

Shire of Shark Bay

2022/2023

ANNUAL REPORT



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PRESIDENT'S REPORT

Despite the limitations imposed by the Covid-19 pandemic during the previous couple of years, the Shire of Shark Bay staff have continued to provide the local community and visitors with exceptional and well maintained assets and infrastructure, adding benefit and enjoyment to recreating and living in the Bay.

A consequence of 'being discovered' by the tourism domestic market during Covid is that of increased visitation numbers and demographics, resulting in higher demand for both tourist and seasonal workers' accommodation, which identified a substantial shortfall for both short and long-term accommodation options in Denham.

Shire staff have been pro-active in pursuing potential solutions to the current housing deficit and the unprecedented demand for both short and long-term accommodation, particularly in Denham, which includes options for government employees and new residential housing area releases.

The Shire Council encouraged the Administration to explore various funding options to alleviate the existing accommodation gap, which resulted in a \$4m Commonwealth Building Better Regions grant to enable the construction of 12 new independent living units to augment the current Herald – Denham pensioner units.

Our dedicated and skilled Outside Works staff continue to deliver on much appreciated and anticipated projects throughout the Shire, such as; regional road sealings, upgrades to our local roads, installation of bollard solar lighting, new reticulation at the Town Oval and continuation of our 5-year footpath program for the Denham townsite, to name just a few!

The Community Development Team put in an outstanding effort during the past year, organising a variety of events for all ages within the community as well as also attracting large crowds of visitors to the Bay.

The Discovery and Visitors' Centre exceeded more than 70,000 people through the door this financial year. The staff at the 'Disco' are to be commended for their enthusiastic promotion of Shark Bay and their comprehensive knowledge of all the diverse attractions in the area.

Council has continued this financial year to provide Community Assistance Grants to local community organisations which provide activities, programs or services that enhance the well-being and safety of our residents and visitors.

A huge THANK YOU! to all of our selfless volunteers and groups that provide vital services to our population. The local volunteers in these groups contribute their time, effort and skills particularly to the wellbeing of our residents but also our visitors.

Council is continuing to explore options, and is liaising with current providers, to broaden and enhance our local medical services. The situation has long been an area of major frustration and concern to the community's residents. However, recent advice indicates an alternative structure may be implemented in the near future.

Whilst our local residents certainly appreciate that Denham and the Shark Bay area is an awesome, unique place to live and work, the location and distance to some amenities and services can be problematic, particularly for our more aged residents.

However, our pristine environment, World Heritage status, historical and maritime history and local character all contribute to our senior citizens' desire to stay as long as possible as residents of the Bay!

Whilst encouraging future development and business opportunities in the Bay, Council is also aware of the imperative to maintain a balance between sustainable economic development and community expectations and lifestyle.



Cheryl Cowell
Shire President

GENERAL INFORMATION

The Shire of Shark Bay is made up of two peninsulas on the western most point of Australia it includes 1,500 km of coastline, together with some 25,000 square kilometres of hinterland. The Bay's main body of water covers an area of approximately 8,000 square kilometres with average water depth of 10-15 metres and is divided by shallow banks and many peninsulas and islands.

The town of Denham, the main settlement within the Shire, is 833 km from Perth, 405 km from Geraldton, 330 km from Carnarvon and 129 km from the Overlander turnoff on the North West Coastal Highway. Shark Bay has a permanent population of 950 people and it is estimated that this figure doubles during the tourist season April to October.

Shark Bay enjoys a mild climate all year round with an average temperature of 26.5 degrees Celsius. The average annual rainfall is 228 mm, most of which occurs between May and August.

Outside Denham, settlements also exist at Monkey Mia, Nanga, Overlander, Billabong (Wannoo) and Useless Loop. Useless Loop is a "closed" mining town located 250 km from Denham by road or 25 km across the bay. The region's landscapes and habitats range from rugged sea cliffs along the coast to tranquil bays and inlets fringed with wide beaches of sand and shells. Shark Bay has a strong community spirit with several sporting, recreational, educational, youth, special interest groups, clubs and committees. Many of these groups organise annual and weekly events for residents and visitors in the Shire of Shark Bay.

Tourist Attractions

Shark Bay World Heritage Discovery and Visitor Centre, World Heritage Listing, Monkey Mia, Stromatolites, Shell Beach, Steep Point (the most western point on mainland Australia), fishing, indigenous culture, Dirk Hartog Island, Peron Peninsula, aquaculture and Cape Inscription (first documented landing by Europeans on Australian soil in 1616).

Local Industries

Pastoral, tourism, fishing, salt production, pearl culturing, shell grit mining.

Significant Local Events

Far Western Speedway Championship – July, Bowling Club Anniversary Meeting – July, Denham Golf Open – August, Fishing Fiesta – May

STRATEGIC OBJECTIVES

In order to discharge its responsibilities to the community, the Shire of Shark Bay has developed a set of operational and financial objectives. These objectives have been established on an overall basis reflected by the Shire’s Vision Statement and for each of its broad activities/programs. These objectives provide a framework for the future direction of the Shire of Shark Bay.

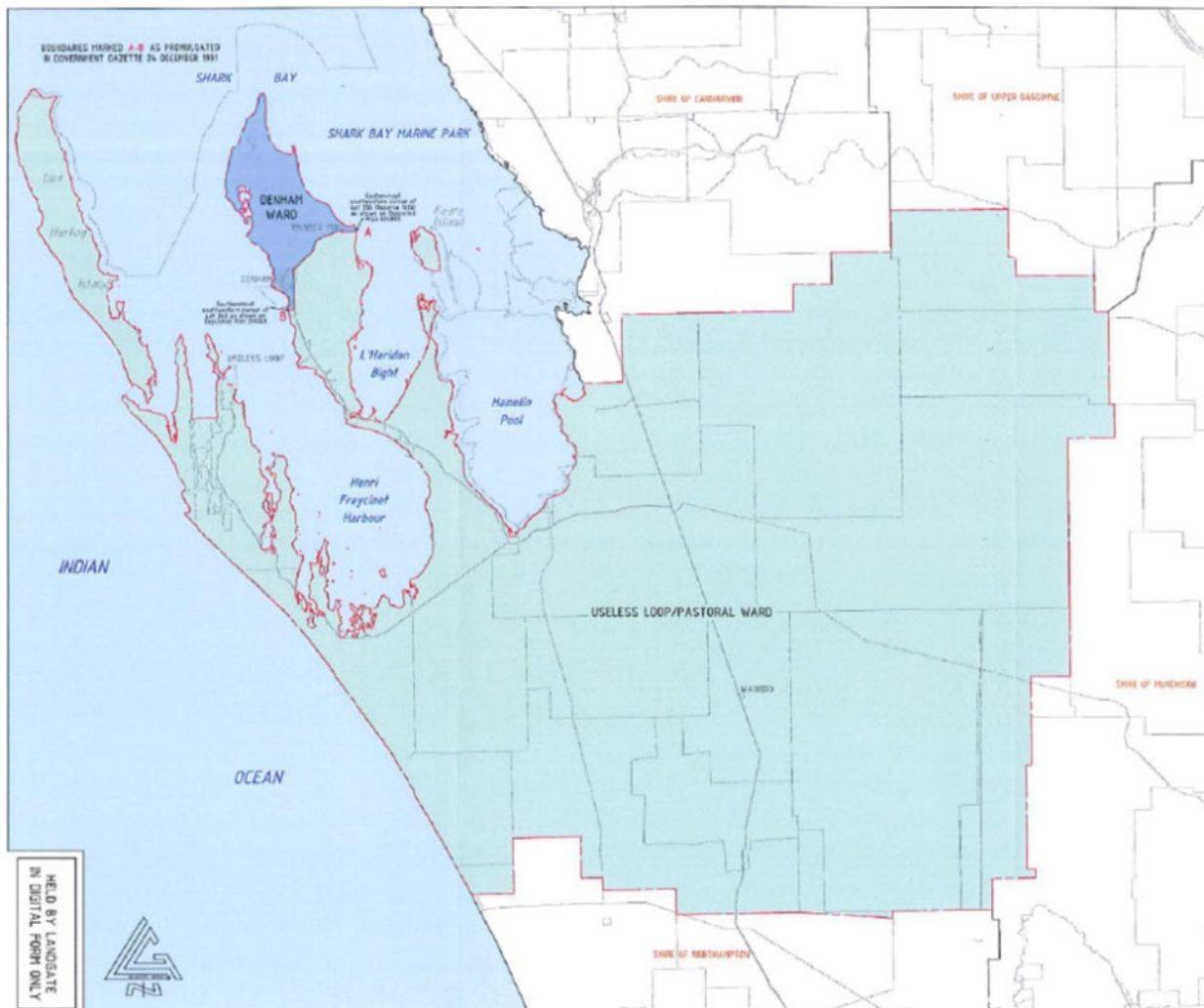
Shire of Shark Bay Vision Statement

Shark Bay is a proud unified community, respecting and sharing our pristine environment and great lifestyle.

The Council Wards

There are two Wards in the Shire of Shark Bay

- Denham Ward
- Useless Loop / Pastoral Ward



CHIEF EXECUTIVE OFFICER'S REPORT

I am pleased to report to the Shire of Shark Bay community that during the 2022/2023 financial year the Shire continued to provide a high level of service delivery, manage, and improve Shire infrastructure and other assets, and operate in an open, efficient, compliant and probity driven manner.

I would like to particularly thank our dedicated Shire employees for their tireless commitment and contribution to the delivery of services to the Shark Bay community, particularly given the resourcing challenges often faced by small Local Governments. I would also like to pass on thanks to our dedicated contractors, and numerous other important stakeholders, whose hard work ensured the continued delivery of services to the community in an often-challenging remote environment.

I am happy to report that the Shires overall 2022/2023 financial position remains stable and strong.

The Shires outside workforce are to be commended on the achievement on a number of key project outcomes and ongoing service delivery through 2022/2023.

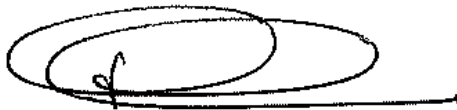
- Completion of the road sealing on Eagle Bluff Road.
- Upgrades on Useless Loop Road.
- Stage two of the Durlacher Street upgrades, featuring asphalt and new dual use paths.
- Extension of Stella Rowley footpath to look out.
- Installation of Bollard Solar Lighting along Stella Rowley footpath.
- Reticulation upgrades at the Town Oval.
- Air conditioning upgrades at the Shark Bay Discovery Centre.
- A high standard of ongoing maintenance and operational activities.
- Delivery on the Shires plant and equipment replacement program, and 5-year footpath and roads programs.

The Shires Community Development Team continued to provide a high level of community engagement, delivering numerous valued and well supported events, that catered for the demographic diversity that is the Shark Bay community. Additionally, an enormous amount of work continues to go into the preparation and submission of numerous grant funding applications for key community infrastructure projects and in support of new and continued community events. The Community team is to be congratulated on their contribution to securing the following key infrastructure funding:

- \$70,000 from the Department of transport to install a new dual use pathway to the Stella Rowley Lookout.
- \$2,146,649 through the Department of Fire and emergency Services and the Coastal and Estuarine Risk Management Program for a new/upgraded sea wall to protect the Denham CBD. This project will commence in the 2023/224 financial year
- \$4,678,200 from the Department of Communities through the Social Housing Economic Recovery Program funding for the construction of 12 new pensioner units at 23 Hughes Street. This project will commence in the 2023/224 financial year.
- \$314,000 from the Department of Transport through the Recreational Boating Facilities Fund to build a new finger jetty at the western end of Knight Terrace. The jetty will be constructed in the 2023/2024 financial year.

