

SHIRE OF IRWIN
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Financial Activity	7
Index of Notes to the Financial Report	8
Independent Auditor's Report	46

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

A safe place to live, an exciting place to visit, and a progressive place to work.

Principal place of business:
11-13 Waldeck Street
DONGARA WA 6525



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

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

STATEMENT BY CEO

The accompanying financial report of the Shire of Irwin has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2024 and the financial position as at 30 June 2024.

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

Signed on the 13 day of December 2024



CEO

Shane Ivers
Name of CEO



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

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
Revenue				
Rates	2(a),25	6,839,653	6,338,638	5,985,947
Grants, subsidies and contributions	2(a)	1,148,881	602,978	1,406,119
Fees and charges	2(a)	2,576,365	2,541,697	2,433,239
Interest revenue	2(a)	277,884	211,311	211,177
Other revenue	2(a)	266,739	527,100	399,452
		<u>11,109,522</u>	<u>10,221,724</u>	<u>10,435,934</u>
Expenses				
Employee costs	2(b)	(4,447,425)	(3,706,031)	(3,973,011)
Materials and contracts		(4,678,744)	(3,689,148)	(4,346,442)
Utility charges		(583,084)	(501,047)	(491,619)
Depreciation		(4,863,719)	(4,518,456)	(4,551,218)
Finance costs		(273,800)	(278,366)	(255,207)
Insurance		(269,974)	(266,279)	(240,411)
Other expenditure	2(b)	(205,373)	(211,016)	(203,875)
		<u>(15,322,119)</u>	<u>(13,170,343)</u>	<u>(14,061,783)</u>
		(4,212,597)	(2,948,619)	(3,625,849)
Capital grants, subsidies and contributions	2(a)	979,133	7,247,034	1,197,091
Profit on asset disposals		0	114,707	118,538
Loss on asset disposals		(21,111)	0	0
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	1,261	0	2,744
		<u>959,283</u>	<u>7,361,741</u>	<u>1,318,373</u>
Net result for the period		(3,253,314)	4,413,122	(2,307,476)
Total comprehensive income for the period		(3,253,314)	4,413,122	(2,307,476)

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



**SHIRE OF IRWIN
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	NOTE	2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	3	2,541,970	3,685,139
Trade and other receivables	5	1,085,960	1,082,341
Other financial assets	4(a)	44,571	34,194
Inventories	6	35,881	32,618
Other assets	7	38,905	4,515
TOTAL CURRENT ASSETS		3,747,287	4,838,807
NON-CURRENT ASSETS			
Trade and other receivables	5	50,992	43,472
Other financial assets	4(b)	342,431	315,010
Property, plant and equipment	8	41,830,607	41,635,542
Infrastructure	9	64,120,606	65,760,798
Right-of-use assets	11(a)	179,698	218,795
TOTAL NON-CURRENT ASSETS		106,524,334	107,973,617
TOTAL ASSETS		110,271,621	112,812,424
CURRENT LIABILITIES			
Trade and other payables	12	1,033,501	1,032,493
Other liabilities	13	746,785	515,074
Lease liabilities	11(b)	34,370	32,860
Borrowings	14	828,529	576,842
Employee related provisions	15	793,228	705,081
TOTAL CURRENT LIABILITIES		3,436,413	2,862,350
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	70,350	104,720
Borrowings	14	5,074,737	4,885,432
Employee related provisions	15	52,258	68,744
TOTAL NON-CURRENT LIABILITIES		5,197,345	5,058,896
TOTAL LIABILITIES		8,633,758	7,921,246
NET ASSETS		101,637,863	104,891,178
EQUITY			
Retained surplus		36,701,396	39,650,352
Reserve accounts	28	1,295,984	1,600,342
Revaluation surplus	16	63,640,484	63,640,484
TOTAL EQUITY		101,637,864	104,891,178

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



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

	NOTE	RETAINED SURPLUS	RESERVE ACCOUNTS	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2022		42,165,339	1,392,831	63,640,484	107,198,654
Comprehensive income for the period					
Net result for the period		(2,307,476)	0	0	(2,307,476)
Total comprehensive income for the period		(2,307,476)	0	0	(2,307,476)
Transfers from reserve accounts	28	60,000	(60,000)	0	0
Transfers to reserve accounts	28	(267,511)	267,511	0	0
Balance as at 30 June 2023		39,650,352	1,600,342	63,640,484	104,891,178
Comprehensive income for the period					
Net result for the period		(3,253,314)	0	0	(3,253,314)
Total comprehensive income for the period		(3,253,314)	0	0	(3,253,314)
Transfers from reserve accounts	28	350,000	(350,000)	0	0
Transfers to reserve accounts	28	(45,642)	45,642	0	0
Balance as at 30 June 2024		36,701,396	1,295,984	63,640,484	101,637,864

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

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

	NOTE	2024 Actual \$	2023 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		6,486,642	5,978,424
Grants, subsidies and contributions		1,305,909	1,233,795
Fees and charges		2,593,392	2,445,759
Interest revenue		277,884	211,177
Goods and services tax received		818,228	731,822
Other revenue		266,739	399,452
		<u>11,748,794</u>	<u>11,000,429</u>
Payments			
Employee costs		(4,356,419)	(3,749,395)
Materials and contracts		(4,753,350)	(4,647,259)
Utility charges		(583,084)	(491,619)
Finance costs		(273,800)	(255,207)
Insurance paid		(269,974)	(240,411)
Goods and services tax paid		(786,443)	(728,117)
Other expenditure		(184,566)	(191,506)
		<u>(11,207,636)</u>	<u>(10,303,514)</u>
Net cash provided by operating activities		<u>541,158</u>	<u>696,915</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at amortised cost - self supporting loans		(80,000)	0
Payments for purchase of property, plant & equipment	8(a)	(1,532,443)	(1,414,264)
Payments for construction of infrastructure	9(a)	(1,872,522)	(1,609,987)
Capital grants, subsidies and contributions		1,344,687	1,243,835
Proceeds from financial assets at amortised cost - self supporting loans		43,462	37,930
Proceeds from sale of property, plant & equipment		4,359	299,955
Net cash (used in) investing activities		<u>(2,092,457)</u>	<u>(1,442,531)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27(a)	(588,009)	(559,933)
Payments for principal portion of lease liabilities	27(d)	(32,860)	(20,161)
Proceeds from new borrowings	27(a)	1,029,000	0
Net cash provided by (used in) financing activities		<u>408,131</u>	<u>(580,094)</u>
Net (decrease) in cash held		<u>(1,143,168)</u>	<u>(1,325,710)</u>
Cash at beginning of year		3,685,139	5,010,850
Cash and cash equivalents at the end of the year		<u>2,541,971</u>	<u>3,685,140</u>

