

SHIRE OF MORAWA

ANNUAL REPORT 2023-2024

MORAWA
BREAKING NEW GROUND

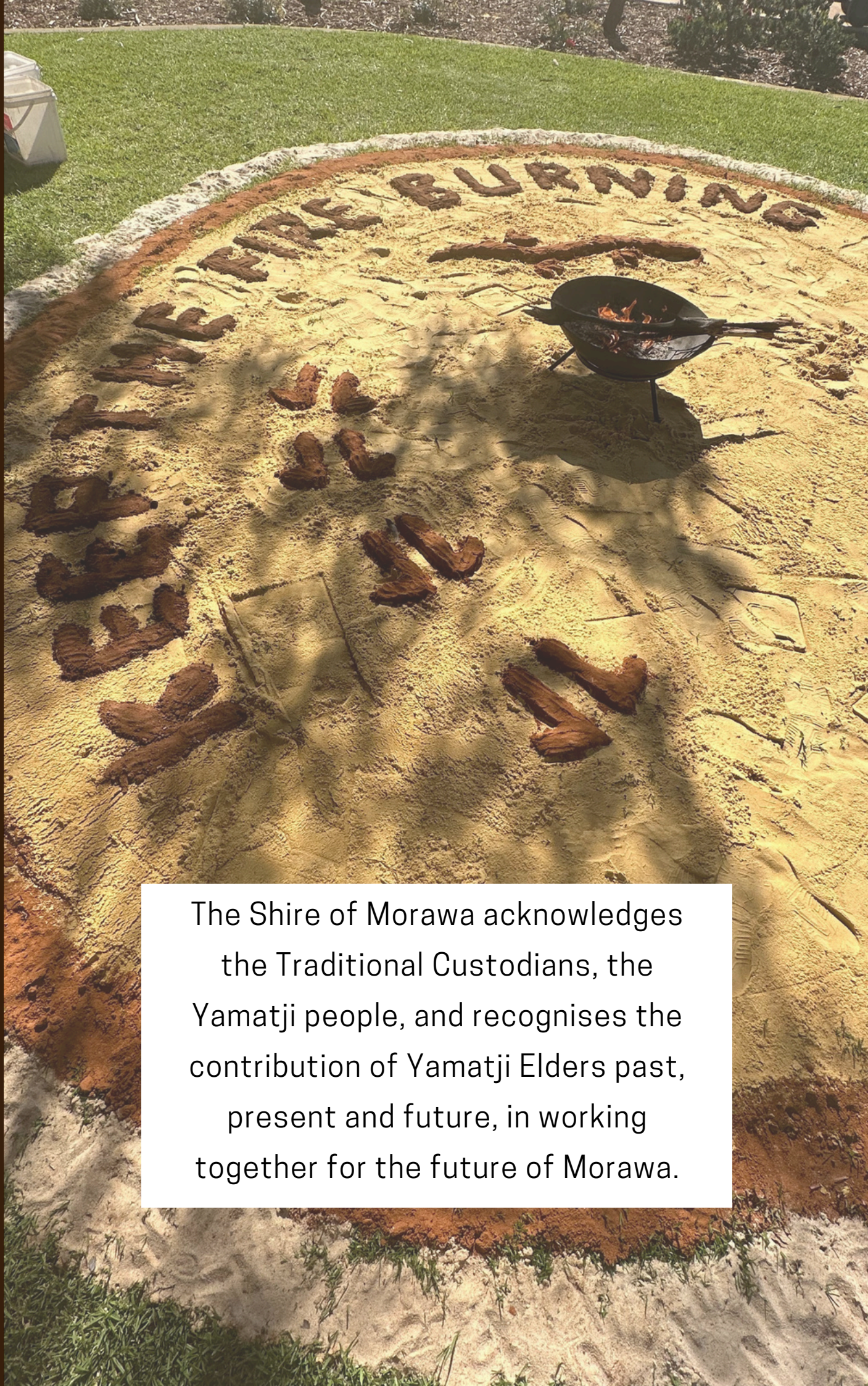


Welcome to the 2023-2024 Shire of Morawa Annual Report. This report provides an overview of the activities undertaken in the 2023-2024 financial year as we work to achieve our visions and aspirations for Morawa.

Driven by our Shire's Strategic Community Plan encompassing our seven Community Aspirations with supporting strategic focus areas, this report showcases our achievements. It provides a look at all elements of the work the Shire does, our financial performance and the governance and statutory regulations by which we operate.



ACKNOWLEDGEMENT OF COUNTRY



The Shire of Morawa acknowledges the Traditional Custodians, the Yamatji people, and recognises the contribution of Yamatji Elders past, present and future, in working together for the future of Morawa.



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A MESSAGE FROM THE SHIRE PRESIDENT

I am pleased to present the Shire of Morawa's Annual Report for the 2023-2024 financial year.

As always, our community has flourished thanks to the dedication of countless volunteers who generously contribute their time and energy to make Morawa a wonderful place and ensure that all visitors feel warmly welcomed in both the Shire and the wider Mid-West region.

This year we have successfully completed our annual review of the ten-year business plan, ensuring our long-term strategies remain on track. Additionally, we have adopted the Solomon Terrace Master Plan and the 2023 Shared Path Network 10 Year Plan, both of which will guide the future development and improvement of key community infrastructure. In line with our commitment to good governance, we have also undertaken a comprehensive review and update of various Council policies, reinforcing our focus on ensuring effective and transparent decision-making for the benefit of our community.

The last year has seen an increase in costs across all sectors flowing through to projects causing them to run over budget or be reduced in scope to match the funding available. This has been exacerbated by shortages in the labour market with a lack of skilled labour across the nation, expected to continue to impact Shire projects and recruitment in the coming year as well.

This won't stop ongoing consultation, project planning, and the continued delivery of outcomes with the help of grant funding, when available.

During the financial year, several key infrastructure projects have been successfully completed, enhancing the Shire's facilities and public spaces. The construction works for the cemetery carpark were finalised, providing improved access and convenience. While a large part of our annual budget will continue to be spent on road infrastructure, Council are not forgetting the need for infrastructure renewal and new installations with The Town Hall receiving a fresh new look with the installation of new paving, including personalised pavers contributed by residents, and an extension of the paved outdoor area. This upgrade has significantly enhanced the Hall’s exterior, complemented by the addition of new plants, creating a more refined and welcoming environment. A new shed was erected at the netball courts to support local sporting activities, while footpaths were installed along Granville Street, improving accessibility.

Furthermore, maintenance work was carried out at the aerodrome to ensure its continued functionality and safety. Additionally, the Main Street lighting was replaced and upgraded, enhancing the town's visibility and safety. Firefighting water tanks were also installed at Canna and Gutha, improving emergency preparedness in these areas. These improvements reflect our ongoing commitment to enhancing the Shire for residents and visitors alike.



A MESSAGE FROM THE SHIRE PRESIDENT

This year, the Shire has successfully implemented Local Government Reforms, which will continue to shape the future of our community. Our Australia Day event was a great success, with strong attendance and community participation.

The Shire is working hard to support the provision of services as part of its strategy to retain population and to continually improve the wellbeing of our community.

I would like to take this opportunity to extend my deepest appreciation to Deputy President Councillor Stokes and all Councillors including former Councillors Shirley Katona and Yvette Harris who left us at the October 2023 election, thank you all for your dedication to public service and your unwavering commitment to representing the interests of our community. My sincere thanks are extended to Mr. Scott Wildgoose as CEO, and Mrs. Jackie Hawkins as Executive Manager of Corporate and Community Services for their exceptional leadership, dedication, and support throughout the past year. I would also like to express my sincere gratitude to the entire Shire of Morawa operational team, as their hard work and commitment have been integral to the Shire's success and the achievements we have made.

I'm excited for another year of collaboration, reaching new milestones, and contributing to making the Shire of Morawa an even better place to live, work, and thrive.

CR KAREN CHAPPEL AM JP
SHIRE PRESIDENT





A WORD FROM THE CEO

As the Shire's outgoing CEO, I would like to take this opportunity to sincerely thank Shire staff and Council for their support and tireless work over the last 4 years to progress the Shire to its current position.

I am proud to say the Shire of Morawa stands in a strong position financially, with good governance and strategic planning practices. The organisation continues to develop and refine its procedures while continuing to excel with minimal resources.

2023-2024 was another difficult year in terms of the global and national economy impacting upon Shire operations with cost escalations and a tight labour market affecting all aspects of the Shire. The Shire employees have regularly taken on new duties or roles during the financial year to continue to deliver community services, and they should be commended for this.

As well as the tough economic situation, Morawa also faced an incredibly hot and prolonged summer with the hot weather starting in September 2023 and continuing into May 2024. This proved especially challenging for the parks and gardens team, as the vegetation around the district died from excessive heat exposure, this impacted the manicured garden areas and the town oval where extra watering was needed. The team did an outstanding job managing the conditions and the gardens were all restored by July 2024.

The prolonged hot weather saw a massive increase in utilisation at the Morawa Swimming Pool with an 81% increase in patronage compared to the 2022-2023 season. Special mention to the Pool Manager, Kate Smith, who went above and beyond to keep everyone safe and satisfied in the pool environment, introducing a range of new challenges and events for the season. This year saw a State Government pilot covering the cost of children's swimming pool passes under the Kids Sport Program, and the Shire is excited to see this continue in 2024-2025 making the pool environment even more affordable for families in our community.

Once the hot weather subsided, the district then faced heavy downpours of rain through June 2024. This led to a number of road closures, and the drainage system running at maximum capacity. The road team have done a great job in recent years renewing the Shire's road network, and it held up to the winter rains remarkably well, which bodes well for the 2024-2025 harvest.

During the 2023-2024 financial year the major road projects completed were:

- Morawa Yalgoo Road - $800,000 – further widening and sealing towards the Yalgoo Boundary
- Nanekine Road - $450,000 – major road reconstruction and drainage works towards the Mingenew boundary
- Gravel Sheeting of various roads at a total cost of $450,000
    - White Road
    - Collins Road
    - Norton Road
    - Gutha West Road
    - Stephens Road



A WORD FROM THE CEO

The team also spent the year finalising designs for a Blackspot project on Evaside Road, widening of Morawa South Road, and drainage improvements for the townsite on Winfield St and Stokes Road, all of these projects are set to commence in 2024-2025.