The Shark Bay World Heritage Discovery and Visitor Centre welcomed a total of 71,139 people through the Centre's doors during the 2022/2023 financial year. The highest recorded day occurred on 14 April 2023 during the school holiday period, with 622 people entering the Centre. The Centre saw markedly increased visitation during the week prior to, and the week of, the Ningaloo Eclipse in April 2023. The dedicated Discovery Centre team are to be commended on their continued high level of service to and interaction with visitors to Shark Bay.

As with most years, the Shire has again had to contend with, and overcome many challenges throughout 2022/2023, and should be proud of the ongoing service delivery to the community considering those challenges. 2023/2024 promises to be an exciting year as we look to begin work on the delivery on several key infrastructure projects, I very much look forward to continuing to work closely with the Shire team, the community, and key stakeholders as we continue to work towards achieving the communities' long term economic, social and sustainability objectives through 2023/2024 and beyond.



Dale Chapman
Chief Executive Officer

FINANCE AND ADMINISTRATION REPORT

Overall Financial Position

The financial position of the Shire of Shark Bay remains stable. The actual surplus as at the 30 June 2023 was \$2,768,413 against a nil budgeted surplus. This result excludes reserve accounts of \$5,010,342 up from \$4,618,458 the previous year as detailed in Note 24 and 26 of the Annual Financial Report.

An early payment of the 2023/2024 General-Purpose Financial Assistance Grant allocation of \$2,277,506, was recognised as revenue during 2022/2023 and contributed to this surplus.

Revenue

Total revenue of \$8,316,335 was greater than the budgeted amount of \$5,955,527. The unbudgeted advance payment of the 2023/2024 Financial Assistance Grant allocation of \$2,277,506 was the primary reason for revenue being higher than budget. Rates and Fees and charges were marginally higher than budgeted with interest revenue \$125,534 higher than budget due to increases in interest rates and the level of cash held during the year.

Rates

Total rate revenue for 2022/2023 was \$1,562,693 which was greater than the 2021/2022 rates revenue (\$1,486,330) by \$76,363. The rates in the dollar for all differential rating categories were decreased for the 2022/2023 year when compared to the prior year. Minimum payments for Gross Rental Value properties were reduced and Unimproved Value minimum payments standardised to one minimum payment level across the differential categories. This change when adopting the budget was to ensure compliance with the budgeted overall rate increase of 4% in line with the Councils Strategic Plan, and as a result of the revaluation of all Gross Rental Value and Unimproved Value assessments applicable to the 2022/2023 financial year.

Expenses

Expenses of \$6,915,756 was under the budget of \$7,209,207 by \$293,451. This was mainly due to lower than budgeted expenditure for materials and contracts, utility charges, depreciation and loss on disposal of assets while insurance costs and employee costs were slightly higher than budgeted.

Capital Expenditure

Capital expenditure of \$2,324,015 was less than the budgeted amount of \$3,453,918 due to savings in the acquisition of Major Plant and Equipment and some delays and deferrals of projects.

Major projects carried out during 2022/2023 include:

Pensioner Unit Upgrades\$	54,806
Town hall – Electronic Entry System\$	52,461
Heritage Stables Refurbishment\$	18,042
Charlie Sappie Park Bed Replacement\$	7,800
Heritage Stables Refurbishment\$	38,322
Shark Bay Discovery Centre Upgrades\$	162,927
Depot Office Awning\$	14,435
Footpath Construction\$	352,716

Town Supervisor Ute Replacement\$ 52,490
Works Manager Ute Replacement\$ 61,884
Major Plant Items\$ 490,815
Town Truck – 5 Tonne Replacement\$ 115,927
Town Truck – 3 Tonne Replacement\$ 62,124
Executive Manager Community Development Vehicle Replacement \$ 41,167

A number of the 2022/2023 capital projects carry forward in to the 2023/2024 financial year and are outlined within the 2023/2024 budget documentation. During 2022/2023 \$3,084,723 was received in capital grants which was not expended and is recognised at 30 June 2023 as a liability. These funds already received will fund their related capital projects during 2023/2024.

Total Debt

The Shire's total loan liability as of 30 June 2023 for the Town Oval Bore was \$701,498. The loan for the Monkey Mia Bore was fully paid out during 2022/2023.as reflected in note 25 of the Annual Financial Report.

Reserve Accounts

The Shire's cash backed reserves increased over the year by \$391,884. Significant transfers from these reserves in 2022/2023 included \$225,085 for infrastructure upgrades, \$445,840 for plant replacement and \$56,663 for Pensioner Unit upgrades. Transfers to reserves included \$372,471 for plant replacement, \$611,162 for strategic infrastructure renewal, \$73,280 for Pensioner Unit maintenance and upgrades and \$58,313 for recreation facilities upgrades as reflected in Note 26 of the Annual Financial Report.

Audit Report

The audit report dated 15 December is an unqualified audit report with matters raised.

WORKS REPORT

The Shires external workforce made significant contributions to various capital projects during 2022/2023, either independently managing complete construction projects or collaborating with external contractors. Their exemplary performance, coupled with their dedication to regular operational duties, was marked by enthusiasm, resulting in positive outcomes throughout the year.

Several major capital projects were successfully undertaken during this period, including:

- Completion of the road sealing on Eagle Bluff Road.
- Upgrades on Useless Loop Road.
- Stage two of the Durlacher Street upgrades, featuring asphalt and new dual use paths.
- Extension of Stella Rowley footpath to look out.
- Installation of Bollard Solar Lighting along Stella Rowley footpath.
- Reticulation upgrades at the Town Oval.
- Air conditioning upgrades at the Shark Bay Discovery Centre.

In addition to these major projects, the Shire's staff efficiently handled numerous minor and reactive tasks crucial to the overall success of the Shire of Shark Bay. Their conscientious and reliable efforts are highly commendable.

Throughout the year, the Shire maintained the high standard of maintenance and operational activities associated with its day-to-day routine operations. Ongoing maintenance requirements for the town oval, foreshore parks, foreshore playground, Shark Bay Recreational Centre, refuse and recycling, and road maintenance were efficiently met.

The Shark Bay Recycling Centre remained a success within the community, maintaining a consistent throughput of recyclable products throughout the year. The container deposit scheme has been successful in reducing the number of aluminium cans and drink containers deposited at the Recycling Centre. While challenges persist in finding markets for the sale of recyclable products, the reduction in waste to landfill remains a positive outcome.

Plant and machinery acquisitions aligned with the Shire's plant replacement program, ensuring the safety and fitness for purpose of equipment used in Shire operations. Comprehensive evaluations were conducted to optimize value for money in all plant and machinery procurement processes.

I extend my appreciation to the Shire of Shark Bay's country, town, and administrative employees for their unwavering support throughout the year. Their admirable performance has made 2022/2023 a positive and productive year, and I eagerly anticipate continued excellence and improvement in 2023/2024.

TOURISM, COMMUNITY AND ECONOMIC DEVELOPMENT REPORT

COMMUNITY ENGAGEMENT

The Shire of Shark Bay maximises the use of the mobile phone SMS system allowing a Shire-to-resident communication strategy. SMS communications are distributed to 390 people in one hit, thus proving to be an efficient way to keep the community informed.

The Shire's Facebook page is a functional tool with which to communicate important information to the broader community. The page now has over 1,900 followers and by "sharing" the messages to up to four of the local community administrated Facebook group pages, the Shire can access in excess of 22,000 followers of these pages.

The Shire's website and noticeboard is updated on a regular basis with the latest news and information.

Consultation was undertaken with members of the community regarding a potential new intergenerational community precinct. While no funding sources have yet been identified for this proposed precinct, the consultation was very positive.

Consultation was also undertaken in February 2023 for the review of the Shire's Strategic Community Plan. This consultation was run by Moore Australia with assistance from Shire staff and consisted of a physical and online survey as well as a community workshop.

COMMUNITY FACILITIES

The Shark Bay Recreation Centre continues to be managed by the Shark Bay Community Resource Centre. Users of the Centre participated in a range of open courts, nightly sports, school holiday programs and toddler activities during the year. The Centre receives consistent attendance throughout the year, with a total of 5,297 participants registered for the financial year. The busiest month was April 2023, with 685 participants, and the quietest month was December 2022, with 208 participants.

The Shark Bay Community Gym had 188 members sign up, and of those 118 are active. A large proportion of these sign ups were for one-month memberships (89), of which 61 of these members have a permanent address outside of Shark Bay. The Shire Administration Office receives 6-8 gym enquiries per week. There are approximately two enquiries per week for a visitor's gym pass, and often these visitors choose to sign up for a month (the shortest time available) as the \$30 monthly membership fee is in line with a weekly membership fee in the Perth metropolitan area. There have been several requests from active gym members for new or additional equipment, which will be reviewed next financial year.

The Shark Bay Public Library continues to be a popular service for all ages of the community. In the 2022/2023 financial year with residents and visitors borrowing books and DVD's.

The Denham Town Hall is being well utilised by local community groups. Currently there are programs held by the Denham Crafters, Shukokai Karate, Coral Coast Dance Academy and the Shark Bay Entertainers. There are also several organisations who hire this venue for one-off or short-term use.

In May 2023, in partnership with Containers for Change and the ABC Foundation, the Bring Centre was upgraded with new signage and processes to form the NEW Shark Bay Recycling Centre. The Recycling Centre is now a donation point for eligible containers for change, collected by the ABC Foundation, to raise money for sustainable practices and projects. A marketing campaign will be developed to educate the community on how the new Shark Bay Recycling Centre will work.

COMMUNITY EVENTS

Shark Bay Winter Festival Markets

On Sunday 10 July 2022 the annual Winter Markets took place on the foreshore at George Wear Park. Despite very cold weather and the threat of rain, there was a big turnout of both residents, and visiting tourists. Participants enjoyed browsing the market stalls, listening to live music, and creating dried flower crowns. Children who attended also enjoyed playing on the bouncy castles and getting crafty with slime and sand. Overall, the event was very successful, with positive feedback received from attendees and stallholders.

Beats in the Bay Festival

The inaugural Beats in the Bay Festival was held on Saturday 1 October 2022. The event was a huge success, with a turnout of approximately 1,500 people over the course of the event. Feedback from locals, businesses and tourists alike has been very positive, with a lot of people expressing excitement for next year's event. The roving entertainment (All The Lights) was a huge hit with families, with the hula-hoop workshop area full of kids, a 2 hour wait for facepainting, and a very positive response to the light circus show.

Laser Tag Games

On Saturday 8 October 2022 the Shire hosted a mobile laser tag game down on the Denham Town Oval. The event was very well attended, with approximately 40 children taking part in the games and many families coming to watch. The Shark Bay Youth Group hosted a sausage sizzle fundraiser for the event.

Seniors Week

The Shire supported the Shark Bay Community Resource Centre to run two events over Seniors Week in November 2022. The first was a range of activities held at the weekly Friendly Hub meeting, including portrait painting, board games, and "guess who's baby picture this is", with all attendees providing a picture of themselves as a baby. The second event was a wood engraving workshop held at the Community Resource Centre. Both events were enjoyed by attendees.

Astrotourism Event – Community Stargazing

On Wednesday 2 November 2022, Carol Redford (CEO) and Donna Vanzetti from Astrotourism WA visited Shark Bay to do a community event in preparation for the 2023 Solar Eclipse. The event started with a presentation on Dark Sky Tourism and Solar Eclipses, followed by stargazing with two telescopes provided by Astrotourism WA. To assist with the event, the Shark Bay Speedway Club held a sausage sizzle fundraiser for event attendees.