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

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

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	6,835,335	6,334,898	5,982,204
Rates excluding general rates	25	4,318	3,740	3,743
Grants, subsidies and contributions		1,148,881	602,978	1,406,119
Fees and charges		2,576,365	2,541,697	2,433,239
Interest revenue		277,884	211,311	211,177
Other revenue		266,739	527,100	399,452
Profit on asset disposals		0	114,707	118,538
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	1,261	0	2,744
		<u>11,110,783</u>	<u>10,336,431</u>	<u>10,557,216</u>
Expenditure from operating activities				
Employee costs		(4,447,425)	(3,706,031)	(3,973,011)
Materials and contracts		(4,678,744)	(3,689,148)	(4,346,442)
Utility charges		(583,084)	(501,047)	(491,619)
Depreciation		(4,863,719)	(4,518,456)	(4,551,218)
Finance costs		(273,800)	(278,366)	(255,207)
Insurance		(269,974)	(266,279)	(240,411)
Other expenditure		(205,373)	(211,016)	(203,875)
Loss on asset disposals		(21,111)	0	0
		<u>(15,343,230)</u>	<u>(13,170,343)</u>	<u>(14,061,783)</u>
Non cash amounts excluded from operating activities	26(a)	4,866,773	4,408,518	4,405,392
Amount attributable to operating activities		<u>634,326</u>	<u>1,574,606</u>	<u>900,825</u>
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		979,133	7,247,034	1,197,091
Proceeds from disposal of assets		4,359	2,209,126	299,955
Proceeds from financial assets at amortised cost - self supporting loans	27(a)	43,462	57,539	37,930
		<u>1,026,954</u>	<u>9,513,699</u>	<u>1,534,976</u>
Outflows from investing activities				
Payments for financial assets at amortised cost - self supporting loans		(80,000)	(100,000)	0
Purchase of property, plant and equipment	8(a)	(1,532,443)	(2,460,190)	(1,414,264)
Purchase and construction of infrastructure	9(a)	(1,872,522)	(8,516,604)	(1,609,987)
		<u>(3,484,965)</u>	<u>(11,076,794)</u>	<u>(3,024,251)</u>
Amount attributable to investing activities		<u>(2,458,011)</u>	<u>(1,563,095)</u>	<u>(1,489,275)</u>
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	27(a)	1,029,000	1,029,000	0
Proceeds from new leases - non cash	27(d)	0	0	140,252
Transfers from reserve accounts	28	350,000	799,066	60,000
		<u>1,379,000</u>	<u>1,828,066</u>	<u>200,252</u>
Outflows from financing activities				
Repayment of borrowings	27(a)	(588,009)	(720,752)	(559,933)
Payments for principal portion of lease liabilities	27(d)	(32,860)	(32,860)	(20,161)
Transfers to reserve accounts	28	(45,642)	(2,076,317)	(267,511)
		<u>0</u>	<u>17,285</u>	<u>0</u>
		<u>(666,511)</u>	<u>(2,812,644)</u>	<u>(847,605)</u>
Non-cash amounts excluded from financing activities	26(b)	0	0	(140,252)
Amount attributable to financing activities		<u>712,489</u>	<u>(984,578)</u>	<u>(787,605)</u>
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(c)	744,916	973,616	2,120,971
Amount attributable to operating activities		634,326	1,574,606	900,825
Amount attributable to investing activities		(2,458,011)	(1,563,095)	(1,489,275)
Amount attributable to financing activities		712,489	(984,578)	(787,605)
Surplus or deficit after imposition of general rates	26(c)	<u>(366,280)</u>	<u>549</u>	<u>744,916</u>

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

**SHIRE OF IRWIN
FOR THE YEAR ENDED 30 JUNE 2024
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	9
Note 2	Revenue and Expenses	10
Note 3	Cash and Cash Equivalents	12
Note 4	Other Financial Assets	12
Note 5	Trade and Other Receivables	13
Note 6	Inventories	14
Note 7	Other Assets	15
Note 8	Property, Plant and Equipment	16
Note 9	Infrastructure	18
Note 10	Fixed Assets	20
Note 11	Leases	22
Note 12	Trade and Other Payables	24
Note 13	Other Liabilities	25
Note 14	Borrowings	26
Note 15	Employee Related Provisions	27
Note 16	Revaluation Surplus	28
Note 17	Restrictions Over Financial Assets	29
Note 18	Undrawn Borrowing Facilities and Credit Standby Arrangements	29
Note 19	Contingent Liabilities	30
Note 20	Capital Commitments	30
Note 21	Related Party Transactions	31
Note 22	Joint Arrangements	33
Note 23	Events Occurring After the End of the Reporting Period	38
Note 24	Other Material Accounting Policies	39
Information required by legislation		
Note 25	Rating Information	40
Note 26	Determination of Surplus or Deficit	41
Note 27	Borrowing and Lease Liabilities	42
Note 28	Reserve accounts	45



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

1. BASIS OF PREPARATION

The financial report of the Shire of Irwin which is a Class 3 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 except for disclosure requirements of:

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

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

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

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls ; and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 Property, Plant and Equipment, which would have required the City to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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

Critical accounting estimates and judgements

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

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

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

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

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - note 8
 - Infrastructure - note 9
- Expected credit losses on financial assets - note 5
- Measurement of employee benefits - note 15

Fair value hierarchy information can be found in note 24

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.

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
 - AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current
 - AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
 - AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
 - AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- These amendments are not expected to have any material impact on the financial report on initial application.
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

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

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	6,835,335	4,318	6,839,653
Grants, subsidies and contributions	415,942	0		732,939	1,148,881
Fees and charges	2,500,885	0	75,480	0	2,576,365
Interest revenue	0	0	66,662	211,222	277,884
Other revenue	70,007	0	0	196,732	266,739
Capital grants, subsidies and contributions	0	979,133	0	0	979,133
Total	2,986,834	979,133	6,977,477	1,145,211	12,088,655

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	5,982,204	3,743	5,985,947
Grants, subsidies and contributions	385,638	0	0	1,020,481	1,406,119
Fees and charges	2,343,378	0	89,861	0	2,433,239
Interest revenue	0	0	45,888	165,289	211,177
Other revenue	67,666	0	0	331,786	399,452
Capital grants, subsidies and contributions	0	1,197,091	0	0	1,197,091
Total	2,796,682	1,197,091	6,117,953	1,521,299	11,633,025

