	3,280,092	3,489,904	1,248,444	(1,199,169)	3,539,179

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:

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

30. RESERVE ACCOUNTS

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Leave reserve	Ongoing	To be used to fund annual and long service leave requirements.
(b) Plant reserve	Ongoing	To smooth funding allocations over financial years for the purchase of major plant items.
(c) Economic development reserve	Ongoing	To be used for Pillar 6 - 'Digital' within 'Smart Possibilities' in the Kojonup Community Strategic Plan.
(d) Springhaven lodge reserve	Ongoing	To cash back refundable bonds paid by residents of the facility.
(e) Low income housing reserve	Ongoing	To be used for major maintenance of Jean Sullivan Units. All operating profit is to be transferred to this reserve in accordance with the joint venture agreement.
(f) Sporting facility reserve	Ongoing	To fund Council contribution to CSRF Funding grants or to fund construction or renewal of Shire sporting facilities.
(g) Springhaven buildings upgrade and renewal reserve	Ongoing	To be used for major maintenance and capital renewal of Springhaven facility buildings.
(h) Bushfire communications reserve	Ongoing	To construct and maintain critical bushfire communication infrastructure.
(i) Landfill waste management reserve	Ongoing	To be used for future upkeep, maintenance, expansion, post closure activities and or reclamation of the Shire's waste management facilities.
(j) Energy efficiency reserve	Ongoing	To fund energy efficiency initiatives within the Shire's operations. 50% of any savings resulting from expenditure of this reserve account is to be transferred back into the reserve.
(k) Land acquisition and development reserve	Ongoing	To fund the purchase of land, sub-division expenses and receipt sub-division sales revenue.
(l) Community grants reserve	Ongoing	To finance community grant scheme rounds and to financially manage larger community grants that may extend over more than one financial year.
(m) Independent living units reserve	Ongoing	To transfer operating profits from Loton Close units to this reserve to fund major maintenance and future asset replacement.
(n) Spencer street youth precinct reserve	Ongoing	To fund development, planning and construction of a skate park, pump track and youth centre at the Spencer Street site.
(o) Natural resource management reserve	Ongoing	For the Shire of Kojonup to progress the following projects:- 1. Bndal Creeper and tagasaste Eradication program. 2. Managing water resources including water harvesting and re-use opportunities in the Shire for the use in Kojonup parks and reserves during summer. 3. Undertake weed management and planting of native trees and shrubs in conjunction with Schools, Kojonup Aboriginal Corporation and community groups within identified Reserves such as: a) Myrtle Benn, Farrar and Quin Quin; b) Shogground's area, and c) Blackwood Road aboretum to improve bio diversity, fauna habitat and natural resource management outcomes. To construct a medical centre as defined within the existing Shire of Kojonup Town Planning Scheme No.3. For the expenditure of major building maintenance items on the Kojonup Day Care Centre building, corner of Elverd & Honner Streets, Kojonup. To fund major refurbishment and/or asset replacement of the Kevin O'Halloran Memorial Swimming Pool. To fund major equipment purchases at Springhaven Lodge. To fund capital renewal and upgrades to the Kojonup Saleyards. To be used for major refurbishment and/or re-purposing of the Kojonup RSL Hall. To be used to fund the co-location of Historical Society, Men's Shed and Kojonup Tourist Railway facilities to the Benn Parade Railway precinct. To be used for major townscapes improvements to the Kojonup Town Centre. To be used for building upgrades and renewals to Kodja Place. To be used to fund the implementation of the recommendations contained within the Kodja Place Master Plan. To be used for major upgrade and capital renewal of the Shire Administration Centre and library buildings. To be used for major upgrade and capital renewal of the Works & Services Depot buildings. To be used for the future replacement of the netball court playing surfaces. To be used for major capital upgrades and improvements at the Kojonup Spring area. To be used for major upgrade and renewal of the Sporting Complex Building. To be used to fund the major asset renewal of playground equipment and park infrastructure.
(p) Memorial hall & lesser hall upgrades reserve	Ongoing	To be used to construct recreational trails within the Shire of Kojonup in accordance with the Great Southern Master Trails Plan and the Shire of Kojonup Trails Plan.
(q) Day care building maintenance reserve	Ongoing	To be used for the purchase and provision of gravel stocks.
(r) Swimming pool reserve	Ongoing	To be used for major maintenance, upgrades and renewal of Council owned buildings.
(s) Springhaven equipment reserve	Ongoing	To be used for the purpose of maintaining Historical Buildings and maintaining the Municipal Heritage Inventory.
(t) Saleyards reserve	2023	To be used for funding projects after considering advice from 'Storyplace/Gallery Work Group'.
(u) RSL hall renewal reserve	2023	
(v) Benn parade multi-facility reserve	Ongoing	
(w) Townscape reserve	Ongoing	
(x) Kodja place building upgrade & renewal reserve	Ongoing	
(y) Kodja place masterplan implementation	Ongoing	
(z) Shire office/library building upgrade & renewal reserve	Ongoing	
(aa) Works depot building upgrade & renewal reserve	Ongoing	
(ab) Netball court resurface reserve	Ongoing	
(ac) The spring reserve	Ongoing	
(ad) Sporting complex building upgrade & renewal reserve	Ongoing	
(ae) Playgrounds & parks reserve	Ongoing	
(af) Trails network construction reserve	Ongoing	
(ag) Gravel pits reserve	Ongoing	
(ah) Building upgrade reserve	Ongoing	
(ai) Historical buildings reserve	Ongoing	
(aj) Kodja place tourist precinct reserve	Ongoing	