Thank a Volunteer Day

On 5 December 2022 the Shire invited all volunteers in the Shark Bay community to attend a sundowner awards ceremony to publicly recognise and celebrate their contributions to society. The event took place at the Shark Bay World Heritage Discovery Centre Gallery, where the Shire President presented certificates to volunteers to thank them. The volunteers enjoyed a selection of food and drinks, as well as a small gift provided by the Shire. All volunteers in the community received a certificate, and community groups later passed on certificates to those that couldn't attend the event in person.

Senior's Christmas Lunch

The 2022 Seniors Christmas Lunch took place at the Town Hall on 8 December 2022, with over 30 seniors attending the event. Attendees were provided with a three-course meal, which was catered by the Shark Bay Café, IGA, Shark Bay Youth Group, Community Resource

Centre and Shire staff. Each senior was gifted a tin of biscuits from the Shire and a calendar from the Community Resource Centre.

Skate Park Launch Party

In 2022 a company called Art on the Move funded a local project with the Shark Bay Arts Council, Shark Bay School and Shire of Shark Bay to design a mural that would be painted on the concrete at the skate park. This project was meant to take place in April, however due to issues with the materials it was rescheduled to December. On Saturday 10 December Art on the Move representatives hosted a launch party for the community to celebrate the newly painted skate park. This event was well attended by local children and families alike.

Australia Day Citizen of the Year Awards Ceremony

On Australia Day the Shire partnered with the Shark Bay Bowling, Sport and Recreation Club to hold the annual Australia Day Breakfast and Citizen of the Year Awards Ceremony at the Denham Town Hall on 26 January 2023. This year there was a special guest appearance from the Honorable Neil Thomson MLC, who gave a speech and presented the Citizen of the Year Awards alongside the Shire President. Breakfast was provided by the Shark Bay Bowling, Sport and Recreation Club, with the Shark Bay Fish Factory donating 50 mullet and 50 whiting fillets.

Clean Up Australia Day

On Sunday 12 March 2023, the Shire hosted the annual Clean Up Australia Day Event. There were 30 registrations for this event, predominantly locals, with approximately 8 visitors to the region. All volunteers were allocated an area and were given gloves and bags to collect as much rubbish as they could in a 90-minute period. A full ute load of rubbish was collected from Netta's Beach, Denham Foreshore, Little Lagoon, Denham Streets, and the Monkey Mia Road. We had a very enthusiastic response from the Shark Bay youth, supported by parents bringing their kids down to help collect rubbish. All volunteers were thanked with a sausage sizzle after the clean-up, cooked by Dale, the Shire Chief Executive Officer.

Shark Bay School Talk

On Wednesday 15 March 2023 our Community Development Officer Michelle and Shire Depot worker Peter attended the Shark Bay School to do a talk with Years 1, 2 and 3 as part of their HASS lesson on Geography. The focus of the talk was on Managed Natural Environments and Structural (Man-Made) Environments and how the Shire of Shark Bay look after these.

Youth Week

On Friday 14 April 2023 the Shark Bay Community Resource Centre hosted the Paint and Water Wars event for the 2023 Youth Week. The Shire supported this event with a \$1,000 contribution that went to paint and other materials to make this event possible. Michelle also attended this event to assist for the day as an in-kind contribution. It was very well attended in all age groups from both locals and visitors, a total attendance of 146 people. The children had lots of fun and fortunately for the parents, the paint was all machine washable.

Solar Eclipse Stargazing Event

On Sunday 16 April 2023, In the lead up to the Total Solar Eclipse, the Shire of Shark Bay hosted the Total Solar Eclipse Stargazing night as part of the Astrotourism WA Eclipse Discovery Tour. We had a strong turn-out of 85 people, who were provided an opportunity to learn about the Solar Eclipse and Shark Bay as a world-class dark sky tourism destination.

Total Solar Eclipse

On Thursday 20 April 2023 the Total Solar Eclipse occurred. Shire staff were well prepared for this day, which came and went without any issues. Community announcements were made

regarding health care, general visitor information and the sale of eclipse safety glasses, which sold out 6 days prior to the event. Shire contingencies were planned for overflow camping, traffic management (if required) and communication with local businesses.

ANZAC Day

On Tuesday 25 April 2023, the Shire supported the Shark Bay RSL and the Shark Bay Bowling Sport and Recreation Club with financial and in-kind support to run the annual ANZAC Day event. This year there was no dawn service however the 11.00am service was very well attended.

Gascoyne in May

The Creality Gascoyne Travelling Arts Festival – Barefoot Blacktie Festival was held during the first week of May 2023. There was a series of circus workshops and street entertainment finishing with the Heartlands Concert on the foreshore. The Shire provided in-kind support and cash via a Community Assistance Grant.

Western Australian Local Government Association Gascoyne Waste & Environment Summit

The Shire of Shark Bay hosted the 2023 Western Australian Local Government Association Gascoyne Waste & Environment Summit, on Thursday 11 and Friday 12 May. This event attracted more than 30 delegates to our region to discuss Waste Management and Environmental issues. Participants had the opportunity to workshop local waste management issues and opportunities with colleagues from the region. It brought together Local Government, State Government, businesses and stakeholders to build relationships, share knowledge, improve service delivery and explore social opportunities and environmental outcomes for the Gascoyne Region.

Shark Bay Fiesta

The 2023 Shark Bay Fiesta was held between the 19 – 26 May 2023. The Shark Bay Community Resource Centre put together a schedule of events outside of fishing to promote a positive social impact. It was a successful and well attended event. The Shire provided in-kind support and cash via a Community Assistance Grant as well as issuing Permits to Trade for the Fiesta Markets and assistance to organisers with site maps and other tools to run a successful event.

2023 Department of Local Government, Sport and Cultural - Gascoyne Sport & Recreation Forum

The Shire of Shark Bay hosted the 2023 Gascoyne Sport & Recreation Forum on the 1st & 2nd June at the Shark Bay Recreation Centre. Day 1 focused on Sport, bringing in delegates from State Sporting Associations, State Government and other organisations focused on youth in sport. Day 2 focused on Recreation. This was a day to discuss the abundance of recreational opportunities here in Shark Bay and the broader Gascoyne region.

Denham Triathlon

The Shire of Shark Bay hosted the third annual Denham Triathlon on Saturday 3rd June 2023 in collaboration with the Geraldton Triathlon Club. There were 53 participants, made up of 41 individual and team registrations. This event was supported by Champion Bay SLS, Real Futures, DM Management, St John Ambulance, Shark Bay Police and a number of volunteers acting as course marshals.

Denham Dash for Kids

As part of the WA Bicycle Network Grants Program to fund the Dual Use Path to Stella Rowley Lookout, the Shire combined the activation of this path, with the Denham Triathlon held on the

same day to create the Denham Dash for Kids. 35 children participated in this event, including 3 visitors. Real Futures kindly donated two bicycles to giveaway, which assisted in building strong participation, with kids aged from infancy to 16.

Abra Da-Cameron Magic Show

On Saturday 17 June 2023, in collaboration with the Shark Bay Arts Council, the Shire of Shark Bay hosted Cameron the Magician as part of the CircuitWest: Shows on the Go Abra Da-Cameron Tour. The day started with a Magic Workshop, where we were at capacity with 30 children learning magician's secrets with cards and other tricks. The show was attended by 70 people, with a 60/40 child: adult split with approximately 10 visitors and 2 special needs adults with their carers.

The Shire also financially supported several community groups to run events in the 2022/2023 financial year. This included the following:

- Shark Bay RSL, with \$1,000 contributed to ANZAC Day celebrations in April 2023
- Shark Bay Community Resource Centre, with \$300 contributed to National Seniors Week in November 2022 and \$1000 contributed to Youth Week in April 2023
- Shark Bay Fishing Fiesta with \$8,000 cash and \$6,000 in kind support
- 2022 Downwinder with \$5,000 cash, and
- Shark Bay Arts council with \$2,500 contributed to the Abra Da-Cameron Magic Show in June 2023

EMERGENCY MANAGEMENT

In August 2022 the Shire successful applied for \$4,200 through the All West Australians Reducing Emergencies Funding to update the Shark Bay Local Recovery Plan. The Shire also received \$36,323 from the Preparing Australian Communities – Local Stream program to run two Emergency Recovery Exercises to test the Plan and to assess the town's resilience and preparedness for Recovery situations. These exercises were held in November 2022 and again in February 2023 and the Shire was pleased to welcome Candy Hudson, a representative from National Emergency Management Agency (who funded the project) at the February 2023 event.

The updated Recovery Plan will be endorsed by the Shire Council and the Local Emergency Management Committee in the 2023/2024 financial year.

ACCESS & INCLUSION

The Shire's Access and Inclusion Plan 2019 – 2024 continues to be implemented. Several initiatives have been completed to improve access and inclusion, including repairing the door into the administration building/library to allow for easier access. In the 2023/2024 year the Shire will be purchasing and installing accessible beach matting and creating accessible entry ways into the Recreation Precinct.

ECONOMIC

Community Assistance Grants

Council allocated \$50,000 to the Shire's Community Assistance Grants during the 2022/2023 financial year. The grant program facilitates the Shire's investment in people, community, health and wellness at the grassroots level by assisting local community groups to offer a range of activities for the community and strengthen skills and capacity. Overall, the Community Assistance Grants distributed \$34,474.63 to the local community in 2022/2023.

- Four community groups were funded by the Shire in Round 1 (projects valued \$2,000-\$5,000), with a total commitment of \$13,478.18. This funding opportunity was open in August 2022, and was distributed to the following projects:
 - Boolbardie Country Club received \$5,000 for new tee box signs.
 - Shark Bay School P & C received \$2509.18 for their end of year concert.
 - Shark Bay Speedway received \$3,500 to upgrade electrical wiring in the canteen.
 - Shark Bay Community Resource Centre received \$2,469 to hold the annual Kindy Gym Christmas Party.
- Two community groups were funded by the Shire in Round 2 (equipment valued at a maximum of \$1,000), with a total commitment of \$1,996.45. This funding opportunity was opened in April 2023, and was distributed to the following projects:
 - Boolbardie Country Club received \$1,000 to provide catering for the 2023 Denham Golf Open Championship.
 - Shark Bay School P & C received \$996.45 for catering equipment and uniform shop equipment.
- Three community groups were funded by the Shire in the Significant Event Grants, with a total commitment of \$19,000. This funding opportunity was open all year round, and was distributed to the following events:
 - Shark Bay Business and Tourism Association received \$6,000 to contribute to the 2023 Shark Bay Downwinder event.
 - Shark Bay Community Resource Centre received \$8,000 to contribute to the 2023 Shark Bay Fiesta event (formerly the Shark Bay Fishing Fiesta).
 - Creality (previously Gascoyne in May) received \$5,000 to contribute to the 2023 Barefoot Black-Tie Festival event.

FUNDED PROJECTS

2022/2023 was a busy year for grants, while substantial funding was made available to all local governments through the Local Roads and Community Infrastructure program, many other grants were secured through competitive grant application processes, highlighting the grant writing skills of the Shire Administrative staff.

Local Roads and Community Infrastructure Funding

- There are currently four phases to this grant program. Phase 1 and 2 have been completed, and work began on Phase 3 projects during the 2022/2023 financial year. These projects are worth a total of \$668,124 and include:
 - Upgrading of the air-conditioning at the Shark Bay World Heritage Discovery and Visitor Centre.
 - Purchase and installation of shade sails at the foreshore and other playgrounds.
 - Replacement of the town oval reticulation and upgrades to the pump system.
 - Accessible accessways into the Recreation Centre Precinct.
 - Solar bollard lighting along the new Stella Rowley dual use pathway.
 - Installation of a new entry system at the Recreation Centre, Gym and Town Hall.
 - Purchase and installation of accessible beach matting and two beach wheelchairs at town beach.
 - Contribution towards the building of the new finger jetty at the western end of Knight Terrace.