From a liveability perspective the Shire also undertook improvements to the:

- Town Hall – addition of a storage area, new foyer flooring, and a court yard area
- Caravan Park – addition of disability friendly ablution facilities
- Netball Court – a renewal of the viewing shed and storage area
- Main Street – refreshed LED street lighting
- Footpath Network – new 2m wide footpath on Granville Street
- Aerodrome – new vermin proof fence to reduce hazards when planes are utilising the air strip

The Shire is grateful to the Federal and State Government for their considerable grant funding that allows such a significant road program to be undertaken by the Shire.

The Shire continued to develop a detailed design for a Child and Family Centre throughout the year, and although our funding applications have not yet been successful, we are confident that with perseverance funds, will be secured to bring this major project to life.

The Corporate Services team has once again undertaken to deliver a balanced set of books, that highlight the strong practices in place to manage the Shire's finances. The annual audit has once again been carried out and delivered an unqualified result.

SCOTT WILDGOOSE
CHIEF EXECUTIVE OFFICER





Shire Services

Council provides a variety of services for the community under a wide range of legislation, including:



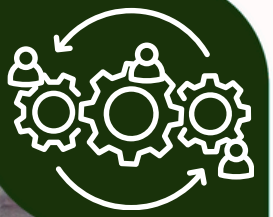
$628,330

Annual cost for operation of Community Facilities including the pool and sporting grounds



599

Dwellings in the Shire of Morawa



- Dog control
- Planning approvals
- Roads, footpaths and kerbs
- Street lighting
- Waste management

- Dog control
- Planning approvals
- Roads, footpaths and kerbs
- Street lighting
- Waste management



- Community buildings
- Community development
- Environmental Health
- Library services
- Playgrounds

- Parks and gardens
- Recreation facilities and gym
- Swimming pool
- Youth Centre



19

Major capital works projects completed over 2023-2024

Planning for our Future



Vision

Morawa is a welcoming and inclusive community that embraces what makes it unique, offering livability, variety and opportunity for all.

Aspirations

The Strategic Community Plan's overarching vision can only be achieved by all groups, organisations, and community members contributing towards its success. To focus energy and efforts the vision has been separated into seven clear Community Aspirations with supporting strategic focus areas.



- Create a sense of place for visitors
- Activate a vibrant small business sector
- Take pride in our comunity and an aesthetically appealing townsite
- Embrace cultural and social diversity
- Occupy a safe and healthy living space
- Be future focused in all we do
- Cement strong foundations for growth and prosperity







Strategic Community Plan

Provides a vision for the future state we all want to achieve.

Includes a clear direction for Council to use in decision making.

Identifies the risks and opportunities for Council.



Our Strategies

Create a sense of place for visitors

- Factor the Visitor experience into planning and design decisions
- Develop and Implement a Tourism Plan
- Embrace a commitment to excellent service
- Ensure the townsite and its services are accessible to all

Activate a vibrant small business sector

- Facilitate and support small business
- Encourage variety and competition
- Maintain strong support systems and services

Take pride in our community and an aesthetically appealing townsite

- Develop and implement a townsite greening plan
- Enhance the appearance of homes, gardens, businesses, public buildings and open spaces
- Utilise public art
- Celebrate our wins

Embrace cultural and social diversity

- Develop and implement an Arts and Culture plan
- Champion inclusion and engagement
- Invest in socialisation and belonging
- Promote positive aging in place across the community

Occupy a Safe and Healthy living space

- Build safer neighborhoods
- Occupy fit for purpose housing
- Increase active living
- Enhance health service provisions

Be future focused in all we do

- Ensure the Shire and its assets are well resourced and sustainable
- Embrace recycling and renewable energy
- Foster passion and belief in younger residents

Cement strong foundations for growth and prosperity

- Safe and suitable road and other transport networks
- ready to go commercial and industrial facilities
- Enhance partnerships and alliances

Activate a vibrant small business sector



Shire supported & granted approvals for small business- We are delighted to have had the opportunity to offer assistance to Wallace Plumbing and Gas and Terraform Contracting. It brings us great pleasure to witness the rise of these new small businesses and we hope they all continue to grow.

Encourage variety and coopetition- We collaborated with Desert Blue Connect for the Morawa Community Connection expo; it was a huge success, many local businesses and groups were present.

Maintain strong support systems and services-Shire continues to advocate for improvements to basic utilities and services at the State & Federal level.

Create a sense of place for visitors

Factor the visitor experience into planning and design decisions- Solomon Terrace Master Plan design is visually appealing to visitors.

Develop and implement a Tourism Plan

Embrace a commitment to excellent service- A new Online Enquiry system was introduced this year, designed to capture requests from the community and have them actioned in a timely manner while keeping the requestor updated on the progress

Ensure the Townsite and its services are accessible to all- New dual use path added on Granville Street, and completed the addition of an accessible toilet block at the Caravan Park.

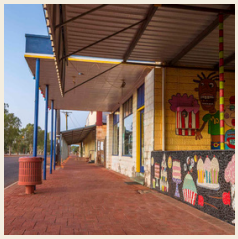
















Take pride in our community and an aesthetically appealing townsite

Develop and implement a townsite greening plan- Under development.

Enhance the appearance of homes, gardens, businesses, public buildings, and open spaces- Re-paving of the Town Hall with the addition of more paved area and added greenery have been a great success.

Utilise public art- As a part of our public art initiative, we arranged a variety of events including North Midlands project NAIDOC day public art workshop, Morawa Swimming pool glow up day and other art workshops.

Celebrate our wins- The 2024 Morawa Art Awards and Exhibition truly showcased the vibrant spirit of our community, as it saw the largest turnout to date, with over 400 artworks entered. Cr Stokes won the 2024 WALGA Merit Award for his contributions to Local Government.



















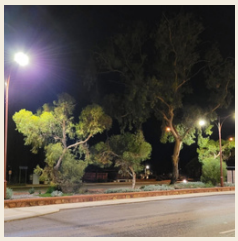
Embrace cultural and social diversity

Develop and implement an Arts and Culture Plan- The Shire organised multiple art workshops for young people at the youth center including Regional Arts WA Morawa youth center 2- Day Art Workshop.

Champion inclusion and engagement- Midwest NAIDOC events has created opportunities to build respectful and sustainable relationships between Aboriginal and non-Aboriginal people leading to deeper understanding and appreciation of Aboriginal culture and achievements. Celebrating our Aboriginal culture and history through this event helps build reconciliation , positive social inclusion and mental wellbeing.

Invest in socialisation and belonging

Promote positive aging in place across the community- We have organised a senior's week lunch and games day and morning tea's session at the Morawa swimming pool with various activities for our elderly community members.











Occupy a Safe and Healthy living space

Build safer neighborhoods-Upgraded the lighting on Main Street, Installed a fence on Wubin-Mullewa Road behind the public ablution block and installed firefighting water tanks at Canna and Gutha.

Occupy fit for purpose housing

Increase active living- The Shire are working with the Tennis Club to re-surface the tennis courts.

Enhance health services provisions

Be future focused in all we do

Ensure the shire and its assets are well resourced and sustainable -We have installed vermin fencing at the Morawa Airport and have completed the new carpark and landscaping at the cemetery.

Embrace recycling and renewable energy-Electric Vehicle Charging Stations have been installed at Jubilee Park

Foster passion and belief in younger residents- This year, the youth centre's most popular programs included the skateboard clinic, arts and crafts workshops, and cooking workshops. These activities were designed to foster resilience, enhance social interaction and life skills, and encourage young people to stay active through experiences like skateboarding, laser tag, Fairgame visits, and cooking classes. Additionally, the Council has given approval for the CEO to submit a grant application for the establishment of an Early Childhood Education and Family Centre in Morawa.










Cement strong foundations for growth and prosperity



Safe and suitable road and other transport networks- We have successfully finished several road projects in 2023-2024, such as Nanekine Road, Morawa Yalgoo Road, Norton Road, Stephen Road, Collins Road and Gutha West Road.

Ready to go commercial and industrial facilities- The Industrial Units have seen two new tenants, Wallace Plumbing and Gas and Terraform Contracting.

Enhance partnerships and alliances - The Shire partnered with Bruce Sherwood Architects to design the Early Childhood Education Centre.



Governance & Statutory Reporting Standards

Disability Access & Inclusion Plan (DAIP)



Section 29 (2) The Disability Services Act WA 1993 (amended 2004) requires all local governments to develop, maintain and implement a Disability Access and Inclusion Plan (DAIP) each year. DAIP's benefit everyone in the community especially people with disability, the elderly, families and carers, and people from culturally and linguistically diverse backgrounds.

The Act also requires annual reporting on the DAIP progress to the Department of Communities and to provide details of activity in annual reports.

he following DAIP strategies have been implemented during the 2023-2024 year.

The Shire of Morawa held several inclusive community events in 2023-2024. All events were easily accessible, widely promoted and available for all to attend.

- Mid-West NAIDOC Week Celebration in July 2023 and 2024
- Australia Day
- Color Run
- Piano Recital
- Seniors Week WA Event
- Astro tourism
- Paint N Sip

Infrastructure upgrades to improve access to community buildings included:

- Existing footpaths have new ramp access
- Granville Street Shared Path with access ramps
- Disability-accessible toilets at Morawa Caravan Park
- Newly constructed ramp at Morawa Museum
- Disability Access ramp at the Morawa Town Hall

Governance & Statutory Reporting Standards



Our Disability and Inclusion Plan has been reviewed and was adopted in December 2023. Planning has commenced and will include the required community consultation.

Equitable complaint mechanisms are in place to effectively receive and address complaints from all members of the community. The Shire has received no complaints in relation to access and inclusion in the reporting period.

People with disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of that public authority. Everyone that enters the Shire Office in search of help, use of the Library Services or Transport Services are treated with respect and equality.

The Shire of Morawa uses a variety of communication methods to provide information to the community. It ensures all information provided can be made available in alternative formats. To promote community events and services the Shire used communication methods including:

- Shire's website and social media channels
- Printed posters and flyers
- Letters to residents
- Morawa Snippets Newsletter and
- Media releases to local newspapers & radio stations.

The Shire website has been developed to meet W3C Web Content Accessibility Guidelines 2.0 Level AA. There is a notice on the website with a link to the guidelines and a link to the 'Contact Us' page should the user encounter any access issues.

All Shire employment advertisement material and employee contracts include an Equal Employment Opportunity Statement.

Governance & Statutory Reporting Standards



Record Keeping Plan

The Shire of Morawa is committed to accessible and efficient record keeping practices and complies with relevant legislation including the State Records Act 2000.