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

29. TRUST FUNDS

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

	1 July 2021	Amounts Received	Amounts Paid	30 June 2022
	\$	\$	\$	\$
Loton Close bonds	761	-	-	761
	761	-	-	761

SHIRE OF KOJONUP

PERIOD OF AUDIT: YEAR ENDED 2022

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Review of Payroll Processing and Reporting		✓	
2. General Journal Review		✓	
3. Purchasing Policy - Tendering		✓	
4. Pool Receipts Reconciliation			✓
5. Related Party Declarations			✓

KEY TO RATINGS

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit report, it should be addressed promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

SHIRE OF KOJONUP

PERIOD OF AUDIT: YEAR ENDED 2022

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

1. Review of Payroll Processing and Reporting

Finding

Our payroll testing identified the following:

- Two instances where the payroll master file audit trail was not printed, reviewed for unauthorised changes, and signed as reviewed by an appropriate officer.
- One instance where a timesheet was not signed as approved by the relevant manager.
- One instance where there was no evidence of review of the payroll exceptions report.
- 7 missed postings of plant costs from timesheet to payroll reports, from 3 different pay runs.

Rating: Moderate**Implication**

Lack of review of payroll reports increases the risk of unauthorised changes to employee records, errors in accuracy of payroll entries, and can increase the risk of fraud. Further, incorrect or missed posting of timesheet entries increases the risk that payroll costs are not accurately reflected in the general ledger and financial statements.

Recommendation

We recommend that all payroll reports are reviewed by an appropriate person who is independent of the person performing the tasks, while also ensuring that all timesheet entries are correctly posted in the general ledger. All payroll reports should be signed by that officer as evidence of review.

Management Comment

A combination of factors in 21/22 led to the above issues with the outbreak of Covid and people working remotely not all reports were filed or signed appropriately. This may have also happened with the timesheet as they were being emailed to the payroll officer for entering.

In May a new payroll officer was being trained and in June the Manager of Community and Corporate Services left, these factors have also contributed to the reports being missed or not signed or filed appropriately.

The current payroll officer is now trained and understands the revised process for reviewing payroll documentation and process. There has been no need to work remotely. The CEO has implemented additional reporting requirements on payroll which has strengthened the controls and procedures.

The revised procedure now requires the CEO to approve and sign off on payroll and ensures all relevant traceable reports are present at time of approval.

Responsible Person: Payroll/Finance Officer (Vivicka Kahn) and CEO (Grant Thompson)
Completion Date: In place already.

SHIRE OF KOJONUP**PERIOD OF AUDIT: YEAR ENDED 2022****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****2. General Journal Review****Finding**

We noted that 5 out of the 30 general journals that we tested were not marked as being reviewed by an independent authorised officer.

Rating: Moderate**Implication**

Accounting journals can represent significant adjustments to previously approved accounting transactions and should therefore be appropriately reviewed and approved. If journals are not independently reviewed there is an increased risk that unauthorised journals can be processed, and funds could be misappropriated. Maintaining an effective audit trail for the entries posted into the accounting system increases the integrity and transparency of the accounting data.

Recommendation

We recommend that all general journals are reviewed by an appropriate person who is independent of the preparer. It is important that the reviewer signs and dates the general journal and that sufficient evidence of the journals and their review is retained.