Funding for Emergency Management

- \$4,200 was received from the Department of Fire and Emergency Services through the All West Australians Reducing Emergencies (AWARE) funding to update and rewrite the Shark Bay Local Recovery Plan
- \$36,323 was received from the National Emergency Management Agency through the Preparing Australian Communities – Local Stream to run two workshops to test the Recovery Plan and to gauge Denham’s resilience and preparedness for a Recovery situation.

Funding for Day Care Worker Accommodation

- The Shire was able to secure \$25,000 from the Department of Communities through the Attraction and Retention of Childcare Workers in Remote Areas funding. This funding provides a subsidy towards the cost of accommodation for the Denham Day Care Educator.

Funding for community events

- The Shire received funding for two events in the 2022/2023 financial year.
 - \$1,300 from the Department of Communities for the 2022 Thank a Volunteer Day event.
 - \$21,600 from the Department of Local Government, Sport and Cultural Industries through the Club Development Program to run capacity building workshops for local sporting clubs and community groups. This funding will extend over 3 years.
 - The Shire was also successful in receiving multiple funding streams for the inaugural 2022 Beats in the Bay Festival. This included:
 - \$20,000 from Lotterywest.
 - \$8,933 from Horizon Power.
 - \$5,000 from RAC Monkey Mia Dolphin Resort.
 - \$500 from the Gascoyne Development Commission.
- **Funding for a road safety project**
 - \$2,040.99 from the Road Safety Commission for brochures to educate visiting tourists on safely exploring 4WD tracks in Shark Bay.
- **Funding for infrastructure maintenance and development**
 - \$70,000 from the Department of Transport to install a new dual use pathway to the Stella Rowley Lookout.
 - \$2,146,649 through the Department of Fire and emergency Services and the Coastal and Estuarine Risk Management Program for a new/upgraded sea wall to protect the Denham CBD. This project will commence in the 2023/2024 financial year.
 - \$4,678,200 from the Department of Communities through the Social Housing Economic Recovery Program for the construction of 12 new independent living units at 23 Hughes Street. This project will commence in the 2023/2024 financial year.
 - \$314,000 from the Department of Transport through the Recreational Boating Facilities Fund to build a new finger jetty at the western end of Knight Terrace. The jetty will be constructed in the 2023/2024 financial year.

- **Funding for feasibility studies**
 - \$45,000 from the Gascoyne Development Commission to undertake a feasibility study into the options for workforce accommodation in Denham.
 - \$130,000 from the Department of Planning, Lands and Heritage through its Regional North Government Assistance Program to enable the Shire to revise its Local Planning Strategy. This will be undertaken in the 2023/2024 financial year.
- **Funding for Discovery Centre's Dugong Interactive Zone**
 - \$29,500 for the development and installation of the Dugong Interactive Zone at the Discovery Centre was secured in February 2022. This permanent installation was designed and installed by Hungry Sky and opened in September 2022. The Dugong exhibit is an educational interactive zone highlighting the significance of dugongs in the Shark Bay environment, providing a fun attraction for all ages.

TOURISM

Promotion of the Shark Bay World Heritage Discovery and Visitor Centre and the Shark Bay region continued throughout 2022/2023 with consistent posts on social media, including Facebook and Instagram. These posts have generated traffic to our website and enquiries regarding tour bookings and accommodation. Shark Bay has also been promoted on radio, newspaper and TV.

Shark Bay World Heritage Discovery & Visitor Centre

The Shark Bay World Heritage Discovery and Visitor Centre continues to play a critical role in the support and advocacy of the tourism sector in the region. In the 2022/2023 financial year, the Centre progressed the Shire's strategic direction towards a progressive, resilient and diverse economy through the support of local tourism and creative businesses.

A total of 71,139 people were welcomed through the Centre's doors during the financial year. The highest recorded day occurred on 14 April 2023 during the School Holiday period, with 622 people entering the Centre. The Centre saw markedly increased visitation during the week prior to, and week of, the Ningaloo Eclipse in April 2023.

The Visitor Centre saw strong sales in merchandise, tour and accommodation booking commission, camping and museum entry fees during the 2022/2023 financial year. The Centre demonstrated on-going commitment to stocking and selling merchandise that has significance to the Shark Bay region, including items produced by local artists and businesses.

The staff at the Centre undertook team-building and cultural awareness professional development with Darren Capewell in February 2023.

The Rose de Freycinet Art Gallery continued to host high-quality art installations, including a local exhibit assembled by the Shark Bay Arts Council, and the *Biodiversity of the Bay* exhibition, facilitated by the Department of Biodiversity, Conservation and Attraction's Return to 1616 team and featuring a collaboration by students from the Shark Bay School and celebrated artist Angela Rossen.

OTHER INFORMATION

Report on Complaints made against Councillor's

Section 5.53(2)(hb) of the Local Government Act requires disclosure of entries made in the register of complaints against Councillor's for the year.

For 2022/2023 there were no complaints lodged of any Breaches **of the Local Government Act 1995**.

Record Keeping Plan

The Shire's Record Keeping Plan outlines the control, retention and disposal policies and procedures for all shire records. The Shire's Record Keeping Plan was formally approved by the State Records Commission on the 7 September 2023 in accordance with Section 28 of the *State Records Act 2000*. The Shire's Record Keeping Plan will need to be reviewed again before the 29 August 2028.

Shire staff are trained in the use of the Shire's electronic recordkeeping system on a regular basis. New employees are inducted with the Shire's policy and procedures manual covering records management and are given extensive training in how to utilize the Shire's electronic recordkeeping system.

FREEDOM OF INFORMATION

Access to information / documents may be granted to members of the community under the *Freedom of Information Act 1992*. The Shire of Shark Bay complies with the Freedom of Information Act 1992. An Information Statement is available along with application forms on the Council's website. The statement is a guide on the Freedom of Information process and also lists the types of documents available outside of Freedom of Information. The Chief Executive Officer is the Shire's Freedom of Information Coordinator. Any formal application information that is not already freely available at the Council may be made through the Freedom of Information Coordinator.

Between 1 July 2022 and 30 June 2023, the Shire received no Freedom of Information requests.

NATIONAL COMPETITION POLICY

The National Competition Policy statement requires Local Governments to include in the Annual Report, ongoing statements on the following.

- 1) Competitive Neutrality – To remove benefits (and costs) that accrue to government business because of their public ownership.
- 2) Structural Reform – Local government is required to reform the structure of publicly owned monopoly businesses where it is proposed to introduce competition.
- 3) Legislative Review – To review legislation that restricts competition.

The full requirements are contained in a statement issued by the Department of Local Government and Regional Development.

Competitive Neutrality

There are several tests to apply that assist in determining if there is a “significant business enterprise”:

- 1) Does the activity receive revenue from external sources that exceeds \$200,000 per annum? (This threshold excludes grant income, internal charges, and statutory fees)
- 2) Would the benefits to be realised from the implementation of competitive neutrality exceed the costs?

From an examination of the income statement of the Shire of Shark Bay for 2022/2023, there is no activity that satisfies this first part of the test, and therefore the principles of competitive neutrality do not apply to any of the Shire of Shark Bay’s activities.

Structural Reform of public monopolies

The Shire of Shark Bay is not classified as a natural monopoly, nor does it conduct any business activities that could be classed as public monopolies. Therefore, the principle of structural monopolies does not apply to the Shire of Shark Bay.

Legislation Review

The Shire has a portfolio of local laws (previously known as by-laws), which may or may not conflict with the Competition Principles Agreement. The Shire of Shark Bay will be looking to commence a review of its Local Laws in 2023/2024 financial year.

ELECTED MEMBERS AND OFFICER COMPLIANCE STATISTICS

The Local Government (Administration) Regulations 1996 Part 5 – Annual reports and planning, regulation 19B (1) and (2) was amended as of the 7 November 2020 and now requires the following statistics to be included in the annual report:

Regulation - 19B (2) (a) & (b) and Prescribed Information for Payments to Employees

Section 5.53(2)(g) of the *Local Government Act 1995* requires disclosure of information as prescribed in relation to salary of \$130,000 or more made to employees.

For the 2022/2023 year there was one employee entitled to an annual salary in the band of \$160,000 to \$170,000.

Regulation - 19B (2) (c)

Elected Member Allowances 2022/2023 for Standards Panel costs for hearing a complaint regarding one of its council members and any amount that the Standards Panel orders to be reimbursed is nil.

Regulation - 19B (2) (d)

Any amount ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made under section 5.107(1), 5.109(1) or 5.114(1) to the local government during the financial year 2022/2023 was nil

Regulation - 19B (2) (e)

Chief Executive Officer Remuneration Paid 2022/2023 - \$201,230

Regulation - 19B (2) (f)

Elected Member Meeting Attendance / Ordinary Council Meetings 2022/2023

A	ATTENDED
LA	LEAVE APPROVED
N	APOLOGY

Councillor Name	JUL 22	AUG 22	SEPT 22	OCT 22	NOV 22	DEC 22	JAN 23	FEB 23	MAR 23	APR 23	MAY 23	JUNE 23
Cr Bellottie	A	LA	A	A	A	A	NO MEETINGS HELD IN JANUARY	A	A	A	A	A
Cr Cowell <small>President</small>	A	A	A	A	A	A		A	A	A	A	A
Cr Fenny	A	A	A	A	A	A		LA	LA	A	A	A
Cr Ridgley	A	A	A	A	A	A		A	A	A	A	A
Cr Smith	LA	A	A	A	A	A		LA	A	A	A	A
Cr Stubberfield	A	A	A	A	A	A		A	LA	A	A	A
Cr Vankova	A	LA	A	A	A	A		A	A	A	A	A

Elected Member Meeting Attendance / Audit Committee Meetings 2022/2023

Meeting Date	29 March 2023	17 MAY 2023
Cr Bellottie	A	A
Cr Cowell - President	A	A
Cr Fenny	N	N
Cr Ridgley	A	N
Cr Smith	A	A
Cr Stubberfield	N	A
Cr Vankova	A	A

Elected Member Meeting Attendance / Special Council Meetings 2022/2023

Meeting Date	26 August 2022	17 MAY 2023	15 JUNE 2023
Cr Bellottie	A	A	A
Cr Cowell - President	A	A	A
Cr Fenny	A	N	A
Cr Ridgley	N	N	A
Cr Smith	A	A	N
Cr Stubberfield	A	A	A
Cr Vankova	N	A	A

Regulation - 19B (2) (h)

Elected Member Age Groups

Councillor Age Group	30-40 Years of Age	41-50 Years of Age	51-60 Years of Age	61-70 Years of Age
	1	1	1	4

Regulation - 19B (2) (i)

Aboriginal or Torres-Strait Islander Councillor's for 2022/2023

Aboriginal Councillor's	1
Torres-Strait Islander Councillor's	0

Regulation - 19B (2) (j)

There were no modifications made to the Shire of Shark Bay's Strategic Community Plan during the 2022/2023 financial year.

Regulation - 19B (2) (k)

There were no significant modifications made to the Shire of Shark Bay's Corporate Business Plan during the 2022/2023 financial year.

Regulation – 29C (2) (d)

The name of each Council member who lodged a primary return or annual return for the 2022/2023 financial year.