The Shire has an established Record Keeping Plan. This plan includes a Records Management Procedure Manual which is designed to adequately address all records, management issues and identifies staff roles and responsibilities. The Shire will be reviewing this plan during 2024-2025.

The Shire is committed in maintaining a high standard of record keeping and will continue to review and improve processes.

Public Interest Disclosure

The Public Interest Disclosure Code was established by the Commissioner for Public Sector Standards under Section 20 of the Public Interest Disclosure Act 2003.

One of the principles of the Code is not just to provide protection to those who make disclosures, but also to encourage a system of transparency and accountability in the way government officials act and utilise public monies.

Matters that relate to the Shire of Morawa should be referred to the Shire of Morawa's Public Interest Disclosure Officer. Disclosures to the Officer can be made not just about Officers of the Shire of Morawa but also its elected members.

There is an obligation of the Public Interest Disclosure Officer in the Public Interest Disclosure Act to ensure that the disclosure is confidential and that the person making a disclosure is provided adequate protection from reprisals, civil and criminal liability or breach of confidentiality.

The Shire of Morawa had no Public Interest Disclosures during the 2023-2024 reporting year.

Governance & Statutory Reporting Standards



Freedom of Information Act 1992



The Shire's affairs are governed by seven (7) elected members who represent all sections of the community. The Council meets on the Third Thursday of each month - excluding January. These meetings are open to the public and the dates and times are advertised on Council's website and noticeboards as Public information.

The Council is a legislative body that establishes policies and makes decisions within the requirements of the Local Government Act 1995 on a wide range of issues affecting the community, and in keeping with the legislative requirements.

The Council governs the Shire's affairs including decisions regarding its activities and functions. Such decisions include the approval of services and facilities to be undertaken, and the allocation of resources and funding to these services and facilities.

Nominated documents can be inspected upon application and payment of a small fee at the Shire Office located at 26 Winfield Street, Morawa during normal business hours.

During the year of review any applications received are considered on the basis of not contravening the privacy rights of any individual and are subject to an administrative charge in accordance with the ACT.

The Shire of Morawa has had no Freedom of Information requests during the 2023-2024 reporting year.

Governance & Statutory Reporting Standards



National Competition Policy

In 1995, the Council of Australian Government entered into agreements known as the National Competition Policy. The Policy is a whole of government approach to bring about reform in the public sector to encourage government to become more competitive.

Local Government will mainly be affected where it operates significant business activities (defined as one that generates an annual income from fees and charges exceeding $200,000) that compete or could compete with private sector business. The Shire of Morawa does not operate any such businesses.

A review of the Local Laws found that they had no impact on the competition across the Shire.

Employee Payments

For the purpose of Regulation 19B of the *Local Government (Administration) Regulations 1996* the following information is required to be included in Council's Annual Report:

The number of employees of the Shire of Morawa entitled to an annual salary:

- Of $130,000 or more; and
- That falls within each band of $10,000 over $130,000.

There was one employee entitled to an annual salary of $130,000 or more during 2023-2024. This salary range was between $180,000 and $189,999.





President Cr Karen Chappel

Elected Member since – 2005
President since – 2009
Term Expires – 2025
Email: karen.chappel@morawa.wa.gov.au

Meeting Attendance:
Ordinary Council Meetings: 11/11
Special Council Meeting: 2/2
Audit & Risk Management Committee: 1/1
Electors Meeting: 1/1

Committees / Boards / Advisory Groups

- Audit & Risk Management Committee
- President WALGA
- Voting Delegate for Northern Country Zone
- Morawa Sinosteel Future Fund Committee
- Northern Country Zone Committee
- LG House Trust
- LG Insurance Scheme
- ALGA
- State Bushfire Advisory Council
- Midwest Development Commission
- Audit & Risk Management Committee
- State Roads Fund to LG Advisory Committee



Deputy President Cr Ken Stokes

Elected Member since – 2009
Deputy President since – 2022
Term Expires – 2025
Email: ken.stokes@morawa.wa.gov.au

Meeting Attendance:
Ordinary Council Meetings: 11/11
Special Council Meetings: 2/2
Audit & Risk Management Committee: 1/1
Electors Meeting: 1/1

Committees / Boards / Advisory Groups

- Audit & Risk Management Committee
- Regional Road Group – North Midlands
- Morawa Sinosteel Future Fund Committee
- Voting Delegate for Northern Country Zone



Cr Debra Collins

Elected Member since – 2013
Term Expires – 2025
Email: debra.collins@morawa.wa.gov.au

Meeting Attendance:
Ordinary Council Meetings: 11/11
Special Council Meetings: 2/2
Audit & Risk Management Committee: 1/1
Electors Meeting: 1/1

Committees / Boards / Advisory Groups
- Audit & Risk Management Committee
- Delegate of the Local Emergency Management Committee



Cr Mark Coaker

Elected Member since – 2022
Term Expires – 2025
Email: mark.coaker@morawa.wa.gov.au

Meeting Attendance:
Ordinary Council Meetings: 9/11
Special Council Meeting: 2/2
Audit & Risk Management Committee: 0/1
Electors Meeting: 1/1

Committees / Boards / Advisory Groups
- Chair of the Local Emergency Management Committee



Cr Grant Chadwick

Elected Member since – 2023
Term Expires – 2027
Email: grant.chadwick@morawa.wa.gov.au

Meeting Attendance:
Ordinary Council Meetings: 6/11
Special Council Meeting: 1/2
Audit & Risk Management Committee: 0/1
Electors Meeting: 1/1

Committees / Boards / Advisory Groups

- Regional Road Group – North Midlands



Cr Dean Clemson

Elected Member since – 2024
Term Expires – 2027
Email: dean.clemson@morawa.wa.gov.au

Meeting Attendance:
Ordinary Council Meetings: 4/11
Special Council Meetings: 0/2
Audit & Risk Management Committee: 0/1
Electors Meeting: 0/1

Committees / Boards / Advisory Groups



Cr Diana North

Elected Member since – 2023
Term Expires – 2027
Email: diana.north@morawa.wa.gov.au

Meeting Attendance:
Ordinary Council Meetings: 7/11
Special Council Meeting: 1/2
Audit & Risk Management Committee: 0/1
Electors Meeting: 1/1

Committees / Boards / Advisory Groups

- Audit & Risk Management Committee


CUTHA HALL
ECLIPSE
DISCOVERY TOUR

Expenditure Snapshot



The below list provides a snapshot of some of the capital and operating expenditures and initiatives that the Shire delivered during 2023- 2024.

Resheeting rural roads/renewal of rural & urban roads and road maintenance*

$4.34M

Beautifying parks, gardens, open spaces and the Wildflower Park Playground

$617,541K

Landfill, sewerage facilities and rubbish collection, cemetery works, airport.

$926,936K

Maintaining our sport and leisure facilities

$832,258K

Caravan Park and Tourism*

$450,849K

Fire and Ranger Services*

$248,340K

Youth Centre and Community Events*

$187,799K

Granville and Dreghorn Street dual use paths*

$70,487K

**Includes funding from Federal/State Government*

Financial Performance



Expenditure

Operating Expenditure was $7M, an increase of $473K compared to the previous year and $1.33M less than budgeted. Most categories of expenditure were less than budget with the most significant savings in salaries of $481K and $547K in materials and contracts, with depreciation also under budget by $224K.

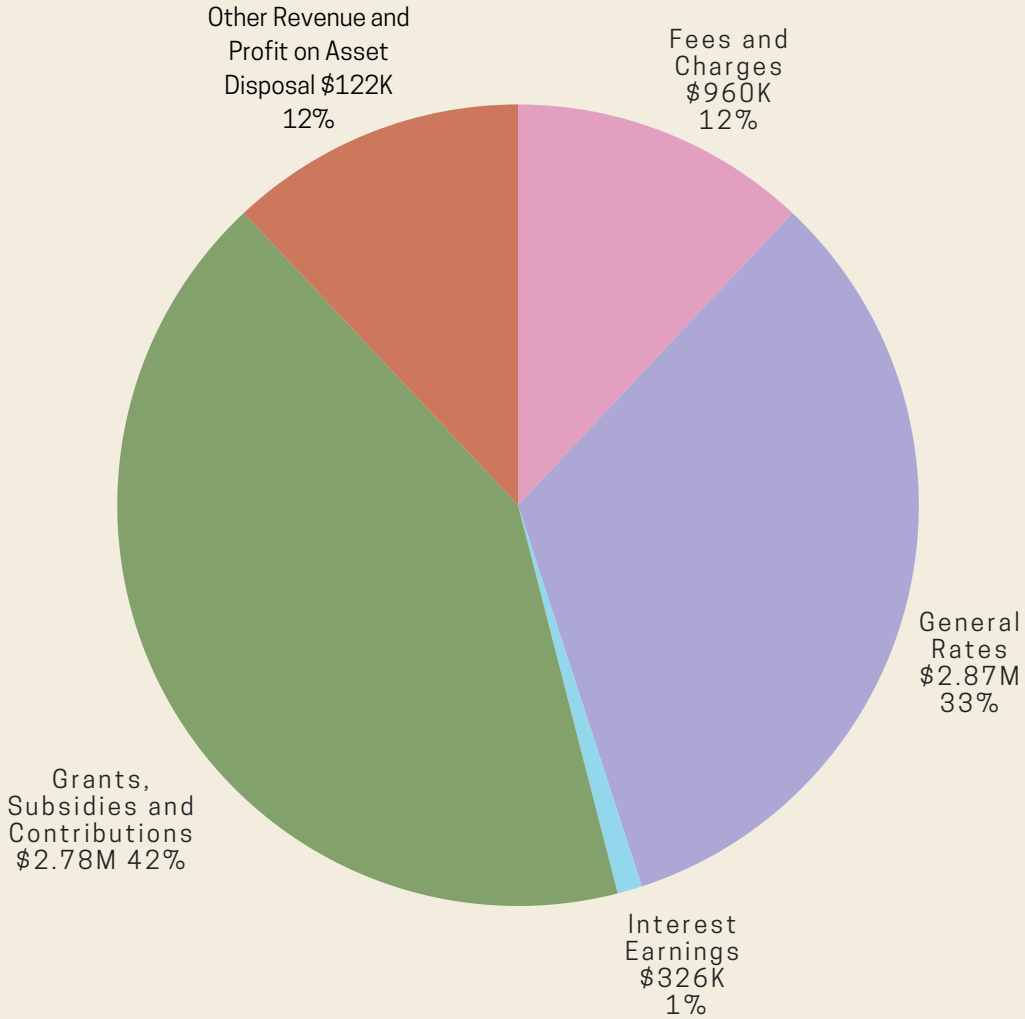
Major areas of Capital Expenditure included:	2023 Actuals	2024 Actuals
Footpaths and Cycleways	$122K	$122K
Land and Buildings	$391K	$391K
Other Infrastructure	$402K	$402K
Parks and Gardens	$113K	$113K
Plant and Equipment	$841K	$841K
Roads	$1.38M	$1.38M

Financial Highlights



Revenue:

Operating Revenue generated for 2023-2024 year was $7.1M. The operating revenue included receipt of an advanced payment of the 2024-2025 Federal Assistance Grants, which was 85% or $1.98M of the expected allocated for 2024-2025. Operating revenue was $1.34M (19%) over budget with a $390K (5.2%) allocation decrease over the prior year.



