



Shire of Northam  
Heritage. Commerce and Lifestyle

# SHIRE OF NORTHAM 2022 - 2023 ANNUAL REPORT



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## PURPOSE OF THE ANNUAL REPORT

The *Western Australian Local Government Act 1995* requires every local government to produce an Annual Report by 31 December each year.

In addition, the Annual Report:

- Is an essential tool to inform the community and key stakeholders about achievements, challenges and future plans;
- Promotes greater community awareness of the Shire's programs and services which contribute to a high quality of life for residents, visitors, and stakeholders;
- Demonstrates the Shire's performance against the long-term vision of the Strategic Community Plan, and the projects and priorities detailed within the Shire's Corporate Business Plan;
- Provides information about the Shire's organisational performance; and
- Illustrates the Shire's commitment to accountable and transparent government.

bilya river koort heart boodja land

**KAYA,  
WANDJOO**  
ACKNOWLEDGEMENT  
OF COUNTRY

The Shire of Northam would like to acknowledge the Traditional Custodians of the land on which we live, the Ballardong and Whadjuk people of the Nyoongar nation and pay our respects to Elders, past, present, and emerging.

We thank them for the contributions made to life in the Shire of Northam and to this region.

# MESSAGE FROM THE PRESIDENT



Kiya Wandju, hello and welcome

to a summary of the Shire of Northam for the past year.

In addition to working with the Northam Shire Council for the past twelve months, we have revisited and updated our Strategic Community and Corporate Business Plans to guide Council for the next 10 years. I believe that our Council has, and continues to, deliver on the best possible outcomes for all residents and ratepayers by continuing to work with a wide range of stakeholders.



## OUR PLAN FOR THE FUTURE

The Shire of Northam's Council Plan – Our plan for the future - is an evolving guiding document.

This plan combines details from both our Strategic Community Plan and Corporate Business Plans into one, easy to read, document.

After a revisit and update of the past 12 months, this plan addresses three key areas –

**Where we are now?**

**Where do we want to be?**

**How do we get there?**

What we have done over the past twelve months is to update and report on what we have already done, and take a look at what we need to rethink, and what resources we might need to allocate.

Following our purpose, the Shire of Northam wants to achieve the community's vision and aspirations. We aim to achieve this by:

**Advocating** and being a voice for our local community on key issues.

**Partnering** and forming strategic alliances for the best interests of the community.

**Assisting** with funding for organisations to deliver essential community services.

**Facilitating** and helping the community and businesses to meet their needs.

**Providing** a range of services to make sure the needs of the community are met.

**Ensuring** we comply with legislation, regulations and local laws.

## OUR VISION

The Shire of Northam is a vibrant, growing community that is safe, caring and inclusive. We are recognised as a community that values our heritage, preserves our environment and promotes our commerce.

## OUR MISSION

To deliver responsive, sustainable services in a manner that preserves and enhances our environment and lifestyle whilst respecting our heritage and facilitating economic growth.



## COUNCILLORS

We are lucky in the Shire of Northam to have a team of dedicated Councillors. I thank every Councillor for their continued commitment to our Shire. I acknowledge and thank retiring Councillors, Rob Tinetti and Dave Galloway for their commitment over their tenures on Council. A special thanks is made to Cr Michael Ryan for the continued support and dedication shown, helping me to fulfil my role as President, and Michael's own role as Deputy President.

## CHIEF EXECUTIVE OFFICER

After 10 years of dedicated and exceptional service, Mr Jason Whiteaker has decided to move to another position within Local Government. Some of the achievements set by Council and enacted by Mr Whiteaker over the past 10 years include the construction of Bilya Koort Boodja, construction of the Northam Aquatic Facility, RV friendly parks, and the construction of the Youth Precinct.

## STRATEGIC DRIVERS

The Shire of Northam's six key strategic drivers form part of the Council Plan. These drivers identify areas on where to focus our efforts to benefit the Shire. These key drivers continue to be:

- The Agricultural sector
- Transport and logistics
- Government agencies and service sectors
- Location, commutable to and from Perth
- Strong infrastructure connections to Perth and mining centres and
- Continued status as a regional centre.

## DEVELOPMENTS

As highlighted in our Council Plan, there are many examples of recent achievements to assist and develop our community. These include the CCTV extension in Wundowie, the provision and upgrade of facilities at Bert Hawke oval, new RV friendly parks at Wundowie and Northam, continued rehabilitation of the Avon River, the construction of a transfer station and tip shop at the Old Quarry Road Waste Management Facility, and continued investment in renewable energy.

## EVENTS

The Shire of Northam continues to host and facilitate a variety of cornerstone events. These include over the past 12 months the successful hosting of both the Australian National and FAI 5th Women's World Hot Air Ballooning championships, the 70th annual Northam Motorsport and Bilya Festivals, along with the 50th anniversary event of the Avon Descent, Carols on Fitzgerald, the 50th Country Athletics Championships and the WA Country Swimming Pennants. Annual events within the Shire include the Northam Agricultural Show and the Wundowie Iron Festival.

The Shire of Northam is here to be responsive, deliver sustainable services, and to preserve and enhance our environment and lifestyle, while respecting our heritage and facilitating economic growth. Together, we can all continue so that the Shire of Northam, continues to both grow and flourish.

**Cr Chris Antonio**  
Shire President

# OUR COUNCILLORS



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Term Expires: 2023



**TOWN WARD**  
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**DEPUTY PRESIDENT**  
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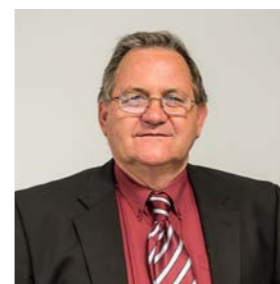
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**COMMITTEES,  
ADVISORY GROUPS  
AND WORKING GROUPS**

	Audit & Risk Management Committee	Chief Executive Officer Review Committee	Community Grants Assessment Committee	Community Safety Committee	Bush Fire Advisory Committee	Local Emergency Management Committee	Wheatbelt Joint Development Assessment Panel	Regional committees representing the Shire of Northam
PRESIDENT <b>Chris Antonio</b>	●	●	●			●	●	●
DEPUTY PRESIDENT <b>Michael Ryan</b>	●	●						
COUNCILLOR <b>Robert Tinetti</b>			●	●		●		
COUNCILLOR <b>Maria Girak</b>					●			
COUNCILLOR <b>Hayden Appleton</b>	●							
COUNCILLOR <b>Des Hughes</b>		●	●					
COUNCILLOR <b>Dave Galloway</b>			●		●			
COUNCILLOR <b>Lisa Biglin</b>			●					
COUNCILLOR <b>Julie Williams</b>		●		●			●	
COUNCILLOR <b>Attila Mencshelyi</b>	●	●	●	●				



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**CENTRAL WARD**  
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**OUTGOING MEMBER**  
COUNCILLOR **Paul Curtis**  
Resigned: 2022

# CEO REPORT 2022 -2023

It is my pleasure to provide this update on the performance of the Shire of Northam in the 2022/23 financial year.



I am pleased to report our solid performance in FY2023, although we have completed the year with a significant number of projects incomplete, which will reflect in a substantial increase in our end of year cash reserves. Unfortunately, there have been a range of factors which have impacted our ability to deliver on our own expectations, these factors have included challenges in securing suitable contractors to undertake works, key staff positions being unfilled for large periods of the year highlighting the pressure in the labour market and cost escalations which resulted in deferring and / or re scoping projects. In saying this the Shire is well positioned to hit FY2024 with momentum which should result in a significant number of projects being completed early in the year.

The Corporate Services team, led by Mr Colin Young, has once again done an outstanding job managing the Council's finances and financial compliance. Council received another clean audit report, while our long-term financial planning is robust and provides a clear direction for the Council.

Our focus around economic development and liveability across the Shire is having a positive impact, with several major developments in the pipeline at either development approval phase or well progressed. Potential developments such as the Infinite Green Energy Hydrogen Plant, which will be one of the first end-to-end green hydrogen production systems in Western Australia, aimed at supplying the domestic transport market, the Procon Developments AvonWest Freight & Logistics Hub which will offer the ability to integrate interstate rail freight networks with the Restricted Access Vehicle (RAV7) road networks for servicing Perth, the eastern states and the Avon and Wheatbelt regions in Western Australia, while the Shire is in the process of facilitating a mineral resources processing plant at the Avon Industrial Park.

These three developments, along with a range of other smaller opportunities are positioning Northam for continued strong performance economically, creating opportunities for our community and bringing new residents to the region.

Our Shire of Northam development services team, led during the year by Mr Chadd Hunt and Mrs Jacky Jurmann (who acted in the leadership role for approximately 6 months), is playing a key role in facilitating our economic growth, providing advice and support to a range of customers from the larger scale opportunities referenced above, the local builders, retailers and residents. A significant focus of our development services team is to facilitate positive development outcomes and encourage good quality developments within the Shire. The development services team, consisting of planning, health, building, environmental, waste management, emergency services and ranger services has performed strongly with average planning approval timeframes of approximately 20 days while building approvals are granted within an average of 15 days – highlighting our commitment to customer service.



The team in Community Services, led for the most part by Ms Jo Metcalf, delivered some outstanding results in 2023, with the highlight being the Ballooning Fiesta which kicked off the week-long ballooning championships, where it is estimated that more than 10,000 people attended. Putting on events of this scale is a significant undertaking, and I am extremely proud of our ability to deliver not only the event, but an event of the highest standard. There is no rest for the team however as their attention has quickly turned to the 2023 World Women's Ballooning Championships, which will see Northam host the event which will be located out of mainland Europe for the first time in its history.

The community services team have a strong focus on providing services, facilities and activities for our community right across the age spectrum, whether they be based out of our library, adult respite care, one of our many recreational facilities, or our aboriginal cultural centre (Bilya Koort Boodja), the team has done an outstanding job during FY2023.

Maintaining our large asset base is undoubtedly a significant challenge, with more than 700kms of road network, 116 buildings, 127 freehold land parcels, and over 40 parks and reserves to maintain. It has been a challenging year for the team which at stages has been led by Mr Scott Patterson, myself, Mr Chadd Hunt and most recently Mr Paul Devcic. While the lack of continuity in leadership has impacted our ability to deliver our works programs to the extent that we would have expected in FY2023, the team on that ground have done an outstanding job in delivering on expectations. Our parks, reserves and gardens are generally being presented to a high standard and often exceeding our agreed service levels, while we completed 100% of our internal gravel road maintenance program.



Finally, to my team, who have done an outstanding role in the people & culture and governance areas. We continue to evolve as an organisation and partnered with our staff to identify opportunities for areas of improvement around communications, benefits and working conditions. Additionally, the work we are doing in the governance area around internal auditing and management of leases has been outstanding and has the Shire in a strong place from a governance perspective.

This is my final year with the Shire of Northam, having resigned in late June to take up another role in local government. I have very much enjoyed my time at the Shire of Northam and would like to take the opportunity to thank the Council and all the staff I have worked with over the past ten years and wish them all the very best for the future.

**Jason Whiteaker**  
Chief Executive Officer

# EXECUTIVE STAFF



**CHIEF EXECUTIVE OFFICER**  
**Jason Whiteaker**

**DUTIES**

- CEO Administrative Functions
- Governance & Council Support
- Human Resources
- Work, Health & Safety



**EXECUTIVE MANAGER**  
**COMMUNITY SERVICES**  
**Jo Metcalf**

- Recreation & Youth Services
- Activation & Communication
- Community Development & Tourism
- Library & Aged Care Services



**EXECUTIVE MANAGER**  
**CORPORATE SERVICES**  
**Colin Young**

- Finance
- Procurement
- Light Fleet management
- Customer Service
- ICT



**EXECUTIVE MANAGER**  
**DEVELOPMENT SERVICES**  
**Chadd Hunt**

- Ranger Services
- Environment & Waste
- Health & Building
  - Planning
  - Emergency Management
- Bushfire Mitigation



**EXECUTIVE MANAGER**  
**ENGINEERING SERVICES**  
**Paul Devcic**

- Project Development
- Parks, Gardens & Streetscapes
- Engineering & Civil Design
- Asset Management





# VISION FOR THE FUTURE

*The Shire of Northam is a vibrant growing community that is safe, caring and inclusive. We are recognised as a community that values our heritage, preserves our environment and promotes our commerce.*

In order to achieve this Vision, the Council will commit to display:

<b>LEADERSHIP</b>	To recognise the community's expectations to provide leadership
<b>RESPECT</b>	To respect differences in age, culture, values and opinions.
<b>TEAMWORK</b>	To achieve through the efforts of the team.
<b>EXCELLENCE</b>	To aspire to one standard.
<b>OPENNESS</b>	To engender trust through openness.



## OUR MISSION

In order to achieve our Vision the Shire of Northam has established an organisational Mission commitment, which is:

*To deliver responsive, sustainable services in a manner that preserves and enhances our environment and lifestyle whilst respecting our heritage and facilitating economic growth.*

In order to achieve this Mission, the organisation will commit to being:

- |                    |  |
|--------------------|--|
| <b>SAFE</b>        | Focus on importance of safety in the organisation.                             |
| <b>OPEN</b>        | Engage in two-way communication, with transparency and trust.                  |
| <b>ACCOUNTABLE</b> | Know what you are responsible for, take ownership and deliver accordingly.     |
| <b>RESPECTFUL</b>  | Demonstrate respect for other's skills, knowledge and differing value systems. |

# THEME AREA PEOPLE



30 Community events

6 Shire run events



# ECONOMIC GROWTH

Significant year for the Shire of Northam with a complete calendar of events post Covid 19 restrictions, including two Ballooning events - a national and World competition in the same calendar year.



<b>JULY</b>	
NAIDOC Week Celebration	Shire hosted & assisted
<b>AUGUST</b>	
Northam Bilya Festival Street Parade	Shire Event
Avon Descent	
<b>SEPTEMBER</b>	
AG Show	Shire assisted
Wundowie Iron Festival	Shire supported
<b>OCTOBER</b>	
Hockey WA - Indoor State Classic	Shire hosted & assisted
NACHA Heritage Festival	Shire assisted
Turn Up In Blue Day	
<b>DECEMBER</b>	
Carols On Fitzgerald	Shire assisted
<b>JANUARY</b>	
Australia Day & Citizen of the Year Awards	Shire Event
Little Athletics Country Championships	Shire hosted
Swimming Country Pennants 2023	Shire hosted
<b>FEBRUARY</b>	
Northam Motor Sport Festival	Shire Event
Anzac Day	Shire assisted
<b>APRIL</b>	
Northam Vintage Swap Meet	Shire hosted
<b>MAY</b>	
Northam Elevate Festival	Shire Event
National Hot Air Ballooning Championship	Shire assisted
Twilight Market Series	Shire Event
Star gazing Event	Shire Event



## CASE STUDY

### 2023 NATIONAL BALLOONING CHAMPIONSHIP

The Shire of Northam welcomed back ballooning competitions to the region following COVID restrictions. In 2023 Northam hosted not one but two major ballooning competitions in the calendar year – the National Ballooning Championship and the Women’s World Hot Air Ballooning Championship.

To celebrate the start of the 2023 National Hot Air Balloon Championship on Saturday 6 May the Shire held Elevate Festival, a family friendly extravaganza culminating in the now famous “balloon glow”.

This free event was held on Henry Street Oval adjoining the Northam Recreation Centre. Tickets were issued online and saw a staggering 10,000 registrations for the event.

The festival included a vibrant stage with local musicians performing and our MC the “Famous” Sharon providing entertainment and information throughout the evening. Carnival rides and sideshow games were enjoyed by families, as was the roaming entertainment, especially the stilt walkers in all their balloon costume glory. The oval was a sea of colour with local businesses provided balloon themed interactive stalls for children, the little creatures tent and face painting by some fluttering fairies. A huge selection of food and beverage options were on offer provided by Perth vendors and many local businesses, including community groups.

Pilots from across Australia came to Northam to compete in the week-long competition and a selection of 10 teams came together to provide a magnificent balloon glow as the evening finale. Inclement weather had threatened to derail the day and the glow, but luckily the conditions settled, providing everyone with a delightful display set to the backdrop of live music from local band Refractory Road. This was the feature performance of the evening and gave everyone who attended a truly memorable experience they will never forget.

The Championship ran from 8 to 13 May and delivered an influx of people coming to watch the competition. Northam provided additional activations to ensure visitors had a wonderful experience whilst in town, including the Twilight Market Series. The markets activated different locations within the Shire, in the lead up to and during competition including Wundowie, Bakers Hill and Northam town centre.

Northam also hosted an enchanting evening of Star Gazing at Bernard Park. As a recognised Astro-Tourism dark skies town Northam benefits from some of the clearest skies within proximity to Perth, Northam is a great place to enjoy a tour of the sky from our Astro Tourism specialists using laser pointers and a selection of impressive telescopes. Being piloted by our professional guides, we were provided with precision visuals of specific constellations and galaxies, it was a wonderful evening to learn about our universe.



# SHIRE OF NORTHAM LIBRARY SERVICE

## KILLARA SERVICE REPORT



364

Transport Trips



10582

Brokerage Hours



17560

Respite Hours



1685

Community Service Hours

### DISABILITY ACCESS & INCLUSION

Shire of Northam is committed to facilitating the inclusion of people with disability through the improvement of access to its information, services, events and facilities.

In working towards this goal the Shire of Northam has worked progressively towards achieving the desired results in the key outcomes. Our success includes:

- The availability of a Shire of Northam Disability Access & Inclusion Plan 2018 – 2023 on the Shire’s website;
- Confirmation that our facilities meet the required standards;
- Improvement in Shire of Northam staff understanding in assisting the public to obtain information in other accessible formats; and
- Ongoing community consultation with key stakeholders to guide access and inclusion improvements.

Patrons to the library could borrow two extra types of items this year, as we added in a seed library and a bunting collection for all members to use. Both have proved very popular. Patrons who came to the Seed Library launch also had the opportunity to take home some starter seedlings, grown from donated seed. To the end of the financial year, 44 bunting kits have been borrowed, and 240 seed packets have been taken. Our seeds are replenished by donations from keen growers, with the occasional purchase of heritage varieties to fill a gap. The bunting has also come from members of the community, who recycle fabric in the creation.

We had approximately 1,092 patrons signed in to use the computer, and the free Wi-Fi also gets used every day. We answered over 4,882 reference enquiries.

We ran 198 events, with 1,402 attendees. As well as the Seed Library launch, events include listening to Nileshe Makwana, learning how to digitally organise our photographs, meditation with a Buddhist monk and our regular sessions for 0 – 5 years olds, Lego Club and school holiday events.

The Swan Room and mezzanine floor were booked for 150 hours by community groups looking for a place to meet.



2169

patrons borrowed items from both libraries

63

households used our delivery service

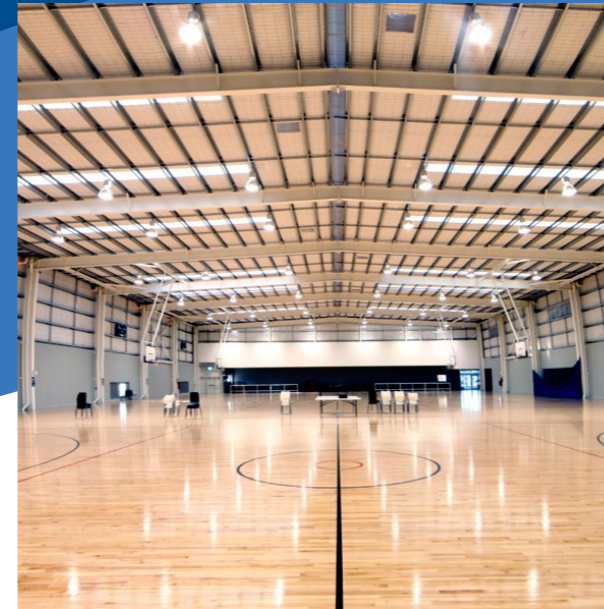
30,859

items were issued

17,600

visits to the libraries

# RECREATION AND YOUTH SERVICES



## YOUTH SERVICES

The Shire of Northam is committed to engaging with young people and providing youth activities and programs. The Northam Recreation Centre is centrally located and is seen as a hub for young people and has been utilised to hold youth diversionary programs including ball sports such as basketball, netball and volleyball. In addition, gaming consoles were setup to provide for young people to engage and play a variety of games. This was made available free of charge to those aged between 10 – 17 years from 10am – 3pm Monday – Friday during school holidays. It was well received with many young people joining activities and finding it a safe space.