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2024 Actual \$	2023 Actual \$
Interest revenue		
Financial assets at amortised cost - self supporting loans	7,029	4,387
Interest on reserve account	45,642	45,643
Trade and other receivables overdue interest	66,662	45,888
Other interest revenue	158,551	115,259
	<u>277,884</u>	<u>211,177</u>
The 2024 original budget estimate in relation to: Trade and other receivables overdue interest was \$10,000		
Fees and charges relating to rates receivable		
Payment arrangement plan fee	330	150
The 2024 original budget estimate in relation to: Charges on instalment plan was \$5,430		

(b) Expenses

Auditors remuneration		
- Audit of the Annual Financial Report	71,580	53,400
- Other services – grant acquittals	9,000	12,170
	<u>80,580</u>	<u>65,570</u>
Employee Costs		
Employee benefit costs	4,447,425	3,973,011
Other employee costs	4,447,425	3,973,011
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	273,800	255,207
Other expenditure		
Impairment losses on rates and statutory receivables	1,755	151
Impairment losses on trade receivables	20,807	12,369
Sundry expenses	182,811	191,355
	<u>205,373</u>	<u>203,875</u>

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

3. CASH AND CASH EQUIVALENTS

Note	2024	2023
	\$	\$
Cash at bank and on hand	2,541,970	3,685,139
Total cash and cash equivalents	2,541,970	3,685,139
Held as		
- Unrestricted cash and cash equivalents	76,266	655,788
- Restricted cash and cash equivalents	17 2,465,704	3,029,351
	2,541,970	3,685,139

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Note	2024	2023
	\$	\$
(a) Current assets		
Financial assets at amortised cost	44,571	34,194
	44,571	34,194
Other financial assets at amortised cost		
Self supporting loans receivable	26(c) 44,571	34,194
	44,571	34,194
Held as		
- Unrestricted other financial assets at amortised cost	44,571	34,194
	44,571	34,194
(b) Non-current assets		
Financial assets at amortised cost	280,073	253,913
Financial assets at fair value through profit or loss	62,358	61,097
	342,431	315,010
Financial assets at amortised cost		
Self supporting loans receivable	280,074	253,913
Term deposits	0	0
	280,073	253,913
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	61,097	58,353
Movement attributable to fair value increment	1,261	2,744
Units in Local Government House Trust - closing balance	62,358	61,097

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 24 (i)) due to the observable market rates).

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

Financial assets at fair value through profit or loss

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

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



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

5. TRADE AND OTHER RECEIVABLES

Note	2024	2023
	\$	\$
Current		
Rates and statutory receivables	815,605	446,323
Trade receivables	168,288	485,141
GST receivable	37,086	68,869
Receivables for employee related provisions	15 95,603	95,603
Allowance for credit losses of rates and statutory receivables	(1,491)	(654)
Allowance for credit losses of trade receivables	22(b) (29,131)	(12,941)
	1,085,960	1,082,341
Non-current		
Rates and statutory receivables	45,817	43,472
Receivables for employee related provisions-non current	5,175	0
	50,992	43,472

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Note	30 June 2024 Actual	30 June 2023 Actual	1 July 2022 Actual
	\$	\$	\$
Allowance for credit losses of trade receivables	5 (29,131)	(12,941)	(572)
Total trade and other receivables from contracts with customers	(29,131)	(12,941)	(572)

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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



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

6. INVENTORIES

Note	2024	2023
Current	\$	\$
Fuel and materials	35,881	32,618
	35,881	32,618
The following movements in inventories occurred during the year:		
Balance at beginning of year	32,618	21,521
Inventories expensed during the year	(280,359)	(253,135)
Additions to inventory	283,622	264,232
Balance at end of year	35,881	32,618

MATERIAL ACCOUNTING POLICIES

General

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

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

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

7. OTHER ASSETS

	2024	2023
	\$	\$
Other assets - current		
Prepayments	21,295	0
Accrued income	17,610	4,515
	38,905	4,515

MATERIAL ACCOUNTING POLICIES

Other current assets

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



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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Assets not subject to operating lease				Assets subject to operating lease				Total Property				Plant and equipment				Other property, plant and equipment		Total property, plant and equipment
	Land	Buildings - non-specialised	Buildings - specialised	Land	Buildings - non-specialised	Buildings - specialised	Buildings - specialised	Land	Buildings - non-specialised	Buildings - specialised	Buildings - specialised	Building Work in progress	Total Property	Furniture and equipment	Plant and equipment	Plant and equipment	Progress	Work in progress	
Balance at 1 July 2022	5,524,404	370,000	32,961,637	0	149,602	0	0	0	519,602	32,961,637	0	27,273	39,005,643	297,562	2,224,141	0	0	0	41,527,346
Additions	0	0	289,746	0	0	0	0	0	289,746	0	0	0	317,019	54,825	1,042,420	0	0	0	1,414,264
Disposals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(181,417)
Depreciation	0	(8,362)	(626,117)	0	(2,244)	0	0	(10,606)	(626,117)	0	0	(636,723)	(55,054)	(432,874)	0	0	0	0	(1,124,651)
Balance at 30 June 2023	5,524,404	361,638	32,625,266	0	147,358	0	0	508,996	32,625,266	0	27,273	38,685,939	297,333	2,652,270	0	0	0	0	41,635,542
Comprises:																			
Gross balance amount at 30 June 2023	5,524,404	370,000	33,251,383	0	149,602	0	0	519,602	33,251,383	0	27,273	39,322,662	790,984	4,895,883	0	0	0	0	45,009,129
Accumulated depreciation at 30 June 2023	0	(8,362)	(626,117)	0	(2,244)	0	0	(10,606)	(626,117)	0	0	(636,723)	(493,251)	(2,243,613)	0	0	0	0	(3,373,587)
Balance at 30 June 2023	5,524,404	361,638	32,625,266	0	147,358	0	0	508,996	32,625,266	0	27,273	38,685,939	297,333	2,652,270	0	0	0	0	41,635,542
Balance at 30 June 2024	5,524,404	353,263	32,033,772	0	145,111	0	0	498,374	32,033,772	0	27,273	38,079,006	268,787	3,421,622	0	0	0	0	41,830,607
Comprises:																			
Gross balance amount at 30 June 2024	5,524,404	370,000	33,293,347	0	149,602	0	0	519,602	33,293,347	0	22,456	39,359,809	832,575	6,265,814	0	0	0	0	46,519,390
Accumulated depreciation at 30 June 2024	0	(16,737)	(1,259,575)	0	(4,491)	0	0	(21,228)	(1,259,575)	0	0	(1,280,803)	(563,788)	(2,844,192)	0	0	0	0	(4,688,783)
Balance at 30 June 2024	5,524,404	353,263	32,033,772	0	145,111	0	0	498,374	32,033,772	0	22,456	38,079,006	268,787	3,421,622	0	0	0	0	41,830,607

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Land and buildings					
Land	2	Market approach using recent observable market data for similar items	Independent Valuation	June 2022	Price per square metre
Buildings - non-specialised	2	Improvements to land valued using cost approach using depreciated replacement costs	Independent Valuation	June 2022	Improvements to buildings using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Buildings - specialised	3	Improvements to land valued using cost approach using depreciated replacement costs	Independent Valuation	June 2022	Improvements to buildings using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.