Councillor Name	Annual Return Completed	Primary Return Completed
Cr Bellottie	9/08/2023	
Cr Cowell - President	25/07/2023	
Cr Fenny	23/08/2023	
Cr Ridgley	2/08/2023	
Cr Smith	28/08/2023	
Cr Stubberfield	7/08/2023	
Cr Vankova	28/08/2023	

Regulation – 29C (2) (e)

The position of each employee who lodged a primary return or annual return for the 2022/2023 financial year

Employee Position Held	Annual Return Completed	Primary Return Completed
Chief Executive Officer	3/07/2023	
Executive Manager Finance and Administration	31/07/2023	
Executive Manager Community Development	28/08/2023	
Works Manager	6/07/2023	
Supervisor – Finance and Administration	18/07/2023	31/03/2023
Shark Bay World Heritage Discovery and Visitor Centre – Co-Ordinator		1/08/2023
Executive Assistant	3/07/2023	
Community Development Officer1		27/07/2023
Community Development Officer2	11/07/2023	14/03/2023
Supervisor – Town	14/08/2023	
Supervisor – Works	20/8/2023	
Ranger	5/07/2023	14/12/2022
Team Leader – Shark Bay World Heritage Discovery and Visitor Centre	1/08/2023	1/05/2023

Local Government Act 1995 Section 5.127 – Report on training

S5.127 (1) A local government must prepare a report for each financial year on the training completed by council members in the financial year.

Elected Member Training Attendance 2022/2023 – Only two Councillor's were due to undertake mandatory training in the 2022/2023 financial year.

Councillor Name	Conflicts of Interest	Understanding Local Government	Serving on Council	Understanding Financial Reports and Budgets	Meeting Procedures
Cr Bellottie					
Cr Cowell - President					
Cr Fenny	15/09/2022	23/09/2022	29/09/2022	23/09/2022	15/09/2022
Cr Ridgley					
Cr Smith					
Cr Stubberfield					
Cr Vankova	16/09/2022	13/07/2022	11/10/2022	18/07/2022	01/10/2022

Local Government Act 1995 Section 5.53 (2) (i) Administration Regulations 19BD – Information on Payments to Council Members

S5.53 (2)(i) Administration Regulations 19BD Annual reports for a financial year beginning on or after 1 July 2022 are to include information relating to fees, expenses or allowances paid during the financial year for each person who is a Council member, mayor or president:

- Detailing the nature of the fee, expense or allowance; and
- The total amount / value for each class of fee, expense or allowance.

Councillor Name	President Allowance	Deputy President Allowance	Annual Meeting Attendance Fees	Information Technology Fees	Reimbursements – Accommodation
Cr Bellottie			\$ 5,815.00	\$2,143.00	
Cr Cowell	\$12,278.00		\$11,955.00	\$2,143.00	\$768.48
Cr Fenny			\$ 5,815.00	\$2,143.00	
Cr Ridgley			\$ 5,815.00	\$2,143.00	
Cr Smith			\$ 5,815.00	\$2,143.00	
Cr Stubberfield			\$ 5,815.00	\$2,143.00	
Cr Vankova		\$3,070.00	\$ 5,815.00	\$2,143.00	\$751.34

STRATEGIC COMMUNITY PLAN 2020 - 2030

Section 5.53 (e) of the *Local Government Act 1995* requires that the Annual Report has an overview of the strategic community plan for the Shire made in accordance with section 5.56 of the *Local Government Act 1995*, including major initiatives that are proposed to commence or to continue in the next financial year.

Principal Objective	Outcomes, Strategies and Achievements
<p>Economic Objective- a progressive, resilient, and diverse economy</p>	<p>1.1 Appropriate transport infrastructure and services in line with demand.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Road and footpath programs completed in accordance with Councils Budget. • Installation of a new dual use pathway to the Stella Rowley Lookout. • Securing of funding for the construction of a new finger jetty at the western end of Knight Terrace. The jetty will be constructed in the 2023/2024 financial year. <p>2. Support local business and encourage further investment in the district.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Ongoing building and planning services and support resulting in continued building investment within the Shire. • Completion of a feasibility study into the options for workforce accommodation in Denham. • Securing of funding to enable the Shire to revise its Local Planning Strategy. This will be undertaken in the 2023/2024 financial year. • Provision of location for the installation of EV fast charging infrastructure, to be installed in the 2023/2024 financial year. <p>2.1 Maintain relationships with educational organisations.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • The Shire provides ongoing sponsorship and community bus allowances to the Shark Bay School. • Transition of Day Care service providers to from Ngala Children's Service to Elite to ensure the ongoing provision of services. • Securing of funding for the attraction and retention of childcare workers in remote areas funding. This funding provides a subsidy towards the cost of accommodation for the Denham Day Care Educator.

	<p>2.2 Promote and support our tourism industry.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • The Shark Bay World Heritage Discovery and Visitor Centre continuously promotes the tourism industry via social media thereby increasing traffic to its website. In addition, it provides counter service incorporating recommendations of tourism services to visitors and the public and is a booking agent for most tourism operators within the region. • The Shire continues to promote the area through several mediums leveraging the brand “Shark Bay Sink Your Teeth In”. <p>2.3 Advocate to support new industries and local business.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Ongoing promotion of the Shark Bay Investment Prospectus which details investment and business opportunities and general information on starting a local business. This is also available on the Shire’s website. • Round 1 and 2 Community Assistant Grants supported significant events, projects and equipment upgrades for the Boolbardie Country Club, Shark Bay School P&C, Shark Bay Speedway, and the Shark Bay Community Resource Centre. • Round 3 Significant Event Grants were provided to the Shark Bay Business and Tourism Association towards the 2023 Shark Bay Downwinder, the Shark Bay Community Resource Centre towards the 2023 Shark Bay Fiesta, and Creality towards the 2023 Barefoot Black-Tie Festival event. • Astro tourism events – Community Stargazing and Solar Eclipse Stargazing Event, opportunities to prepare for the Total Solar Eclipse event and promote Shark Bay as a world class dark sky tourism destination.
<p>Environment Objective – help protect our unique natural and built environment</p>	<p>3. A natural environment for the benefit and enjoyment of current and future generations.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • The Shire supported the annual Clean Up Australia Day event which involved the community collecting rubbish Netta’s Beach, Denham Foreshore, Little Lagoon, Denham Streets, and the Monkey Mia Road. • A new partnership with Containers for Change and the ABC Foundation saw the Bring Centre upgraded with new signage and processes to form the new Shark Bay Recycling Centre. The Recycling Centre is now a

	<p>donation point for eligible containers for change, collected by the ABC Foundation, to raise money for sustainable practices and projects.</p> <p>3.1 Promote reduced environmental impact with the Shire</p> <p>Achievements:</p> <ul style="list-style-type: none"> Continued sourcing avenues of grant funding to further develop the Master plan for the Little Lagoon region. <p>4. A well planned built environment and infrastructure supporting our community.</p> <p>Achievements:</p> <ul style="list-style-type: none"> Commencement of the Containers for Change program with the aim of all net proceeds to support future waste and environment initiatives and community groups/events. Funding for the purchase and installation of shade sails at the foreshore and other playgrounds. Replacement of the town oval reticulation and upgrades to the pump system. Funding for the purchase and installation of accessible beach matting and two beach wheelchairs at town beach. Funding for a new/upgraded sea wall to protect the Denham CBD. This project will commence in the 2023/2024 financial year. Funding for the construction of 12 new independent living units at 23 Hughes Street. This project will commence in the 2023/2024 financial year. <p>4.1 Ongoing development, maintenance, and upgrade of infrastructure.</p> <p>Achievements:</p> <ul style="list-style-type: none"> The Shire's day to day routine operations have continued, resulting in a high level of maintenance to the Shires infrastructure inclusive of the Town Oval, Foreshore Parks and Playground, the Shark Bay Recreation Centre, Refuse and Recycling Facility and roads and footpaths. Completion of the road sealing on Eagle Bluff Road. Upgrades on Useless Loop Road. Stage two of the Durlacher Street upgrades, featuring asphalt and new dual use paths. Extension of Stella Rowley footpath to look out. Installation of Bollard Solar Lighting along Stella Rowley footpath. Reticulation upgrades at the Town Oval.
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	<ul style="list-style-type: none"> • Air conditioning upgrades at the Shark Bay Discovery Centre.
<p>Social Objective – A safe and inclusive community.</p>	<p>5. Strong sense of spirit and pride in an inclusive community.</p> <p>5.1 Support provision of essential community services and facilities.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Ongoing commitment and support to emergency and volunteer groups inclusive of hosting Thank A Volunteer Day. • Grant funding received for numerous community events and initiatives. • Ongoing advocacy for improvements to communications and health services technology inclusive of two National Network Broadband satellites at the Emergency Evacuation Centre and Emergency Services Building. • Obtained funding to support two emergency management recovery exercises and manual inclusive of all the relevant emergency organisations within the region. This resulted in the rewrite and delivery of the Shark Bay Local Recovery Plan and a test of the Denham’s resilience and preparedness for a recovery situation. • Community Assistance Grants available upon application to assist local community groups to offer more activities to the community. <p>5.2 Encourage inclusion, involvement, and wellbeing.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Dual Purpose pathways were installed at Brockman and Durlacher Streets to aid mobility throughout town. • The Shire continues to manage 13 low-cost long-term accommodation units at the Herald Denham Pensioner Units for our aged community. • The Shark Bay Community Resource Centre hosted the Paint and Water Wars event for the 2023 Youth Week, supported by a financial contribution from the Shire. • The third annual Denham Triathlon in collaboration with the Geraldton Triathlon Club was held in June. • The Shire use of a mobile phone SMS system distributing to 319 community members at one time enabling recipients to be kept informed of upcoming events and meetings. • The hosting of the 2022 Seniors Christmas Lunch, run with the generous support of the Shark Bay Café, IGA, Shark Bay Youth Group, Community Resource Centre, and Shire staff.

	<ul style="list-style-type: none"> • As part of the WA Bicycle Network Grants Program to fund the Dual Use Path to Stella Rowley Lookout, the Shire combined the activation of this path, with the Denham Triathlon held on the same day to create the Denham Dash for Kids. • The Shire financially supported the several community groups to run the following events: <ul style="list-style-type: none"> ○ Shark Bay RSL – ANZAC Day Celebrations ○ Shark Bay Community Resource Centre – National Seniors Week ○ Shark Bay Fiesta ○ 2022 Downwinder Event ○ Shark Bay Arts council for the Abra Da-Cameron Magic Show.
<p>Leadership Objective – a transparent, resilient, organisation demonstrating leadership and governance.</p>	<p>6. A strategically focused, unified Council, functioning efficiently.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • All Strategic and Operational plans regularly reviewed, and budgets reflective of strategic objectives. <p>6.1 Effectively represent and promote the Shire of Shark Bay.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Ongoing participation in State and regional boards and committees. <p>7. A transparent, resilient organisation demonstrating leadership and governance.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • Accountability and Financial responsibility have been maintained in line with long term financial plans. • All areas of operational expenditure are regularly reviewed through monthly reports presented to Council and annual and midyear budget reviews. • A High Level of Legislative compliance has been maintained throughout the organisation. <p>7.1 Encourage and support community engagement.</p> <p>Achievements:</p> <ul style="list-style-type: none"> • National Seniors Week supported by the Shire. • Annual Seniors Christmas Lunch was supported by the Shire. • Several events such as Winter Markets, Thank a Volunteer Day, Clean Up Australia Day, Australia Day and Citizen of the Year Awards, ANZAC Day and NAIDOC Week were either organised or supported by the Shire, and resulted in strong community engagement.

7.2 Provide appropriate services to the community in a professional and efficient manner.

Achievements:

- The Shire provides 13 low-cost rental accommodation at the Denham Pensioner Units and continues to source funding to increase the number of, and the upgrade of existing units.
- The Shire is a Department of Transport agent.
- The Shire supports the Local Health Services via the provision of car hire for visiting doctors and medical professionals.
- The Shire provides Western Australian Library Services to the local community and visitors.
- The Shire provides and maintains Street Lighting.
- The Shire provides twice weekly Kerbside Waste Collection Services and weekly Street Sweeping Services.
- The Shire keeps the community informed using mobile phone SMS and posting regular updates to Facebook.
- The Shark Bay Recreation Centre is fully funded by the Shire and hosts many community group functions and sporting activities.