Management Comment

The journals were routinely checked and signed off by the Manager of Corporate Services prior to that role being vacated.

As a layered audit the CEO now reviews journals sporadically, however the revised procedure since the departure of the MCC is that the SFO and Financial Officers review and check each of their journal changes. E.g. the SFO reviews and approves journals processed by the Payroll/Finance Officer and external accountant. The finance officer checks and approves the journal changes that the SFO makes. The CEO does sporadic internal audits and reviews.

Responsible Person: Senior Finance Officer (Jill Johnson) and Finance/Payroll Officer (Vivicka Kahn)

Completion Date: Commenced July 2022 and ongoing.

SHIRE OF KOJONUP**PERIOD OF AUDIT: YEAR ENDED 2022****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****3. Purchasing Policy - Tendering****Finding**

Variations totalling \$128,711 were processed for a contract with an original value of \$173,962, thereby increasing the total contract value to \$302,673, which exceeds the \$250,000 threshold for a tender. The variations involved a significant change to the scope of the original contract, and should have been undertaken through a public tender process.

Rating: Moderate**Implication**

Cumulative variations that significantly increase the value of the original contract potentially indicate a significant change to the scope of the original contract, requiring a separate procurement process.

Recommendation

Where the cumulative impact of variations significantly increases the value of the original contract, management should consider whether a separate procurement process is required, to ensure that value for money is achieved.

Management Comment

The original RFQ was advertised where the qualified estimate costings were well below the \$250,000 threshold and therefore the Shire conformed to its Policy and regulations.

Although many contractors were emailed the RFQ, and were subsequently followed up with, due to a Covid era supply issue with Contractors the Shire only received one quote. The quote that was received was below the \$250K threshold.

Post construction commencement of the earthworks and brickwork it was determined that re-engineering was required to support the construction of the amenities as there appeared to be an under design and therefore a variation of scope occurred. It is not the contractors Liability where changes of scope occurs. Furthermore, there was significant cost associated with removing debris from the soil which had not been factored into the original RFQ and was unforeseen at the time of RFQ.

It was noted in the report to Council that there were some anomalies in the Project Management procedures related to the under design of the facility and then scope changes which will be rectified in new project management processes being implemented this year.

However, these mitigating circumstances appeared after construction had significantly commenced. Only due to post construction mitigating circumstances and scope changes did the costs rise with an abnormal contingency.

The Shire did not breach Policy regarding the RFQ/Tender process. However, the Shire can appreciate the advice and take on board the recommendations to improve the management of cumulative variations.

Responsible Person: CEO (Grant Thompson)**Completion Date: January 2024**

SHIRE OF KOJONUP

PERIOD OF AUDIT: YEAR ENDED 2022

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

4. Pool Receipts Reconciliation

Finding

We noted that the Shire does not perform a daily reconciliation of pool cash receipts to source documents such as till tapes or point of sales software reports.

Rating: Minor

Implication

In the absence of a reconciliation of cash collected to source documents, there is an increased risk that misappropriation of cash can occur and not be detected.

Recommendation

Management should implement processes to reconcile pool takings on a daily basis to an appropriate source document, to ensure that all cash is receipted correctly and to prevent the occurrence of fraud.

Management Comment

This is noted and there will be a review by the next season of the practices at the pool and further controls will be considered by the SFO and CEO.

Responsible Person: CEO (Grant Thompson) / SFO (Jill Johnson)

Completion Date: October 2023

SHIRE OF KOJONUP

PERIOD OF AUDIT: YEAR ENDED 2022

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

5. Related Party Declarations

Finding

We reviewed Key Management Personnel related party declarations and noted that 4 Councillors had not completed and signed their declarations for 2021-22.

Rating: Minor

Implication

Related party declarations are an important document to aid in identifying related parties. Non-completion of the declarations increases the risk that related party transactions of key management personnel may not be reported in the financial statements.

Recommendation

We recommend that related party declarations are completed and signed by all key management personnel at least annually, and that there is adequate follow up where signed declarations have not been received.

Management Comment

Noted, our procedures will be revised to reflect a change of staff and or councillors that the relevant documentation is completed correctly.

CEO to review the procedure for related party declarations.

Responsible Person: CEO (Grant Thompson) and Senior Administration Officer (Judy Stewart)

Completion Date: Ongoing