With the collaboration of external agencies such as PCYC activities were offered that included skate park competitions, cooking classes, cultural information sessions, and a variety of water activities.

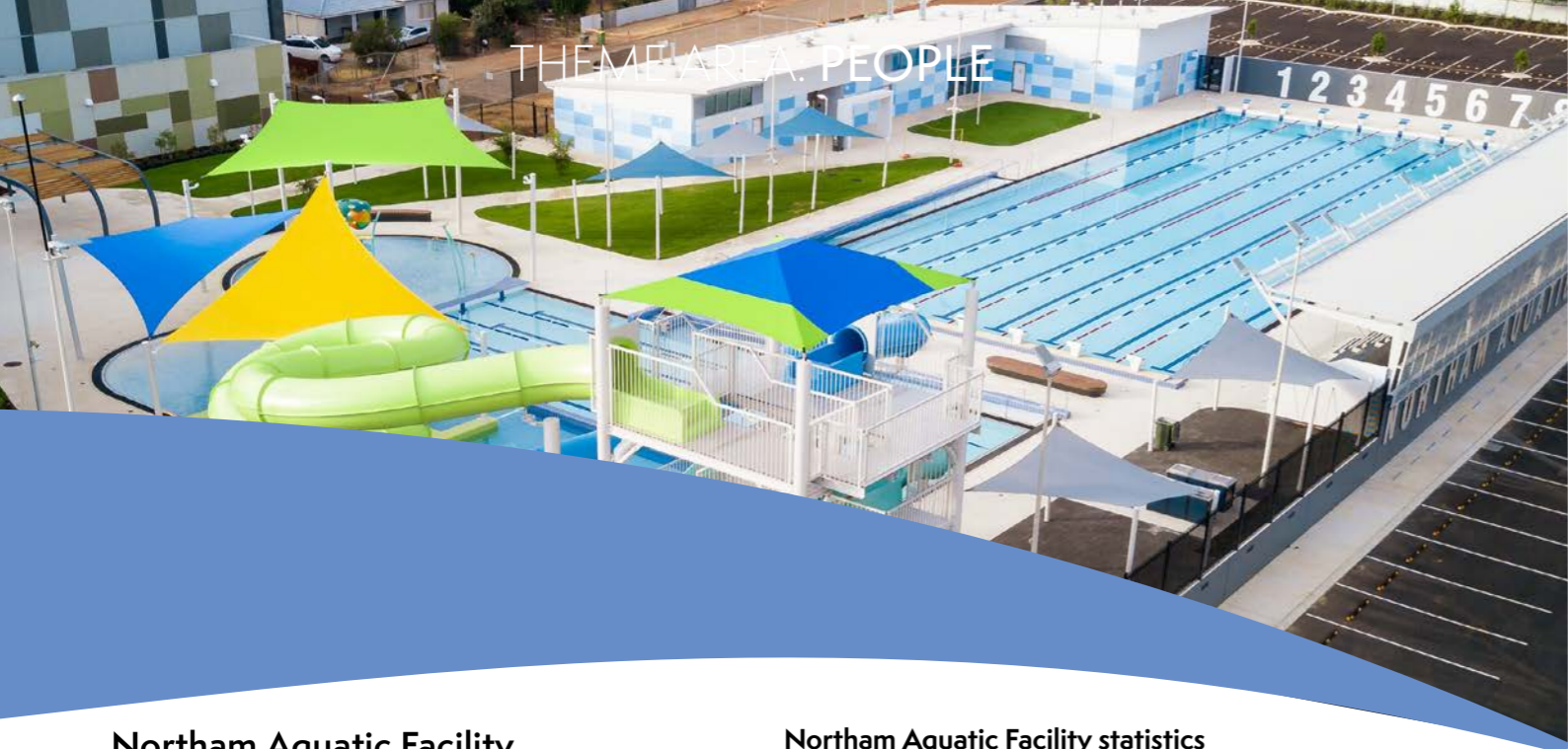
Shire staff worked closely with local high schools to engage with young people to identify interests of youth aged 12 – 17 years for the type of activities to hold during holiday programs through an online survey. There were over 45 free holiday activities and programs offered including arts, Lego, esports, minigolf, pool parties, build a bike, fitness classes making kites and more. The survey results were presented at the Youth Engagement working group and provided to agencies within the Shire.

## RECREATION & AQUATIC FACILITY SERVICES

### Northam Recreation Centre

The Recreation Centre held annual football, basketball, netball and indoor hockey competitions. Discussions with sporting associations for basketball and netball highlighted an increase in membership numbers and participation this year. In addition, Netball WA held their regional junior carnival with 35 teams participating. The hospitality and meeting rooms were well utilised with 623 bookings received through out the year. In consultation with the Northam basketball association the 8 x outdoor court basketball backboards and rings were replaced.

Collaboration occurred with local businesses to construct and deliver 2 x portable grandstands. These are now available for use at sporting or community events and general use for spectator seating.



### Northam Aquatic Facility

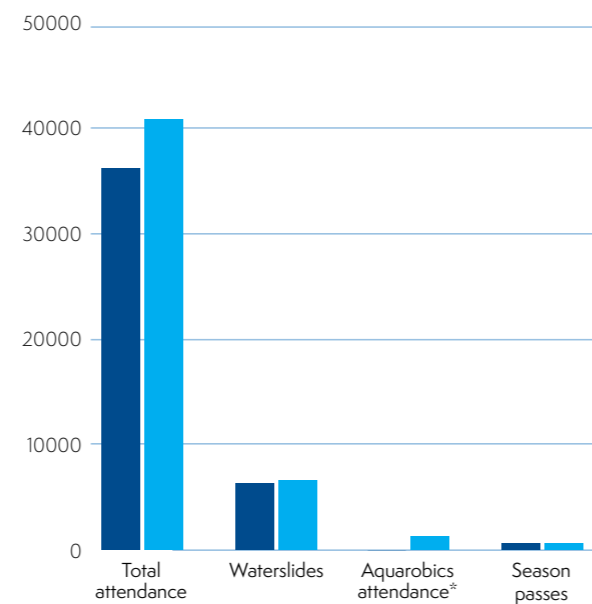
The facility operated from mid-September to mid-May and this was the first year since construction of the facility where services were not interrupted resulting in an increase in participation of 13%, with 40,802 attendances. In addition, 6572 patrons purchased waterslide access sessions and 1282 attended aqua aerobic classes.

The facility held the RLSSWA River Ready Program during term 4 of 2022. This program was free and available to children 8 to 17 years of age. The program taught children how to safely enjoy and enter water bodies including rivers and lakes. They also learnt how to do throw rescues, reach rescues, practise survival strokes and recognise different safety signals.

### Wundowie Swimming Pool

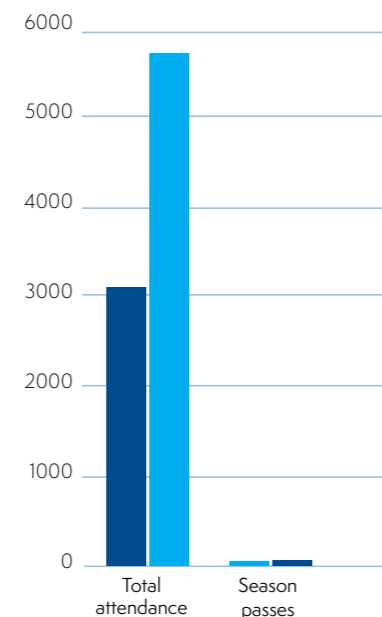
This season the Shire operated services internally commencing on 29 October 2022 and closing 9 April 2023. The Wundowie swimming club re-established regular training sessions and the annual Christmas tree and Australia Day events were well patronised on the day.

Northam Aquatic Facility statistics



\*Aquarobics only started in 22/23

Wundowie Swimming Pool statistics



● 2021/22 ● 2022/23

### SPORTING & CLUB DEVELOPMENT

The Shire collaborated with 'Break Point Tennis' to provide several tennis development clinics for local youth. In addition, the Shire formalised an agreement with the Wundowie Progress Association to facilitate local bookings and access of the tennis facilities in Wundowie. The Shire also collaborated with Tee-Ball WA and Baseball WA to host come and try events that were well participated with the intent to increase the interest and participation to formalise teams and play competitive tee-ball.

With support from the Shire, the Wundowie swimming club were able to re-establish and offer regular training sessions throughout the week.

The Shire worked with the local Bakers Hill Progress Association to collaborate on delivering recreational infrastructure. It was agreed that a basic level skate park for the youth at Bakers Hill recreation precinct would deliver the best outcome. An area has been cleared with construction to begin in the next financial year.

The use of the Shire of Northam Clubs social media supported local clubs build stronger relationships and increased participation. This was a new initiative to reach and communicate with local sporting community and has over 1,200 members.

The Shire was successful in securing grant funding to build storage facilities at the Hockey turf and Bert Hawke oval. The Hockey facility includes a two-storey shed with dugouts on either side. The Bert Hawke oval storage shed was located next to the clubroom and was constructed to provide separate storage areas for cricket and soccer. Additionally, a 1.8 m high chainmesh perimeter fence was installed around the Hockey facilities and access to water services was provided. This supported the user groups to hold events, secure hockey infrastructure in a safe manner and protect assets whilst supporting local user group sustainable objectives.

The installation of soccer goals at the start of the season at Bert Hawke oval was completed for local soccer enthusiasts to train and play in the local competition this has enabled the local club to grow and become more sustainable.

Planning and design works were undertaken for Henry Street oval to provide a scoreboard, goal barrier nets and entry statement. The intent is to delivery these projects in 2023/24.

All 2022/23 Summer & winter MOU agreements with local sporting clubs were reviewed and completed.

The Shire was successful in securing \$25,000 from the CSRFF small grants program for multi-use storage facilities at Hockey/Bert Hawke oval and was successful in securing \$25,000 for the Mt Ommaney trail development process for Stages 4 and 5. The Shire was also successful in securing \$97,000 from the CSRFF small grants program for the Northam Bike hub project which has been extended to be delivered in 2023/24. The Shire was not successful in the forward planning grant application for Bert Hawke tower lighting however this will be submitted again in next year's round.

### SPORTING EVENTS

#### Swimming WA Country Pennants

On 4 and 5 March 2023, the Northam Aquatic Facility held the annual WA Country Swimming Pennants. Over 500 swimmers from 30 country swimming clubs across WA attended this fantastic event, competing for the top spot. The event had an estimated 2000 people attend and this was the first time in 10 years the event was held in Northam.

#### Athletic West Championships

From 13 to 15 January 2023, the Northam Recreation Centre held WA Country Athletic Championships located on Henry Street and Jubilee ovals. Country athletic clubs from across WA including Albany and Collie came together to compete in the track and field events. This provided top competitors the opportunity to qualify for the State Athletic Championships. The event was a great turnout with more than 350 juniors competing for gold.

#### Hockey indoor tournament - Aus Sport Regional Event funding

On 8 and 9 October 2022, the WA Indoor Hockey Classic was proudly supported by the Shire of Northam and held at our Recreation Centre. This event featured four men's teams and four women's teams including the best indoor hockey players in the state! The event was staged like the well-known 'Ric Charlesworth Classic' and was supported by SportAus events funding program via a grant of \$44,000.

# COMMUNITY SUPPORT/ COMMUNITY GRANTS

<p><b>Quick Response Grants</b></p> <p>Local not for profit community groups and sporting clubs could apply for small grants of up to \$5,000 anytime throughout the year.</p>	<p>20 applications received</p> <p>15 projects supported</p> <p>\$19,700 of funds awarded.</p>
<p><b>Community Development Grants</b></p> <p>Local not for profit community groups &amp; sporting clubs could apply for larger, strategic projects valued between \$5,000 - \$20,000. Applications opened in September and closed in October.</p>	<p>4 applications received</p> <p>4 projects supported</p> <p>\$51,000 of funds awarded.</p>
<p><b>Progress Association Annual Allocations</b></p> <p>All community progress associations were invited to apply for an allocation of Council funds for community projects in 2022/2023.</p>	<p>Applications were received from Bakers Hill, Wundowie &amp; Spencers Brook</p> <p>5 community projects were supported</p> <p>\$27,991 of funds awarded.</p>



## ANNUAL COMMUNITY EVENT ALLOCATIONS

The Shire of Northam issued \$72,600 in sponsorships through the Community Events Allocation a select group of community organisations with a long history of delivering successful events and commemorations within the Shire of Northam. These include,

- Wundowie Progress Association for the Wundowie Iron Festival,
- Bridgeley Church of Christ & the Northam Chamber of Commerce for Carols on Fitzgerald,
- Avon Valley Arts Society for the Northam Art Prize,
- Northam Agricultural Society for the Northam Farmers Show,
- Northam RSL for the ANZAC Day Dawn Service and March,
- Northam Theatre Group for theatre productions at the Link Theatre,
- Avon Valley Vintage Vehicle Association for the Vintage Vehicle Swap Meet,
- Vintage Sports Car Club of WA for the Northam Motorsport Festival (Flying 50).

## EDUCATIONAL PRIZES & DONATIONS

Every school within the Shire of Northam, and the Northam campus of Central Regional Tafe is given a donation towards their end of year educational prizes. This year the donations were expanded to also include a one off donation to school P&C and P&F groups.



# COMMUNITY SAFETY & CRIME PREVENTION



The Shire of Northam Community Safety Committee works proactively with the local Police Force, stakeholders from a range of government departments and service providers, and local advisory groups and community representatives.

This year the Committee produced merchandise to help inform the community, such as large magnets with emergency service contact information, Aboriginal & Torres Strait Islander support information, seniors support information and key rings with miniature torches for night lights and messages such as have you locked your vehicle, have you locked your house. These were distributed to people at the Turn Up in Blue Day in Northam, the Northam Farmers Show & the Wundowie Iron Festival.

Youth engagement was a priority. In December the Committee were able to support a camp for at risk and disengaged youth coordinated by the Youth Engagement Working Group & Moorditj Youth. The on country camp which was held at Boshack in Bolgart comprised of cultural activities, mentoring and leadership. Feedback was overwhelmingly positive, with a lot of learning and lot of enjoyment had by all.

# THEME AREA PLANET

## UNDER THE PLANET THEME THE FOLLOWING ACTIONS WERE DELIVERED:

- Following extensive research and community engagement, the Public Health Plan 2023 – 2028 was developed, with the plan providing a framework to address Public Health needs to enhance the health and wellbeing of residents within the Shire of Northam.
- Routine inspections of food premises were conducted as required, 110 businesses within the Shire were assessed according to their food risk ratings. Promotion and provision of materials were distributed to all medium and high-risk businesses deemed to fall under the new requirements of the *Food Standards Code 3.2.2A*, which includes mandatory training of food handling supervisors. The new requirements come into effect on 8 December 2023. Food Safety Programs such as "FoodSafe" on the Shire of Northam's website continue to be a requirement for all stallholders and new food businesses.
- The growth in popularity of mobile food businesses has continued, with three new coffee vans, a soft serve ice cream van and two new medium risk food vendors registered in the Shire. These mobile food vendors are required to meet the requirement of the *Food Act 2008* as well Northam's Local Laws and Policies, such as *H6.9 – Trading on Thoroughfares & Public Places*.



- Guidance was provided to new food business premises, and those looking to make modifications to their existing food business premises. Businesses were advised on how to best meet the requirements of the *Food Act 2008* and the *FSANZ Food Standards Code* with reference to the *Australian Standard 4674-2004: Construction and fit out of food premises*.
- The monitoring and control of water within the Shire was conducted with routine sampling to test the water quality of the river, public swimming pools and the recycled water irrigation system. This year's Avon River sampling results have been consistent with previous years. The Avon River is safe for use for secondary recreational activities (kayaking, wading, and canoeing) as per Department of Health guidelines. Potentially dangerous amoeba organisms have been detected on occasion in the Avon River during the warmer months of the year. To alert the public of the possible dangers associated with amoeba organisms signs have been erected along the river's edge in six separate locations.
- Recycled water irrigation results have improved since last year, with various modifications being implemented by the Shire to ensure that the recycled water quality meets the requirements for use as determined by the Department of Health. Further improvements are expected with the installation of additional infrastructure at the Clarke Street Dam.
- Public Events were assessed to ensure public safety and compliance, with approvals, attendance and inspections conducted by Environmental Health Officers as required.
- Several Public Buildings were inspected, with changes being made to ensure compliance with the *Health (Public Buildings) Regulations 1992*, ensuring that buildings used for Public Events were safe for use by the public.
- The inspection of hairdressing salons as well as skin penetration/body piercing parlours was conducted as required.
- Neglected and dilapidated houses were inspected with work orders and condemnation notices being issued to the owners of the premises as required.



# WASTE

The Shire of Northam operates two Waste Management Facilities; Old Quarry Road Waste Management Facility in Northam, which is our main facility and accepts both solid and liquid wastes; and Inkpen Road Waste Management Facility in Copley, which is a small landfill serving the communities of Bakers Hill and Wundowie.

Both facilities are managed by Avon Waste on behalf of the Shire and who are also responsible for the kerbside collection throughout the Shire.

In August 2022, the Shire officially opened its Transfer Station at the Old Quarry Waste Management Facility. The diversion from Landfill and additional recycling systems have been a great success in working towards Zero Waste to Landfill.

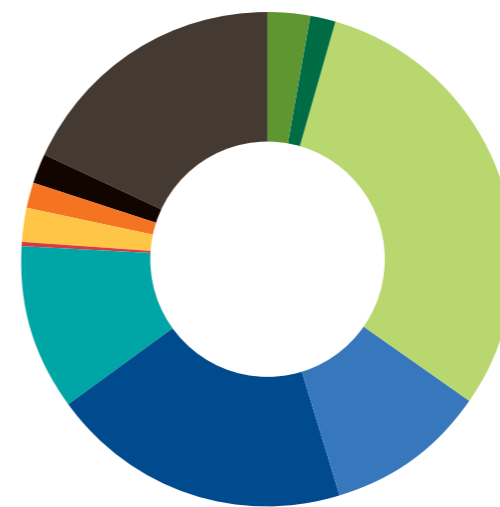
The community requested and named Northam "Re-Store" has turned over \$9,468 with a range of furniture, bric a brac and outdoor items.

In April 2023, the Shire introduced a new weighbridge finance management system for both facilities that ensured more accurate recording of waste, recycling rates and landfill diversion. This system will help set baselines for improvement into the future.

In 2024, the Shire hopes to conduct community workshops to increase awareness and education throughout its communities and reduce the current contamination rate.

# STATISTICS

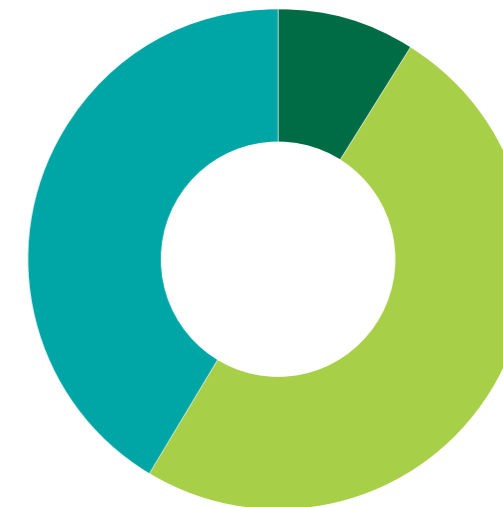
KERBSIDE RECYCLING



Product tonnes

Aluminium Cans	17.81
Steel Cans	11.45
Glass	192.11
Paper	68.07
Newspaper	124.05
Cardboard	69.97
Liquid Paperboard	1.91
Plastics	14.63
Plastic (PET)	10.18
Plastic (HDPE)	12.72
Contaminants	113.23

FACILITY TOTALS



Product tonnes

Recycled	3,256.64
Landfill	18018.78
Cleanfill	14,982.87



Landfill Totals by Source:  
Regional Shires  
**4983.77** tonnes



21 bushfire mitigation projects throughout the Shire

## BUSHFIRE MITIGATION ACTIVITIES

The Shire of Northam in collaboration with the Department of Fire and Emergency Services (DFES) have funded 21 bushfire mitigation projects throughout the Shire in the 2022/23 period to the value of \$489,500. Through this arrangement the Shire has secured funding up to \$176,915 for future bushfire mitigation projects into 2023/24 period.