SHIRE OF SHARK BAY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

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

Shark Bay is a proud unified community, respecting and sharing our pristine environment and great lifestyle.

Principal place of business:
65 Knight Terrace
Denham WA 6537



**SHIRE OF SHARK BAY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

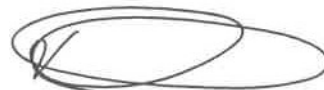
*Local Government Act 1995
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CEO

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

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

Signed on the 14th day of DECEMBER 2023



Chief Executive Officer

Dale Chapman

Name of Chief Executive Officer



William Buck Audit (WA) Pty Ltd

**SHIRE OF SHARK BAY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
Revenue				
Rates	2(a),23	1,562,693	1,546,641	1,486,330
Grants, subsidies and contributions	2(a)	3,577,628	1,119,634	2,997,796
Fees and charges	2(a)	1,771,956	1,740,000	1,845,011
Interest revenue	2(a)	134,689	9,155	11,159
Other revenue	2(a)	255,823	123,406	166,141
		7,302,789	4,538,836	6,506,437
Expenses				
Employee costs	2(b)	(2,482,027)	(2,474,103)	(2,245,513)
Materials and contracts		(2,053,307)	(2,193,803)	(1,801,602)
Utility charges		(176,541)	(185,721)	(187,451)
Depreciation		(1,726,933)	(1,805,485)	(1,812,956)
Finance costs	2(b)	(22,070)	(21,959)	(24,727)
Insurance		(217,501)	(200,882)	(189,761)
Other expenditure	2(b)	(229,468)	(223,374)	(217,086)
		(6,907,847)	(7,105,327)	(6,479,096)
		394,942	(2,566,491)	27,341
Capital grants, subsidies and contributions	2(a)	904,744	1,382,416	1,340,515
Profit on asset disposals		106,959	34,275	18,187
Loss on asset disposals		(7,909)	(103,880)	(80,000)
Fair value adjustments to financial assets at fair value through profit or loss	4	1,843	0	1,999
		1,005,637	1,312,811	1,280,701
Net result for the period		1,400,579	(1,253,680)	1,308,042
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	8,794,383	0	0
Total other comprehensive income for the period	15	8,794,383	0	0
Total comprehensive income for the period		10,194,962	(1,253,680)	1,308,042

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

William Buck Audit (WA) Pty Ltd



**SHIRE OF SHARK BAY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	NOTE	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	3	12,103,541	7,873,796
Trade and other receivables	5	146,630	98,923
Inventories	6	129,762	140,182
Other assets	7	40,645	149,457
TOTAL CURRENT ASSETS		12,420,578	8,262,358
NON-CURRENT ASSETS			
Trade and other receivables	5	11,217	9,949
Other financial assets	4	40,745	38,902
Property, plant and equipment	8(a)	28,741,170	24,994,973
Infrastructure	9(a)	71,946,339	66,680,356
TOTAL NON-CURRENT ASSETS		100,739,471	91,724,180
TOTAL ASSETS		113,160,049	99,986,538
CURRENT LIABILITIES			
Trade and other payables	11	1,075,865	725,238
Other liabilities	12	3,277,741	628,325
Borrowings	13	34,324	69,278
Employee related provisions	14	288,217	246,534
TOTAL CURRENT LIABILITIES		4,676,147	1,669,375
NON-CURRENT LIABILITIES			
Borrowings	13	667,174	701,498
Employee related provisions	14	43,110	37,009
TOTAL NON-CURRENT LIABILITIES		710,284	738,507
TOTAL LIABILITIES		5,386,431	2,407,882
NET ASSETS		107,773,618	97,578,656
EQUITY			
Retained surplus		39,744,832	38,736,137
Reserve accounts	26	5,010,342	4,618,458
Revaluation surplus	15	63,018,444	54,224,061
TOTAL EQUITY		107,773,618	97,578,656

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



William Buck Audit (WA) Pty Ltd

**SHIRE OF SHARK BAY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2021		38,145,350	3,901,203	54,224,061	96,270,614
Comprehensive income for the period					
Net result for the period		1,308,042	0	0	1,308,042
Total comprehensive income for the period		1,308,042	0	0	1,308,042
Transfers from reserve accounts	26	588,301	(588,301)	0	0
Transfers to reserve accounts	26	(1,305,556)	1,305,556	0	0
Balance as at 30 June 2022		38,736,137	4,618,458	54,224,061	97,578,656
Comprehensive income for the period					
Net result for the period		1,400,579	0	0	1,400,579
Other comprehensive income for the period	15	0	0	8,794,383	8,794,383
Total comprehensive income for the period		1,400,579	0	8,794,383	10,194,962
Transfers from reserve accounts	26	727,588	(727,588)	0	0
Transfers to reserve accounts	26	(1,119,472)	1,119,472	0	0
Balance as at 30 June 2023		39,744,832	5,010,342	63,018,444	107,773,618

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



William Buck Audit (W/A) Pty Ltd

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

NOTE	2023 Actual \$	2022 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Rates	1,585,130	1,463,855
Grants, subsidies and contributions	6,229,438	3,319,383
Fees and charges	1,735,527	1,845,011
Interest revenue	134,689	11,159
Goods and services tax received	445,572	403,377
Other revenue	232,454	166,141
	<u>10,362,810</u>	<u>7,208,926</u>
Payments		
Employee costs	(2,276,610)	(2,235,568)
Materials and contracts	(1,760,993)	(2,156,101)
Utility charges	(176,541)	(187,451)
Finance costs	(22,070)	(24,727)
Insurance paid	(217,501)	(189,761)
Goods and services tax paid	(424,268)	(416,258)
Other expenditure	(229,468)	(217,086)
	<u>(5,107,451)</u>	<u>(5,426,952)</u>
Net cash provided by operating activities	<u>5,255,359</u>	<u>1,781,974</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of property, plant & equipment	8(a) (1,239,291)	(1,014,006)
Payments for construction of infrastructure	9(a) (1,084,724)	(1,231,157)
Capital grants, subsidies and contributions	889,344	1,340,515
Proceeds from sale of property, plant & equipment	478,335	187,702
Net cash (used in) investing activities	<u>(956,336)</u>	<u>(716,946)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	25 (69,278)	(67,131)
Net cash (used in) financing activities	<u>(69,278)</u>	<u>(67,131)</u>
Net increase in cash held	4,229,745	997,897
Cash at beginning of year	7,873,796	6,875,899
Cash and cash equivalents at the end of the year	<u>12,103,541</u>	<u>7,873,796</u>

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



William Buck Audit (W/A) Pty Ltd

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

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates		1,426,614	1,410,562	1,444,263
Rates excluding general rates		136,079	136,079	42,067
Grants, subsidies and contributions		3,577,628	1,119,634	2,997,796
Fees and charges		1,771,956	1,740,000	1,845,011
Interest revenue		134,689	9,155	11,159
Other revenue		255,823	123,406	166,141
Profit on asset disposals		106,959	34,275	18,187
Fair value adjustments to financial assets at fair value through profit or loss	4	1,843	0	1,999
		<u>7,411,591</u>	<u>4,573,111</u>	<u>6,526,623</u>
Expenditure from operating activities				
Employee costs		(2,482,027)	(2,474,103)	(2,245,513)
Materials and contracts		(2,053,307)	(2,193,803)	(1,801,602)
Utility charges		(176,541)	(185,721)	(187,451)
Depreciation		(1,726,933)	(1,805,485)	(1,812,956)
Finance costs		(22,070)	(21,959)	(24,727)
Insurance		(217,501)	(200,882)	(189,761)
Other expenditure		(229,468)	(223,374)	(217,086)
Loss on asset disposals		(7,909)	(103,880)	(80,000)
		<u>(6,915,756)</u>	<u>(7,209,207)</u>	<u>(6,559,096)</u>
Non-cash amounts excluded from operating activities	24(a)	1,630,873	1,875,090	1,830,210
Amount attributable to operating activities		<u>2,126,708</u>	<u>(761,006)</u>	<u>1,797,737</u>
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		904,744	1,382,416	1,340,515
Proceeds from disposal of assets		478,335	439,455	187,702
		<u>1,383,079</u>	<u>1,821,871</u>	<u>1,528,217</u>
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(1,239,291)	(1,850,906)	(1,014,006)
Purchase and construction of infrastructure	9(a)	(1,084,724)	(1,603,012)	(1,231,157)
		<u>(2,324,015)</u>	<u>(3,453,918)</u>	<u>(2,245,163)</u>
Amount attributable to investing activities		<u>(940,936)</u>	<u>(1,632,047)</u>	<u>(716,946)</u>
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	26	727,588	1,448,001	588,301
		<u>727,588</u>	<u>1,448,001</u>	<u>588,301</u>
Outflows from financing activities				
Repayment of borrowings	25	(69,278)	(69,277)	(67,131)
Transfers to reserve accounts	26	(1,119,472)	(1,036,570)	(1,305,556)
		<u>(1,188,750)</u>	<u>(1,105,847)</u>	<u>(1,372,687)</u>
Amount attributable to financing activities		<u>(461,162)</u>	<u>342,154</u>	<u>(784,386)</u>
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	24(b)	2,043,803	2,050,899	1,747,398
Amount attributable to operating activities		2,126,708	(761,006)	1,797,737
Amount attributable to investing activities		(940,936)	(1,632,047)	(716,946)
Amount attributable to financing activities		(461,162)	342,154	(784,386)
Surplus or deficit after imposition of general rates	24(b)	<u>2,768,413</u>	<u>0</u>	<u>2,043,803</u>

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



William Buck Audit (W/A) Pty Ltd

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

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

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

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

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

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

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified. Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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

Revenue Recognition

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

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,562,693	0	1,562,693
Grants, subsidies and contributions	531,247	0	0	3,046,381	3,577,628
Fees and charges	1,010,716	0	22,676	738,564	1,771,956
Interest revenue	0	0	5,990	128,699	134,689
Other revenue	222,529	0	23,769	9,525	255,823
Capital grants, subsidies and contributions	0	904,744	0	0	904,744
Total	1,764,492	904,744	1,615,128	3,923,169	8,207,533

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	1,486,330	0	1,486,330
Grants, subsidies and contributions	2,997,796	0	0	0	2,997,796
Fees and charges	1,774,688	0	70,323	0	1,845,011
Interest revenue	0	0	3,391	7,768	11,159
Other revenue	0	0	0	166,141	166,141
Capital grants, subsidies and contributions	0	1,340,515	0	0	1,340,515
Total	4,772,484	1,340,515	1,560,044	173,909	7,846,952

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual	2022 Actual
	\$	\$
Interest revenue		
Interest on reserve account funds	79,198	4,319
Trade and other receivables overdue interest	5,991	3,391
Other interest revenue	49,500	3,449
	<u>134,689</u>	<u>11,159</u>

The 2023 original budget estimate in relation to:
Trade and other receivables overdue interest was \$5,000.