Financial Summary

2022/2023 Financial Year		2023/2024 Financial Year
Total Assets $101,821,078		Total Assets $104,315,908
Total Liabilities $1,699,895		Total Liabilities $2,150,589
Equity/Net Assets $100,121,183		Equity/Net Assets $102,165,319
Operating Revenue $7,461,894		Operating Revenue $7,072,391
Operating Expenditure $6,897,587		Operating Expenditure $7,062,198
Operating Surplus/(Deficit) $2,481,614		Operating Surplus/(Deficit) $2,996,671
Non-Operating Revenue $1,513,419		Non-Operating Revenue $2,033,943
Capital Expenditure $3,308,426		Capital Expenditure $3,103,497
Cash Backed Reserves $6,732,381		Cash Backed Reserves $7,067,167

Financial Position:

2023 - 2024 was a tough year for Council with high inflation still affecting supply chains and forcing costs up. This meant longer than anticipated wait periods for plant replacement items and some projects not commencing due to lack of contractor availability and willingness to come to Morawa.

The final operating result of a surplus of $2.99M was largely contributed to by the advanced payment of the Financial Assistance Grants for 2024 - 2025.

Morawa Shire

General Purpose Financial Statements
for the year ended 30 June 2024

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

Statement by Chief Executive Officer

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

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

Signed on the 29th day of November 2024

Acting Chief Executive Officer

Jackie Hawkins

OAG AUDITED

ARMADA AUDITED

Morawa Shire

Statement of Comprehensive Income

for the year ended 30 June 2024

	Note	2024 Actual $	2024 Budget $	2023 Restated Actual $
Revenue				
Rates	25,2a	2,883,149	2,898,143	2,564,344
Grants, subsidies and contributions	2a	2,780,586	1,271,451	3,239,967
Fees and charges	2a	960,372	993,020	945,076
Interest revenue	2a	326,108	139,020	143,618
Other revenue	2a	122,176	427,425	568,889
		7,072,391	5,729,059	7,461,894
Expenses				
Employee costs	2b	(1,855,750)	(2,103,390)	(1,971,178)
Materials and contracts		(2,506,368)	(3,053,569)	(2,290,385)
Utility charges		(350,652)	(385,053)	(404,791)
Depreciation	10	(1,926,903)	(2,150,541)	(1,806,162)
Finance costs	2b	(12,500)	(15,353)	(16,339)
Insurance		(270,013)	(260,440)	(244,154)
Other expenditure	2b	(140,012)	(422,264)	(164,578)
		(7,062,198)	(8,390,610)	(6,897,587)
Operating result from continuing operations		10,193	(2,661,551)	564,307
Capital grants, subsidies and contributions	2a	2,032,682	3,489,854	1,472,782
Profit on asset disposals		–	10,427	37,873
Fair value adjustments to financial assets at fair value through profit or loss	4	1,261	–	2,764
		2,033,943	3,500,281	1,513,419
Net result for the period		2,044,136	838,730	2,077,726
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	16	–	–	15,347,744
Total other comprehensive income for the period		–	–	15,347,744
Total comprehensive income for the period		2,044,136	838,730	17,425,470

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

2022/23 Restated Actual - refer to note 30 Correction of Error

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Morawa Shire

Statement of Financial Position
as at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents	3	10,794,091	9,687,208
Trade and other receivables	5	557,398	499,237
Inventories	6	16,779	8,639
Other assets	7a	162,933	20,750
Total current assets		11,531,201	10,215,834
Non-current assets			
Trade and other receivables	5	15,890	14,282
Other financial assets	4	62,378	61,117
Property, plant and equipment	8	29,998,507	30,108,789
Infrastructure	9	62,707,932	61,421,056
Total non-current assets		92,784,707	91,605,244
Total assets		104,315,908	101,821,078
Liabilities			
Current liabilities			
Trade and other payables	12	409,369	653,659
Other liabilities	13	1,070,215	274,221
Borrowings	14	28,985	28,156
Employee related provisions	15	235,119	313,931
Total current liabilities		1,743,688	1,269,967
Non-current liabilities			
Borrowings	14	362,088	391,073
Employee related provisions	15	44,813	38,855
Total non-current liabilities		406,901	429,928
Total liabilities		2,150,589	1,699,895
Net assets		102,165,319	100,121,183
Equity			
Retained surplus		38,801,873	37,092,523
Reserve accounts	28	7,067,167	6,732,381
Revaluation surplus	16	56,296,279	56,296,279
Total equity		102,165,319	100,121,183

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

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Morawa Shire

Statement of Changes in Equity

for the year ended 30 June 2024

	Note	Retained Surplus $	Reserve Accounts $	Revaluation Surplus $	Total Equity $
Balance as at 1 July 2022		35,619,211	6,127,967	40,948,535	82,695,713
Comprehensive income for the period					
Net result for the period		2,077,726	–	–	2,077,726
Other comprehensive income for the period					
Increase/(decrease) in asset revaluation surplus		–	–	15,347,744	15,347,744
Transfers from reserve accounts	28	350,000	(350,000)	–	–
Transfers to reserve accounts	28	(954,414)	954,414	–	–
Balance as at 30 June 2023		37,092,523	6,732,381	56,296,279	100,121,183
Balance as at 1 July 2023		37,092,523	6,732,381	56,296,279	100,121,183
Comprehensive income for the period					
Net result for the period		2,044,136	–	–	2,044,136
Transfers from reserve accounts	28	215,128	(215,128)	–	–
Transfers to reserve accounts	28	(549,914)	549,914	–	–
Balance as at 30 June 2024		38,801,873	7,067,167	56,296,279	102,165,319

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

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Morawa Shire

Statement of Cash Flows

for the year ended 30 June 2024

	Note	2024 Actual $	2024 Budget $	2023 Restated Actual $
Cash flows from operating activities				
Receipts				
Rates		2,848,266	2,978,143	2,647,068
Grants, subsidies and contributions		3,548,750	1,121,451	3,266,868
Fees and charges		960,372	993,020	945,077
Interest revenue		326,108	139,020	143,618
Goods and services tax received		9,042	–	521,832
Other revenue		116,508	427,425	568,889
Total receipts		7,809,046	5,659,059	8,093,352
Payments				
Employee costs		(1,944,487)	(1,853,390)	(1,968,134)
Materials and contracts		(2,658,138)	(3,033,569)	(2,285,891)
Utility charges		(350,652)	(385,053)	(404,791)
Finance costs		(15,303)	(14,153)	(16,339)
Insurance paid		(270,013)	(260,440)	(244,154)
Goods and services tax paid		–	–	(514,176)
Other expenditure		(364,599)	(422,264)	(162,335)
Total payments		(5,603,192)	(5,968,869)	(5,595,820)
Net cash provided by operating activities		2,205,854	(309,810)	2,497,532
Cash flows from investing activities				
Payments				
Payments for purchase of property, plant & equipment	8a	(570,278)	(1,781,787)	(1,281,376)
Payments for construction of infrastructure	9a	(2,533,219)	(3,438,821)	(2,027,050)
Receipts				
Capital grants, subsidies and contributions		2,032,682	3,489,854	1,218,892
Proceeds from sale of property, plant & equipment		–	73,000	192,200
Net cash (used in) investing activities		(1,070,815)	(1,657,754)	(1,897,334)
Cash flows from financing activities				
Payments				
Repayment of borrowings	27a	(28,156)	(28,156)	(27,355)
Payments for principal portion of lease liabilities	27c	–	–	(28,922)
Net cash (used in) financing activities		(28,156)	(28,156)	(56,277)
Net increase /(decrease) in cash held		1,106,883	(1,995,720)	543,921
Cash at beginning of year		9,687,208	9,437,028	9,143,287
Cash and cash equivalents at the end of the year *	17a	10,794,091	7,441,308	9,687,208

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

(*) 2022/23 Restated Actuals - refer to note 30 Correction of Error

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Morawa Shire

Statement of Financial Activity

for the year ended 30 June 2024

	Note	2024 Actual $	2024 Budget $	2023 Actual $
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	2,872,943	2,889,437	2,554,576
Rates excluding general rates	25	10,206	8,706	9,766
Grants, subsidies and contributions		2,780,586	1,271,451	3,239,967
Fees and charges		960,372	993,020	945,076
Interest revenue		326,108	139,020	143,618
Other revenue		122,176	427,425	568,889
Profit on asset disposals		–	10,427	37,873
Fair value adjustments to financial assets at fair value through profit or loss	4	1,261	–	2,764
		7,073,652	5,739,486	7,502,529
Expenditure from operating activities				
Employee costs		(1,855,750)	(2,103,390)	(1,971,178)
Materials and contracts		(2,506,368)	(3,053,569)	(2,290,385)
Utility charges		(350,652)	(385,053)	(404,791)
Depreciation		(1,926,903)	(2,150,541)	(1,806,162)
Finance costs		(12,500)	(15,353)	(16,339)
Insurance		(270,013)	(260,440)	(244,154)
Other expenditure		(140,012)	(422,264)	(164,578)
		(7,062,198)	(8,390,610)	(6,897,587)
Adjustment for cash budget requirements:				
Non-cash amounts excluded from operating activities				
Non-cash amounts excluded from operating activities	26	1,937,360	2,143,914	1,801,283
Amount attributable to operating activities		1,948,814	(507,210)	2,406,225
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		2,032,682	3,489,854	1,472,782
Proceeds from disposal of assets		–	73,000	192,200
		2,032,682	3,562,854	1,664,982
Outflows from investing activities				
Purchase of property, plant and equipment	8a	(570,278)	(1,781,787)	(1,281,376)
Purchase and construction of infrastructure	9a	(2,533,219)	(3,438,821)	(2,027,050)
		(3,103,497)	(5,220,608)	(3,308,426)
Amount attributable to investing activities		(1,070,815)	(1,657,754)	(1,643,444)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	28	215,128	316,640	350,000
		215,128	316,640	350,000
Outflows from financing activities				
Repayment of borrowings	27a	(28,156)	(28,156)	(27,355)
Payments for principal portion of lease liabilities	27c	–	–	(28,922)
Transfers to reserve accounts	28	(549,914)	(258,520)	(954,414)
		(578,070)	(286,676)	(1,010,691)
Amount attributable to financing activities		(362,942)	29,964	(660,691)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26	2,481,614	2,135,000	2,379,524
Amount attributable to operating activities		1,948,814	(507,210)	2,406,225
Amount attributable to investing activities		(1,070,815)	(1,657,754)	(1,643,444)
Amount attributable to financing activities		(362,942)	29,964	(660,691)
Surplus/(deficit) after imposition of general rates	26	2,996,671	–	2,481,614