## EMERGENCY SERVICES

The Shire of Northam has 10 volunteer bushfire brigades and 1 SES Unit, with over 400 dedicated volunteers.

Numbers remain stable however applications and retention remain an ongoing challenge which is a consistent trend seen throughout the state.

In 2022/23 our volunteers attended about 250 incidents including, machinery, agricultural, bushland, and structure fires, and various inclement weather events.

Our teams received and supported neighbouring local governments with large scale bushfires, land searches and weather events.

The December period saw a sudden spike in incidents of bushfire attributed to arson, including 7 in a single day. This matter was dealt with by the Police and Justice system.

The introduction of the new Australian Fire Danger Rating System prior to the high threat period presented new and in part unforeseen challenges witnessed throughout other areas of the state.

Work has continued to minimise the impact of Harvest Vehicle and Hot Works bans have on the community through the identification and implementation of a more dynamic community messaging system which will be in place for the 2023 high threat period.

Capital works have commenced at the Inkpen Volunteer Fire Station with the construction of a much-needed extension, in addition to the successful completion of works at the Northam Emergency Services Complex.

Alex Espey the Shire's new Community Emergency Services Manager commenced duty in November 2022 hitting the ground running.

The Community Emergency Services Manager has spent the later part of the year working closely with the leadership team and in particular the Chief Bush Fire Control Officer on major projects such as the review of the Bush Fire Manual governance instrument used for brigade administration.

The Shire of Northam Emergency Services Volunteers remain committed to community engagement with attendances at multiple community events and festivals.



Volunteers attended about 250 incidents

# ENVIRONMENTAL SUSTAINABILITY

During the 2022/23 financial year environmental sustainability focused on providing advice and assistance with stakeholder advisory groups, engineering road widening projects, fire mitigation works, targeted weed spraying programs, development and rezoning applications, private and community native planting, environmental mapping and the production of reports for illegal clearing complaints for submission to the Department of Water and Environmental Regulation.



10,000  
native tube stock  
plants supplied



991,568kWh  
of renewable energy

As focus moves towards addressing climate change and reducing Shire emissions, the Shire continues to be involved with the nationally driven Cities Power Partnership Program identifying initiatives towards reducing operational impacts on the environment. A climate change declaration was adopted providing an overarching document summarising the pathways and actions that will be taken in developing a climate change adaptation and mitigation strategy. This is currently being developed and will outline the Shire's position in relation to the carbon footprint and plan to achieve environmental objectives in line with state and federal targets.

The capture and monitoring of emissions associated with Shire operations has been further improved with the introduction of a new waste management system that will provide accurate and consistent data capturing the waste streams that enter the landfill facilities. This provides the ability to separate the waste streams and identify the recycled components, waste from other local governments and the volumes that are put into the landfill.

The Shire now has the ability to capture the landfill, fuel and gas consumption in addition to the utility data and monitor Shire operations through a centralised web-based platform. This platform provides the analytical tools to closely monitor the performance of individual assets, identify areas for improvements, pinpoint potential water leaks, monitor tariff costs for power and analyse the effectiveness of energy efficiency installations and initiatives. This information is crucial for establishing a carbon footprint baseline so that the Shire can work towards reducing its net carbon emissions in addition to analysing trends over time.

The Shire is in the second year of the Power Purchase Agreement (PPA) initiative lead by WALGA and is sourcing 50% of its electrical consumption for contestable sites from renewable energy sources. This has accounted for 991,568 kWh of renewable energy. Other energy efficiency initiatives including the installation of solar PV on buildings, solar water heating, the retrofitting of LED lights in Shire buildings and the use of thermal blankets at the aquatic centres have also contributed to reducing the overall energy consumption of the Shire with a 6.16% reduction from the previous year.

10,000 native tube stock plants were supplied for the 'Tree Subsidy Program' and the 'Native Plant Giveaway' which have become popular events with resident participation growing annually. The two programs provided over 50 locally occurring native species and included trees, shrubs, ground covers and reeds to accommodate the different soil types and conditions across the local government area. Over 2,000 biodegradable tree guards and tree cocoons were sold to residents wanting to further protect tube stock to be planted. Rehabilitation efforts focused on infill planting with 1000 native tubes plants planted by AVES from Enright Park down to Burlong pool.

Targeted spraying programs were completed throughout the Shire addressing outbreaks of watsonia, bridal creeper, African box thorn and other exotic weeds. Spot spraying programs were conducted intermittently around the town pool area of the Avon River to remove invading weed species and competition for the natives establishing.

Future planning for the following year has begun and will include the rehabilitation of the northern island in the Town Pool area of the Avon River and the native feature planting to occur adjacent to the new Northam RV park situated behind the old swimming pool.

# THEME AREA PLACE



## LOCAL PLANNING STRATEGY & SCHEME REVIEW

The draft amended Local Planning Strategy has been adopted by Council and has received certification from the Western Australian Planning Commission for advertising purposes.

An advertising strategy is currently being developed and will be finalised in the near future enabling community consultation to commence.

The amended Strategy will provide the strategic direction for the development of the Shire and amendment of the local planning scheme to provide greater flexibility to facilitate sustainable development.

## SCHEME AMENDMENTS

Local planning scheme amendments 16 and 18 were gazetted during this period, which rezoned a portion of the Avon Industrial Park to facilitate the CBH development and to re-code a property on the corner of East Street and Byfield Street to enable higher density residential development.

Amendment 17 relating to the Avon Logistics Hub adjacent to the roadhouse in Northam has progressed to advertising and will be finalised in the next reporting period enabling the development to proceed.

## AVONVALE URBAN RENEWAL AREA

Research and development of the strategy for the renewal area has also commenced and will provide strategic direction for redevelopment of the area to provide quantity and diversity of housing and improve liveability.

## BUILT HERITAGE

A grant from the Heritage Council of WA has enabled the Shire to review of the Local Heritage Survey and develop a historical overview, which will be finalised during 2023.



**STATUTORY PLANNING**

**Development Applications**

A total of 110 development applications were determined by the Shire of Northam to the value of \$17,649,151 during the 2022/23 financial year compared to 137 to the value of \$38,607,507 during the 2021/22 financial year and 150 to the value of \$21,611,791 during the 2020/21 financial year.

The growth areas continued to be in the western portion of the Shire in rural living areas of Wundowie and Bakers Hill with infill medium density development in the Northam townsite continuing to increase.

Of these, 102 applications were determined by staff under delegated authority from Council. The average timeframe for determining development applications in this period was 19 days (15 days – delegation; and 51 days – Council).

During this period, major developments included upgrading of facilities at Linley Valley Pork and installation of bulkheads at CBH’s new site in the Avon Industrial Park.

**SUBDIVISION**

During 2022/23, 14 subdivision referrals were received from the Western Australian Planning Commission and responded with 5 subdivision clearances being issued.

Subdivision activity has been spread throughout the Shire, including an increase in residential infill and light industrial development in the Northam townsite, with this trend expecting to continue.

**DEVELOPMENT COMPLIANCE**

Development compliance formed an important part of statutory planning activities in 2022/23, with 130 swimming pool barriers being inspected, a number of unauthorised buildings and land uses being investigated, audits of extractive industries, and following up non-compliances with conditions of development and building approval.

**HOUSING STRATEGY**

The Shire is proactive and focused on attracting investment to drive new residential development within the Shire. As part of the Shire’s aim to ensure the community has access to safe and diverse housing options, the Shire developed a Housing Strategy which involved reviewing a variety of options, including private and government investment, to increase the availability of rental dwellings to cater for the growing demand for employee housing associated with public administration and private sector workforce.

**DEVELOPMENT OF EASTLINK (PERTH-ADELAIDE NATIONAL HIGHWAY)**

During 2022/23 the Shire continued to advocate for the continued development of the Eastlink (Perth-Adelaide National Hwy). This has included continuing to identify and plan for the new route in the Shire’s Local Planning Strategy.



# ENGINEERING SERVICES

Engineering Services is responsible for the construction and maintenance of all Shire owned roads, verges, footpaths, drainage structures, parks, public open spaces, reserves, bridges, parking facilities, and buildings. The portfolio also includes fleet management and cemetery and airport maintenance.

Works programmed and completed align with Council endorsed asset management plans, policies and long-term programs, which encompass the whole of life principles and sustainability strategies for transport, parks and gardens and buildings.



## ROADWORKS

The Shire of Northam is responsible for the following:

- Road maintenance
- Culvert and drainage pipe cleaning
- Road signs and guideposts
- Footpaths
- Traffic management
- Storm events clean up
- Ad-hoc duties to assist with events.

The following Capital Road projects were completed in the 2022/23 financial year:

<b>Reconstruction / Widening</b>	Spencers Brook Road, Robinson Street, Northam Charles Street, Northam Wellington Street, Northam
<b>Resurfacing</b>	Croke Street, Northam Forward Street, Northam Cox Street, Northam Tamma Road, Bakers Hill Parks, Playgrounds & Streetscapes

The focus of the year was improvement of Parks facilities to better cater for the needs of residents/ratepayers and stakeholders. This included some minor capital improvements to several parks within the Shire.

These facilities have been utilised by various public groups and events that showcased what Shire of Northam has to offer. Events utilising Parks infrastructure included, but not limited to:

- Bilya Festival
- Northam Agricultural Show
- Wundowie Iron Festival
- Various Sporting Clubs
- Various Community Groups
- School sporting Events.

The Shire continues to work on redevelopment of the Riverbank and the CBD, Four Landscapes Studio has been commissioned to assist in development of a Streetscape Concept plan for the CBD.

The following Capital projects were completed in the 2022/23 Financial year:

- Northam overnight RV park
- Shade structures erected at Bakers Hill Oval
- Art Installation at Beavis Place Public Open Space
- Mulching of George Nuich Park
- Improvements to Dr Dunlop Park including replacement of playground stone barriers, installation of a park bench and 2 park seats.

## BUILDING WORKS

Throughout the Shire there were numerous improvements on general building maintenance and capital projects in 2022/23.

The following projects were completed within the building portfolio of the Shire:

- Clackline Hall lighting upgrade
- Morby Cottage deck oiling
- Air conditioner installed at the Northam Pound
- LED lights installed at Killara Cottages
- Painting of doors and frames in the Wundowie Oval Changerooms
- Fencing repairs and path lighting at the Northam Recreation Centre.





# RANGER SERVICES

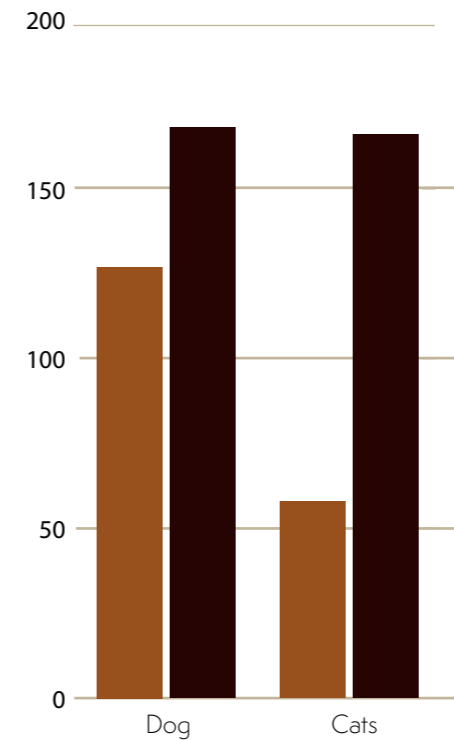
Ranger Services has had a busy year with increasing requests for services in most areas of responsibility, which primarily encourages and enforces compliance of Local and State Laws in respect to pets, livestock; parking, off-road vehicles, abandoned vehicles; fire hazard reduction; wildlife care and removal referrals; littering; illegal camping and caring for the Northam white swan colony.

A total of 138 infringements were issued in the 2021/22 financial year in comparison to a total of 409 in the 2022/23 financial year.

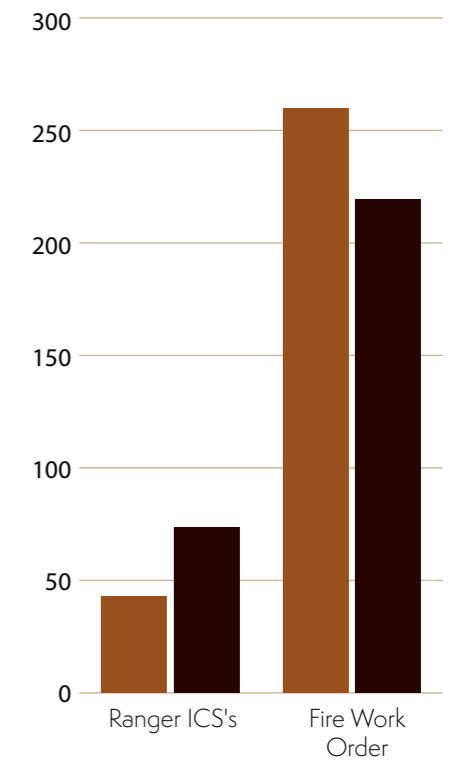
There was an increase in the issuing of fire infringements and work orders, which could be attributed to the increase in growth in our rural living areas and lack of knowledge of fire safety in rural areas. Early warning notices prior to the commencement of the fire season to those properties where previous non-compliances had been detected.



## IMPOUNDED ANIMALS



## CAUTIONS



● 2021/22 ● 2022/23



Dog attack investigations decreased slightly in the 2022/23 period with 40 reports when compared to 53 in the 2021/22 period, which can be attributed to media messaging, information sessions and public awareness programs that have been implemented throughout the period.

Unfortunately, impounding of stray, unregistered, surrendered and wandering dogs has increased in this period with 168, compared to 127 in 2021/22. The increase could be attributed to the economic stress in the community.

There has also been an increase in cats impounded in this period, with 166 impounded compared to 58 in the previous period, which could also be related to economic stress and lack of desexing, which is particularly relevant in this period where it was found that some cats had 2 breeding seasons that was previously unheard.

Intense focus has been directed into community education to encourage compliance with local and state legislation. Inter-agency cooperation, connecting with communities, schools and collaborating with external government and non-government organisations are important strategies.

A range of information sheets and regular compliance information updates are also provided. These are distributed via the Shire's internal media and communications channels, posters on community notice boards, local media and advertising whenever appropriate. Our outgoing customer correspondence is supported by a range of information sheets/brochures.



Free Shire of Northam dog leads are given away to encourage 'Dog-on-a-Leash in Public Places' compliance.

Management of the White Swan Colony continues with the arrival of 4 baby cygnets in 2022. Sadly, one cygnet did not survive long after birth and was somewhat smaller than the others. Another cygnet was attacked by a dog and was unable to be saved after a very concerted attempt by the Wildlife Hospital in Bibra Lake. Currently the two remaining cygnets are in good health awaiting to be caught and DNA sexed.

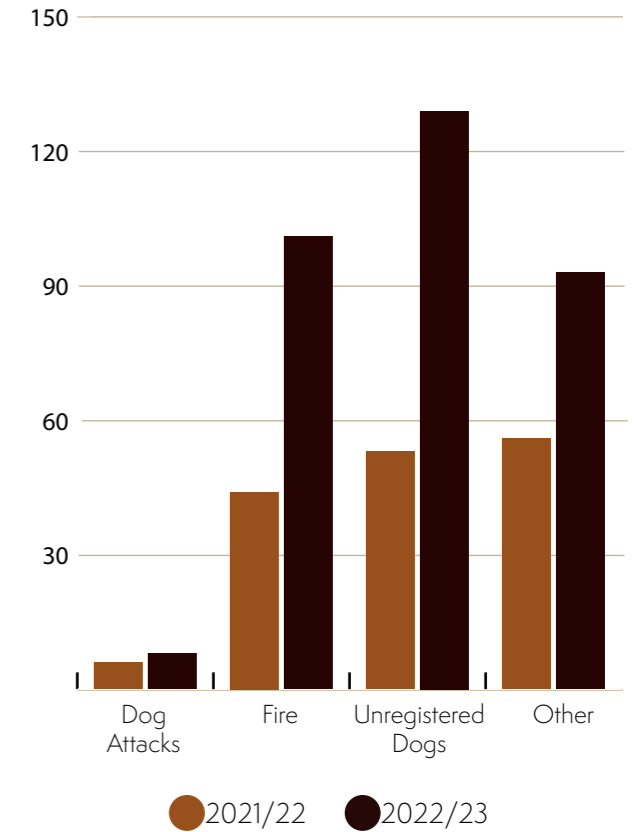
This year saw the forming of the Avon Swan Guardians group, who have teamed up with the Northam Men's Shed, local schools and produced four swan feeder boxes for instalment around the river. They also keep a watchful eye on our white swan colony.

Approaches again have been made to government officials requesting assistance in increasing our swan gene pool for further breeding.

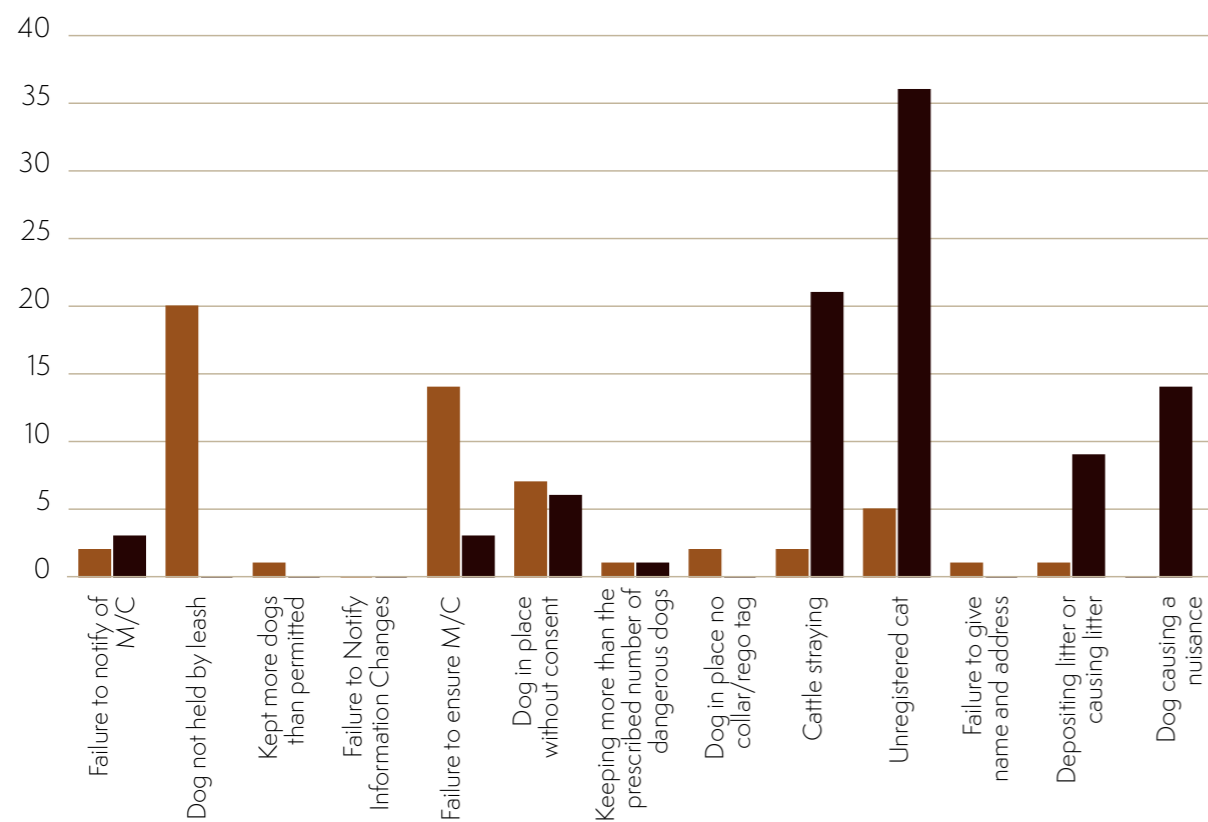
Corella management continues to be challenging, however there is to be a scoping project that will enable us to implement "best practise" for best success. This is now with the Wheatbelt Natural Resource Management to coordinate the responses by Local Government.