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

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

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads \$	Infrastructure - other \$	Infrastructure - work in progress \$	Total Infrastructure \$
Balance at 1 July 2022	58,481,111	9,084,471	7,825	67,573,407
Additions	1,078,019	256,437	275,531	1,609,987
Depreciation	(2,912,102)	(510,494)	0	(3,422,596)
Balance at 30 June 2023	<u>56,647,028</u>	<u>8,830,414</u>	<u>283,356</u>	<u>65,760,798</u>
Comprises:				
Gross balance at 30 June 2023	73,159,739	12,213,346	283,356	85,656,441
Accumulated depreciation at 30 June 2023	(16,512,711)	(3,382,932)	0	(19,895,643)
Balance at 30 June 2023	<u>56,647,028</u>	<u>8,830,414</u>	<u>283,356</u>	<u>65,760,798</u>
Additions	1,219,649	355,189	297,684	1,872,522
(Disposals)	0	(16,570)	0	(16,570)
Depreciation	(2,963,887)	(532,257)	0	(3,496,144)
Transfers	116,995	34,739	(151,734)	0
Balance at 30 June 2024	<u>55,019,785</u>	<u>8,671,515</u>	<u>429,306</u>	<u>64,120,606</u>
Comprises:				
Gross balance at 30 June 2024	74,496,383	12,565,764	429,306	87,491,453
Accumulated depreciation at 30 June 2024	(19,476,598)	(3,894,249)	0	(23,370,847)
Balance at 30 June 2024	<u>55,019,785</u>	<u>8,671,515</u>	<u>429,306</u>	<u>64,120,606</u>



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

9. INFRASTRUCTURE (Continued)

(b) Carrying Amount Measurements

(i) Fair Value - as determined at the last valuation date	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Management Valuation	June 2022	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.
	Infrastructure - other	3	Cost approach using depreciated replacement cost (Gross revaluation method)	Independent valuation	June 2022	Construction costs and current condition (Level 2) residual values and remaining useful life assessments (Level 3) inputs.

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

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

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

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Land - freehold land	Not depreciated
Buildings - non-specialised	20 - 50 years
Buildings - specialised	15 - 50 years
Furniture and equipment	3 - 10 years
Plant and equipment	2 - 25 years
Infrastructure - Roads	12 - 50 years
Infrastructure - Other	10 - 75 years
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Landfill assets	30 years
Right-of-use (buildings)	Based on the remaining lease term
Right-of-use (plant and equipment)	Based on the remaining lease term

Revision of useful lives of plant and equipment

None



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

10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

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

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

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

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

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

Measurement after recognition

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

Reportable Value

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

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

Revaluation

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the Shire.

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

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

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

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

Depreciation

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

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

Depreciation on revaluation

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

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

Impairment

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

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

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

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

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - [Describe]	Right-of-use assets - land and buildings	Right-of-use assets - plant and equipment	Right-of-use assets Total
		\$	\$	\$	\$
Balance at 1 July 2022		0	82,514	140,252	222,766
Depreciation			(3,971)		(3,971)
Balance at 30 June 2023		0	78,543	140,252	218,795
Gross balance amount at 30 June 2023			78,543	140,252	218,795
Balance at 30 June 2023		0	78,543	140,252	218,795
Depreciation			(3,977)	(35,120)	(39,097)
Balance at 30 June 2024		0	74,566	105,132	179,698
Gross balance amount at 30 June 2024		0	78,543	140,252	218,795
Accumulated depreciation at 30 June 2024		0	(3,977)	(35,120)	(39,097)
Balance at 30 June 2024		0	74,566	105,132	179,698

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

	2024 Actual	2023 Actual
	\$	\$
Depreciation on right-of-use assets	(39,097)	(3,971)
Finance charge on lease liabilities	(7,289)	(4,284)
Total amount recognised in the statement of comprehensive income	(46,386)	(8,255)
Total cash outflow from leases	(40,149)	(24,445)

(b) Lease Liabilities

Current	34,370	32,860
Non-current	70,350	104,720
	104,720	137,580

Secured liabilities and assets pledged as security

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

MATERIAL ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - measurement

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

Refer to Note 10 under revaluation for details on the material accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

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

11. LEASES (Continued)

(c) Lessor - Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year
1 to 2 years
2 to 3 years
3 to 4 years
4 to 5 years

	2024 Actual	2023 Actual
	\$	\$
	114,964	23,301
	112,531	13,203
	12,051	12,051
	12,051	12,051
	12,051	24,152
	263,648	84,758
Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease		
Rental income	5,740	2,855

MATERIAL ACCOUNTING POLICIES

The Shire as Lessor

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

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

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

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

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

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors	
Prepaid rates	
Accrued payroll liabilities	
ATO liabilities	
Bonds and deposits held	
Accrued interest	
Financial liabilities	
Accrued expenditure	

2024	2023
\$	\$
339,903	411,906
135,341	116,725
111,885	100,429
74,635	66,746
246,060	236,084
34,155	18,233
31,331	31,331
60,191	51,039
1,033,501	1,032,493

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

Prepaid rates

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

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

13. OTHER LIABILITIES

	2024	2023
	\$	\$
Current		
Contract liabilities	31,950	165,793
Capital grant/contributions liabilities	714,835	349,281
	<u>746,785</u>	<u>515,074</u>
Reconciliation of changes in contract liabilities		
Opening balance	165,793	197,409
Additions	31,950	165,793
Revenue from contracts with customers included as a contract liability at the start of the period	(165,793)	(197,409)
	<u>31,950</u>	<u>165,793</u>
<p>The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was (2023: \$31,950)</p> <p>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.</p>		
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	349,281	302,537
Additions	714,835	349,281
Revenue from capital grant/contributions held as a liability at the start of the period	(349,281)	(302,537)
	<u>714,835</u>	<u>349,281</u>

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

MATERIAL ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

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

14. BORROWINGS

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		828,529	5,074,737	5,903,266	576,843	4,885,432	5,462,275
Total secured borrowings	27(a)	828,529	5,074,737	5,903,266	576,843	4,885,432	5,462,275