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

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Morawa Shire

Notes to the Financial Statements

for the year ended 30 June 2024

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Morawa Shire

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Basis of preparation

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

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

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

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

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

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

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

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

- Fair value measurement of assets carried at reportable value including:
- Property, plant and equipment - note 8
- Infrastructure - note 9
- Expected credit losses on financial assets - note 5
- Assets held for sale - note 7
- Impairment losses of non-financial assets - note 8 and 9
- Measurement of employee benefits - note 15

Fair value hierarchy information can be found in note 24.

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

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

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

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

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

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

- *AASB 2014-10 Amendments to Australian Accounting Standards-Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2020-1 Amendments to Australian Accounting Standards -Classification of Liabilities as Current or Non-current*

continued on next page ...

Morawa Shire

Notes to the Financial Statements

for the year ended 30 June 2024

Note 1. Basis of preparation (continued)

- *AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply*
- *AASB 2022-5 Amendments to Australian Accounting Standards -Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*

These amendments are not expected to have any material impact on the financial report on initial application.

- *AASB 2022-10 Amendments to Australian Accounting Standards -Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

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

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

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

Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 2. Revenue and expenses

(a) Revenue

Contracts with customers

Recognition of revenue is dependent 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
Operating grants, subsidies or contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Operating grants, subsidies or contributions	General appropriations and contributions with no specific contractural commitments	No Obligations	Not applicable	Not applicable	When assest are controlled
Grants, subsidies and contributions for the construction of non-financial assets	Construciton or acquisition of reconisable nonfinancial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private work, insurance claim reimbursements, general reimbursements	Single point in time	Monthly in arrears	None	At point of service or when claim os agreed

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

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Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

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

Nature	Contracts with customers	Capital grant/ contributions	Statutory Requirements	Other	Total
For the year ended 30 June 2024					
Rates	–	–	2,872,943	10,206	2,883,149
Grants, subsidies and contributions	–	–	–	2,780,586	2,780,586
Fees and charges	960,372	–	–	–	960,372
Interest revenue	–	–	–	326,108	326,108
Other revenue	–	–	–	122,176	122,176
Capital grants, subsidies and contributions	–	2,032,682	–	–	2,032,682
Total	960,372	2,032,682	2,872,943	3,239,076	9,105,073
For the year ended 30 June 2023					
Rates	–	–	2,554,578	9,766	2,564,344
Grants, subsidies and contributions	188,043	–	–	3,051,924	3,239,967
Fees and charges	936,355	–	8,721	–	945,076
Interest revenue	–	–	33,620	109,998	143,618
Other revenue	26,369	–	–	542,520	568,889
Capital grants, subsidies and contributions	–	1,472,782	–	–	1,472,782
Total	1,150,767	1,472,782	2,596,919	3,714,208	8,934,676

	2024 Actual $	2024 Budget $	2023 Actual $
Interest revenue			
Interest on reserve account funds	204,509	88,520	92,414
Rate instalment interest	5,238	4,500	4,215
Trade and other receivables overdue interest	24,171	28,000	29,405
Other interest revenue	92,190	18,000	17,584
Total interest earnings	326,108	139,020	143,618

The 2024 original budget estimate in relation to:
Trade and other receivables overdue interest was $28,000.

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Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

	2024 Actual $	2024 Budget $	2023 Actual $
Fees and charges			
Governance	2,101	500	917
General purpose funding	38,115	39,490	38,200
Law, order, public safety	6,341	2,000	710
Health	2,391	1,050	671
Education and welfare	2,070	3,500	3,167
Housing	67,820	89,500	90,281
Community amenities	524,243	525,080	466,538
Recreation and culture	54,427	43,300	66,287
Economic services	254,249	252,100	253,310
Other property and services	8,615	36,500	24,843
Other user charges and fees	–	–	152
	960,372	993,020	945,076
Fees and charges relating to rates receivable			
Charges on instalment plan	1,134	1,500	1,134

The 2024 original budget estimate in relation to:
Charges on instalment plan was $1,500.

(b) Expenses

Materials and contracts

Auditors remuneration			
- Audit of the annual financial report	42,100	45,000	34,090
- Other services – grant acquittals	2,520	10,000	2,400
Total Auditors remuneration	44,620	55,000	36,490

Employee costs

	2024 Actual $	2024 Budget $	2023 Actual $
Wages and salaries	1,573,283	1,745,946	1,638,785
Superannuation	227,084	308,844	253,238
Other employee costs	55,383	48,600	79,155
Total employee costs	1,855,750	2,103,390	1,971,178

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Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 2. Revenue and expenses (continued)

(b) Expenses (continued)

	Note	2024 Actual $	2024 Budget $	2023 Actual $
Finance costs				
Borrowings	27a	12,500	15,353	16,255
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	27c	–	–	84
Total		12,500	15,353	16,339
Other expenditure				
Other		140,012	422,264	164,578
Total Other expenditure		140,012	422,264	164,578

Note 3. Cash and cash equivalents

	Note	2024 $	2023 $
Cash at bank and on hand		8,694,091	7,587,208
Term deposits		2,100,000	2,100,000
Total cash and cash equivalents		10,794,091	9,687,208
Held as			
- Unrestricted cash and cash equivalents		2,622,230	2,558,531
- Restricted cash and cash equivalents	17a	8,171,861	7,128,677
Total		10,794,091	9,687,208

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

Term deposits are presented as cash equivalents as they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours. There may be some a reduction in interest earnings if redeemed prior to maturity.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions.
Restrictions are specified in an agreement, contract or legislation.

This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

Morawa Shire

Notes to the Financial Statements

for the year ended 30 June 2024

Note 4. Other financial assets

	2024 $	2023 $
Non current assets		
Financial assets at fair value through profit or loss	62,378	61,117
Total non-current financial assets	62,378	61,117
Financial assets at fair value through profit or loss		
Units in Local Government House Trust	62,378	61,117
	62,378	61,117
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	61,117	58,353
Movement attributable to fair value increment	1,261	2,764
Units in Local Government House Trust - closing balance	62,378	61,117

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

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

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

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

Financial assets at fair value through profit or loss

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

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

Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 5. Trade and other receivables

	2024 $	2023 $
Current		
Rates and statutory receivables	478,919	443,606
Trade receivables	44,521	16,691
Other receivables	4,060	–
GST receivable	54,910	63,952
Allowance for credit losses of rates and statutory receivables	(22,769)	(22,769)
Allowance for credit losses of trade receivables	(2,243)	(2,243)
	557,398	499,237
Non-current		
Rates and statutory receivables	15,890	14,282
	15,890	14,282

Disclosure of opening and closing balances related to contracts with customers

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

	Note	30 June 2024 Actual $	30 June 2023 Actual $	1 July 2022 Actual $
Trade and other receivables from contracts with customers		–	–	–
Contract assets	7	78,033	–	–
Allowance for credit losses of trade receivables	5	2,243	2,243	63
Total trade and other receivables from contracts with customers		80,276	2,243	63

MATERIAL ACCOUNTING POLICIES

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

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

Trade and other 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 AASB 101.66 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.

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Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 5. Trade and other receivables (continued)

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.

Note 6. Inventories

	2024 $	2023 $
Current		
Fuel and materials	16,779	8,639
Total current inventories	16,779	8,639
The following movements in inventories occurred during the year:		
Balance at beginning of year	8,639	20,965
Additions to/(consumption of) inventory	8,140	(12,326)
Balance at end of year	16,779	8,639

MATERIAL ACCOUNTING POLICIES

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

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

Note 7. Other assets

	2024 $	2023 $
7a Other assets		
Other assets - current		
Accrued income	84,900	20,750
Contract assets	78,033	–
Total other assets - current	162,933	20,750

MATERIAL ACCOUNTING POLICIES

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

Accrued Income
Other non-financial assets include accrued income which represents income that should have been received in the current year for services or goods provided by Council.

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.

Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 8. Property, plant and equipment

(a) Movements in balances

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

		Assets not subject to operating lease				Plant and equipment		
	Note	Land $	Buildings non-specialised $	Buildings specialised $	Total Property $	Furniture and equipment $	Plant and equipment $	Total property, plant and equipment $
Measurement basis		Fair Value	Fair Value	Fair Value		Cost	Cost	
Balance at 1 July 2022		886,120	5,221,016	15,498,515	21,605,651	79,131	2,482,659	24,167,441
Additions		–	187,553	202,393	389,946	50,000	841,430	1,281,376
Disposals		–	–	–	–	–	(154,327)	(154,327)
Revaluation increments transferred to revaluation surplus		127,480	1,054,909	4,355,221	5,537,610	–	–	5,537,610
Depreciation	10	–	(106,284)	(302,336)	(408,620)	(10,166)	(304,525)	(723,311)
Balance at 30 June 2023		1,013,600	6,357,194	19,753,793	27,124,587	118,965	2,865,237	30,108,789
Comprises:								
Gross balance amount at 30 June 2023		1,013,600	6,357,194	19,753,793	27,124,587	146,182	3,876,416	31,147,185
Accumulated depreciation at 30 June 2023		–	–	–	–	(27,217)	(1,011,179)	(1,038,396)
Balance at 30 June 2023		1,013,600	6,357,194	19,753,793	27,124,587	118,965	2,865,237	30,108,789
Measurement basis		Fair Value	Fair Value	Fair Value		Cost	Cost	
Balance at 1 July 2023		1,013,600	6,357,194	19,753,793	27,124,587	118,965	2,865,237	30,108,789
Additions		–	86,475	317,039	403,514	–	166,764	570,278
Disposals		–	–	–	–	–	–	–
Depreciation	10	–	(105,217)	(323,563)	(428,780)	(12,842)	(238,938)	(680,560)
Balance at 30 June 2024		1,013,600	6,338,452	19,747,269	27,099,321	106,123	2,793,063	29,998,507
Comprises:								
Gross balance amount at 30 June 2024		1,013,600	6,443,669	20,070,832	27,528,101	146,182	4,043,181	31,717,464
Accumulated depreciation at 30 June 2024		–	(105,217)	(323,563)	(428,780)	(40,059)	(1,250,118)	(1,718,957)
Balance at 30 June 2024		1,013,600	6,338,452	19,747,269	27,099,321	106,123	2,793,063	29,998,507

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 8. Property, plant and equipment (continued)

(b) Carrying Amount Measurements

Asset class	Fair value hierachy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date					
Land	2	Market approach using recent observable market data for similar properties	Independent Registered Valuers	June 2023	Price per hectare
Land	3	Improvements to land valued using cost approach using current replacement cost	Independent Registered Valuers	June 2023	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent Registered Valuers	June 2023	Price per square metre
Buildings - specialised	3	Improvements to land valued using cost approach using current replacement cost	Independent Registered Valuers	June 2023	Improvements to buildings using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

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

Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 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 parks and ovals $	Infrastructure other $	Sewerage $	Other infrastructure Airfields $	Dams $	Playground Equipment $	Total infrastructure $
Balance as at 1 July 2022		39,230,196	452,627	912,164	6,085,498	2,355,643	724,510	758,158	114,106	50,632,902
Additions		1,389,997	122,007	17,799	380,689	21,603	–	–	94,955	2,027,050
Revaluation increments transferred to revaluation surplus		7,665,712	22,703	37,464	1,618,817	315,578	–	229,052	4,209	9,893,535
Revaluation decrements transferred to revaluation surplus		–	–	–	–	–	(83,400)	–	–	(83,400)
Depreciation	10	(784,576)	(17,496)	(29,328)	(145,775)	(35,421)	(10,610)	(16,710)	(9,115)	(1,049,031)
Balance at 30 June 2023		47,501,329	579,841	938,099	7,939,229	2,657,403	630,500	970,500	204,155	61,421,056
Comprises:										
Gross balance amount at 30 June 2023		85,385,855	1,501,567	938,099	7,939,229	2,657,403	630,500	970,500	204,155	100,227,308
Accumulated depreciation at 30 June 2023		(37,884,526)	(921,726)	–	–	–	–	–	–	(38,806,252)
Balance at 30 June 2023		47,501,329	579,841	938,099	7,939,229	2,657,403	630,500	970,500	204,155	61,421,056
Balance as at 1 July 2023		47,501,329	579,841	938,099	7,939,229	2,657,403	630,500	970,500	204,155	61,421,056
Additions		1,843,565	70,487	166,878	318,887	–	128,299	–	5,103	2,533,219
Depreciation	10	(836,783)	(30,031)	(26,687)	(186,451)	(125,992)	(8,064)	(20,887)	(11,448)	(1,246,343)
Balance at 30 June 2024		48,508,111	620,297	1,078,290	8,071,665	2,531,411	750,735	949,613	197,810	62,707,932
Comprises:										
Gross balance amount at 30 June 2024		87,229,420	1,572,054	1,104,977	8,258,116	2,657,403	758,799	970,500	209,258	102,760,527
Accumulated depreciation at 30 June 2024		(38,721,309)	(951,757)	(26,687)	(186,451)	(125,992)	(8,064)	(20,887)	(11,448)	(40,052,595)
Balance at 30 June 2024		48,508,111	620,297	1,078,290	8,071,665	2,531,411	750,735	949,613	197,810	62,707,932

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 9. Infrastructure (continued)

(b) Carrying Amount Measurements

Asset class	Fair value hierachy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date					
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 - parks and ovals	3	Cost approach using current replacement cost	Independent Registered Valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - Sewerage	3	Cost approach using current replacement cost	Independent Registered Valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - Airfields	3	Cost approach using current replacement cost	Independent Registered Valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - Dams	3	Cost approach using current replacement cost	Independent Registered Valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - Playground Equipment	3	Cost approach using current replacement cost	Independent Registered Valuers	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Other infrastructure - Other	3	Cost approach using current replacement cost	Independent Registered Valuers	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 by the local government to determine the fair value of infrastructure using level 3 inputs.

Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 10. Fixed assets

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

Asset Class	Useful life
Buildings - non-specialised	40 to 100 years
Buildings - specialised	40 to 100 years
Furniture and equipment	5 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - Roads	20 to 80 years
Infrastructure - Footpaths	50 years
Other infrastructure- Parks & Ovals	10 to 60 years
Other infrastructure - Sewerage	30 to 75 years
Other infrastructure - Airfields	50 years
Other infrastructure - Dams	40 - 100 years
Other infrastructure - Playground Equipment	5 to 15 years
Other infrastructure - Other	10 to 60 years

MATERIAL ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 10. Fixed assets (continued)

improvements (i.e. vested improvements) on land vested in the Shire.

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

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

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

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

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

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

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

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

Impairment
In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the Shire is not required to comply with *AASB136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

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

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

Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 11. Leases

(a) Right of use assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year

	Note	Land and buildings $	Plant & Equipment $	Total $
2023				
Balance at 1 July 2022		–	33,819	33,819
Depreciation	10	–	(33,819)	(33,819)
2024				
Balance at 1 July 2023		–	–	–
Depreciation	10	–	–	–

Amounts included in the statement of comprehensive income related to leases

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

	Note	2024 Actual $	2023 Actual $
Expenses			
Depreciation on right-of-use assets	10	–	(33,819)
Finance charge on lease liabilities	27c	–	(84)
Total amount recognised in the statement of comprehensive income		–	(33,903)
Total cash outflow from leases		–	(29,006)

MATERIAL ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - measurement

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

Right-of-use assets - depreciation

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

Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 12. Trade and other payables

	2024 $	2023 $
Current		
Sundry creditors	190,590	334,220
Accrued interest	–	2,803
Prepaid rates	40,904	40,474
Accrued payroll liabilities	28,227	44,110
ATO liabilities	48,857	60,414
Bonds and deposits held	38,580	32,462
Accrued Expenditure	62,211	139,176
Total current trade and other payables	409,369	653,659

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

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

Prepaid rates

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

Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 13. Other liabilities

	2024 $	2023 $
(a) Other liabilities		
Current		
Capital grant/contributions liabilities	1,070,215	274,221
	1,070,215	274,221

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 capital grant/contribution liabilities		
Opening balance	274,221	528,111
Additions	1,070,215	54,701
Revenue from capital grant/contributions held as a liability at the start of the period	(274,221)	(308,591)
	1,070,215	274,221

Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	1,070,215	274,221
	1,070,215	274,221

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

MATERIAL ACCOUNTING POLICIES

Contract Liabilities

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

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

Capital grant/contribution liabilities

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

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

Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 14. Borrowings

	Note	2024 Current $	2024 Non-current $	2024 Total $	2023 Current $	2023 Non-current $	2023 Total $
Secured							
Long Term Borrowings		28,985	362,088	391,073	28,156	391,073	419,229
Total secured borrowings	27a	28,985	362,088	391,073	28,156	391,073	419,229

MATERIAL ACCOUNTING POLICIES

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierachy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

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

Note 15. Employee related provisions

	2024 $	2023 $
(a) Employee related provisions		
Current provisions		
Employee benefit provisions		
Annual leave	118,348	139,169
Long service leave	90,039	139,490
	208,387	278,659
Other provisions		
Employment on-costs	26,732	35,272
	26,732	35,272
Total current employee related provisions	235,119	313,931
Non-current provisions		
Long service leave	42,207	37,288
	42,207	37,288
Other provisions		
Employment on-costs	2,606	1,567
	2,606	1,567
Total non-current employee related provisions	44,813	38,855
Total employee related provisions	279,932	352,786

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.

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Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 15. Employee related provisions (continued)

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:

MATERIAL ACCOUNTING POLICIES

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

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

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

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

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

Morawa Shire

Notes to the Financial Statements

for the year ended 30 June 2024

Note 16. Revaluation surplus

	2024 Opening Balance $	2024 Revaluation Increment $	2024 Revaluation (Decrement) $	2024 Total Movement on Revaluation $	2024 Closing Balance $	2023 Opening Balance $	2023 Revaluation Increment $	2023 Revaluation (Decrement) $	2023 Total Movement on Revaluation $	2023 Closing Balance $
Revaluation surplus - Land & Buildings	17,751,062	–	–	–	17,751,062	12,213,453	5,537,609	–	5,537,609	17,751,062
Revaluation surplus - Furniture and equipment	36,213	–	–	–	36,213	36,213	–	–	–	36,213
Revaluation surplus - Plant and equipment	1,052,296	–	–	–	1,052,296	1,052,296	–	–	–	1,052,296
Revaluation surplus - Infrastructure - roads	29,361,738	–	–	–	29,361,738	21,696,026	7,665,712	–	7,665,712	29,361,738
Revaluation surplus - Infrastructure - footpaths	75,510	–	–	–	75,510	52,807	22,703	–	22,703	75,510
Revaluation surplus - Infrastructure- parks and ovals	175,141	–	–	–	175,141	137,677	37,464	–	37,464	175,141
Revaluation surplus - Infrastructure - other	4,028,815	–	–	–	4,028,815	2,409,998	1,618,817	–	1,618,817	4,028,815
Other infrastructure - Sewerage	2,034,904	–	–	–	2,034,904	1,719,326	315,578	–	315,578	2,034,904
Other infrastructure - Airfields	495,544	–	–	–	495,544	578,944	–	(83,400)	(83,400)	495,544
Other infrastructure - Dams	1,166,084	–	–	–	1,166,084	937,032	229,052	–	229,052	1,166,084
Other infrastructure - Playground Equipment	118,972	–	–	–	118,972	114,763	4,209	–	4,209	118,972
	56,296,279	–	–	–	56,296,279	40,948,535	15,431,145	(83,400)	15,347,745	56,296,279
	56,296,279	–	–	–	56,296,279	40,948,535	15,431,145	(83,400)	15,347,745	56,296,279