Regular targeted parking patrols are conducted as per the Parking and Parking Facilities Local Law 2008. Problem areas are identified, with cautions distributed in the first instance followed by infringements if warning cautions are not complied with. Particular attention around our school areas this past year have resulted in parents and carers parking in safer locations.

INFRINGEMENTS



OTHER BREAKDOWN



# THEME AREA PROSPERITY

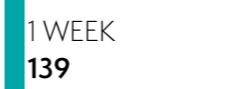
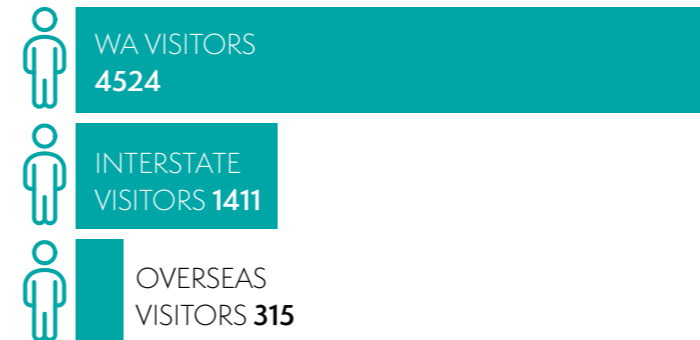


## NORTHAM VISITORS CENTRE

The National Ballooning Championships and Elevate Festival held in May 2023 drew large numbers of visitors into Northam. The number of people seeking tourist information from the Northam Visitors Centre was up significantly from the previous year.

This year the Visitors Centre went out to the people, with Tourism Officers holding a Visit Northam stall at the Elevate Festival and Twilight Markets on the Village Green, selling local souvenirs and offering tourist information. Through our partnership with Destination Perth, we were able to secure an information stall at the Perth Caravan & Camping Show, working with our surrounding local governments to collectively promote tourism in the Avon Valley.

TOTAL VISITOR **6250**



THE VISIT NORTHAM BRAND CONTINUED TO GROW ON SOCIAL MEDIA WITH REACH & VISITS ALL UP:

FACEBOOK REACH UP **298.9%**

INSTAGRAM REACH UP **112.8%**

PAID REACH UP **100%**

FACEBOOK VISITS UP **261.6%**

INSTAGRAM VISITS UP **87.5%**



TOTAL VISITOR CENTRE SALES  
**\$36,638.59**

### INDUSTRY ATTRACTION FUND (IAF)

The Industry Attraction Fund continued over 2022/23 which is an incentive up to the value of \$1 million to attract a major employer to the region.

No applications were received for the IAF during the 2022/23 period.

# BILYA KOORT BOODJA CENTRE FOR NYOONGAR CULTURE & ENVIRONMENTAL KNOWLEDGE

There were some challenges this year, but thankfully we now have a great team of passionate staff working to share Ballardong Nyoongar culture.

Our Centre Tourism Officers have been trained to deliver guided river walks around the Gulgulga (Avon River). These tours deliver on the centre name: river, heart, land, Nyoongar culture, & environmental knowledge. The Gulgulga tours are becoming a popular offering at the centre.

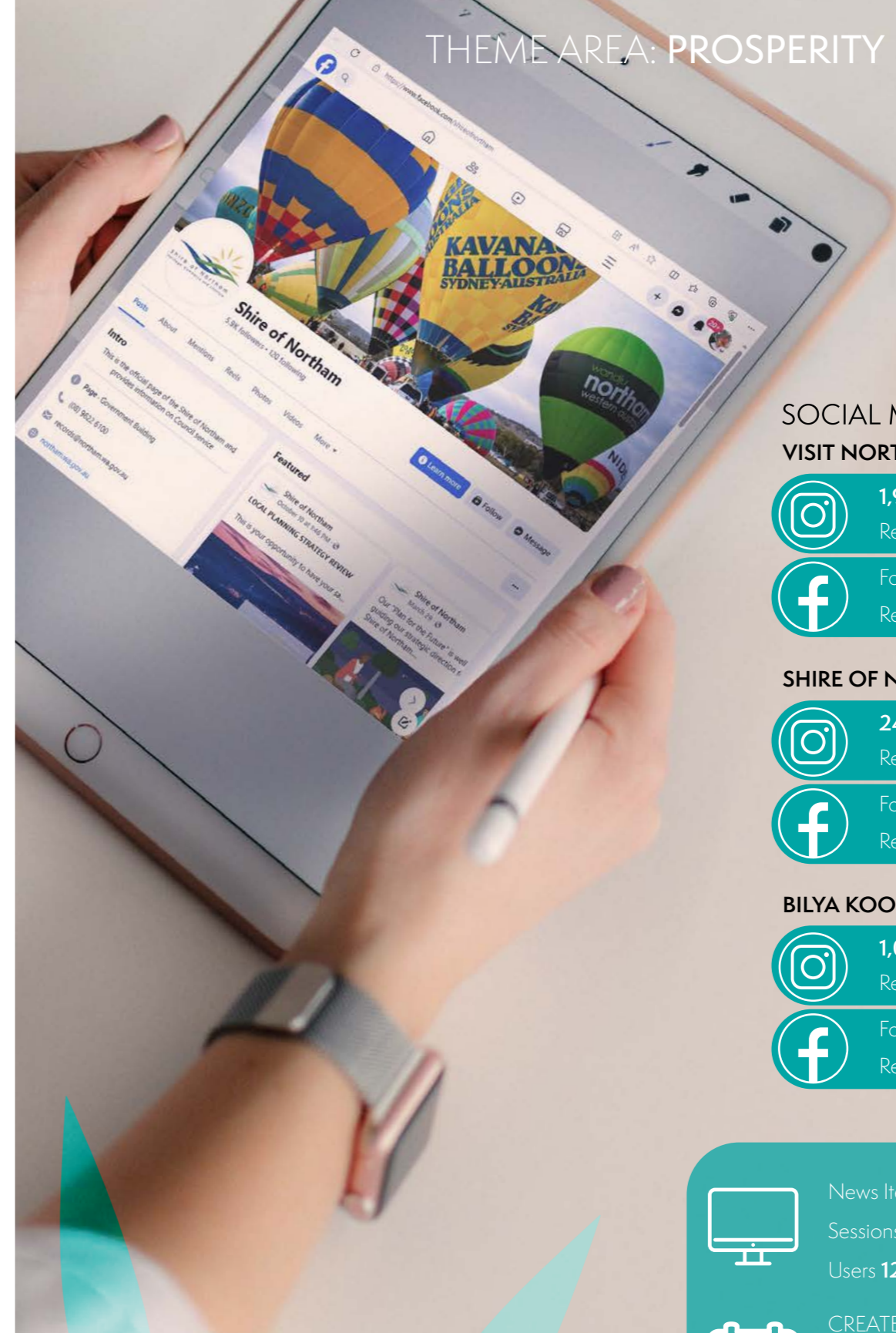
The focus for the centre this year was on the Stage 2 Exhibition Upgrade. This involved capturing the stories of our Elders out on beautiful Ballardong Country. This was a moving experience for all involved, building our connections with Elders and with nature. The stories will form new content for the map table.



## BILYA KOORT BOODJA CENTRE STATISTICS



Total Centre Visitors **5,183**  
Total Exhibition Entries **2,414**  
Annual Memberships **23**



## SOCIAL MEDIA STATS

### VISIT NORTHAM

1,998 ↑630  
Reach 9,714 ↑174.2

Followers 4,762 ↑702  
Reach 233,375 ↑871.2%

### SHIRE OF NORTHAM

240,476 ↑127%  
Reach 6,623 ↑73.6%

Followers 1,584 ↑216  
Reach 5,938 ↑1056

### BILYA KOORT BOODJA CENTRE

1,058 ↑630  
Reach 1,166 ↑10.6%

Followers 2,927 ↑702  
Reach 34,911 ↑27.9%



News Items & Public Notices **147**

Sessions **92,715**

Users **129,822**



CREATE 298 –  
12 Meeting room bookings  
3x three month leases of  
the Popup shop

# STRATEGIC COMMUNITY PLAN & CORPORATE BUSINESS PLAN (COUNCIL PLAN 2022/32)



The Strategic Community Plan element of the Council Plan was adopted in June 2022, based on both current and anticipated resources and capacity, demographic trends, and the aspirations of our community which have been interpreted by Council based on extensive public consultation. Importantly the plan has been developed to guide the Shire in carrying out its functions as a local government to use our best endeavours to meet the needs of current and future generations through an integration of service delivery, environmental protection, social advancement and economic prosperity. The life of the Strategic Community Plan element of the Council Plan is 10 years, with interim reviews to occur in 2026 and 2030, prior to a complete review being undertaken in 2032.

The Corporate Business Plan element of the Council Plan is reviewed annually. The Corporate Business Plan Section sets out, consistently with the relevant priorities established in the strategic community plan, our priorities for dealing with the aim and aspirations of the community in the district. The Corporate Business Plan is utilised to guide our internal business planning by identifying the actions we will be taking to achieve the objectives identified within the strategic community plan. The life of the corporate business plan element is four years, with a review required annually. To help guide our performance, the Council has established a range of performance indicators.

There were no significant modifications made to Council Plan during the 2022/23 period.

## THEME AREA PERFORMANCE



The following key projects and initiatives are proposed to commence or to continue in the next financial year:

- ➔ Provide additional Bakers Hill Recreation Precinct infrastructure with consideration for a, skate park BMX track, outdoor exercise equipment and improved, safer access to external toilets
- ➔ Provide improvements to Bert Hawke Oval with additional storage, shade and spectator facilities
- ➔ Provide a well-developed and maintained drainage network, with a focus on asset protection and community safety
- ➔ Provide improved facilities at Henry Street Oval with a multi-purpose electronic scoreboard, BMX track, additional parking and an entry statement with an electronic message board
- ➔ Provide portable grandstands for use across all venues and activities
- ➔ Partner with the State Government to fund the former Northam Railway Station Precinct
- ➔ Provide for footpath renewals within Northam Central Business District
- ➔ Provide activation facilities at Mt Ommanney
- ➔ Partner with Clackline community to deliver a local playground
- ➔ Provide two electric vehicle charging stations at Northam Visitors Centre;
- ➔ Provide a dual use path to Mount Ommanney Road
- ➔ Provide improved tracks and trails
- ➔ Partner with DFES to provide a new facility for Wundowie Bushfire Brigade
- ➔ Provide upgraded infrastructure at the Northam Airport to provide opportunities for expansion
- ➔ Provide entry statements and signage for Northam Light Industrial Areas to raise the profile of LIAs and local businesses within
- ➔ Provide entry statements into the Northam CBD
- ➔ Provide overnight caravan and RV parking facilities in Northam and Bakers Hill
- ➔ Provide a modern, fit for purpose Northam Shire Depot
- ➔ Provide well maintained Shire buildings
- ➔ Provide well maintained plant and equipment.

More information on the upcoming priority actions and initiatives can be viewed in the Council Plan 2022-2032 [www.northam.wa.gov.au/documents/1223/council-plan-2022-2032](http://www.northam.wa.gov.au/documents/1223/council-plan-2022-2032).

# GOVERNANCE AND LEADERSHIP



## WORK HEALTH & SAFETY

The Shire aims to be a leader in work health, safety and injury management, ensuring that the safety and health of our staff and community is integrated into everything we do, from contract management and procurement to service delivery, events management and staff performance reviews.

During 2022/23, Local Government Insurance Services (LGIS), undertook a Work Health and Safety (WHS) audit which achieved an overall result of 62%. The outcomes of this audit resulted in the development of a WHS plan. Implementation of these improvements will be ongoing throughout 2023/24.

We pride ourselves in fostering a culture where staff are encouraged to report hazards, incidents and near misses, knowing that the information they report will be acted on to improve work health and safety in the workplace.

The Shire continues to investigate these incidents to identify underlying contributing factors and implement corresponding control measures. This includes risk assessing of all tasks in consultation with our workers and safety and health representatives to improve safe working methods.

### Key achievements:

- Undertook monthly workplace inspections through designated safety representatives.
- Reviewed the process for workplace inspections to ensure that workplaces are being inspected regularly and the inspections are recorded accurately.
- Continued communications on updates to the new *Work Health and Safety Act 2020* and accompanying regulations. Focus was given to the implications and transition requirements for this legislation for the organisation, managers, employees, contractors and volunteers.
- Reviewed the process for completing Safe Work Method Statements and Take 5's.

## HUMAN RESOURCES

Shire of Northam's Workforce Plan provides workforce supply and demand analysis and projection, including gap identification and succession and talent management approaches designed to ensure the organisation has the right people equipped with the appropriate capability and supports to enact its vision and deliver on its strategic objectives.

Workforce planning is part of Shire's business and financial planning processes and is informed by business plans and strategies, both organisation-wide and within its divisions.

People and Culture, Organisational Development (OD) and Human Resources (HR) strategies are informed by workforce planning to ensure the organisation responds effectively to challenge and change.

As of June 30, 2023 our workforce was made up of:

- Females: **53%**
- Males: **47%**
- Women in management: **40%**
- Men in management: **60%**

The Shire has a range of mechanisms in place to ensure the workplace is inclusive, diverse and free from harassment and discrimination including:

- Protocols governing diversity, equal employment opportunity, recruitment, grievance resolution, employee relations and psychosocial hazards;
- Employee training and development; and
- Ensuring compliance with State and Federal Acts and Regulations relating to employment.

### Statistics:

- Aboriginal or Torres Strait Islander Employees: **7.6%**

### Key achievements:

- Offered various work experience opportunities.
- Initiated a staff engagement survey and conducted a variety of pulse surveys (topic related).
- Facilitated a range of training for staff across the organisation.
- Provided opportunities for employees aspiring to be managers.
- Continued to promote employee communication and engagement, through numerous channels.
- Provided a free counselling service for employees.

### Statistics:

- Employee turnover: **24%** \*decrease of **2%**
- Employees recruited: **23**
- Job applications received: **353**
- Health and wellbeing initiatives: **7**
- Spent **\$104,915.34** on employee/councillor training

### Top 4 recruitment sources:

- Seek: **28%**
- Shire website: **10%**
- Facebook: **10%**
- Word of mouth: **4%**

**INTERNAL AUDIT PROGRAM**

The internal audit program continued over 2022/23. The program focused on a range of areas to monitor compliance with legislation, policies and processes. All audits were presented to the Audit and Risk Management Committee and Council to review.

**Statistics:**

- Internal audits undertaken: **28**
- Non-compliances identified: **77**

**COMPLIANCE AUDIT RETURN**

The Annual Compliance Audit Return is an annual audit of statutory compliance conducted in the form determined by the Department of Local Government, Sport and Cultural Industries in accordance with regulation 14 of the Local Government (Audit) Regulations 1996. The completed return must be reviewed by the Audit and Risk Management Committee and results submitted and adopted by Council prior to submission to the department by 31 March each year.

On 15 March 2023, Council adopted the Department of Local Government, Sport and Cultural Industries Compliance Audit Return for the period 1 January 2022 to 31 December 2022.

**Statistic:**

- Non-compliances: **3**

The non compliances identified relate to:

- A local law for the Establishment, Maintenance and Equipment of Bush Fire Brigades (Gazetted 21 May 1982) not being posted on the Shire of Northam website or subject to an eight (8) year review. The repeal of this Local Law was approved by Council on 12 February 2004, however the process was never finalised due to the repeal not being published in the Government Gazette.
- Two leases not meeting the disposal requirements of the *Local Government Act 1995*.
- An annual return not being lodged by 31 August 2022.

**CUSTOMER SERVICE**

The Shire of Northam is committed to excellence in organisational performance and customer service.

**Key achievements:**

- Maintained a Communication Plan and Customer Service Charter;
- Provided a community dashboard reporting number of complaints, customer requests and progress towards operational areas including road grading; and
- Published quarterly reports to the community on the number of complaints received and average timeframe for dealing with these;
- Implemented an internal audit program to monitor compliance with Council’s process for managing customer requests.

**Statistics:**

- Customer requests received: **2,253**
- Complaints received: **21**
- Average timeframe to deal with complaints: **16.25**

**RISK MANAGEMENT**

Risk management is an integral part of the Shire’s decision making process. The Council acknowledges that risk management is a fundamental element of good business practice. The Council Policy – Risk Management defines the principles that establish and maintain an integrated risk management system across all strategic and operational functions of the Shire, including project and event management.

In 2022/23 the Shire fulfilled its requirement under Regulation 17 of the Local Government (Audit) Regulations 1996 by conducting the three yearly review of its Risk Management Framework to ensure continuous improvement and meeting industry best practice.

The Shire of Northam Risk Register is regularly monitored and reviewed with overdue and non-compliant risk treatment strategies reported to the Audit and Risk Management Committee each quarter.

In 2022/23, the Shire undertook a quarterly review of its Risk Register, with a focus on one classification at each review.

**Statistics:**

- Identified risks: **50**
- Identified risk treatments: **166**
- Overdue / Non-compliant risk treatments reported: **6**

**LOCAL GOVERNMENT ELECTIONS**

The Shire of Northam held an extraordinary election for the West Ward on 16 March 2023 as a result of the resignation from West Ward Councillor Paul Curtis on 25 November 2022.

Council received the resignation at its meeting on 21 December 2022 and determined that the Electoral Commissioner will be responsible for the conduct of the Extraordinary Election which will be held as a postal election. Cr Lisa Biglin was elected to fill the position.

**ATTENDANCE AT COUNCIL MEETINGS:**

The attendance of Elected Members at Council Meetings, Council Forums, Special Council and Strategic Council meetings.

**Statistic:**

- Number of decisions made by council in 2022/23 - **289**

	Attended	Leave of Absence	Apology	Absent
Cr C Antonio	29	0	0	0
Cr M Ryan	27	0	2	0
Cr R Tinetti	23	3	3	0
Cr M Girak	22	4	3	0
Cr H Appleton	28	1	0	0
Cr D Hughes	27	2	0	0
Cr J Williams	26	0	3	0
Cr A Mencshelyi	21	2	6	0
Cr D Galloway	26	0	3	0
Cr L Biglin	7	0	0	0
Cr P Curtis	6	6	3	0

**ATTENDANCE AT COMMITTEE MEETINGS:**

The following committees were established over the 2022/23 period:

- Audit & Risk Management Committee
- Bush Fire Advisory Committee
- Chief Executive Officer Review Committee
- Community Grant Assessment Committee
- Community Safety Committee
- Local Emergency Management Committee

	Attended	Leave of Absence	Apology	Absent
Cr C Antonio	19	0	0	0
Cr M Ryan	13	0	3	0
Cr R Tinetti	1	0	0	0
Cr M Girak	4	1	0	0
Cr H Appleton	4	0	0	0
Cr D Hughes	10	3	0	0
Cr J Williams	16	0	0	0
Cr A Mencshelyi	12	3	3	3
Cr D Galloway	2	0	0	0
Cr L Biglin	0	0	0	0
Cr P Curtis	0	2	0	2



THEME AREA: PERFORMANCE

ELECTED MEMBER TRAINING:

	Understanding Local Government	Serving on Council	Meeting Procedures	Conflicts of Interest	Understanding Financial Reports and Budgets
Cr C R Antonio	Completed 2019	Completed 2019	Completed 2017	Completed 2019	Completed 2019
Cr M P Ryan	Completed 2022	Completed 2022	Completed 2022	Completed 2022	Completed 2022
Cr R W Tinetti	Completed 2020	Completed 2020	Completed 2020	Completed 2020	Completed 2020
Cr M I Girak	Completed 2019	Completed 2020	Completed 2020	Completed 2019	Completed 2020
Cr H J Appleton	Completed 2022	Completed 2022	Completed 2022	Completed 2022	Completed 2022
Cr D A Hughes	Completed 2022	Completed 2022	Completed 2022	Completed 2022	Completed 2022
Cr J E G Williams	Completed 2020	Completed 2020	Completed 2020	Completed 2020	Completed 2020
Cr A J Mencshelyi	Completed 2022	Completed 2022	Completed 2022	Completed 2022	Completed 2022
Cr D J Galloway	Completed 2019	Completed 2020	Completed 2020	Completed 2019	Completed 2020
Cr L C Biglin	Completed 2023	In Progress	In Progress	Completed 2023	In Progress

Note: Under the *Local Government Act 1995*, mandatory training needs to be completed within 12 months of an Elected Member being elected to office.