Fees and charges relating to rates receivable

Charges on instalment plan	5,671	5,386
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The 2023 original budget estimate in relation to:
Charges on instalment plan was \$5,000.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	33,700	40,000
- Other services – grant acquittals	3,500	2,500
	<u>37,200</u>	<u>42,500</u>

Employee Costs

Employee benefit costs	2,132,505	1,982,181
Other employee costs	349,522	263,332
	<u>2,482,027</u>	<u>2,245,513</u>

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	25	22,070	24,727
		<u>22,070</u>	<u>24,727</u>

Other expenditure

Councillor Fees and Allowances	77,194	74,178
Council Assistance Programs	33,150	38,093
Contributions to Local/Community Associations	481	18,766
Sundry expenses	118,643	86,049
	<u>229,468</u>	<u>217,086</u>

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

3. CASH AND CASH EQUIVALENTS

Note	2023	2022
	\$	\$
Cash at bank and on hand	8,103,541	7,873,796
Term deposits	4,000,000	0
Total cash and cash equivalents	12,103,541	7,873,796
Held as		
- Unrestricted cash and cash equivalents	3,815,458	2,627,013
- Restricted cash and cash equivalents	16 8,288,083	5,246,783
	12,103,541	7,873,796

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.

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

	2023	2022
	\$	\$
Non-current assets		
Financial assets at fair value through profit or loss	40,745	38,902
	40,745	38,902
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	38,902	36,903
Movement attributable to fair value increment	1,843	1,999
Units in Local Government House Trust - closing balance	40,745	38,902

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

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit or loss

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

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

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

5. TRADE AND OTHER RECEIVABLES

Current

Rates and statutory receivables	
Trade receivables	
Other receivables	
GST receivable	
Receivables for employee related provisions	
State Revenue Pensioner Rebate	

Non-current

Rates and statutory receivables	
Receivables for employee related provisions	

	2023	2022
	\$	\$
	31,192	34,985
	75,197	34,901
	34,755	0
	0	21,304
	5,486	5,486
	0	2,247
	146,630	98,923
	10,621	9,353
	596	596
	11,217	9,949

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

Current

Fuel and materials
Merchandise

	2023	2022
	\$	\$
	34,828	43,284
	94,934	96,898
	129,762	140,182

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year
Additions to inventory

Balance at end of year

	140,182	122,963
	(145,826)	(280,091)
	135,406	297,310
	129,762	140,182

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

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

7. OTHER ASSETS

	2023	2022
	\$	\$
Other assets - current		
Prepayments	6,067	7,045
Accrued income	34,578	142,412
	<u>40,645</u>	<u>149,457</u>

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.

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - non- specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Heritage assets	Total property, plant and equipment
	\$	\$	\$		\$	\$	\$	\$
Balance at 1 July 2021	1,810,000	2,874,102	16,536,921	21,221,023	810,571	2,856,398	239,747	25,127,739
Additions	0	36,447	509,727	546,174	45,774	410,380	11,678	1,014,006
Disposals	0	0	(80,000)	(80,000)	0	(169,515)	0	(249,515)
Depreciation	0	(116,756)	(381,169)	(497,925)	(132,184)	(249,973)	(17,175)	(897,257)
Balance at 30 June 2022	1,810,000	2,793,793	16,585,479	21,189,272	724,161	2,847,290	234,250	24,994,973
Comprises:								
Gross balance amount at 30 June 2022	1,810,000	3,027,148	17,338,951	22,176,099	1,115,604	3,453,409	301,693	27,046,805
Accumulated depreciation at 30 June 2022	0	(233,355)	(753,472)	(986,827)	(391,443)	(606,119)	(67,443)	(2,051,832)
Balance at 30 June 2022	1,810,000	2,793,793	16,585,479	21,189,272	724,161	2,847,290	234,250	24,994,973
Additions	0	61,464	208,195	269,659	21,629	929,961	18,042	1,239,291
Disposals	0	0	0	0	0	(379,285)	0	(379,285)
Revaluation increments / (decrements) transferred to revaluation surplus	195,000	1,193,718	2,349,269	3,737,987	0	0	0	3,737,987
Depreciation	0	(108,775)	(361,240)	(470,015)	(123,770)	(238,968)	(19,043)	(851,796)
Balance at 30 June 2023	2,005,000	3,940,200	18,781,703	24,726,903	622,020	3,158,998	233,249	28,741,170
Comprises:								
Gross balance amount at 30 June 2023	2,005,000	8,721,000	27,259,689	37,985,689	1,137,233	3,859,916	319,735	43,302,573
Accumulated depreciation at 30 June 2023	0	(4,780,800)	(8,477,986)	(13,258,786)	(515,213)	(700,918)	(86,486)	(14,561,403)
Balance at 30 June 2023	2,005,000	3,940,200	18,781,703	24,726,903	622,020	3,158,998	233,249	28,741,170

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties	Independent Registered Valuers	June 2023	Price per hectare
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent Registered Valuers	June 2023	Observable open market values of similar assets, adjusted for conditions and comparability at their highest and best use.
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2023	Construction costs, current condition, residual values and remaining useful life assessments.
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used 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		Not Applicable	Cost	Not Applicable	Not Applicable
Plant and equipment		Not Applicable	Cost	Not Applicable	Not Applicable
Heritage assets		Not Applicable	Cost	Not Applicable	Not Applicable

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - roads other	Infrastructure - roads town	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - streetscapes	Infrastructure - public facilities	Infrastructure - WIP	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	0	46,807,128	6,906,658	1,953,425	4,608,576	203,787	5,885,324	0	66,364,898
Additions		409,125	259,480	214,196	137,770	0	210,586	0	1,231,157
Depreciation		(423,270)	(86,735)	(24,185)	(38,564)	(11,104)	(331,841)	0	(915,699)
Balance at 30 June 2022	0	46,792,983	7,079,403	2,143,436	4,707,782	192,683	5,764,069	0	66,680,356
Comprises:									
Gross balance at 30 June 2022	0	48,549,996	7,380,023	2,232,944	4,866,196	237,940	7,057,801	0	70,324,900
Accumulated depreciation at 30 June 2022	0	(1,757,013)	(300,620)	(89,508)	(158,414)	(45,257)	(1,293,732)	0	(3,644,544)
Balance at 30 June 2022	0	46,792,983	7,079,403	2,143,436	4,707,782	192,683	5,764,069	0	66,680,356
Additions	886,479	0	0	186,670	0	0	3,779	7,796	1,084,724
Revaluation increments / (decrements) transferred to revaluation surplus	4,192,236	0	0	150,820	(1,217,559)	0	1,930,899	0	5,056,396
Depreciation	(491,280)	0	0	(25,302)	(37,325)	0	(321,230)	0	(875,137)
Transfers	53,872,386	(46,792,983)	(7,079,403)	0	0	(192,683)	192,683	0	0
Balance at 30 June 2023	58,459,821	0	0	2,455,624	3,452,898	0	7,570,200	7,796	71,946,339
Comprises:									
Gross balance at 30 June 2023	79,553,453	0	0	3,781,990	6,198,715	0	12,938,550	7,796	102,480,504
Accumulated depreciation at 30 June 2023	(21,093,632)	0	0	(1,326,366)	(2,745,817)	0	(5,368,350)	0	(30,534,165)
Balance at 30 June 2023	58,459,821	0	0	2,455,624	3,452,898	0	7,570,200	7,796	71,946,339

Roads were consolidated into one asset class as the nature of the assets and their expected lives are the same regardless of location. Streetscapes were reclassified to public facilities as the streetscape asset class is considered immaterial and relates to public facilities.

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2023	Construction cost (Level 2), current condition, residual values and remaining useful life assessment (Level 3) inputs
Infrastructure - roads other	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2023	Construction cost (Level 2), current condition, residual values and remaining useful life assessment (Level 3) inputs
Infrastructure - roads town	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2023	Construction cost (Level 2), current condition, residual values and remaining useful life assessment (Level 3) inputs
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2023	Construction cost (Level 2), current condition, residual values and remaining useful life assessment (Level 3) inputs
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2023	Construction cost (Level 2), current condition, residual values and remaining useful life assessment (Level 3) inputs
Infrastructure - streetscapes	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2023	Construction cost (Level 2), current condition, residual values and remaining useful life assessment (Level 3) inputs
Infrastructure - public facilities	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2023	Construction cost (Level 2), current condition, residual values and remaining useful life assessment (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 SHARK BAY
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2023**

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings	10 - 50 Years
Furniture and equipment	5 to 10 Years
Plant and equipment	5 to 10 Years
Sealed Roads and streets	
subgrade	Not Depreciated
pavement	80 to 100 Years
seal	
- bituminous seals	15 to 22 Years
- asphalt surfaces	25 Years
Formed Roads (unsealed)	
subgrade	Not Depreciated
pavement	12 Years
Footpaths	40 to 80 Years
Drainage systems	
drains and kerbs	40 to 60 Years
culverts	60 Years
pipes	60 Years
pits	60 Years
Infrastructure - public facilities	10 to 70 Years
Heritage assets	25 to 100 years
Streetscapes	10 to 50 years

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

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

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

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

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

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being fair value as management believes cost approximates fair value.

They are subject to subsequent revaluation at the next revaluation date consistent with *Financial Management Regulation 17A(4)*.

Revaluation

The fair value of land, buildings 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 consistent with *Financial Management Regulation 17A(2)* which requires land, buildings, investment properties, infrastructure and vested improvements to be shown at fair value.

Revaluation (continued)

For land, buildings and infrastructure increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

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

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

Depreciation on revaluation

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

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

Impairment

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

Gains or losses on disposal

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

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

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Accrued expenditure
ATO liabilities
Bonds and deposits held
ESL levied

	2023	2022
	\$	\$
	652,744	487,795
	44,744	24,832
	343,203	184,697
	0	873
	34,938	26,819
	236	222
	<u>1,075,865</u>	<u>725,238</u>

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

Prepaid rates

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

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

12. OTHER LIABILITIES

Current

Contract liabilities

	2023	2022
	\$	\$
	3,277,741	628,325
	<u>3,277,741</u>	<u>628,325</u>
Reconciliation of changes in contract liabilities		
Opening balance	628,325	466,036
Additions	3,277,741	628,325
Revenue from contracts with customers included as a contract liability at the start of the period	(628,325)	(466,036)
	<u>3,277,741</u>	<u>628,325</u>

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$3,277,741 (2022: \$628,325)

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

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.

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

13. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		34,324	667,174	701,498	69,278	701,498	770,776
Total secured borrowings	25	34,324	667,174	701,498	69,278	701,498	770,776

Secured liabilities and assets pledged as security

Debentures are secured by a floating charge over the assets of the Shire of Shark Bay.

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

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 25.