Secured liabilities and assets pledged as security

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

MATERIAL ACCOUNTING POLICIES

Borrowing costs

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

Risk

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

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

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2024	2023
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	292,951	253,778
Long service leave	379,637	349,168
Annual leave on cost	52,929	44,139
Long service leave on cost	67,711	57,996
	793,228	705,081
Total current employee related provisions	793,228	705,081
Non-current provisions		
Employee benefit provisions		
Long service leave	45,416	61,956
Long service leave on cost	6,842	6,788
	52,258	68,744
Total non-current employee related provisions	52,258	68,744
Total employee related provisions	845,486	773,825

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

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

MATERIAL ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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

16. REVALUATION SURPLUS

	2024 Opening Balance	2024 Closing Balance	2023 Opening Balance	2023 Closing Balance
	\$	\$	\$	\$
Revaluation surplus - Furniture and equipment	380,764	380,764	380,764	380,764
Revaluation surplus - Plant and equipment	699,454	699,454	699,454	699,454
Revaluation surplus - Land & building	21,751,469	21,751,469	21,751,469	21,751,469
Revaluation surplus - Infrastructure - roads	36,139,937	36,139,937	36,139,937	36,139,937
Revaluation surplus - Infrastructure - other	4,668,860	4,668,860	4,668,860	4,668,860
	63,640,484	63,640,484	63,640,484	63,640,484



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

17. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2024 Actual \$	2023 Actual \$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	2,465,704	3,029,351
		2,465,704	3,029,351
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	1,295,984	1,600,342
Contract liabilities	13	31,950	165,793
Capital grant liabilities	13	714,835	349,281
Village Units		373,935	373,935
Unspent loans	27(c)	49,000	540,000
Total restricted financial assets		2,465,704	3,029,351

18. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS

Bank overdraft limit		0	0
Bank overdraft at balance date			
Credit card limit		50,000	50,000
Credit card balance at balance date		(31,493)	(6,801)
Total amount of credit unused		18,507	43,199
Loan facilities			
Loan facilities - current		828,529	576,843
Loan facilities - non-current		5,074,737	4,885,432
Total facilities in use at balance date		5,903,266	5,462,275
Unused loan facilities at balance date		49,000	540,000

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

19. CONTINGENT LIABILITIES

In Compliance with the Contaminated Site Act 2003
The Shire has listed the below to be a possible sources of contamination:

Shire of Irwin landfill / sewage disposal site

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of the site, the Shire is unable to estimate the potential costs associated with remediation of this site.
This approach is consistent with Department of Water and Environmental Regulation Guidelines.

20. CAPITAL COMMITMENTS

	2024	2023
	\$	\$
Contracted for:		
- capital expenditure projects	76,699	436,301
- plant & equipment purchases	0	390,786
	76,699	827,087
Payable:		
- not later than one year	76,699	827,087



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

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
President's annual allowance	20,000	20,000	20,000
President's meeting attendance fees	10,000	10,000	10,000
President's ICT expenses	365	316	285
President's travel and accommodation expenses		500	1,276
	<u>30,365</u>	<u>30,816</u>	<u>31,561</u>
Deputy President's annual allowance	5,000	5,000	5,000
Deputy President's meeting attendance fees	7,688	7,688	7,688
Deputy President's ICT expenses	365	312	243
Deputy President's travel and accommodation expenses		500	
	<u>13,053</u>	<u>13,500</u>	<u>12,931</u>
All other council member's meeting attendance fees	36,518	46,128	46,128
All other council member's ICT expenses	2,241	1,872	1,749
All other council member's travel and accommodation expenses	1,674	3,000	1,308
	<u>40,433</u>	<u>51,000</u>	<u>49,185</u>
21(b)	<u>83,851</u>	<u>95,316</u>	<u>93,677</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	956,924	748,821
Post-employment benefits	132,677	137,875
Employee - other long-term benefits	21,118	65,235
Employee - termination benefits	2,701	44,574
Council member costs	83,851	93,677
21(a)	<u>1,197,271</u>	<u>1,090,182</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 (Note: may or may not be applicable in any given year).

Council member costs

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

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

21. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

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

	2024 Actual	2023 Actual
	\$	\$
Sale of goods and services	473	357
Purchase of goods and services	18,207	69,997
Amounts outstanding from related parties:		
Trade and other receivables	0	189

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Shire, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 21(a) and 21(b).

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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



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

22. JOINT ARRANGEMENTS

Share of joint operations

Stage 1 - Letter of Agreement Dated 20/06/1987

The Shire has participated in a joint arrangement with Homeswest for the construction of the following:

- Four 1 bedroom seniors housing units (5 - 8) at Lot 915 225 Ocean Drive, Port Denison

The housing units have been constructed on Council vested land with the Shire having a 100% share in the assets of this joint arrangement. All revenue and expenses of the joint arrangement are recognised in the relevant financial statements of Council. The Shire is required to provide for the long term maintenance needs of the properties.

	2024 Actual	2023 Actual
Statement of Financial Position		
Buildings - specialised	\$ 265,059	\$ 265,059
Less - accumulated depreciation	(18,388)	(9,186)
Total assets	246,671	255,873
Reserve accounts	265,059	265,059
Total equity	265,059	265,059
Statement of Comprehensive Income		
Other revenue	30,523	27,981
Depreciation	(9,202)	(9,186)
Other expense	(27,212)	(22,561)
Profit/(loss) for the period	(5,891)	(3,766)
Other comprehensive income		
Total comprehensive income for the period	(5,891)	(3,766)
Statement of Cash Flows		
Other revenue	30,523	27,981
Other expense	(27,212)	(22,561)
Net cash provided by (used in) operating activities	3,311	5,420

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

22. JOINT ARRANGEMENTS

Share of joint operations (Continued)

Stage 2 - JV Agreement Dated 24/06/1993

The Shire has participated in a joint arrangement with Homeswest for the construction the following:

- Six 1 bedroom seniors housing units (9 - 14) at Lot 915 225 Ocean Drive, Port Denison

The housing units have been constructed on Council vested land with the Shire having a 18.03% share in the assets of this joint arrangement. All revenue and expenses of the joint arrangement are recognised in the relevant financial statements of Council. The Shire is required to provide for the long term maintenance needs of the properties.