Local Government Convention 2022 – Cr C Antonio, Cr J Williams, Cr A Mencshelyi, Cr R Tinetti and Cr M Girak attended the Local Government Convention for 2022.

THEME AREA: PERFORMANCE

COUNCILLOR ALLOWANCES:

	President Allowance	Deputy President Allowance	Travel Allowance / Reimbursement	Annual Meeting Fees	IT Allowance	Total
Cr Chris Antonio Shire President	\$45,000.00	-	\$6,986.70	\$23,000.00	\$3,118.76	<b>\$78,105.46</b>
Cr Michael Ryan Deputy President	-	\$11,250.00	-	\$19,750.00	\$3,118.76	<b>\$34,118.76</b>
Cr Maria Girak	-	-	-	\$19,750.00	\$3,118.76	<b>\$22,868.76</b>
Cr Attila Mencshelyi	-	-	\$1,539.20	\$19,750.00	\$3,118.76	<b>\$24,407.96</b>
Cr Robert Tinetti	-	-	-	\$19,750.00	\$3,118.76	<b>\$22,868.76</b>
Cr Julie Williams	-	-	\$1,358.64	\$19,750.00	\$3,118.76	<b>\$24,227.40</b>
Cr David Galloway	-	-	\$984.20	\$19,750.00	\$3,118.76	<b>\$23,852.96</b>
Cr Paul Curtis	-	-	-	\$7,954.85	\$1,256.18	<b>\$9,211.03</b>
Cr Hayden Appleton	-	-	-	\$19,750.00	\$3,118.80	<b>\$22,868.80</b>
Cr Desmond Hughes	-	-	\$225.70	\$19,749.96	\$3,118.80	<b>\$23,094.46</b>
Cr Lisa Biglin	-	-	\$492.84	\$5,786.99	\$913.80	<b>\$7,193.63</b>

FEE WAIVERS:

Person/Party	Waiver Requested	Fee Waived
Clackline Muresk BFB	Booking fees for community bus for pre season tour	\$200.00
Edith Cowan University	Room hire fees at Bilya Koort Boodja for 40 people including tea and coffee, and light refreshments	\$390.00
Bakers Hill Progress and Recreation Association	Event fee and blanket stallholder fee	\$324.00
Share and Care Northam	2x family season passes to Northam aquatic centre	\$445.00
Seniors Recreation Council of WA	Hire Costs - 2 indoor courts and kitchen at recreation centre	\$624.00
Northam Amateur Basketball Association	3 x Court hire from 8:30am to 4:30pm on March 11th 2023 for open Eastern Suns training session followed by free 2hr clinic hosted by NBL1 athletes for Wheatbelt youth development. 3 x Court hire from 8:30am to 4:30pm on March 12th 2023 to host free entry NBL1 Marquee match up Eastern Suns vs another NBL 1 preseason program. Meeting room 1 & 2 from 9:30am - 3:30pm on March 12th 2023 for Teams/Briefing rooms.	\$2,352.00
Philip Collins	Hire of Court of Northam Recreation Centre for 2 hours	\$73.00
Vintage Sports Car Club WA	Bus Hire	\$500.00
Hockey WA	Turf hire for training and coaching clinic for local junior hockey athletes	\$362.00
Avon Valley Arts Society Inc.	Northam Town Hall and Lesser Hall to hold an art exhibition.	\$4,856.00
Edith Cowan University	Room hire fees at Bilya Koort Boodja for 15 people	\$143.75
Northam Hockey Club	Hire of synthetic turf to conduct junior development and coaches clinics plus put on 2 exhibition games to display a higher grade of hockey	\$206.00
Hockey WA	Turf hire fees	\$101.75

CITIZENSHIP CEREMONIES

One of the most enjoyable functions undertaken by the Shire is its citizenship ceremonies. Becoming an Australian citizen means making an ongoing commitment to Australia and our shared values. It is also the beginning of an individual's formal membership of the Australian community. The Shire takes great pleasure in hosting such ceremonies.

**Statistics:**

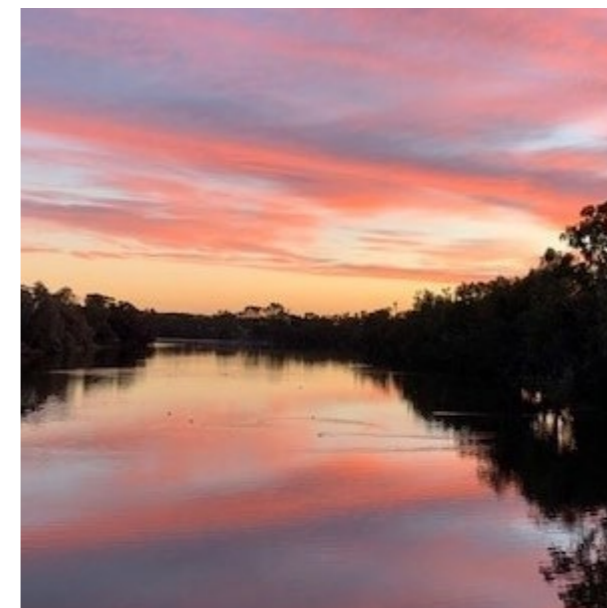
- Ceremonies held: **4**
- New citizens: **18**

FREEDOM OF INFORMATION (FOI)

The Freedom of Information Act 1992 gives the public the right to apply for access to documents held by the Shire of Northam (subject to some limitations). It also provides a means to ensure that personal information held by the Shire is accurate, complete and up to date.

**Statistics:**

- FOI applications: **4**
- Average timeframe for dealing with applications: **17 days**



RECORD KEEPING

The State Records Commission (SRC) Standard 1 – Government Record keeping requires that government organisations must ensure that records are created, managed and maintained over time and disposed of in accordance with principles and standards issued by the commission.

In accordance with Section 19 of the State records Act 2000, Local Governments are required to have a Record Keeping Plan that is approved by the State Records Commission (SRC). The purpose of the plan is to provide an accurate reflection of the record keeping program in the organisation, including information regarding the organisation's record keeping system, disposal arrangements, policies, practices and processes. The Shire of Northam's Record Keeping Plan is reviewed and evaluated at least once every five years for efficiency and effectiveness. The Plan was reviewed and approved by the State Records Commission on 14 December 2018. The next review is due prior to 2 August 2023 which will then be submitted to the State Records Commission for approval.

**Statistics:**

- Records created: **17,058**
- Records (boxes) destroyed: **20**

**EMPLOYEE REMUNERATION**

In accordance with part 5 of the Local Government (Administration) Regulations 1996 the table below demonstrates the number of employees entitled to and in receipt of an annual salary over \$130,000.

	No. of Employees
\$ 130,000 to \$139,000	-
\$ 140,000 to \$149,000	-
\$ 150,000 to \$159,000	-
\$ 160,000 to \$169,000	1
\$ 170,000 to \$179,000	-
\$ 180,000 to \$189,000	2
\$ 190,000 to \$199,000	-
\$ 200,000 to \$209,000	-
\$ 210,000 to \$219,000	-
\$ 220,000 to \$229,000	1
\$ 230,000 to \$239,000	-
\$ 240,000 to \$249,000	-
\$ 250,000 to \$259,000	-
\$ 260,000 to \$269,000	-
\$ 270,000 to \$279,000	-
\$ 280,000 to \$289,000	-
\$ 290,000 to \$299,000	1

**NATIONAL COMPETITIVE POLICY**

In 1995 the Council of Australian Governments entered into a number of agreements, collectively known as the National Competition Policy. Local Government is affected mainly where it operates significant business activities which compete, or could compete, with private sector businesses. Local Government will also be affected where local laws unnecessarily affect competition.

The Shire is required to comply with certain policies contained within the National Competition Policy statement and report on progress in connection with Competitive Neutrality Principles and review of Local Laws.

**COMPETITIVE NEUTRALITY**

Local Governments are required to apply the principle of competitive neutrality to all business activities generating user pays income in excess of \$200,000. The principle of competitive neutrality is that Government businesses should not enjoy a competitive advantage, or disadvantage, simply as a result of their public sector ownership. Annual Reports must show that a public benefit test has been conducted for all significant business activities to determine if competitive neutrality is in the public interest.

**LOCAL LAWS**

The *Local Government Act 1995* requires all existing local laws to be reviewed every eight years. As part of this process the intention to review local laws is advertised in the media giving residents and ratepayers the opportunity to comment on any proposed changes, additions or deletions to the Shire’s local laws. In 2022/23 the Shire of Northam did not review any of its local laws.

**COMPLAINTS AND MINOR BREACHES**

Section 5.53(hb) of the *Local Government Act 1995* specifies that the annual report is to contain details of entries made in the register of complaints during the financial year in review. The register of complaints is to include:

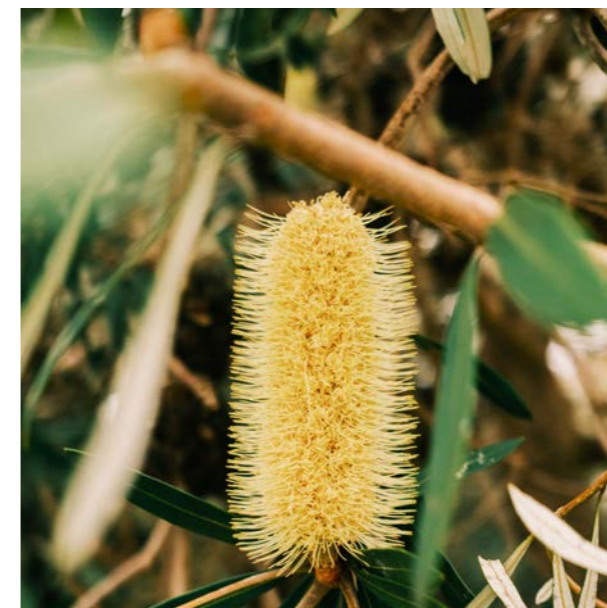
- The name of the council member about whom the complaint is made.
- The name of the person who makes the complaint.
- The description of the minor breach that the standards panel finds has occurred.
- Details of the action taken.

The standards panel made no findings of minor breaches in 2022/23.

**COMMERCIAL ENTERPRISES**

*Local Government (Administration) Regulation 19BB* and 19BC requires local governments to contain in their annual report information relating to major land transactions and trading undertakings.

The Shire of Northam has not undertaken any major land transactions and trading undertakings over the 2022/23 period.



**POLICIES**

**The following policies were reviewed and updated in 2022/23:**

- G 1.1** Council Members - Continuing Professional Development
- G 1.2** Attendance at Events - Council Members and the Chief Executive Officer
- G 1.6** Approval of annual and long service leave for the CEO and appointment of an Acting CEO
- G 1.9** Council Member and Staff Interactions and Requests for Information;
- G 1.10** Communications and Social Media Policy;
- G 1.16** Acceptable Use of the Shire’s Computing and Communication Resource - Council Members;
- G 1.21** Elected Members Leave of Absence
- A 8.3** Records Management
- A 8.4** Complaints Management
- A 8.5** Property Management (Leases and Licences)
- F 4.2** Procurement Policy
- F 4.3** Investment Policy
- F 4.5** End of Year surplus
- F 4.6** Asset disposal
- F 4.7** Annual and Long Service Leave Liability Policy
- F 4.8** Rates Hardship Policy
- F 4.11** Budget Variation Reporting.

**The following policies were revoked in 2022/23:**

- G 1.17** Acceptable Use of the Shire’s Computing and Communication Resources – Staff, due to the information being contained in the Code of Conduct.
- G 1.3** Attendance at Events – Chief Executive Officer, due to the policy being merged with the policy for Council Members.

SHIRE OF NORTHAM

# FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

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The Shire of Northam conducts the operations of a local government with the following community vision:  
Shire of Northam is a vibrant growing community, that is safe, caring and inclusive. We are recognised as a community that values our heritage, preserves our environment and promotes our commerce.

Principal place of business:  
395 Fitzgerald Street  
Northam WA 6401

**SHIRE OF NORTHAM**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2023**

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

**STATEMENT BY CEO**

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

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

Signed on the

13th day of

December 2023

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Chief Executive Officer



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Debbie Terelinck



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

	NOTE	2,023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	27(a),2(a)	11,329,075	11,360,033	10,722,615
Grants, subsidies and contributions	2(a)	6,834,988	6,172,224	5,619,500
Fees and charges	2(a)	4,519,105	4,416,789	4,110,409
Interest revenue	2(a)	385,529	325,000	188,965
Other revenue	2(a)	1,418,246	1,079,015	980,198
		24,486,943	23,353,061	21,621,687
<b>Expenses</b>				
Employee costs		(9,904,059)	(9,681,211)	(9,481,810)
Materials and contracts		(7,780,364)	(8,702,468)	(6,566,984)
Utility charges		(1,058,711)	(1,167,337)	(1,232,564)
Depreciation on non-current assets	10(a)	(5,156,749)	(5,080,238)	(5,027,936)
Finance costs	2(b)	(200,686)	(253,065)	(214,287)
Insurance expenses		(558,392)	(556,858)	(554,417)
Other expenditure	2(b)	(413,480)	(225,549)	(649,710)
		(25,072,441)	(25,666,726)	(23,727,708)
		(585,498)	(2,313,665)	(2,106,021)
Capital grants, subsidies and contributions	2(a)	3,173,412	5,246,091	3,313,239
Profit on asset disposals		60,913	54,645	487,502
Loss on asset disposals		(48,253)	(124,463)	(257,846)
Fair value adjustments to financial assets at fair value through profit or loss		11,058	0	11,990
Reversal of prior year loss on revaluation of Infrastructure - streetscape	9(a)	0	0	(91,084)
		3,197,130	5,176,273	3,463,801
<b>Net result for the period</b>	26(b)	<b>2,611,632</b>	<b>2,862,608</b>	<b>1,357,780</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	156,235,154	0	8,491,395
<b>Total other comprehensive income for the period</b>	17	<b>156,235,154</b>	<b>0</b>	<b>8,491,395</b>
<b>Total comprehensive income for the period</b>		<b>158,846,786</b>	<b>2,862,608</b>	<b>9,849,175</b>

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



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

	NOTE	2023	2022
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	7,438,135	6,279,186
Trade and other receivables	5	2,882,499	3,120,591
Other financial assets	4(a)	5,301,172	3,687,128
Other assets	7	503,504	278,898
<b>TOTAL CURRENT ASSETS</b>		<b>16,125,310</b>	<b>13,365,803</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	476,940	479,280
Other financial assets	4(b)	345,154	362,304
Property, plant and equipment	8	65,077,984	64,917,760
Infrastructure	9	327,810,305	170,833,866
Right-of-use assets	11(a)	39,025	49,146
<b>TOTAL NON-CURRENT ASSETS</b>		<b>393,749,408</b>	<b>236,642,356</b>
<b>TOTAL ASSETS</b>		<b>409,874,718</b>	<b>250,008,159</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	2,073,911	2,897,214
Other liabilities	13	1,215,279	801,140
Lease liabilities	11(b)	11,903	11,093
Borrowings	14	463,054	368,947
Employee related provisions	15	1,454,704	1,312,900
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,218,851</b>	<b>5,391,294</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	11(b)	28,199	38,559
Borrowings	14	6,569,319	5,332,372
Employee related provisions	15	116,780	151,151
Other provisions	16	159,546	159,546
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>6,873,844</b>	<b>5,681,628</b>
<b>TOTAL LIABILITIES</b>		<b>12,092,695</b>	<b>11,072,922</b>
<b>NET ASSETS</b>		<b>397,782,023</b>	<b>238,935,237</b>
<b>EQUITY</b>			
Retained surplus		117,890,042	112,442,650
Reserve accounts	30	3,033,010	5,868,771
Revaluation surplus	17	276,858,971	120,623,816
<b>TOTAL EQUITY</b>		<b>397,782,023</b>	<b>238,935,237</b>

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

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

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2021</b>		<b>113,277,270</b>	<b>3,676,371</b>	<b>112,132,421</b>	<b>229,086,062</b>
Comprehensive income for the period					
Net result for the period		1,357,780	0	0	1,357,780
Other comprehensive income for the period	17	0	0	8,491,395	8,491,395
Total comprehensive income for the period		1,357,780	0	8,491,395	9,849,175
Transfers from reserves	30	2,619,512	(2,619,512)	0	0
Transfers to reserves	30	(4,811,912)	4,811,912	0	0
<b>Balance as at 30 June 2022</b>		<b>112,442,650</b>	<b>5,868,771</b>	<b>120,623,816</b>	<b>238,935,237</b>
Change in accounting policies		0	0	0	0
Correction of error		0	0	0	0
<b>Restated balance at 1 July 2022</b>		<b>112,442,650</b>	<b>5,868,771</b>	<b>120,623,816</b>	<b>238,935,237</b>
Comprehensive income for the period					
Net result for the period		2,611,632	0	0	2,611,632
Other comprehensive income for the period	17	0	0	156,235,154	156,235,154
Total comprehensive income for the period		2,611,632	0	156,235,154	158,846,786
Transfers from reserves	30	3,169,420	(3,169,420)	0	0
Transfers to reserves	30	(333,659)	333,659	0	0
<b>Balance as at 30 June 2023</b>		<b>117,890,042</b>	<b>3,033,010</b>	<b>276,858,971</b>	<b>397,782,023</b>

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



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

	NOTE	2023 Actual \$	2022 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates		11,363,108	10,760,962
Operating grants, subsidies and contributions		6,964,417	5,703,924
Fees and charges		4,443,642	4,089,918
Interest revenue		385,529	188,965
Goods and services tax received		1,049,788	1,222,104
Other revenue		1,535,709	980,198
		25,742,193	22,946,071
<b>Payments</b>			
Employee costs		(9,766,351)	(9,315,793)
Materials and contracts		(8,827,334)	(5,817,341)
Utility charges		(1,058,711)	(1,232,564)
Finance costs		(200,686)	(214,287)
Insurance paid		(558,392)	(554,417)
Goods and services tax paid		(1,007,568)	(1,135,576)
Other expenditure		(413,481)	(649,710)
		(21,832,523)	(18,919,688)
<b>Net cash provided by (used in) operating activities</b>	18(b)	3,909,670	4,026,383
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for financial assets		(1,613,355)	(3,659,609)
Payments for Community Advance		0	(60,000)
Payments for purchase of property, plant & equipment	8(a)	(1,889,332)	(2,270,566)
Payments for construction of infrastructure	9(a)	(4,366,557)	(4,888,099)
Non-operating grants, subsidies and contributions		3,549,089	3,143,585
Proceeds Community Advance		6,000	6,000
Proceeds from financial assets at amortised cost - self supporting loans		21,519	20,851
Proceeds from sale of property, plant & equipment		222,293	1,454,723
<b>Net cash provided by (used in) investing activities</b>		(4,070,343)	(6,253,115)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	29(a)	(368,948)	(357,209)
Payments for principal portion of lease liabilities	29(c)	(11,431)	(9,114)
Proceeds from new borrowings	29(a)	1,700,000	0
<b>Net cash provided by (used in) financing activities</b>		1,319,621	(366,323)
<b>Net increase (decrease) in cash held</b>		1,158,949	(2,593,055)
Cash at beginning of year		6,279,186	8,872,241
<b>Cash and cash equivalents at the end of the year</b>	18(a)	7,438,135	6,279,186