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

14. EMPLOYEE RELATED PROVISIONS

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	129,800	125,265
Long service leave	121,821	90,343
	<u>251,621</u>	<u>215,608</u>
Employee related other provisions		
Employment on-costs	36,596	30,926
	<u>36,596</u>	<u>30,926</u>
Total current employee related provisions	<u>288,217</u>	<u>246,534</u>
Non-current provisions		
Employee benefit provisions		
Long service leave	37,158	31,911
	<u>37,158</u>	<u>31,911</u>
Employee related other provisions		
Employment on-costs	5,952	5,098
	<u>5,952</u>	<u>5,098</u>
Total non-current employee related provisions	<u>43,110</u>	<u>37,009</u>
Total employee related provisions	<u>331,327</u>	<u>283,543</u>

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

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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

15. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	Transfers	2023 Closing Balance	2022 Opening Balance	2022 Closing Balance
	\$	\$		\$	\$	\$
Revaluation surplus - Land and Buildings	9,241,466	3,737,987	0	12,979,453	9,241,466	9,241,466
Revaluation surplus - Furniture and equipment	659,571	0	0	659,571	659,571	659,571
Revaluation surplus - Plant and equipment	1,167,447	0	0	1,167,447	1,167,447	1,167,447
Revaluation surplus - Heritage assets	624,162	0	0	624,162	624,162	624,162
Revaluation surplus - Infrastructure - roads	0	4,192,236	38,225,046	42,417,282	0	0
Revaluation surplus - Infrastructure - roads other	34,832,544	0	(34,832,544)	0	34,832,544	34,832,544
Revaluation surplus - Infrastructure - roads town	3,392,502	0	(3,392,502)	0	3,392,502	3,392,502
Revaluation surplus - Infrastructure - footpaths	72,273	150,820	0	223,093	72,273	72,273
Revaluation surplus - Infrastructure - drainage	4,161,867	(1,217,559)	0	2,944,308	4,161,867	4,161,867
Revaluation surplus - Infrastructure - streetscapes	1,447	0	(1,447)	0	1,447	1,447
Revaluation surplus - Infrastructure - public facilities	70,782	1,930,899	1,447	2,003,128	70,782	70,782
	54,224,061	8,794,383	0	63,018,444	54,224,061	54,224,061

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

16. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2023 Actual \$	2022 Actual \$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	8,288,083	5,246,783
		8,288,083	5,246,783
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	26	5,010,342	4,618,458
Contract liabilities	12	3,277,741	628,325
Total restricted financial assets		8,288,083	5,246,783

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

Bank overdraft limit		50,000	50,000
Bank overdraft at balance date		0	0
Credit card limit		15,000	15,000
Credit card balance at balance date		9,903	0
Total amount of credit unused		74,903	65,000
Loan facilities			
Loan facilities - current		34,324	69,278
Loan facilities - non-current		667,174	701,498
Total facilities in use at balance date		701,498	770,776
Unused loan facilities at balance date		0	0

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

18. CONTINGENT LIABILITIES

At reporting date, the Shire has 1 site that has been classified as 'possibly contaminated - investigation required' by the DWER. The Shire may have a liability in respect of investigation or remediation expenses. Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with DWER on the need and criteria for remediation using a risk based approach, the Shire is unable to estimate the potential costs associated with remediation of this site.

19. CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	351,167	20,852
- plant & equipment purchases	79,450	337,063
	<u>430,617</u>	<u>357,915</u>
Payable:		
- not later than one year	430,617	357,915

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

20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
President's annual allowance	12,278	12,278	11,620
President's meeting attendance fees	11,955	11,955	11,314
President's annual allowance for ICT expenses	2,143	2,143	2,143
President's travel and accommodation expenses	1,398	0	0
	<u>27,774</u>	<u>26,376</u>	<u>25,077</u>
Deputy President's annual allowance	3,070	3,070	2,905
Deputy President's meeting attendance fees	5,815	5,815	9,358
Deputy President's annual allowance for ICT expenses	2,143	2,143	3,535
	<u>11,028</u>	<u>11,028</u>	<u>15,798</u>
All other council member's meeting attendance fees	29,075	29,075	24,172
All other council member's annual allowance for ICT expenses	10,715	10,715	9,131
All other council member's travel and accommodation expenses	659	0	0
	<u>40,449</u>	<u>39,790</u>	<u>33,303</u>
20(b)	<u>79,251</u>	<u>77,194</u>	<u>74,178</u>

(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	508,819	497,407
Post-employment benefits	69,459	61,717
Employee - other long-term benefits	30,596	34,246
Employee - termination benefits	0	74,909
Council member costs	20(a) 79,251	74,178
	<u>688,125</u>	<u>742,457</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP.

Council member costs

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

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

20. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

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

	2023 Actual	2022 Actual
	\$	\$
Sale of goods and services	47,125	73,984
Purchase of goods and services	0	77,299
Short term employee benefits - other related parties	224,257	212,059
Amounts outstanding from related parties:		
Trade and other receivables	0	2,605

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Shire

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

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

21. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year that have a significant effect on the financial statements.

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

22. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

23. RATING INFORMATION

General Rates

RATE TYPE		2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2021/22	
Rate Description	Basis of valuation	Rate in \$	Number of Properties	Actual Rateable Value*	Actual Rate Revenue	Actual Interim Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Total Revenue	Actual Total Revenue
GRV Residential	Gross rental valuation	0.0983	375	5,228,662	514,014	1,857	515,871	514,014	0	514,014	416,823
GRV Commercial	Gross rental valuation	0.1010	41	2,333,188	235,713	0	235,713	235,713	0	235,713	232,406
GRV Vacant	Gross rental valuation	0.0983	16	310,500	30,524	2,361	32,885	30,524	0	30,524	37,357
GRV Rural Commercial	Gross rental valuation	0.1022	5	324,980	33,204	1,690	34,894	33,204	0	33,204	34,720
GRV Industrial / Residential	Gross rental valuation	0.1088	47	648,094	70,504	239	70,743	70,504	0	70,504	77,228
GRV Rural Resort	Gross rental valuation	0.1078	2	1,474,650	159,038	1,061	160,099	159,038	0	159,038	156,506
UV General	Unimproved valuation	0.1980	7	922,205	182,558	0	182,558	182,558	0	182,558	152,412
UV Pastoral	Unimproved valuation	0.1356	11	544,676	73,842	0	73,842	73,842	0	73,842	81,677
UV Mining	Unimproved valuation	0.2700	1	9,350	2,525	0	2,525	2,525	0	2,525	2,473
UV Exploration	Unimproved valuation	0.2596	14	1,027,524	266,751	8,844	275,595	266,751	0	266,751	252,661
Total general rates			519	12,823,829	1,568,673	16,052	1,584,725	1,568,673	0	1,568,673	1,444,263
Minimum Payment											
Minimum payment											
GRV Residential	Gross rental valuation	833	9	54,864	7,497	0	7,497	7,497	0	7,497	44,900
GRV Commercial	Gross rental valuation	833	17	90,080	14,161	0	14,161	14,161	0	14,161	15,266
GRV Vacant	Gross rental valuation	833	82	237,625	68,306	0	68,306	68,306	0	68,306	72,738
GRV Rural Commercial	Gross rental valuation	833	0	0	0	0	0	0	0	0	0
GRV Industrial / Residential	Gross rental valuation	833	3	20,040	2,499	0	2,499	2,499	0	2,499	1,796
GRV Rural Resort	Gross rental valuation	833	0	0	0	0	0	0	0	0	0
UV General	Unimproved valuation	875	6	9,862	5,250	0	5,250	5,250	0	5,250	4,524
UV Pastoral	Unimproved valuation	875	0	0	0	0	0	0	0	0	0
UV Mining	Unimproved valuation	875	1	770	875	0	875	875	0	875	943
UV Exploration	Unimproved valuation	875	1	2,190	875	0	875	875	0	875	943
Total minimum payments			119	415,531	99,463	0	99,463	99,463	0	99,463	141,110
Non-Rateable											
Non-Rateable	Unimproved valuation		14	44,000	0	0	0	0	0	0	0
Non-Rateable	Gross rental valuation		34	67,200	0	0	0	0	0	0	0
Exempt Property	Gross rental valuation		128	371,415	0	0	0	0	0	0	0
Group Valued Non-Rateable	Gross rental valuation		4	0	0	0	0	0	0	0	0
Total Non-Rateable			180	482,616	0	0	0	0	0	0	0
Total general rates and minimum payments			818	13,721,976	1,668,136	16,052	1,684,188	1,668,136	0	1,668,136	1,585,373
Specified Area Rates											
Monkey Mia Bore Replacement	Gross rental valuation	0.0259	1	1,411,050	36,616	0	36,616	36,616	0	36,616	36,884
Concessions							(158,111)			(158,111)	(135,927)
Total Rates							1,562,693			1,546,641	1,486,330
Rate overdue interest	Note 2(a)						5,990			2,600	3,391

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

*Rateable Value at time of raising of rate.

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

24. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23	2022/23	2021/22
	(30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	(30 June 2022 Carried Forward)
	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(106,959)	(34,275)	(18,187)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(1,843)	0	(1,999)
Add: Loss on disposal of assets	7,909	103,880	80,000
Add: Depreciation	1,726,933	1,805,485	1,812,956
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(1,268)	0	(1,124)
Employee benefit provisions	6,101	0	(41,436)
Non-cash amounts excluded from operating activities	1,630,873	1,875,090	1,830,210
(b) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	26 (5,010,342)	(4,207,027)	(4,618,458)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	13 34,324	34,324	69,278
Total adjustments to net current assets	(4,976,018)	(4,172,703)	(4,549,180)
Net current assets used in the Statement of Financial Activity			
Total current assets	12,420,578	5,731,179	8,262,358
Less: Total current liabilities	(4,676,147)	(1,558,476)	(1,669,375)
Less: Total adjustments to net current assets	(4,976,018)	(4,172,703)	(4,549,180)
Surplus or deficit after imposition of general rates	2,768,413	0	2,043,803

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

25. BORROWING AND LEASE LIABILITIES

Borrowings

Purpose	Note	Actual						Budget				
		Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023
Town Oval Bore		\$ 767,895	\$ 0	\$ (32,829)	\$ 735,066	\$ 0	\$ (33,568)	\$ 701,498	\$ 735,066	\$ 0	\$ (33,568)	\$ 701,498
Monkey Mia Bore		70,012	0	(34,302)	35,710	0	(35,710)	0	35,709	0	(35,709)	0
Total Borrowings	13	837,907	0	(67,131)	770,776	0	(69,278)	701,498	770,775	0	(69,277)	701,498

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
Town Oval Bore		58	WATC	2.24%	17/04/2040	\$ (21,163)	\$ (21,052)	\$ (22,140)
Monkey Mia Bore		57	WATC	4.06%	20/03/2023	(907)	(907)	(3)
Total Finance Cost Payments						(22,070)	(21,959)	(22,143)

* WA Treasury Corporation

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

26. RESERVE ACCOUNTS

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	195,752	3,357	0	199,109	195,752	220	0	195,972	195,536	216	0	195,752
(b) Plant replacement reserve	744,743	372,471	(445,840)	671,374	744,743	350,600	(682,495)	412,848	595,873	371,570	(222,700)	744,743
(c) Infrastructure reserve	2,950,046	611,162	(225,085)	3,336,123	2,950,046	595,015	(675,506)	2,869,555	2,401,214	897,985	(349,153)	2,950,046
(d) Pensioner unit maintenance reserve	191,251	73,280	(56,663)	207,868	191,251	40,180	(40,000)	191,431	172,508	35,191	(16,448)	191,251
(e) Recreation facilities upgrade reserve	484,804	58,313	0	543,117	484,801	50,500	(50,000)	485,301	484,265	539	0	484,804
(f) Monkey Mia jetty reserve	22,180	380	0	22,560	22,180	25	0	22,205	22,155	25	0	22,180
(g) Shared fire system reserve	29,682	509	0	30,191	29,685	30	0	29,715	29,652	30	0	29,682
	4,618,458	1,119,472	(727,588)	5,010,342	4,618,458	1,036,570	(1,448,001)	4,207,027	3,901,203	1,305,556	(588,301)	4,618,458

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

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

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Leave reserve	To be used for the provision of employees' long service leave.
(b) Plant replacement reserve	To be used for the purchase of major plant and equipment.
(c) Infrastructure reserve	To be used to fund the future replacement and construction of infrastructure in the Shire.
(d) Pensioner unit maintenance reserve	To be used to fund the replacement and major maintenance of the pensioner units.
(e) Recreation facilities upgrade reserve	To be used to fund the upgrade/maintenance of the Shire recreation facilities.
(f) Monkey Mia jetty reserve	To be used for the upgrade and major maintenance of the Monkey Mia Jetty.
(g) Shared fire system reserve	Shared with the Department of Biodiversity, Conservation and Attractions and to be used to fund the future system replacement.



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 Shire of Shark Bay

To the Council of the Shire of Shark Bay

Opinion

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

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

In my opinion, the financial report is:

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

Basis for opinion

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

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

Other information

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

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

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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



Tim Sanya
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
15 December 2023