	2024	2023
	Actual	Actual
Statement of Financial Position		\$
Buildings - specialised	193,896	193,896
Less - accumulated depreciation	(12,976)	(6,483)
Total assets	180,920	187,413
Reserve accounts	193,896	193,896
Total equity	193,896	193,896
Statement of Comprehensive Income		
Other revenue	46,926	27,981
Depreciation	(6,493)	(6,483)
Other expense	(46,724)	(22,561)
Profit/(loss) for the period	(6,291)	(1,063)
Other comprehensive income		
Total comprehensive income for the period	(6,291)	(1,063)
Statement of Cash Flows		
Other revenue	46,926	27,981
Other expense	(46,724)	(22,561)
Net cash provided by (used in) operating activities	202	5,420

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

22. JOINT ARRANGEMENTS

Share of joint operations (Continued)

Stage 3 - JV Agreement Dated 26/06/1996

The Shire has participated in a joint arrangement with Homeswest for the construction the following:

- Four 1 bedroom seniors housing units (15 - 18) at Lot 915 225 Ocean Drive, Port Denison
- Six 2 bedroom seniors housing units (19 - 24) at Lot 915 225 Ocean Drive, Port Denison

The housing units have been constructed on Council vested land with the Shire having a 19.18% share in the assets of this joint arrangement. All revenue and expenses of the joint arrangement are recognised in the relevant financial statements of Council. The Shire is required to provide for the long term maintenance needs of the properties.

	2024 Actual	2023 Actual
Statement of Financial Position		
Buildings - specialised	\$ 167,878	\$ 167,878
Less - accumulated depreciation	(10,571)	(5,070)
Total assets	157,307	162,808
Reserve accounts	167,878	167,878
Total equity	167,878	167,878
Statement of Comprehensive Income		
Other revenue	91,243	79,496
Depreciation	(5,501)	(5,070)
Other expense	(68,029)	(67,616)
Profit/(loss) for the period	17,713	6,810
Other comprehensive income		
Total comprehensive income for the period	17,713	6,810
Statement of Cash Flows		
Other revenue	91,243	79,496
Other expense	(68,029)	(67,616)
Net cash provided by (used in) operating activities	23,214	11,880

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

22. JOINT ARRANGEMENTS

Share of joint operations (Continued)

Stage 4 - JV Agreement Dated 14/06/2002

The Shire has participated in a joint arrangement with Homeswest for the construction the following:

- Five 1 bedroom seniors housing units (25 - 28 and 30) at Lot 915 225 Ocean Drive, Port Denison
- One 2 bedroom seniors housing unit (29) at Lot 915 225 Ocean Drive, Port Denison

The housing units have been constructed on Council vested land with the Shire having a 12.23% share in the assets of this joint arrangement. All revenue and expenses of the joint arrangement are recognised in the relevant financial statements of Council. The Shire is required to provide for the long term maintenance needs of the properties.

Statement of Financial Position	2024 Actual	2023 Actual
Buildings - specialised	98,906	98,906
Less - accumulated depreciation	(4,508)	(2,252)
Total assets	94,398	96,654
Reserve accounts	98,906	98,906
Total equity	98,906	98,906
Statement of Comprehensive Income		
Other revenue	48,727	46,225
Depreciation	(2,256)	(2,252)
Other expense	(41,757)	(28,797)
Profit/(loss) for the period	4,714	15,176
Other comprehensive income		
Total comprehensive income for the period	4,714	15,176
Statement of Cash Flows		
Other revenue	48,727	46,225
Other expense	(41,757)	(28,797)
Net cash provided by (used in) operating activities	6,970	17,428

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

22. JOINT ARRANGEMENTS

Share of joint operations (Continued)

Stage 5 - JV Agreement Dated 21/12/2003

The Shire has participated in a joint arrangement with Homeswest for the construction the following:

- Five 1 bedroom seniors housing units (31 - 35) at Lot 915 225 Ocean Drive, Port Denison
- Four 2 bedroom seniors housing units (36 - 39) at Lot 915 225 Ocean Drive, Port Denison

The housing units have been constructed on Council vested land with the Shire having a 14.38% share in the assets of this joint arrangement. All revenue and expenses of the joint arrangement are recognised in the relevant financial statements of Council. The Shire is required to provide for the long term maintenance needs of the properties.

	2024 Actual	2023 Actual
Statement of Financial Position		
	\$	\$
	162,656	162,656
	(9,354)	(4,868)
Total assets	153,302	157,788
Reserve accounts	162,656	162,656
Total equity	162,656	162,656
Statement of Comprehensive Income		
Other revenue	81,065	76,886
Depreciation	(4,486)	(4,868)
Other expense	(66,821)	(53,612)
Profit/(loss) for the period	9,758	18,406
Other comprehensive income		
Total comprehensive income for the period	9,758	18,406
Statement of Cash Flows		
Other revenue	81,065	76,886
Other expense	(66,821)	(53,612)
Net cash provided by (used in) operating activities	14,244	23,274

MATERIAL ACCOUNTING POLICIES

Joint operations

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

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

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

23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire does not have any subsequent events after balance sheet date.