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

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

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates	27(a)	11,329,075	11,360,033	10,722,615
Grants, subsidies and contributions		6,834,988	6,172,224	5,619,500
Fees and charges		4,519,105	4,416,789	4,110,409
Interest revenue		385,529	325,000	188,965
Other revenue		1,418,246	1,079,015	980,198
Profit on asset disposals		60,913	54,645	487,502
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	11,058	0	11,990
		24,558,914	23,407,706	22,121,179
<b>Expenditure from operating activities</b>				
Employee costs		(9,904,059)	(9,681,211)	(9,481,810)
Materials and contracts		(7,780,363)	(8,702,468)	(6,566,984)
Utility charges		(1,058,711)	(1,167,337)	(1,232,564)
Depreciation		(5,156,749)	(5,080,238)	(5,027,936)
Interest expenses		(200,686)	(253,065)	(214,287)
Finance costs		(558,392)	(556,858)	(554,417)
Other expenditure		(413,481)	(225,549)	(649,710)
Loss on asset disposals		(48,253)	(124,463)	(257,846)
Reversal of prior year loss on revaluation of assets		0	0	(91,084)
		(25,120,694)	(25,791,189)	(24,076,638)
Non-cash amounts excluded from operating activities	28(a)	5,071,573	5,150,056	4,749,206
<b>Amount attributable to operating activities</b>		4,509,793	2,766,573	2,793,747
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		3,173,412	5,246,091	3,313,239
Proceeds from disposal of assets		222,293	379,000	1,454,723
Proceeds from financial assets at amortised cost - self supporting loans	29(a)	21,519	21,518	20,851
Movement leave budgeted added back		0	0	100,000
Proceeds Community Advance		6,000	6,000	6,000
		3,423,224	5,652,609	4,894,813
<b>Outflows from investing activities</b>				
Payments for Community Advance		0	0	(60,000)
Purchase of property, plant and equipment	8(a)	(1,889,332)	(4,643,483)	(2,270,566)
Purchase and construction of infrastructure	9(a)	(4,366,557)	(12,677,651)	(4,888,099)
		(6,255,889)	(17,321,134)	(7,218,665)
<b>Amount attributable to investing activities</b>		(2,832,665)	(11,668,525)	(2,323,852)
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Proceeds from borrowings	29(a)	1,700,000	2,700,000	0
Transfers from reserves (restricted assets)	30	3,169,420	2,859,420	2,619,512
		4,869,420	5,559,420	2,619,512
<b>Outflows from financing activities</b>				
Repayment of borrowings	29(a)	(368,948)	(407,957)	(357,209)
Payments for principal portion of lease liabilities	29(c)	(11,431)	0	(9,114)
Transfers to reserves (restricted assets)	30	(333,659)	(340,054)	(4,811,912)
		(714,038)	(748,011)	(5,178,235)
<b>Amount attributable to financing activities</b>		4,155,382	4,811,409	(2,558,723)
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	28(b)	3,634,394	4,090,543	5,723,222
Amount attributable to operating activities		4,509,793	2,766,573	2,793,747
Amount attributable to investing activities		(2,832,665)	(11,668,525)	(2,323,852)
Amount attributable to financing activities		4,155,382	4,811,409	(2,558,723)
<b>Surplus/(deficit) after imposition of general rates</b>	28(b)	<b>9,466,904</b>	<b>0</b>	<b>3,634,394</b>

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

**SHIRE OF NORTHAM**  
**FOR THE YEAR ENDED 30 JUNE 2022**  
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## 1. BASIS OF PREPARATION

The financial report of the Shire of Northam which is a band 2 Local Government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

### Local Government Act 1995 requirements

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

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

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

### The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 31 of the financial report.

### Judgements and estimates

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting
- estimated useful life of intangible assets

### Initial application of accounting standards

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

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

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

### New accounting standards for application in future years

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

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

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

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

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

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and Charges, Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Fees and charges - sale of stock	Kiosk, Visitor Centre and Bilya Koort Boodja stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods
Fees and Charges - waste management entry fees	Waste and recycling disposal at disposal sites	Single point in time	Payment at gate or under normal trading terms for debtors	None	On entry to facility

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

**Revenue Recognition**

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

**For the year ended 30 June 2023**

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	11,301,752	27,323	11,329,075
Operating grants, subsidies and contributions	2,122,912	0	0	4,712,076	6,834,988
Fees and charges	2,521,267	0	1,997,838	0	4,519,105
Interest earnings	225,035	0	160,494	0	385,529
Other revenue	962,917	0	0	455,329	1,418,246
Non-operating grants, subsidies and contributions	0	3,173,412	0	0	3,173,412
<b>Total</b>	<b>5,832,131</b>	<b>3,173,412</b>	<b>13,460,084</b>	<b>5,194,729</b>	<b>27,660,355</b>

**For the year ended 30 June 2022**

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	10,707,390	15,225	10,722,615
Operating grants, subsidies and contributions	1,476,891	0	0	4,142,609	5,619,500
Fees and charges	2,196,145	0	1,914,264	0	4,110,409
Interest earnings	25,820	0	163,145	0	188,965
Other revenue	710,860	0	0	269,338	980,198
Non-operating grants, subsidies and contributions	0	3,313,239	0	0	3,313,239
<b>Total</b>	<b>4,409,716</b>	<b>3,313,239</b>	<b>12,784,799</b>	<b>4,427,172</b>	<b>24,934,926</b>

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

**2. REVENUE AND EXPENSES (Continued)**

	Note	2023 Actual	2022 Actual
		\$	\$
<b>(a) Revenue (Continued)</b>			
<b>Interest revenue</b>			
Financial assets at amortised cost - self supporting loans		3,708	4,525
Interest on reserve account funds		93,446	10,837
Rates instalment and penalty interest (refer Note 27(c))		160,494	163,145
Other interest earnings		127,881	10,458
		385,529	188,965
<b>(b) Expenses</b>			
<b>Auditors remuneration</b>			
- Audit of the Annual Financial Report		46,000	47,900
- Other services		20,440	20,586
		66,440	68,486
<b>Finance costs</b>			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	29(a)	199,243	213,009
Lease liabilities	29(c)	1,443	1,277
		200,686	214,286
<b>Other expenditure</b>			
Sundry expenses		413,480	649,710
		413,480	649,710

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

**3. CASH AND CASH EQUIVALENTS**

Note	2023	2022
	\$	\$
Cash at bank and on hand	5,906,698	3,314,667
Term deposits	1,531,437	2,964,519
<b>Total cash and cash equivalents</b>	<b>7,438,135</b>	<b>6,279,186</b>
Held as		
- Unrestricted cash and cash equivalents	3,560,763	3,268,884
- Restricted cash and cash equivalents	3,877,372	3,010,302
	<b>7,438,135</b>	<b>6,279,186</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

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

**Restricted cash and cash equivalents**

The balances for Unrestricted and Restricted cash and cash equivalent balances reported in the prior year were \$410,415 and \$5,868,771. These have been adjusted to better reflect restricted and unrestricted cash and cash equivalents.

Total cash and cash equivalents remain unchanged.

Details of restrictions on financial assets can be found at Note 18.

**Restricted financial assets**

Restricted financial asset balances are not available for general use by the Shire due to externally imposed restrictions.

Restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

	2023	2022
	\$	\$
	5,301,172	3,687,128
	<b>5,301,172</b>	<b>3,687,128</b>

**Other financial assets at amortised cost**

Self supporting loans receivable

Term deposits

Community Advance

29(a)	22,208	21,519
	5,272,964	3,659,609
	6,000	6,000
	<b>5,301,172</b>	<b>3,687,128</b>

Held as

- Unrestricted other financial assets at amortised cost

- Restricted other financial assets at amortised cost

18(a)	4,301,172	27,519
	1,000,000	3,659,609
	<b>5,301,172</b>	<b>3,687,128</b>

**(b) Non-current assets**

Financial assets at fair value through profit and loss

Financial assets at amortised cost

	244,469	233,411
	100,685	128,893
	<b>345,154</b>	<b>362,304</b>

**Financial assets at amortised cost**

Self supporting loans receivable

Community Advance

	58,685	80,893
	42,000	48,000
	<b>100,685</b>	<b>128,893</b>

**Financial assets at fair value through profit and loss**

Units in Local Government House Trust - opening balance

Movement attributable to fair value increment

Units in Local Government House Trust - closing balance

	233,411	221,421
	11,058	11,990
	<b>244,469</b>	<b>233,411</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

The balance for current other financial assets at amortised cost was reported as unrestricted in the prior year.

This has been adjusted to reflect split of restricted and unrestricted other financial assets at amortised cost.

Total other financial assets at amortised cost remains unchanged.

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 rate. They are classified as level 2 fair values in the fair value hierarchy (see Note 25(i)) due to the observable market rates.

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

**Financial assets at fair value through profit and loss**

The Shire classifies the following financial assets at fair value through profit and loss:

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

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 23.

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

**5. TRADE AND OTHER RECEIVABLES**

	Note	2023 \$	2022 \$
<b>Current</b>			
Rates receivable		2,403,658	2,433,612
Trade and other receivables from contracts with customers		356,116	536,337
GST receivable		186,562	261,734
Allowance for credit losses of trade and other receivables	23(b)	(2,369)	(664)
Allowance for credit losses of rates receivables	23(b)	(61,468)	(110,428)
		2,882,499	3,120,591
<b>Non-current</b>			
Rates and statutory receivables		476,940	479,280
		476,940	479,280

**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 2023 Actual \$	30 June 2022 Actual \$	1 July 2021 Actual \$
Trade and other receivables from contracts with customers		356,116	536,337	797,324
Contract assets	7	467,679	278,898	398,000
Allowance for credit losses of trade and other receivables	23(b)	(2,369)	(664)	(102)
Allowance for credit losses of rates receivables	23(b)	(61,468)	(110,428)	(157,962)
Total trade and other receivables from contracts with customers		759,958	704,143	1,037,260

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates and statutory receivables**

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

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

**Trade receivables**

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

**Other receivables**

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

**Measurement**

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

**Classification and subsequent measurement**

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

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

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

**6. INVENTORIES**

The Shire does not carry inventories as they are expensed to the job or plant at the time of purchase.



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

**7. OTHER ASSETS**

	2023	2022
	\$	\$
<b>Other assets - current</b>		
Contract assets	467,679	278,898
Accrued Income	35,825	0
	503,504	278,898

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract assets**

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

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

**8. PROPERTY, PLANT AND EQUIPMENT**

**(a) Movements in Balances**

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

Note	Land \$	Buildings - non- specialised \$	Buildings - specialised \$	Total land and buildings \$	Furniture and equipment \$	Plant and equipment \$	Bushfire Equipment \$	Works in Progress \$	Total property, plant and equipment \$
<b>Balance at 1 July 2021</b>	9,852,782	3,793,038	34,831,889	48,477,709	804,287	4,113,329	2,240,960	0	55,636,285
Additions	0	23,436	458,606	482,042	0	614,622	233,137	940,765	2,270,566
Disposals	(720,150)	(139,609)	0	(859,759)	0	(334,508)	(30,800)	0	(1,225,067)
Revaluation increments / (decrements) transferred to revaluation surplus	33,468	701,416	7,756,511	8,491,395	0	0	0	0	8,491,395
Depreciation Transfers	0	(87,777)	(764,837)	(852,614)	(130,190)	(469,510)	(231,737)	0	(1,684,051)
<b>Balance at 30 June 2022</b>	9,166,100	4,139,789	44,164,292	57,470,181	220,606	3,923,933	2,211,560	1,091,480	64,917,760
<b>Comprises:</b>									
Gross balance amount at 30 June 2022	9,166,100	4,139,789	44,164,292	57,470,181	427,591	5,722,089	3,054,937	1,091,480	67,766,278
Accumulated depreciation at 30 June 2022	0	0	0	0	(206,985)	(1,798,156)	(843,377)	0	(2,848,518)
<b>Balance at 30 June 2022</b>	9,166,100	4,139,789	44,164,292	57,470,181	220,606	3,923,933	2,211,560	1,091,480	64,917,760
<b>Comprises:</b>									
Additions	0	23,617	363,321	386,938	0	703,487	0	798,907	1,889,332
Disposals	0	0	0	0	0	(209,633)	0	0	(209,633)
Depreciation	0	(119,878)	(886,193)	(1,006,071)	(22,953)	(490,626)	(258,893)	0	(1,778,543)
Transfers	221,225	0	14,288	235,513	0	23,555	0	0	259,068
<b>Balance at 30 June 2023</b>	9,387,325	4,043,528	43,655,708	57,086,561	197,653	3,950,716	1,952,667	1,890,387	65,077,984
<b>Comprises:</b>									
Gross balance amount at 30 June 2023	9,387,325	4,163,406	44,541,903	58,092,634	427,591	6,049,439	3,054,937	1,890,387	69,514,988
Accumulated depreciation at 30 June 2023	0	(119,878)	(886,195)	(1,006,073)	(229,938)	(2,098,723)	(1,102,270)	0	(4,437,004)
<b>Balance at 30 June 2023</b>	9,387,325	4,043,528	43,655,708	57,086,561	197,653	3,950,716	1,952,667	1,890,387	65,077,984

**SHIRE OF NORTHAM**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**8. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Value Measurements**

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>						
Land		2	Market approach using recent observable market data for similar properties	Independent registered valuers	June 2022	Price per hectare/ available market information
Land		3	Improvements to land valued using cost approach using current replacement cost	Independent registered valuers	June 2022	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Buildings - non-specialised		3	Improvements to buildings valued using cost approach using current replacement cost	Independent registered valuers	June 2022	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - specialised		3	Improvements to buildings valued using cost approach using current replacement cost	Independent registered valuers	June 2022	Improvements to land 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.

**(ii) Cost**

**Furniture and equipment**

Not applicable

Not applicable

**Plant and equipment**

Not applicable

Not applicable

**SHIRE OF NORTHAM  
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**9. INFRASTRUCTURE**

**(a) Movements in Balances**

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

Note	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - playground equipment	Infrastructure - other	Infrastructure - streetscape	Infrastructure - bridges and culverts	Infrastructure - aerodrome	Infrastructure - work in progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	88,322,282	4,885,145	12,892,052	293,402	21,429,785	550,025	41,157,658	1,178,341	0	170,708,690
Additions	2,097,836	262,422	110,397	0	1,110,513	18,935	194,740	12,490	1,080,766	4,888,099
Depreciation	(1,564,195)	(167,001)	(155,591)	(46,099)	(733,266)	(18,744)	(568,541)	(80,854)	0	(3,334,291)
Transfers	0	0	0	0	(1,496,129)	0	0	0	67,497	(1,428,632)
<b>Balance at 30 June 2022</b>	<b>88,855,923</b>	<b>4,980,566</b>	<b>12,846,858</b>	<b>247,303</b>	<b>20,310,903</b>	<b>550,216</b>	<b>40,783,857</b>	<b>1,109,977</b>	<b>1,148,263</b>	<b>170,833,866</b>
<b>Comprises:</b>										
Gross balance at 30 June 2022	94,764,462	5,615,031	13,408,812	431,700	22,822,454	595,014	42,942,293	1,390,432	1,148,263	183,118,461
Accumulated depreciation at 30 June 2022	(5,908,539)	(634,465)	(561,954)	(184,397)	(2,511,551)	(44,798)	(2,158,436)	(280,455)	0	(12,284,595)
<b>Balance at 30 June 2022</b>	<b>88,855,923</b>	<b>4,980,566</b>	<b>12,846,858</b>	<b>247,303</b>	<b>20,310,903</b>	<b>550,216</b>	<b>40,783,857</b>	<b>1,109,977</b>	<b>1,148,263</b>	<b>170,833,866</b>
<b>Comprises:</b>										
Additions	3,231,749	0	228,373	0	788,704	21,901	0	95,830	0	4,366,557
Revaluation increments / (decrements) transferred to revaluation surplus	132,930,739	612,494	14,893,042	66,096	(398,749)	492,578	7,319,274	319,680	0	156,235,154
Depreciation	(1,590,417)	(175,189)	(156,883)	(46,099)	(724,099)	(19,691)	(571,131)	(82,695)	0	(3,366,204)
Transfers	0	0	0	0	910,199	(21,004)	0	0	(1,148,263)	(259,068)
<b>Balance at 30 June 2023</b>	<b>223,427,994</b>	<b>5,417,871</b>	<b>27,811,390</b>	<b>267,300</b>	<b>20,886,958</b>	<b>1,024,000</b>	<b>47,532,000</b>	<b>1,442,792</b>	<b>0</b>	<b>327,810,305</b>
<b>Comprises:</b>										
Gross balance at 30 June 2023	223,427,994	5,417,871	27,811,390	267,300	20,886,958	1,024,000	47,532,000	1,442,792	0	327,810,305
Accumulated depreciation at 30 June 2023	0	0	0	0	0	0	0	0	0	0
<b>Balance at 30 June 2023</b>	<b>223,427,994</b>	<b>5,417,871</b>	<b>27,811,390</b>	<b>267,300</b>	<b>20,886,958</b>	<b>1,024,000</b>	<b>47,532,000</b>	<b>1,442,792</b>	<b>0</b>	<b>327,810,305</b>

SHIRE OF NORTHAM  
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9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - roads	3	Cost approach using current replacement cost	Management valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - footpaths	3	Cost approach using current replacement cost	Management valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - drainage	3	Cost approach using current replacement cost	Management valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - playground equipment	3	Cost approach using current replacement cost	Independent valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - other	3	Cost approach using current replacement cost	Independent valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - streetscape	3	Cost approach using current replacement cost	Independent valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - bridges and culverts	3	Cost approach using current replacement cost	Independent valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - aerodrome	3	Cost approach using current replacement cost	Independent valuation	June 2023	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 NORTHAM**  
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**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:

<b>Asset Class</b>	<b>Useful life</b>
Buildings	20 to 55 years
Furniture & Equipment	4 to 10 years
Plant & Equipment (Bush fire)	3 to 15 years
Sealed Roads & Streets	
Formation	Not depreciated
Pavement	80 years
Seal	
Bituminous seals	23 to 30 years
Asphalt surfaces	23 to 30 years
Streetscape	15 to 55 years
Gravel Roads	
Formation	Not depreciated
Pavement	80 years
Gravel Sheet	33 years
Water supply piping	75 years
Right of use (buildings)	Based on the remaining lease
Right of use (plant and equipment)	Based on the remaining lease
Playground Equipment	5 to 15 years
Bridges & Culverts	75 to 100 years
Parks, Reserves and other infrastructure	4 to 55 years
Infrastructure-Aerodrome	5 to 50 years
Footpaths	
Insitu concrete & slabs	32 years
Drainage	85 years

**Revision of useful lives of plant and equipment**

As part of the Revaluing of Infrastructure Assets during the year all depreciation rates were reviewed, no changes

**(b) Temporarily Idle or retired from use assets**

The carrying value of assets held by the Shire which are temporarily idle or retired from active use and not classified as held for sale are shown in the table below.

Buildings - non specialised

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
	94,050	99,000
	94,050	99,000

**(c) Fully Depreciated Assets in Use**

The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.

Furniture and equipment

	141,383	123,369
	141,383	123,369

## 10. FIXED ASSETS (Continued)

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

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

#### Initial recognition and measurement for assets held at cost

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

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

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

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

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

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

#### Revaluation

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

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

#### Revaluation (continued)

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

#### Depreciation

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

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

#### Depreciation on revaluation

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

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

#### Amortisation

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

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

Amortisation is included within depreciation in the Statement of Comprehensive Income.

#### Impairment

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

#### Gains or losses on disposal

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

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**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.