Morawa Shire

Notes to the Financial Statements

for the year ended 30 June 2024

Note 17. Restrictions over financial assets

	Note	2024 Actual $	2023 Restated Actual $
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	8,171,861	7,128,677
		8,171,861	7,128,677
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	7,067,167	6,732,381
Capital grant liabilities	13	1,070,215	274,221
Unspent loans	27b	–	89,613
Bonds & Deposits Held		34,479	32,462
Total restricted financial assets		8,171,861	7,128,677

Note 18. Undrawn borrowing facilities and credit standby arrangements

	2024 Actual $	2023 Actual $
Credit card limit	15,000	15,000
Credit card balance at balance date	(4,051)	(1,159)
Total amount of credit unused	10,949	13,841
Security		
Bankwest holds a mortgage over council's rates revenue.		
Loan facilities		
Loan facilities - current	28,985	28,156
Loan facilities - non-current	362,088	391,073
Total facilities in use at balance date	391,073	419,229
Unused loan facilities at balance date	–	89,613

Morawa Shire

Notes to the Financial Statements

for the year ended 30 June 2024

Note 19. Contingent liabilities

The Shire of Morawa has, in compliance with the Contaminated Sites Act 2003 s11, listed sites to be

- The Shire of Morawa Works Depot
- The Shire of Morawa Landfill site - Jones Lake Road
- The Shire of Morawa Waste Water Treatment Plant
- The Shire fo Morawa Landfill site - Canna
- The Shire fo Morawa Landfill site - Gutha
- The Old Hospital located on Caulfield Road

Until the Shire conducts an investigation to determine the presence and scope of contamination, assess the risk and agree with the DWER the need and criteria for remediation, the Shire is unable to accurately quantify its clean-up liabilities for potentially contaminated sites. The Shire is continuing to monitor the sites and will progressively undertake site investigations and remediation on a risk based approach. This approach is consistent with the DWER guidelines.

Old Morawa Hospital

The Shire was granted a management order over Reserve 52057 on 22 April 2015 (the Old Hospital Site). The buildings on the site are in a state of disrepair, and it is assumed, include asbestos containing materials (ACM's) within the building's fabric.

The Shire has the intention to further investigate its options by assessing the asbestos levels in collaboration with expert parties.

The Shire has been working with the Department of Planning Lands and Heritage (the department) regarding the future ownership of the old hospital. The Department will first need to consider whether native title rights and interest have been extinguished over the whole or portion of the subject reserve.

Upon confirming the native title status for Reserve 52057, both the Shire and the Department will consider their options which may include (but are not limited to):

- The subject reserve remains with the Shire with an undertaking that building is demolished; or
- Sold via a divestment with the Department's Land Asset program for divestment.

Other than the matters noted above, the Shire is not aware of any potential contigent liabilities as at 30 June 2024.

Note 20. Capital commitments

	2024 $	2023 $
Capital expenditure commitments		
Contracted for:		
- capital expenditure projects	134,911	66,249
- plant & equipment purchases	311,300	61,505
Total capital expenditure commitments	446,211	127,754
Payable:		
- not later than one year	446,211	127,754
Total capital expenditure commitments	446,211	127,754

Capital Commitments are for:
2 x Fuso Canter Trucks
Consultants - Recreation Centre Roof
Renewal works staff housing
Equipment hire for rural road projects

Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 21. Related party transactions

	Note	2024 Actual $	2024 Budget $	2023 Actual $
(a) Council Member Remuneration				
Fees, expenses and allowances to be paid or reimbursed to elected council members.				
President's annual allowance		17,428	17,428	17,428
President's meeting attendance fees		16,400	16,400	16,400
President's other expenses		391	1,800	–
President's travel and accommodation expenses		–	2,020	–
Total		34,219	37,648	33,828
Deputy President's annual allowance		4,357	4,357	4,360
Deputy President's meeting attendance fees		8,200	8,200	8,200
Deputy President's other expenses		1,654	1,703	–
Deputy President's travel and accommodation expenses		–	1,030	1,291
Total		14,211	15,290	13,851
All other council member's meeting attendance fees		37,809	41,000	41,000
All other council member's travel and accommodation expenses		497	5,150	1,734
All other council member's All other council member expenses		1,954	8,500	–
Total		40,260	54,650	42,734
Total	21b	88,690	107,588	90,413

	Note	2024 Actual $	2023 Actual $
(b) Key management personnel			
Key Management Personnel (KMP) Compensation			
The total of compensation paid to KMP of the Shire during the year are as follows:			
Short-term employee benefits		367,560	539,621
Post-employment benefits		52,520	71,226
Employee - other long-term benefits		29,587	72,907
Employee - termination benefits		–	12,741
Council member costs	21a	88,690	90,413
Total		538,357	786,908

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

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Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 21. Related party transactions (continued)

These amounts are the current-year's estimated cost of providing for 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.

(c) Transactions with related parties

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

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

	2024 Actual $	2023 Actual $
In addition to KMP compensation above the following transactions occurred with related parties:		
Purchase of goods and services	194,871	335,078
Amounts outstanding from related parties:		
Trade and other receivables	3,655	–
Amounts payable to related parties:		
Trade and other payables	–	11,824

The Shire's main related parties are as follows:

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

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

iii. Entities subject to significant influence by the Shire
There were no such entities requiring disclosure during the current or previous year.

Morawa Shire

Notes to the Financial Statements

for the year ended 30 June 2024

Note 22. Joint Arrangements

Share of joint operations

The Shire of Morawa has entered into a joint arrangement, based on a Deed of Trust, with Homeswest for the construction of 2 x 1 bedroom unit and 1 x 2 bedroom units in Dreghorn Street, Morawa. The provision of this housing aims to provide accommodation to single persons. The Shire of Morawa has a 2% interest in the assets of this joint arrangement. All revenue and expenditure, as well as liabilities, of the joint arrangements are are recognised in the relevant financial statements of Council.

	2024 Actual $	2023 Actual $
Statement of Financial Position		
Land and buildings	3,240	3,440
Less: accumulated depreciation	(47)	–
Total assets	3,193	3,440
Other revenue	15,562	15,640
Depreciation	(47)	(618)
Other expense	(12,492)	(13,950)
Profit/(loss) for the period	**3,023**	**1,072**
Statement of Cash Flows		
Other revenue	15,562	15,640
Other expense	(12,492)	(13,950)
Net cash provided by (used in) operating activities	3,070	1,690

MATERIAL ACCOUNTING POLICIES

Joint operations

A joint operation is a joint arrangement where the Shire has joint control with two or more parties to the joint arrangement. All parties to joint arrangementhave 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.

Note 23. Events occurring after the end of the reporting period

The Shire does not have any subsequent events after the reporting date.

Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 24. Other Material Accounting Policies

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

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

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

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

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

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial 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 revenue
Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy
AASB 13 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

continued on next page ...

Note 24. Other Material Accounting Policies (continued)

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.

Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 25. Rating information

Rate type	Basis of valuation	Rate in $	Number of properties	2023/24 Actual Rateable value (*) $	2023/24 Actual Rate revenue $	2023/24 Actual Interim rates $	2023/24 Actual Total revenue $	2023/24 Budget rate revenue $	2023/24 Budget interim rate $	2023/24 Budget total revenue $	2022/23 Actual Total revenue $
General Rates											
Rate Description											
GRV Residential /Commercial	Gross rental valuation	0.088342	268	2,799,272	247,293	549	247,842	247,293	–	247,293	236,645
UV Rural	Unimproved valuation	0.022728	209	105,039,500	2,389,286	–	2,389,286	2,387,338	–	2,387,338	2,088,362
UV Mining	Unimproved valuation	0.301974	30	873,066	263,643	–	263,643	263,643	–	263,643	249,906
Total general rates			507	108,711,838	2,900,222	549	2,900,771	2,898,274	–	2,898,274	2,574,913
Minimum payment											
GRV Residential /Commercial	Gross rental valuation	339.00	46	27,993	15,594	–	15,594	15,594	–	15,594	14,927
UV Rural	Unimproved valuation	339.00	7	47,900	2,373	–	2,373	2,373	–	2,373	3,185
UV Mining	Unimproved valuation	683.00	12	13,674	8,196	–	8,196	8,196	–	8,196	1,817
Total minimum payments			65	89,567	26,163	–	26,163	26,163	–	26,163	19,929
Total general rates and minimum payments			572	108,801,405	2,926,385	549	2,926,934	2,924,437	–	2,924,437	2,594,842
Ex-gratia rates											
CBH		–	–	–	10,206	–	10,206	10,206	–	10,206	9,766
Total amount raised from rates (excluding general rates)			–	–	10,206	–	10,206	10,206	–	10,206	9,766
							2,937,140			2,934,643	2,604,608
Discounts							(34,878)			(35,000)	(31,610)
Concessions							(19,113)			(1,500)	(8,654)
Total rates							2,883,149			2,898,143	2,564,344
Rate instalment interest							5,238			4,500	4,215
Rate overdue interest							24,171			28,000	29,405

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

(*) Rateable Value at time of raising of rate.