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

24. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

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

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

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

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

25. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in \$	Number of Properties	2023/24 Actual Rateable Value*		2023/24 Actual Interim Rates		2023/24 Actual Back Rates		2023/24 Budget Interim Rate		2023/24 Budget Total Revenue		2023/23 Actual Total Revenue	
				Value \$	Rate \$	Interim Rates \$	Back Rates \$	Interim Rates \$	Back Rates \$	Interim Rate \$	Total Revenue \$	Total Revenue \$	Total Revenue \$	Total Revenue \$	
(i) General rates															
GRV - Residential	Gross rental valuation	12.137	1,386	17,567,228	2,132,134	2,946	(1,904)	2,133,176	0	15,000	2,128,790	2,143,790	2,019,420		
GRV - Commercial	Gross rental valuation	12.137	123	3,971,080	481,970	1,391	0	483,961	0	0	481,970	481,970	458,121		
GRV - Undeveloped	Gross rental valuation	12.137	46	628,866	74,997	15,202	224	80,423	0	0	78,341	78,341	68,772		
GRV - Residential - R50 Developed	Gross rental valuation	12.137	77	1,320,058	160,215	0	365	160,580	0	0	160,215	160,215	153,312		
GRV - Residential - R50 Undeveloped	Gross rental valuation	12.137	12	163,034	19,787	927	0	20,714	0	0	19,787	19,787	17,884		
UV - Policy Area A	Unimproved valuation	1.3019	6	3,807,000	49,563	0	0	49,563	0	0	49,565	49,565	49,330		
UV - Policy Area B	Unimproved valuation	1.3019	14	4,572,000	59,523	1,223	0	60,746	0	0	59,523	59,523	61,970		
UV - Policy Area C	Unimproved valuation	1.3019	164	117,964,800	1,535,784	13,760	(83)	1,549,461	0	15,000	1,521,072	1,536,072	1,369,746		
UV - Policy Area D	Unimproved valuation	1.3019	120	19,898,500	259,059	1,094	0	260,153	0	0	259,059	259,059	252,632		
UV - Policy Area E	Unimproved valuation	1.3019	40	12,939,500	168,459	0	0	168,459	0	0	168,459	168,459	160,551		
UV - Policy Area F	Unimproved valuation	1.3019	25	6,545,000	85,209	(690)	0	84,519	0	0	85,209	85,209	84,743		
UV - Policy Area G	Unimproved valuation	1.3019	28	5,008,000	65,199	197,815	0	263,014	0	0	65,199	65,199	64,198		
UV - Mining	Unimproved valuation	21.361	36	1,704,159	364,025	23,305	261,202	625,227	0	30,000	364,025	364,025	332,500		
UV - Mining Developed	Unimproved valuation	21.361	9	956,623	189,584	23,305	0	212,889	0	0	189,584	189,584	175,055		
Total general rates			2,086	197,085,788	5,645,508	286,973	259,804	6,162,265	0	30,000	5,630,798	5,660,798	5,286,204		
Minimum Payment															
(ii) Minimum payment															
GRV - Residential	Gross rental valuation	1.050	76	572,180	79,800	0	0	79,800	0	0	75,600	75,600	92,400		
GRV - Commercial	Gross rental valuation	1.050	62	282,947	65,100	0	0	65,100	0	0	65,100	65,100	68,250		
GRV - Undeveloped	Gross rental valuation	1.050	423	1,330,637	444,150	0	0	444,150	0	0	448,350	448,350	460,950		
GRV - Residential - R50 Developed	Gross rental valuation	1.050	6	58,496	6,300	0	0	6,300	0	0	6,300	6,300	6,300		
GRV - Residential - R50 Undeveloped	Gross rental valuation	1.050	13	64,830	13,650	0	0	13,650	0	0	13,650	13,650	14,700		
UV - Policy Area A	Unimproved valuation	1.050	3	190,000	3,150	0	0	3,150	0	0	3,150	3,150	4,200		
UV - Policy Area B	Unimproved valuation	1.050	2	223,500	2,100	0	0	2,100	0	0	2,100	2,100	3,150		
UV - Policy Area C	Unimproved valuation	1.050	18	2,905,500	18,900	0	0	18,900	0	0	19,950	19,950	22,050		
UV - Policy Area D	Unimproved valuation	1.050	6	524,500	6,300	0	0	6,300	0	0	6,300	6,300	7,350		
UV - Policy Area E	Unimproved valuation	1.050	0	0	0	0	0	0	0	0	0	0	0		
UV - Policy Area F	Unimproved valuation	1.050	10	740,000	10,500	0	0	10,500	0	0	10,500	10,500	10,500		
UV - Policy Area G	Unimproved valuation	1.050	0	0	0	0	0	0	0	0	0	0	0		
UV - Mining	Unimproved valuation	1.050	22	975,668	23,100	0	0	23,100	0	0	23,100	23,100	24,150		
UV - Mining Developed	Unimproved valuation	1.050	0	0	0	0	0	0	0	0	0	0	0		
Total minimum payments			641	7,868,268	873,050	0	0	873,050	0	0	674,100	674,100	714,000		
Total general rates and minimum payments			2,727	204,954,046	6,318,558	286,973	259,804	6,835,335	0	30,000	6,304,898	6,334,898	5,982,204		
(iii) Ex-gratia Rates															
Damper to Bunbury Natural Gas Pipeline Corridor based on annual rate equivalent			0	0	0	0	0	4,318	0	0	3,740	3,740	3,743		
Total amount raised from rates (excluding general rates)			0	0	0	0	0	4,318	0	0	3,740	3,740	3,743		
Total Rates															

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

26. DETERMINATION OF SURPLUS OR DEFICIT

	2023/24 (30 June 2024 Carried Forward)	2023/24 Budget (30 June 2024 Carried Forward)	2022/23 (30 June 2023 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	0	(114,707)	(118,538)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(1,261)		(2,744)
Add: Loss on disposal of assets	21,111	0	0
Add: Impairment of Plant and Equipment	8(a) 0	0	0
Add: Depreciation	10(a) 4,863,719	4,518,456	4,551,218
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(2,345)		(10,080)
Employee benefit provisions	(16,486)		28,498
Leave reserve	7,210	4,769	(52,790)
Receivables for employee related provisions-non current	(5,175)		9,828
Non-cash amounts excluded from operating activities	4,866,773	4,408,518	4,405,392
Adjustments to financing activities			
Non cash proceeds from new leases	27(d) 0	0	(140,252)
Non-cash amounts excluded from financing activities	0	0	(140,252)
(c) 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	28 (1,295,984)	(2,877,593)	(1,600,342)
Less: Financial assets at amortised cost - self supporting loans	4(a) (44,571)	(34,193)	(34,194)
Less: Financial assets at amortised cost			
Less: Current assets not expected to be received at end of year			
- Restricted cash - other	(373,935)	(373,935)	(373,935)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14 828,529	885,090	576,843
- Current portion of lease liabilities	11(b) 34,370	32,860	32,860
- Employee benefit provisions	174,436	171,996	167,227
Total adjustments to net current assets	(677,155)	(2,195,775)	(1,231,541)
Net current assets used in the Statement of Financial Activity			
Total current assets	3,747,287	5,089,851	4,838,807
Less: Total current liabilities	(3,436,413)	(2,893,527)	(2,862,350)
Less: Total adjustments to net current assets	(677,155)	(2,195,775)	(1,231,541)
Surplus or deficit after imposition of general rates	(366,281)	549	744,916

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

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget			
		Principal at 1 July 2022		Principal at 30 June 2023		Principal Repayments During 2022-23		Principal at 30 June 2024		Principal at 30 June 2024	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Medical Centre		1,330,827	1,269,339	(61,488)	0	0	(62,793)	1,206,546	0	(62,793)	1,206,545
SIHI Aged Housing		659,649	618,473	(41,176)	0	0	(42,017)	576,456	0	(42,017)	576,456
Recreation Centre		1,877,514	1,751,672	(125,842)	0	0	(134,604)	1,617,068	0	(134,604)	1,617,068
Plant		538,181	407,763	(130,418)	0	0	(133,132)	274,631	0	(133,132)	274,631
Plant		1,290,000	1,126,921	(163,079)	0	0	(169,684)	957,237	0	(170,102)	956,819
Plant*		0	0	0	0	929,000	0	929,000	929,000	(120,565)	808,435
Plant*		0	0	0	0	20,000	(2,317)	17,683	0	(663,213)	5,439,954
Total		5,696,171	5,174,168	(522,003)	0	949,000	(544,547)	5,578,621	929,000	(720,752)	5,770,522
Self Supporting Loans											
Bowling Club SSL		321,804	288,107	(33,697)	0	0	(34,194)	253,913	0	(34,194)	253,913
Golf Club*		4,233	0	(4,233)	0	80,000	(9,268)	70,732	100,000	(23,345)	76,655
Total Self Supporting Loans		326,037	288,107	(37,930)	0	80,000	(43,462)	324,645	100,000	(57,539)	330,568
Total Borrowings	14	6,022,208	5,462,275	(559,933)	0	1,029,000	(588,009)	5,903,266	1,029,000	(720,752)	5,770,522