	Right-of-use assets - land and buildings	Right-of-use assets - plant and equipment	Right-of-use assets Total
Note	\$	\$	\$
<b>Balance at 1 July 2021</b>	0	987	987
Additions	57,754	0	57,754
Depreciation	(8,608)	(987)	(9,595)
<b>Balance at 30 June 2022</b>	49,146	0	49,146
Additions	1,881	0	1,881
Depreciation	10(a) (12,002)	0	(12,002)
<b>Balance at 30 June 2023</b>	39,025	0	39,025

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

	2023 Actual	2022 Actual
	\$	\$
Depreciation on right-of-use assets	10(a) 12,002	9,595
Finance charge on lease liabilities	29(c) 1,444	1,277
<b>Total amount recognised in the statement of comprehensive income</b>	13,446	10,872
Total cash outflow from leases	(9,988)	(7,837)
<b>(b) Lease Liabilities</b>		
Current	11,903	11,093
Non-current	29(c) 28,199	38,559
	40,102	49,652

The Shire has two leases for plant and equipment, one for a photocopier and one for a floor sweeper, both are for five year terms, in addition the Shire leases one block of land known as the village green also for a period of five years.

**SIGNIFICANT ACCOUNTING POLICIES**

**Leases**

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 29(c).

**Right-of-use assets - measurement**

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

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

**Right-of-use assets - depreciation**

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



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**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.

	<b>2023 Actual</b>	<b>2022 Actual</b>
	\$	\$
Less than 1 year	254,311	237,200
1 to 2 years	68,967	254,311
2 to 3 years	63,308	68,968
3 to 4 years	63,308	63,308
4 to 5 years	63,308	63,308
> 5 years	189,925	253,233
	<u>703,128</u>	<u>940,328</u>

**Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease**

Rental income	237,201	222,984
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The Shire leases houses to aged persons with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The aged persons housing are considered a joint operation and are not considered investment property as the primary purpose is provision of community housing.

The shire leases various buildings to commercial and government services and these are not considered investment property as they are leased for use in the supply of services to the community.

The Shire also leases aerodrome services. All Shire leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to ownership of the assets.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases.

Expectations about the future residual values are reflected in the fair value of the properties.

The future income disclosed relates to the remaining terms of the existing leases and excludes any income which may be received if lease holders exercise options to extend the lease.

**SIGNIFICANT ACCOUNTING POLICIES**

**The Shire as Lessor**

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

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

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

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

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**12. TRADE AND OTHER PAYABLES**

**Current**

Sundry creditors  
 Prepaid rates  
 Accrued payroll liabilities  
 ATO liabilities  
 Bonds and deposits held  
 Accrued Expenditure  
 Interest Accrued on Loans

	2023	2022
	\$	\$
	633,733	1,457,792
	391,910	390,171
	174,269	143,994
	48,772	81,724
	768,121	722,287
	0	40,831
	57,106	60,415
	<u>2,073,911</u>	<u>2,897,214</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**Prepaid rates**

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

**SHIRE OF NORTHAM**  
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**13. OTHER LIABILITIES**

**Current**

Contract liabilities  
 Capital grant/contributions liabilities  
 Other Liabilities DOT

**Reconciliation of changes in capital grant/ contribution liabilities**

Opening balance  
 Additions

Revenue from capital grant/contributions with customers included as a contract liability at the start of the period

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

**Reconciliation of changes in contract liabilities**

Opening balance  
 Additions

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

	2023	2022
	\$	\$
	0	79,000
	1,097,816	722,140
	117,463	0
	1,215,279	801,140
	79,000	229,082
	0	0
	(79,000)	(150,082)
	0	79,000

	722,140	891,794
	975,460	0
	(599,784)	(169,654)
	1,097,816	722,140

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

**SHIRE OF NORTHAM**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**14. BORROWINGS**

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Debentures		463,054	6,569,319	7,032,373	368,947	5,332,372	5,701,319
<b>Total secured borrowings</b>	29(a)	463,054	6,569,319	7,032,373	368,947	5,332,372	5,701,319

**Secured liabilities and assets pledged as security**

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

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy 25 (i) due to the unobservable inputs, including own credit risk.

**Risk**

Information regarding exposure to risk can be found at Note 23.

Details of individual borrowings required by regulations are provided at Note 29(a).

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

**15. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

**Current provisions**

**Employee benefit provisions**

Annual Leave

Long Service Leave

**Non-current provisions**

Long Service Leave

	2023	2022
	\$	\$
	709,390	605,301
	745,314	707,599
	1,454,704	1,312,900
	116,780	151,151
	116,780	151,151
	1,571,484	1,464,051

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

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

**Amounts are expected to be settled on the following basis:**

Less than 12 months after the reporting date

More than 12 months from reporting date

Note	2023	2022
	\$	\$
	150,000	100,000
	1,421,484	1,364,051
	1,571,484	1,464,051

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

**SHIRE OF NORTHAM**  
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**16. OTHER PROVISIONS**

	Note	Bonds	Total
		\$	\$
<b>Opening balance at 1 July 2022</b>			
Non-current provisions		159,546	159,546
		159,546	159,546
<b>Balance at 30 June 2023</b>			
		159,546	159,546
<b>Comprises</b>			
Non-current		159,546	159,546
		159,546	159,546

Extractive Industries bonds are considered non-current as notice and rehabilitation take more than 12 months to complete prior to returning the bonds.

**Provisions**

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

SHIRE OF NORTHAM  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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17. REVALUATION SURPLUS

	2023			2023			2023			2022			2022		
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	10,460,642	0	0	0	10,460,642	10,427,174	33,468	0	33,468	10,460,642	10,427,174	33,468	0	33,468	10,460,642
Buildings- Non specialised	14,147,003	0	0	0	14,147,003	13,445,587	701,416	0	701,416	14,147,003	13,445,587	701,416	0	701,416	14,147,003
Buildings - specialised	7,756,511	0	0	0	7,756,511	0	7,756,511	0	7,756,511	7,756,511	0	7,756,511	0	7,756,511	7,756,511
Furniture and equipment	175,330	0	0	0	175,330	175,330	0	0	0	175,330	175,330	0	0	0	175,330
Plant and equipment	368,708	0	0	0	368,708	368,708	0	0	0	368,708	368,708	0	0	0	368,708
Bushfire Equipment	1,074,141	0	0	0	1,074,141	1,074,141	0	0	0	1,074,141	1,074,141	0	0	0	1,074,141
Revaluation surplus - Infrastructure - roads	53,504,060	132,930,739	0	132,930,739	186,434,799	53,504,060	0	0	0	53,504,060	53,504,060	0	0	0	53,504,060
Infrastructure - footpaths	0	612,494	0	612,494	612,494	0	0	0	0	0	0	0	0	0	0
Infrastructure - drainage	0	14,893,042	0	14,893,042	14,893,042	0	0	0	0	0	0	0	0	0	0
Infrastructure - playground equipment	631,572	66,096	0	66,096	697,668	631,572	0	0	0	631,572	631,572	0	0	0	631,572
Revaluation surplus - Infrastructure - other	5,917,610	0	(398,749)	(398,749)	5,518,861	5,917,610	0	0	0	5,917,610	5,917,610	0	0	0	5,917,610
Infrastructure - streetscape	0	492,578	0	492,578	492,578	(91,084)	91,084	0	91,084	0	91,084	0	0	91,084	0
Infrastructure - bridges and culverts	26,588,239	7,319,274	0	7,319,274	33,907,513	26,588,239	0	0	0	26,588,239	26,588,239	0	0	0	26,588,239
Revaluation surplus - Infrastructure - aerodrome	0	319,680	0	319,680	319,680	0	0	0	0	0	0	0	0	0	0
	120,623,816	156,633,903	(398,749)	156,235,154	276,858,971	112,041,337	8,582,479	0	8,582,479	120,623,816	112,041,337	8,582,479	0	8,582,479	120,623,816

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

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

**18. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	Note	2023 Actual \$	2022 Actual \$
Cash and cash equivalents	3	7,438,135	6,279,186

**Restrictions**

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	3	3,877,372	3,010,302
- Financial assets at amortised cost	4	1,000,000	3,659,609
		<u>4,877,372</u>	<u>6,669,911</u>

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

Restricted reserve accounts	30	3,033,010	5,868,771
Capital grant liabilities	13	1,097,816	722,140
Contract liabilities	13	0	79,000
Unspent loans	29(c)	746,546	0
<b>Total restricted financial assets</b>		<u>4,877,372</u>	<u>6,669,911</u>

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

Net result		2,611,632	1,357,780
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit and loss		(11,058)	(11,990)
Depreciation/amortisation		5,156,749	5,027,936
(Profit)/loss on sale of asset		(12,660)	(229,657)
Loss on revaluation of fixed assets		0	91,084
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		240,432	341,402
(Increase)/decrease in other assets		(224,606)	119,102
Increase/(decrease) in trade and other payables		(823,303)	735,998
Increase/(decrease) in employee related provisions		107,433	128,048
Increase/(decrease) in other provisions		0	(70,000)
Increase/(decrease) in other liabilities		414,139	(319,736)
Non-operating grants, subsidies and contributions		(3,549,088)	(3,143,585)
Net cash provided by/(used in) operating activities		<u>3,909,670</u>	<u>4,026,382</u>

**(c) Undrawn Borrowing Facilities**

**Credit Standby Arrangements**

Bank overdraft limit		100,000	100,000
Bank overdraft at balance date		0	0
Credit card limit		15,000	15,000
Credit card balance at balance date		(3,701)	(8,199)
<b>Total amount of credit unused</b>		<u>111,299</u>	<u>106,801</u>

**Loan facilities**

Loan facilities - current		463,054	368,947
Loan facilities - non-current		6,569,319	5,332,372
<b>Total facilities in use at balance date</b>		<u>7,032,373</u>	<u>5,701,319</u>



**SHIRE OF NORTHAM**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**19. CONTINGENT LIABILITIES**

The Shire has identified the following sites after year end, in relation to land owned, vested or leased, that is known to be, or suspected of being contaminated.

7243 and 1872 with site parcel number 43852 and 71334 respectively

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

**20. CAPITAL COMMITMENTS**

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	943,853	3,200,627
- plant & equipment purchases	696,601	434,003
	1,640,454	3,634,630
Payable:		
- not later than one year	1,640,454	3,634,630

The Commitment as of 30 June 2023 relates to Northam Depot redevelopment \$331,327, Inkpen Fireshed Extension \$229,519, fleet renewal \$269,256.67, road plant purchases \$427,345, road projects- \$36,105 Parker road Grassvalley North road \$33,910, Wundowie Oval \$40,505, Bert Hawke Oval \$26,928, Henry Oval \$16,148 Aerodromes \$12,837, fire danger signanage \$26,205, Northam old pool \$25,856, Water reuse \$38,499 BMX shelter peel terrace \$18,700, BKB \$107,314.

The Commitment as of 30 June 2022 relates to the BKB Fire Pit \$23,709, Road Projects \$1,270,864, Forrest Street Road and Spenser Brooke Road \$ 968,079, Bakers Hill Water Project \$20,500, Northam Tip Shop \$84,155, Wundowie Fire Shed \$ 56,266, Northam SES Shed \$ 42,527, Beavis place tealignment \$25,173, CCTV community policing \$ 34,061, Consultants\$ 184,020, Road plant purchases\$ 434,003, Northam Depot redevelopment \$ 423,404, Memorial Hall \$ 67,869.

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

**21. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Note	2023 Actual	2023 Budget	2022 Actual
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
President's annual allowance	45,000	45,000	45,000
Deputy President's annual allowance	11,250	11,250	11,250
Meeting attendance fees	195,342	201,350	201,350
ICT expenses	3,715	3,810	3,810
Annual allowance for ICT expenses	30,241	31,190	31,190
Travel and accommodation expenses	11,588	16,000	11,987
Annual allowance for travel and accommodation expenses	0	3,600	0
21(b)	297,135	312,200	304,587

**(b) Key Management Personnel (KMP) Compensation**

	2023 Actual	2022 Actual
The total of compensation paid to KMP of the Shire during the year are as follows:	\$	\$
Short-term employee benefits	808,798	826,594
Post-employment benefits	94,318	89,176
Employee - other long-term benefits	123,518	92,482
Council member costs	297,135	304,587
21(a)	1,323,769	1,312,839

*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 NORTHAM**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**21. RELATED PARTY TRANSACTIONS**

**(c) Transactions with related parties**

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

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

	2023 Actual	2022 Actual
	\$	\$
Sale of goods and services	49,418	57,797
Purchase of goods and services	5,241	18,073
<b>Amounts receivable from related parties:</b>		
Trade and other receivables	0	0

**(d) Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

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

*ii. Other Related Parties*

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

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

*iii. Entities subject to significant influence by the Shire*

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence.

Significant influence may be gained by share ownership, statute or agreement.

**SHIRE OF NORTHAM**  
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**22. JOINT ARRANGEMENTS**

**Share of joint operations**

The Shire together with the Department of Housing and Works have a joint operation housing arrangement for the provision of eight aged care accommodation units at Lot 410 Kuringal Road Wundowie. The joint operation has been established since 1996.

**Statement of Financial Position**

Land and buildings fair value 30 June 2017  
 Land and buildings fair value 30 June 2022  
 Other infrastructure fair value 30 June 2018  
 Other infrastructure fair value 30 June 2023  
 Additions at cost  
 Less : accumulated depreciation

**Total assets**

	2023 Actual	2022 Actual
	\$	\$
	0	0
	990,001	990,001
	0	8,800
	6,600	0
	0	0
	(19,800)	(2,597)
	976,801	996,204

**Statement of Comprehensive Income**

Other revenue  
 Depreciation  
 Other expense  
 Net result for the period

**Profit/(loss) for the period**

Other comprehensive income

**Total comprehensive income for the period**

	50,683	48,009
	(19,800)	(2,597)
	(38,138)	(54,694)
	(7,255)	(9,282)
	16,342	15,386
	9,087	6,104

**Statement of Cash Flows**

Other revenue  
 Other expense

**Net cash provided by (used in) operating activities**

	50,683	48,009
	(38,138)	(54,694)
	12,545	(6,685)

**SIGNIFICANT ACCOUNTING POLICIES**

**Joint operations**

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

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

**SHIRE OF NORTHAM**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**23. FINANCIAL RISK MANAGEMENT**

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

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

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

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

**(a) Interest rate risk**

**Cash and cash equivalents**

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

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

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2023</b>					
Cash and cash equivalents	3.8%	7,438,135	1,531,437	5,906,698	0
Financial assets at cost - term deposits	4.42%	5,272,964	5,272,964	0	0
<b>2022</b>					
Cash and cash equivalents	2.80%	6,279,186	2,964,519	3,310,827	3,840
Financial assets at amortised cost - term deposits	3.28%	3,659,609	3,659,609	0	0

**Sensitivity**

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit and loss and equity*	59,067	33,108

\* Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 29(a).

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**23. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

**Trade and Other Receivables**

The Shire's major trade and other receivables comprise contractual non statutory user fees and charges , grants, contributions and reimbursements . The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2022 or 1 July 2023 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables.

The loss allowance as at 30 June 2023 and 30 June 2022 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
<b>30 June 2023</b>						
Rates receivable						
Expected credit loss	0.70%	0.99%	1.34%	1.81%		
Gross carrying amount	720,825	501,985	270,254	1,004,079	2,497,143	
Loss allowance	14,998	11,324	8,254	26,892	61,468	5
<b>30 June 2022</b>						
Rates receivable						
Expected credit loss	0.74%	1.00%	1.42%	2.02%		
Gross carrying amount	735,302	429,283	408,293	860,734	2,433,612	
Loss allowance	26,203	21,532	18,147	44,546	110,428	5

The loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows for trade receivables.

	Current year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total	
<b>30 June 2023</b>						
Trade and other receivables						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	232,228	18,803	44,602	32,956	328,589	
Loss allowance	0	0	0	2,369	2,369	5
<b>30 June 2022</b>						
Trade and other receivables						
Expected credit loss	0.80%	3.58%	4.05%	53.14%		
Gross carrying amount	475,635	13,035	5,397	42,270	536,337	
Loss allowance	0	0	0	664	664	5

**SHIRE OF NORTHAM**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**23. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

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

	Rates receivable		Trade and other receivables		Contract Assets	
	2023 Actual	2022 Actual	2023 Actual	2022 Actual	2023 Actual	2022 Actual
<b>Opening loss allowance as at 1 July</b>	\$ 110,428	\$ 157,963	\$ 664	\$ 102	\$ 0	\$ 0
Increase in loss allowance recognised in profit or loss during the year	13,851	7,431	1,782	562	0	0
Receivables written off during the year as uncollectible	0	(23,415)	0	0	0	0
Unused amount reversed	(62,811)	(31,551)	(77)	0	0	0
<b>Closing loss allowance at 30 June</b>	<b>61,468</b>	<b>110,428</b>	<b>2,369</b>	<b>664</b>	<b>0</b>	<b>0</b>

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

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

**Contract Assets**

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

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

**23. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Liquidity risk**

**Payables and borrowings**

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

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

	<b>Due within 1 year</b>	<b>Due between 1 &amp; 5 years</b>	<b>Due after 5 years</b>	<b>Total contractual cash flows</b>	<b>Carrying values</b>
	\$	\$	\$	\$	\$
<b><u>2023</u></b>					
Trade and other payables	2,073,911	0	0	2,073,911	2,073,911
Borrowings	463,054	1,987,660	4,581,659	7,032,373	7,032,373
Lease liabilities	11,903	28,199	0	40,102	40,102
	<u>2,548,868</u>	<u>2,015,859</u>	<u>4,581,659</u>	<u>9,146,386</u>	<u>9,146,386</u>
<b><u>2022</u></b>					
Trade and other payables	2,897,214	0	0	2,897,214	2,897,214
Borrowings	368,947	2,114,076	3,218,296	5,701,319	5,701,319
Lease liabilities	11,093	38,559	0	49,652	49,652
	<u>3,277,254</u>	<u>2,152,635</u>	<u>3,218,296</u>	<u>8,648,185</u>	<u>8,648,185</u>



**SHIRE OF NORTHAM  
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FOR THE YEAR ENDED 30 JUNE 2023**

**24. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

There were no anticipated subsequent events as of date of preparation of the financial statements.