Morawa Shire

Notes to the Financial Statements

for the year ended 30 June 2024

Note 26. Determination of surplus or deficit

	Note	2023/24 30 June 2024 Carried Forward $	2023/24 Budget 30 June 2024 Carried Forward $	2022/23 30 June 2023 Carried Forward $
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.				
Adjustments to operating activities				
Less: Profit on asset disposals		–	(10,427)	(37,873)
Less: Fair value adjustments to financial assets at fair value through profit or loss		(1,261)	–	(2,764)
Add: Depreciation	10	1,926,903	2,150,541	1,806,162
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(1,608)	–	21,809
Employee benefit provisions		5,958	–	9,872
Movement in liabilities associated with restricted cash		7,368	–	4,077
Non-cash amounts excluded from operating activities		1,937,360	2,140,114	1,801,283
Adjustments to investing activities				
(c) Non-cash amounts excluded from financing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of Financial Activity in accordance with Financial Management Regulation 32.				
Adjustments to financing activities				
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	28	(7,067,167)	(6,669,100)	(6,732,381)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	28,985	–	28,156
- Employee benefit provisions		247,340	243,472	239,972
Total adjustments to net current assets		(6,790,842)	(6,425,628)	(6,464,253)
Net current assets used in the Statement of Financial Activity				
Total current assets		11,531,201	7,856,358	10,215,834
Less: Total current liabilities		(1,743,688)	(6,425,628)	(1,269,967)
Less: Total adjustments to net current assets		(6,790,842)	(1,430,730)	(6,464,253)
Surplus or deficit after imposition of general rates		2,996,671	–	2,481,614

Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 27. Borrowing and lease liabilities

(a) Borrowings

Purpose	Note	Principal at 1 July 2022	New loans During 2022-23	Principal repayments During 2022-23	Actual Principal at 30 June 2023	New loans During 2023-24	Principal repayments During 2023-24	Actual Principal at 30 June 2024	Budget Principal at 1 July 2023	Budget New Loans During 2023-24	Budget Principal repayments	Budget Principal at 30 June 2024
24 Harley Street		264,471	–	(15,186)	249,285	–	(15,789)	233,496	249,285	–	(15,789)	233,496
Netball Courts Redevelopment		182,113	–	(12,169)	169,944	–	(12,367)	157,577	169,944	–	(12,367)	157,577
Total		446,584	–	(27,355)	419,229	–	(28,156)	391,073	419,229	–	(28,156)	391,073
Total Borrowings	14	446,584	–	(27,355)	419,229	–	(28,156)	391,073	419,229	–	(28,156)	391,073

Borrowing Finance Cost Payments

Purpose	Loan number	Institution *	Interest Rate	Function and activity	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023
24 Harley Street	136	WATC	3.93%	Housing	16/12/35	(10,120)	(11,443)	(12,128)
Netball Courts Redevelopment	139	WATC	2.15%	Recreation and culture	01/09/35	(2,380)	(3,910)	(4,127)
Total						(12,500)	(15,353)	(16,255)
Total Finance Cost Payments						(12,500)	(15,353)	(16,255)

(*) WA Treasury Corporation

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Notes to the Financial Statements

for the year ended 30 June 2024

Note 27. Borrowing and lease liabilities (continued)

(b) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2023 $	Borrowed During Year $	Expended During Year $	Unspent Balance 30 June 2024 $
Netball Courts Redevelopment	WATC	01/09/2020	89,613	–	(89,613)	–
			89,613	–	(89,613)	–

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Morawa Shire

Notes to the Financial Statements
for the year ended 30 June 2024

Note 27. Borrowing and lease liabilities (continued)

(c) Lease liabilities

	Actual							Budget			
Purpose	Principal at 1 July 2022 $	New leases During 2022-23 $	Principal repayments During 2022-23 $	Principal at 30 June 2023 $	New leases During 2023-24 $	Principal repayments During 2023-24 $	Principal at 30 June 2024 $	Principal at 1 July 2023 $	New leases During 2023-24 $	Principal repayments During 2023-24 $	Principal at 30 June 2024 $
Gymnasium Equipment	28,922	–	(28,922)	–	–	–	–	–	–	–	–
Total lease liabilities	28,922	–	(28,922)	–	–	–	–	–	–	–	–

Purpose	Lease number	Institution	Lease interest rate	Date final payment is due	Actual for year ending 30 June 2024 $	Budget for year ending 30 June 2024 $	Actual for year ending 30 June 2023 $	Lease term
Gymnasium Equipment		MAIA Financial	2.00%	01/02/23	–	–	(84)	24 Months
Total Finance Cost Payments					–	–	(84)	

Notes to the Financial Statements

for the year ended 30 June 2024

Note 28. Reserve accounts

	2024 Opening Balance Actual $	2024 Transfer to Actual $	2024 Transfer (from) Actual $	2024 Closing Balance Actual $	2024 Opening Balance Budget $	2024 Transfer to Budget $	2024 Transfer (from) Budget $	2024 Closing Balance Budget $	2023 Opening Balance Actual $	2023 Transfer to Actual $	2023 Transfer (from) Actual $	2023 Closing Balance Actual $
Restricted by council												
(a) Leave Reserve Account	239,972	7,368	–	247,340	239,672	3,800	–	243,472	235,895	4,077	–	239,972
(b) Future Fund Grant (Interest) Reserve	230,279	58,116	–	288,395	229,992	21,200	(10,000)	241,192	209,080	21,199	–	230,279
(c) Swimming Pool Reserve	122,715	23,768	–	146,483	122,561	21,700	–	144,261	100,945	21,770	–	122,715
(d) Plant Replacement Reserve	594,395	18,251	–	612,646	593,653	9,500	–	603,153	584,297	310,098	(300,000)	594,395
(e) Capital Works Reserve	490,209	65,052	–	555,261	489,598	56,600	–	546,198	401,174	89,035	–	490,209
(f) Sewerage Reserve	389,246	71,952	–	461,198	388,760	65,200	–	453,960	323,579	65,667	–	389,246
(g) Unspent Loans Reserve	101,639	–	(101,639)	–	101,640	–	(101,640)	–	101,639	–	–	101,639
(h) Community & Economic Development Reserve	1,284,517	86,115	–	1,370,632	1,283,482	19,000	–	1,302,482	1,264,780	19,737	–	1,284,517
(i) Future Funds (Principal) Reserve	2,046,821	22,728	–	2,069,549	2,046,263	10,100	–	2,056,363	2,036,179	10,642	–	2,046,821
(j) Legal Reserve	36,661	11,125	–	47,786	36,615	10,420	–	47,035	26,196	10,465	–	36,661
(k) Emergency Response Reserve	262,087	8,047	–	270,134	261,759	4,200	–	265,959	247,792	14,295	–	262,087
(l) Aged Care Units 1-4 (JVA) Reserve	72,095	2,214	–	74,309	72,005	1,200	–	73,205	70,870	1,225	–	72,095
(m) Aged Care Units (Excl. 1-4) Reserve	269,011	18,260	–	287,271	268,675	14,000	–	282,675	254,599	14,412	–	269,011
(n) COVID-19 Emergency Response Reserve	43,149	–	(43,149)	–	43,149	–	–	43,149	93,149	–	(50,000)	43,149
(o) Jones Lake Road Rehab Reserve	151,877	24,663	–	176,540	151,688	21,600	–	173,288	100,085	51,792	–	151,877
(p) Morawa-Yalgoo Road Maintenance Reserve	147,708	132,255	(30,000)	249,963	147,708	–	(30,000)	117,708	77,708	70,000	–	147,708
(q) Insurance Works Reserve	250,000	–	(40,340)	209,660	250,000	–	(175,000)	75,000	–	250,000	–	250,000
	6,732,381	549,914	(215,128)	7,067,167	6,727,220	258,520	(316,640)	6,669,100	6,127,967	954,414	(350,000)	6,732,381
	6,732,381	549,914	(215,128)	7,067,167	6,727,220	258,520	(316,640)	6,669,100	6,127,967	954,414	(350,000)	6,732,381

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

continued on next page ...

Notes to the Financial Statements
for the year ended 30 June 2024

Note 28. Reserve accounts (continued)

Name of reserve	Purpose of the reserve
(a) Leave Reserve Account	To be used to fund leave requirements
(b) Future Fund Grant (Interest) Reserve	To allocate funding to community based projects financed from the interest received on the Future Fund (Principal) Reserve
(c) Swimming Pool Reserve	Funds to be used for any renewal/upgrade or maintenance of the Morawa Swimming Pool.
(d) Plant Replacement Reserve	To be used to upgrade, replace, or purchase of new plant and equipment
(e) Capital Works Reserve	To be used for the Shire to allocate towards expenditure on capital works, specifically the renewal or creation of Shire assets
(f) Sewerage Reserve	To be used to repair, replace, or extend the sewerage facility
(g) Unspent Loans Reserve	To be used to quarantine any unspent loan funds at year end due to incomplete projects
(h) Community & Economic Development Reserve	To fund significant community or economic development projects within the shire
(i) Future Funds (Principal) Reserve	To provide an ongoing conduit for benefits to the people and environment of Morawa in line with Sinosteel Midwest Corporation Future Fund Foundation Memorandum
(j) Legal Reserve	To be used to fund any unforeseen legal action against the Shire of Morawa
(k) Emergency Response Reserve	To be used to fund insurance excesses and emergency response activities in relation to unbudgeted events impacting the community or Shire assets outside of Council control.
(l) Aged Care Units 1-4 (JVA) Reserve	To fund future repair and maintenance costs associated with the Joint Venture Agreement (JVA) Aged Care Units
(m) Aged Care Units (Excl. 1-4) Reserve	To fund capital works expenditure realting to existing or new Aged Care Units
(n) COVID-19 Emergency Response Reserve	To invest in activities that promote community wellbeing, aid residents and businesses in financial hardship and other general COVID recovery projects.
(o) Jones Lake Road Rehab Reserve	To fund future closure and rehabilitation of the landfill site at Jones Lake Road
(p) Morawa-Yalgoo Road Maintenance Reserve	To be used to fund any future maintenance works on the Morawa Yalgoo Road
(q) Insurance Works Reserve	To be used to repair assets that have received an insurance payout but works were not completed by year end

Morawa Shire

Notes to the Financial Statements

for the year ended 30 June 2024

Note 29. Trust funds

	1-Jul-2023 $	Amounts received $	Amounts paid $	30 June 2024 $
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:				
Drug Action Group	660	–	–	660
Youth Fundraising	865	–	–	865
BCITF/BSL	172	–	(172)	–
	1,697	–	(172)	1,525

Note 30. Correction of error

Nature of prior-period error

The Shire acts as an agent for the Department of Transport (DOT) to provide motor vehicle registration and licensing services and receives a commission to do so. During the current period, a material error was discovered that required restatement of prior period figures as the Shire previously recorded the amount of $308,554, collected for DOT, as revenue and subsequent payments of this amount as expenditure. The Shire however had correctly recognised their commission as revenue in accordance with *AASB 15(B36).*

In the current year, the Shire has correctly recorded such amounts collected as a liability and restated the comparative income and expense line items in the statement of Comprehensive Income for consistency of presentation as follows:

Statement of Comprehensive Income

	Original Balance 30 June, 2023 $	Impact Increase/ (decrease) $	Restated Balance 30 June, 2023 $
Other Revenue	877,443	(308,554)	568,889
Other Expenses	473,132	(308,554)	164,578
Net result	2,077,726	–	2,077,726

Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

Shire of Morawa

To the Council of the Shire of Morawa

Opinion

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

- the statement of financial position as at 30 June 2024, 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 material 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 2024 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

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

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

Emphasis of Matter – Restatement of Comparative balances

I draw attention to Note 30 of the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

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 2024, 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.

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

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. 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, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

My independence and quality 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 Morawa for the year ended 30 June 2024 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Patrick Arulsingham
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
2 December 2024