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

*Only 80% of the new \$100k Self Supporting Loan was required by the Golf Club. The remaining \$20k will be repurposed in 2024/25 as directed by Council

Borrowing Finance Cost Payments

Purpose	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2024
Medical Centre	99	WATC*	2.11%	04/05/2040	(32,004)	(35,378)
SIHI Aged Housing	100	WATC*	2.03%	15/04/2036	(15,181)	(16,702)
Recreation Centre	93	WATC*	6.80%	07/01/2033	(128,489)	(126,517)
Plant	98	WATC*	2.07%	01/04/2026	(11,138)	(10,611)
Plant	103	WATC*	4.01%	27/06/2029	(58,673)	(51,662)
Plant	104	WATC*	4.30%	31/01/2028	0	(21,569)
Tennis Courts Resurfacing	96	WATC*	2.37%	01/04/2022	65	0
Plant*	105	WATC*	4.32%	31/01/2028	0	(245,420)
Total					(245,420)	(262,439.0)

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

27 BORROWING AND LEASE LIABILITIES (Continued)

Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023
Self Supporting Loans Finance Cost Payments						
Bowling Club SSL	WATC*	2.11%	15/04/3031	(5,918)	(4,271)	(5,498)
Golf Club*	WATC*	4.32%	31/01/2028	0	(6,138)	0
Golf Club SSL	WATC*	2.57%	04/09/2022	0	0	(5)
Total Self Supporting Loans Finance Cost Payments				(5,918)	(10,409)	(5,503)
Total Finance Cost Payments				(266,511)	(272,848)	(250,923)

* WA Treasury Corporation

(b) New Borrowings - 2023/24

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed 2024		Amount (Used) 2024		Total Interest & Charges \$	Actual Balance Unspent \$
					Actual	Budget	Actual	Budget		
Plant & Equipment	WATC	Repayment	4 years	4.32%	929,000	929,000	929,000	929,000	19,400	29,000
Self Supporting Loan	WATC	Repayment	5 years	4.30%	100,000	100,000	80,000	100,000	3,777	20,000
					1,029,000	1,029,000	1,009,000	1,029,000	23,177	49,000

* WA Treasury Corporation

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance		Borrowed During Year		Expended During Year		Unspent Balance 30 June 2024	
			1 July 2023	30 June 2024	Year	Year	Year	30 June 2024		
			\$	\$	\$	\$	\$	\$	\$	\$
	WATC		540,000	540,000	929,000	(1,440,000)	29,000	29,000	29,000	29,000
	WATC	31/01/2024	0	0	100,000	(80,000)	20,000	20,000	20,000	20,000
			540,000	540,000	1,029,000	(1,520,000)	49,000	49,000	49,000	49,000

* WA Treasury Corporation

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

27 BORROWING AND LEASE LIABILITIES (Continued)

(d) Lease Liabilities

Purpose	Note	Actual						Budget			
		Principal at 1 July 2022	New Leases During 2022-23	Principal at 30 June 2023	New Leases During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024	Principal at 1 July 2023	New Leases During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024
Solar Panels		11,882	0	(11,882)	0	0	0	137,580	0	0	104,720
Solar Panels		5,607	0	(5,607)	0	0	0	0	0	0	0
Gym Equipment		0	140,252	(2,672)	137,580	0	0	0	0	0	0
Total Lease Liabilities	11(b)	17,489	140,252	(20,161)	137,580	0	0	137,580	0	(32,860)	104,720

Purpose	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June		Lease Term
					2023	2024	
Solar Panels	1	Macquarie	2.70%	30/06/2024	(2,553)	0	60 months
Solar Panels	1	Macquarie	2.70%	30/06/2024	(1,205)	0	60 months
Gym Equipment	2	Westone Capital	4.50%	31/05/2027	(526)	(5,519)	48 months
Total Finance Cost Payments					(4,284)	(5,519)	

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

28. RESERVE ACCOUNTS

	2024 Actual		2024 Actual		2024 Budget		2024 Budget		2023 Actual		2023 Actual	
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave Reserve	167,227	7,210	0	174,437	167,227	4,769	0	171,996	220,017	7,210	(60,000)	167,227
(b) Port Denison Foreshore Development Resen	250,125	7,936	0	258,061	250,125	7,134	(250,000)	7,259	242,188	7,937	0	250,125
(c) Recreation Centre Equipment Reserve	2,755	87	0	2,842	2,755	79	0	2,834	2,668	87	0	2,755
(d) Sanitation Reserve	1,305	41	0	1,346	1,305	37	0	1,342	1,264	41	0	1,305
(e) Coastal Management Reserve	32,341	1,026	0	33,367	32,341	922	0	33,263	31,315	1,026	0	32,341
(f) Asset Management Reserve	1,111,503	28,228	(350,000)	789,731	1,111,503	2,062,376	(549,066)	2,624,813	861,406	250,097	0	1,111,503
(g) Plant Replacement Reserve	9,581	304	0	9,885	9,581	273	0	9,854	9,277	304	0	9,581
(h) Tourism and Area Promotion Reserve	25,505	810	0	26,315	25,505	727	0	26,232	24,696	809	0	25,505
	1,600,342	45,642	(350,000)	1,295,984	1,600,342	2,076,317	(799,066)	2,877,593	1,392,831	267,511	(60,000)	1,600,342

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 fund leave requirements.
 - (b) Port Denison Foreshore Development Resen - To be used to fund the development works of the foreshore in Port Denison.
 - (c) Recreation Centre Equipment Reserve - To be used to fund future equipment replacement.
 - (d) Sanitation Reserve - To be used to develop facilities at the transfer station and future relocation.
 - (e) Coastal Management Reserve - To be used to fund planning, research and project works in the management of coastline and adjacent areas within the Shire of Irwin.
 - (f) Asset Management Reserve - To be used for the construction, major maintenance and retire debt associated with Council owned assets.
 - (g) Plant Replacement Reserve - To be used for the purchase of plant and equipment as per plant replacement program.
 - (h) Tourism and Area Promotion Reserve - To be used to fund future requirements of tourism promotions.