## 25. OTHER SIGNIFICANT ACCOUNTING POLICIES

### a) Goods and services tax (GST)

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

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

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

### b) Current and non-current classification

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

### c) Rounding off figures

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

### d) Comparative figures

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

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

### e) Budget comparative figures

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

### f) Superannuation

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

### g) Fair value of assets and liabilities

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

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

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

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

### h) Interest earnings

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

### i) Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

#### Valuation techniques

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

#### Market approach

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

#### Income approach

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

#### Cost approach

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

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

### j) Impairment of assets

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

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

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

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**26. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

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

<b>Objective</b>	<b>Description</b>
<p><b>Governance</b>            To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.</p>
<p><b>General purpose funding</b>            To collect revenue to allow for the provision of services</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p><b>Law, order, public safety</b>            To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency</p>
<p><b>Health</b>            To provide an operational framework for environmental and community health.</p>	<p>Inspection of food outlets and their control, pest control, immunisation services, noise control and health inspections.</p>
<p><b>Education and welfare</b>            To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>Assistance with playgroup centres, senior citizen hall and respite care centre. Provision of home and community care programs and youth services.</p>
<p><b>Housing</b>            To provide and maintain elderly residents housing</p>	<p>Provision and maintenance of rental housing, including elderly residents housing.</p>
<p><b>Community amenities</b>            To provide services required by the community</p>	<p>Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and</p>
<p><b>Recreation and culture</b>            To establish and effectively manage infrastructure</p>	<p>Maintenance of public halls, civic centres, aquatic centres, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.</p>
<p><b>Transport</b>            To provide safe, effective and efficient transport services to the community</p>	<p>Construction and maintenance of roads, streets, bridges, drainage works, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc. Licensing transactions under contract with the WA Government.</p>
<p><b>Economic services</b>            To help promote the Shire and its economic wellbeing</p>	<p>The regulation and provision of tourism, area promotion and building control. Provision of rural services including weed control, vermin control and standpipes.</p>
<p><b>Other property and services</b>            To monitor and control Shire's overheads operating accounts</p>	<p>Private works operation, plant repair and operation costs and engineering operation costs.</p>

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

**26. FUNCTION AND ACTIVITY (Continued)**

**(b) Income and expenses**

	<b>2023</b>	<b>2022</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Income excluding capital grants, subsidies and contributions</b>		
Governance	21,245	84,949
General purpose funding	16,571,556	15,238,005
Law, order, public safety	1,087,245	669,750
Health	34,964	47,752
Education and welfare	1,360,333	1,250,930
Housing	50,684	49,764
Community amenities	3,076,697	2,858,035
Recreation and culture	721,484	671,374
Transport	709,585	56,245
Economic services	563,216	581,012
Other property and services	361,905	334,465
	<b>24,558,914</b>	<b>21,842,281</b>
<b>Capital grants, subsidies and contributions</b>		
Law, order, public safety	113,222	373,948
Community amenities	0	286,711
Recreation and culture	101,032	164,000
Transport	2,854,182	2,488,580
Economic services	104,976	0
	<b>3,173,412</b>	<b>3,313,239</b>
<b>Total Income</b>	<b>27,732,326</b>	<b>25,155,520</b>
<b>Expenses</b>		
Governance	(1,350,903)	(1,385,148)
General purpose funding	(295,481)	(345,951)
Law, order, public safety	(2,316,615)	(1,957,475)
Health	(455,488)	(308,579)
Education and welfare	(1,208,923)	(1,418,293)
Housing	(66,339)	(65,747)
Community amenities	(4,169,821)	(3,270,648)
Recreation and culture	(5,506,233)	(5,105,638)
Transport	(6,187,817)	(6,549,800)
Economic services	(2,562,156)	(2,651,841)
Other property and services	(1,000,917)	(738,620)
<b>Total expenses</b>	<b>(25,120,693)</b>	<b>(23,797,740)</b>
<b>Net result for the period</b>	<b>2,611,632</b>	<b>1,357,780</b>

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

**26. FUNCTION AND ACTIVITY (Continued)**

**(c) Total Assets**

	<b>2023</b>	<b>2022</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
Governance		0
General purpose funding	15,818,658	13,423,520
Law, order, public safety	4,800,611	4,769,384
Health	112,226	118,752
Education and welfare	4,480,689	4,501,962
Housing	1,075,976	1,089,001
Community amenities	3,823,383	3,303,509
Recreation and culture	50,075,682	50,532,173
Transport	310,695,209	152,570,634
Economic services	8,047,073	8,277,772
Other property and services	10,800,777	11,306,125
Unallocated	144,434	115,327
	<b>409,874,718</b>	<b>250,008,159</b>

SHIRE OF NORTHAM  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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27. RATING INFORMATION

(a) General Rates

RATE TYPE	Rate Description	Basis of valuation	2022/23		2022/23		2022/23		2022/23		2022/23		2022/23	
			Rate in \$	Number of Properties	Actual Rateable Value *	Actual Rate	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	2021/22 Actual Total Revenue	
	00 Non Rateable Value		\$ 2,836,203	705	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	01 GRV Townsite Residential	Gross rental valuation	61,364,901	5,057	6,351,574	10,633	6,848	6,369,055	36,000	400	6,394,070	6,353,998	6,353,998	6,353,998
	02 GRV Northam Commercial /Indt.	Gross rental valuation	16,384,353	279	1,822,923	1,966	8,836	1,833,725	20,000	300	1,843,223	1,709,027	1,709,027	
	05 Agricultural Local	Unimproved valuation	114,652,000	436	695,751	9,746	(478)	705,019	0	100	696,867	708,509	708,509	
	06 Agricultural Regional	Unimproved valuation	157,477,100	326	773,454	(5,786)	1,351	769,019	2,000	100	775,554	673,426	673,426	
	07 Rural Small Holding	Unimproved valuation	6,801,500	96	68,549	0	0	68,549	2,000	100	70,550	67,898	67,898	
	<b>Sub-Total</b>		359,516,057	6,899	9,712,251	16,559	16,557	9,745,367	60,000	1,000	9,780,364	9,512,858	9,512,858	
	<b>Minimum payment</b>													
	01 GRV Townsite Residential	Gross rental valuation	5,590,334	1,136	1,154,176	13,208	0	1,167,384	0	0	1,148,080	876,040	876,040	
	02 GRV Northam Commercial /Indt.	Gross rental valuation	179,875	34	34,544	0	0	34,544	0	0	34,544	24,200	24,200	
	05 Agricultural Local	Unimproved valuation	20,901,023	189	192,024	1,016	0	193,040	0	0	191,008	146,730	146,730	
	06 Agricultural Regional	Unimproved valuation	20,568,900	162	136,080	1,680	0	137,760	0	0	136,080	131,040	131,040	
	07 Rural Small Holding	Unimproved valuation	2,171,742	45	43,650	0	0	43,650	0	0	43,650	40,348	40,348	
	<b>Sub-Total</b>		49,411,874	1,566	1,560,474	15,904	0	1,576,378	0	0	1,553,362	1,218,358	1,218,358	
			408,927,931	8,465	11,272,725	32,463	16,557	11,321,745	60,000	1,000	11,333,726	10,731,216	10,731,216	
	Discounts on general rates							(19,994)			(1,000)	(23,415)	(23,415)	
	Concessions on general rates							0			0	(411)	(411)	
	<b>Total amount raised from general rates</b>							11,301,751			11,332,726	10,707,390	10,707,390	
	<b>Ex-gratia Rates</b>													
	CBH			1	0	27,323	0	27,323	0	0	27,307	15,225	15,225	
	<b>Sub-Total</b>			1	0	27,323	0	27,323	0	0	27,307	15,225	15,225	
	<b>Total amount raised from rates (excluding general rates)</b>							27,323			27,307	15,225	15,225	
	<b>Total Rates</b>							11,329,075			11,360,033	10,722,615	10,722,615	

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

**SHIRE OF NORTHAM**  
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**27. RATING INFORMATION (Continued)**

**(c) Interest Charges & Instalments**

<b>Instalment Options</b>	<b>Date Due</b>	<b>Instalment Plan Admin Charge</b> \$	<b>Instalment Plan Interest Rate</b> %	<b>Unpaid Rates Interest Rate</b> %
<b>Option One</b>				
Single full payment	7/10/2022	0.0	0.00%	7.00%
<b>Option Two</b>				
First instalment	7/10/2022	0.0	0.00%	7.00%
Second instalment	7/02/2023	10.0	3.00%	7.00%
<b>Option Three</b>				
First instalment	7/10/2022	0.0	0.00%	7.00%
Second instalment	7/12/2022	10.0	3.00%	7.00%
Third instalment	7/02/2023	10.0	3.00%	7.00%
Fourth instalment	12/04/2023	10.0	3.00%	7.00%

	<b>2023 Actual</b> \$	<b>2023 Budget</b> \$	<b>2022 Actual</b> \$
Interest on unpaid rates	139,015	145,000	143,471
Interest on instalment plan	21,479	20,000	19,674
Charges on instalment plan	32,400	38,000	32,710
	<b>192,894</b>	<b>203,000</b>	<b>195,855</b>

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

**28. DETERMINATION OF SURPLUS OR DEFICIT**

		2022/23 Budget	2021/22
	2022/23 (30 June 2023 Carried Forward)	(30 June 2023 Carried Forward)	(30 June 2022 Carried Forward)
Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	10(c) (60,913)	(54,645)	(487,502)
Less: Reversal of prior year loss on revaluation of fixed assets	0	0	91,084
Less: Movement in liabilities associated with restricted cash	(29,427)	0	(49,379)
Less: Fair value adjustments to financial assets at fair value through profit and loss	(11,058)	0	(11,990)
Add: Loss on disposal of assets	10(c) 48,253	124,463	257,846
Add: Depreciation	10(a) 5,156,749	5,080,238	5,027,936
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	2,340	0	(50,311)
Employee benefit provisions	(34,371)	0	(28,478)
<b>Non-cash amounts excluded from operating activities</b>	<b>5,071,573</b>	<b>5,150,056</b>	<b>4,749,206</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
<b>Adjustments to net current assets</b>			
Less: Reserve accounts	30 (3,033,010)	(3,349,405)	(5,868,771)
Less: Financial assets at amortised cost - self supporting loans	4(a) (22,208)	0	(21,519)
Less: Community Advance	(6,000)	0	(6,000)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	14 463,054	464,582	368,947
- Budgeted leave cash backed	350,000	350,000	350,000
- Current portion of lease liabilities	11(b) 11,903	0	11,093
- Employee benefit provisions	796,705	796,875	826,135
<b>Total adjustments to net current assets</b>	<b>(1,439,556)</b>	<b>(1,737,948)</b>	<b>(4,340,115)</b>
<b>Net current assets used in the Statement of Financial Activity</b>			
Total current assets	16,125,310	6,350,739	13,365,803
Less: Total current liabilities	(5,218,851)	(4,612,791)	(5,391,294)
Less: Total adjustments to net current assets	(1,439,556)	(1,737,948)	(4,340,115)
<b>Surplus or deficit after imposition of general rates</b>	<b>9,466,904</b>	<b>0</b>	<b>3,634,394</b>



SHIRE OF NORTHAM  
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29. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget				
		Principal at 1 July 2021	New Loans During 2021-22	Principal at 30 June 2022	Principal Repayments During 2021-22	Principal at 1 July 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 30 June 2023	
		\$	\$	\$	\$	\$	\$	\$	\$	
<b>Recreation and culture</b>										
Loan 224 Recreation Facilities		719,785	0	666,658	0	666,659	0	(56,625)	610,035	
Loan 228 Northam Aquatic Centre		4,217,783	0	4,025,189	0	4,025,187	0	(196,233)	3,828,954	
Loan 227 Northam Youth Space		408,781	0	361,611	0	361,611	0	(48,242)	313,369	
Covid-19 Response Loan		0	0	0	0	0	1,000,000	0	1,000,000	
<b>Economic services</b>										
Loan 225 Victoria Oval		588,916	0	545,449	0	545,449	0	(46,329)	499,120	
<b>Transport</b>										
229 Depot loan		0	0	0	1,700,000	0	1,700,000	(39,010)	1,660,990	
<b>Total</b>		5,935,265	0	5,598,907	1,700,000	5,598,906	2,700,000	(386,439)	7,912,468	
<b>Self Supporting Loans</b>										
<b>Recreation and culture</b>										
Loan 219A Northam Bowling Club		123,263	0	102,412	0	102,413	0	(21,518)	80,895	
<b>Total Self Supporting Loans</b>		123,263	0	102,412	0	102,413	0	(21,518)	80,895	
<b>Total Borrowings</b>	14	6,058,528	0	5,701,319	1,700,000	5,701,319	2,700,000	(407,957)	7,993,363	

\* WA Treasury Corporation

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

Borrowing Finance Cost Payments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023
						\$	\$
<b>Recreation and culture</b>							
Loan 224 Recreation Facilities		Recreation and culture	224	WATC*	6.48%	(46,213)	(46,964)
Loan 228 Northam Aquatic Centre		Recreation and culture	228	WATC*	1.88%	(100,889)	(102,932)
Loan 227 Northam Youth Space		Recreation and culture	227	WATC*	2.26%	(10,113)	(10,432)
<b>Economic services</b>							
Loan 225 Victoria Oval		Economic services	225	WATC*	6.48%	(37,810)	(38,424)
Transport							
229 Depot loan			229	WATC*	4.44%	(511)	(50,436)
<b>Total</b>						(195,535)	(249,188)
<b>Self Supporting Loans Finance Cost Payments</b>							
<b>Recreation and culture</b>							
Loan 219A Northam Bowling Club		Recreation and culture	219A	WATC*	3.18%	(3,708)	(3,877)
<b>Total Self Supporting Loans Finance Cost Payments</b>						(3,708)	(3,877)
<b>Total Finance Cost Payments</b>	2(b)					(199,243)	(253,065)

SHIRE OF NORTHAM  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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29. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2022/23

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges \$	Actual Balance Unspent \$
					2023 Actual \$	2023 Budget \$	2023 Actual \$	2023 Budget \$		
229 Depot loan	WATC*	Debenture	20		1,700,000	1,700,000	953,454	1,700,000	807,566	746,546
					1,700,000	1,700,000	953,454	1,700,000	807,566	746,546

\* WA Treasury Corporation

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2022 \$	Borrowed During Year \$	Expended During Year \$	Unspent Balance 30 June 2023 \$
			0	1,700,000 (953,454)	746,546	

\* WA Treasury Corporation

(c) Lease Liabilities

Purpose	Note	Principal at 1 July 2021		Principal at 30 June 2022		Principal at 30 June 2023	
		New Leases During 2021-22 \$	Repayments During 2021-22 \$	New Leases During 2022-23 \$	Repayments During 2022-23 \$	New Leases During 2022-23 \$	Repayments During 2022-23 \$
Photocopier		1,012	0	0	0	0	0
Village Green (new)		57,754	(8,102)	49,652	1,881	(11,431)	40,102
<b>Total Lease Liabilities</b>	11(b)	58,766	(9,114)	49,652	1,881	(11,431)	40,102

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2022 \$	Actual for year ending 30 June 2023 \$	Lease Term
Photocopier		Governance	1	Canon Finance	3.20%	0	0	5
Village Green (new)		Economic services	4	Mallinowski Holdings Pty Ltd	3.20%	1,443	1,273	5
<b>Total Interest Repayments</b>	2(b)					1,443	1,277	

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

**30 RESERVE ACCOUNTS**

	2023 Actual		2023 Actual		2023 Budget		2023 Budget		2023 Actual		2022 Actual		2022 Actual	
	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Opening Balance	Transfer to	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by council</b>														
(a) Leave reserve	826,135	17,848	(47,278)	796,705	825,439	18,714	(47,278)	796,875	875,514	2,493	(51,872)	826,135		
(b) Office Equipment Reserve	100,084	2,281	0	102,365	100,000	2,267	0	102,267	0	100,084	0	100,084		
(c) Plant & Equipment Reserve	119,316	2,719	0	122,035	119,215	2,703	0	121,918	118,948	368	0	119,316		
(d) Road & Bridgework Reserve	200,169	4,562	0	204,731	200,000	4,534	0	204,534	0	200,169	0	200,169		
(e) Refuse Site Reserve	324,928	168,406	(200,000)	293,334	327,443	168,360	0	495,803	350,437	200,978	(226,487)	324,928		
(f) Speedway Reserve	150,706	3,434	0	154,140	150,579	3,414	0	153,993	150,242	464	0	150,706		
(g) Community Bus replacement Reserve	100,184	2,281	0	102,465	100,100	2,269	0	102,369	0	100,184	0	100,184		
(h) Septage Pond Reserve	283,147	28,248	(110,000)	201,395	282,908	28,208	0	311,116	268,140	15,007	0	283,147		
(i) Killara Reserve	445,264	8,908	(54,384)	399,788	444,889	10,086	(54,384)	400,591	438,800	151,318	(144,854)	445,264		
(j) Rec and Community Facilities Rese	143,129	85,449	0	228,578	143,009	85,502	0	228,511	0	143,129	0	143,129		
(k) Council Buildings and Amenities Res	278,713	1,792	(200,000)	80,505	278,478	6,313	(200,000)	84,791	0	278,713	0	278,713		
(l) Parking Facility Reserve	100,084	2,281	0	102,365	100,000	2,267	0	102,267	0	100,084	0	100,084		
(m) Reticulation Scheme Reserve	236,498	5,390	0	241,888	236,299	5,357	0	241,656	0	236,498	0	236,498		
(n) Revitalisation Reserve	2,656	60	0	2,716	2,654	60	0	2,714	72,491	165	(70,000)	2,656		
(o) COVID-19 Reserve	0	0	0	0	0	0	0	0	1,401,799	724,500	(2,126,299)	0		
(p) Unused Grants Reserve	2,557,758	0	(2,557,758)	0	2,557,758	0	(2,557,758)	0	0	2,557,758	0	2,557,758		
	5,868,771	333,659	(3,169,420)	3,033,010	5,868,771	340,054	(2,859,420)	3,349,405	3,676,371	4,811,912	(2,619,512)	5,868,771		

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

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

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

<b>Name of Reserve</b>	<b>Anticipated date of use</b>	<b>Purpose of the reserve</b>
(a) Leave reserve	Ongoing	For the provision for employees' future liability commitments i.e. Annual leave, long service requirements and negotiated gratuities and sickness payouts. Funds are not expected to be used in a set period as further transfers to the reserve account are expected as funds are utilised.
(b) Office Equipment Reserve	Ongoing	For the acquisition and upgrading of Council offices, furniture, computers and general equipment.
(c) Plant & Equipment Reserve	Ongoing	For the acquisition and upgrading of the Council works plant and general equipment in accordance with the plant replacement program. Funds are not expected to be used in a set period of time as further transfers to the reserve account are expected as funds are utilised.
(d) Road & Bridgework Reserve	Ongoing	For the provision of upgrading of road, drainage and bridge infrastructure within the Shire of Northam. Funds not expected to be used in a set period as further transfers to the reserve account are anticipated.
(e) Refuse Site Reserve	Ongoing	For the development of refuse sites and related expenditure on infrastructure and equipment, including the provision for a future replacement facility and /or site. Funds are not expected to be used in a set period as transfers to the reserve account are anticipated.
(f) Speedway Reserve	Ongoing	For the provision of funds for the possible future rehabilitation works required at the Northam Speedway site on Fox Road Northam. No date has been specified for the use of this reserve.
(g) Community Bus replacement Reser	Ongoing	For the future replacement of the Shire of Northam Community Buses. Funds are not expected to be used in a set period as further transfers to the reserve account are anticipated.
(h) Septage Pond Reserve	Ongoing	For the future upgrades and maintenance to septic ponds and related infrastructure. Funds are not anticipated to be used in the set period as further transfers to the reserve account are anticipated.
(i) Killara Reserve	Ongoing	To provide a reserve for surplus funds from Killara operations and restricted cash for any unspent Killara grants. No date has been specified for the use of this reserve.
(j) Rec and Community Facilities Rese	Ongoing	For Recreation and Public facilities. 2% of the net rates levied each year are set aside for the provision of recreation and sporting facilities.
(k) Council Buildings and Amenities Res	Ongoing	For the maintenance and upgrading of Council buildings and amenities. Funds are not expected to be used in a set period as further transfers to the reserve account are anticipated.
(l) Parking Facility Reserve	Ongoing	For the provision of future car parking facilities. Funds are not expected to be used in a set period as further transfers to the reserve account are anticipated.
(m) Reticulation Scheme Reserve	Ongoing	Provision for future replacement/upgrading of water reuse and reticulation infrastructure. Funds are not expected to be used in a set period as further transfers to the reserve account are expected as funds are utilised.
(n) Revaluation Reserve	Ongoing	Provision for the 4 yearly revaluation of the Shires GRV properties.
(o) COVID-19 Reserve	Closed 30 June 2022	Response to the COVID-19 pandemic.
(p) Unused Grants Reserve	Ongoing	Holding grants that are not expected to be utilised in the current financial year

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

**31. TRUST FUNDS**

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

	1 July 2022	Amounts Received	Amounts Paid	30 June 2023
	\$	\$	\$	\$
Public Open Space Funds	230,761	0	(146,411)	84,350
	230,761	0	(146,411)	84,350



# Auditor General

## INDEPENDENT AUDITOR'S REPORT 2023 Shire of Northam

To the Council of the Shire of Northam

### Opinion

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

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

In my opinion, the financial report is:

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

### Basis for opinion

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

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

### Other information

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

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

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

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

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

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

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

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

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

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

## **Auditor's responsibilities for the audit of the financial report**

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

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

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

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

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

## **Matters relating to the electronic publication of the audited financial report**

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



Kellie Tonich  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
14 December 2023





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**bilya** river

**koort** heart

**boodja** land