



SHIRE OF
Chapman Valley
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ANNUAL REPORT

2023/2024





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ACKNOWLEDGEMENT OF COUNTRY

The Shire of Chapman Valley would like to respectfully acknowledge the Naaguja peoples who are the traditional owners and first people of the land on which we stand. We would like to pay our respect to the elders past, present and emerging for they hold the memories, the traditions, the culture and hopes of the Naaguja peoples.

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Chapman Valley for any act, omission or statement or intimation occurring during Council Meeting. The Shire of Chapman Valley disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee Meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council Meeting does so at that person's or legal entity's own risk.

The Shire of Chapman Valley warns that anyone who has any application or request with the Shire of Chapman Valley must obtain and should rely on WRITTEN CONFIRMATION of the outcome of the application or request of the decision made by the Shire of Chapman Valley.



Together with Jamie Criddle, CEO of the Shire of Chapman Valley, I am delighted to present this message for the 2023–2024 Annual Report.

The 2023–2024 financial year marked a period of consolidation and forward planning as we focused on creating a bright future for our community. While inflation challenges continued to affect our budget, we remained steadfast in our commitment to maintaining and enhancing our assets and infrastructure. Our goal is to meet the needs of our diverse communities while pursuing opportunities to enrich lifestyle and community wellbeing.

Throughout the year, the Shire supported several local groups through the Community Growth Fund, a council-allocated initiative that has fostered community driven projects for over a decade. Our beautiful Valley also solidified its reputation as a vibrant event hub, hosting music festivals, the Backroads Gravel Bike Race, and the much-loved Chapman Valley Show.

We are nearing the completion of Cyclone Seroja recovery works, closing an important chapter in the Shire's history. This milestone reflects the resilience of our community and the dedication of all involved.

The State Government Regional Roads Grant continues to be instrumental in enabling the Shire to complete significant road construction projects to a high standard.

Realizing our aspirations depends on collaboration. We are grateful for the ongoing support of our community, local businesses, regional bodies, neighbouring local governments, State and Federal Governments, and private sector partners. Your contributions during the 2023–2024 financial year have been invaluable.

I would like to extend my heartfelt thanks to our community members for their unwavering support and countless hours of volunteer work. It is your passion, dedication, and generosity that make our Shire such a remarkable place to live.

A special thank you to our staff and the members of the Audit and Risk Management Committee for their efforts in achieving an excellent audit result.

To all our residents, please continue to cherish the rural lifestyle and champion our shared vision of a thriving community. Together, we can make the most of our coastline, ranges, and rural landscapes to grow and prosper.

Thank you for being a part of our journey.

Kirrilee Warr
Shire President

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COUNCIL ELECTIONS

Councillors are elected for four-year terms with Council elections held every two years on the third Saturday in October.

The Shire of Chapman Valley held an election on 21 October 2023.

Councillors Kirrilee Warr (President), Nicole Batten (Deputy President), Trevor Royce, Liz Elliott-Lockhart, Catherine Low retained their positions on council. And the newly elected members from 21 October election being; Emma Rodney & Philip Blakeway.

The next Council elections will be held in October 2025.

Elected Member	Gender	Linguistic background	Country of Birth	Aboriginal or Torres Strait Islander
Kirrilee Warr	F	English	Australia	No
Nicole Batten	F	English	Australia	No
Trevor Royce	M	English	Australia	No
Liz Elliott-Lockhart	F	English	Canada	No
Catherine Low	F	English	Australia	No
Emma Rodney	F	English	Australia	No
Philip Blakeway	M	English	England	No

Members Age Range	Between 18-24	Between 25-34	Between 34-44	Between 45-54	Between 55-64	Over 64
			2	1	3	1

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ELECTED MEMBER TRAINING & ATTENDANCE

Ordinary Council Meetings are generally held on the third Thursday of each month (except January) in the Council Chambers at the Shire Administration Office, 3270 Chapman Valley Road, Nabawa from 9.00 am. All meetings are open to the public.

Minutes of the meetings are available on the Shire's website.

ORDINARY COUNCIL MEETINGS 23/24	Cr Batten	Cr Blakeway	Cr Davidson	Cr Elliott-Lockhart	Cr Forth	Cr Humphrey	Cr Low	Cr Rodney	Cr Royce	Cr Warr
20/07/23	✓		✓	✓	✓	✓	✓			✓
17/08/23	✓		✓	✓	✓	✓	✓		✓	✓
21/09/23	✓		✓	✓	✓	✓	✓		✓	
19/10/23	✓		✓	✓	✓	✓	✓		✓	✓
16/11/23	✓	✓		✓			✓	✓	✓	✓
14/12/23	✓	✓		✓			✓	✓	✓	✓
January 2024										
15/02/24	✓	✓		✓			✓	✓	✓	✓
21/03/24	✓	✓		✓				✓	✓	✓
18/04/24	✓	✓		✓			✓	✓	✓	✓
16/05/24	✓			✓			✓		✓	✓
20/06/24	✓	✓		✓			✓	✓	✓	
Total Meetings	11	6	4	11	4	4	10	6	10	9

SPECIAL COUNCIL MEETINGS 2023/2024	CR Batten	Cr Blakeway	Cr Davidson	Cr Elliott-Lockhart	Cr Forth	Cr Humphrey	Cr Low	Cr Rodney	Cr Royce	Cr Warr
09/08/23 To adopt Budget	✓		✓	✓	✓		✓		✓	✓
29/08/2023 CSRFF			✓		✓	✓	✓		✓	✓
23/10/2023 Swearing In	✓	✓		✓			✓	✓	✓	✓
22/02/2024	✓	✓		✓			✓	✓		

	No Meeting/s Held
	Apology
	Approved Leave of Absence

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ELECTED MEMBER TRAINING & ATTENDANCEcont

Ordinary Council Meetings are generally held on the third Thursday of each month (except January) in the Council Chambers at the Shire Administration Office, 3270 Chapman Valley Road, Nabawa from 9.00 am. All meetings are open to the public.

Minutes of the meetings are available on the Shire's website.

Committee Meetings	Cr Batten	Cr Blakeway	Cr Davidson	Cr Elliot-Lockhart	Cr Forth	Cr Humphrey	Cr Low	Cr Rodney	Cr Royce	Cr Warr
Finance, Audit & Risk Management Committee	1				1					1
Road Infrastructure Committee	1	1		1				1	1	1
Building & Disability Committee		1		1					1	1
Tourism and Events Committee		1		1			1			
Total Meetings	2	3	0	3	1	0	1	1	2	3

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ELECTED MEMBER TRAINING & ATTENDANCEcont

SHIRE OF CHAPMAN VALLEY ELECTED MEMBER TRAINING REPORT 2023/2024					
(Local Government Act, 1995 – Section 5.127)					
Elected Member	Training Course	Universal Training Y/N	Due Date to complete	Date Completed	Training Provider
			Universal Training	Universal Training	
Kirrilee Warr (President)	Understanding Local Government (C)	Y	31/10/2022	18/10/2022	WALGA
	Meeting Procedures (C)	Y	31/10/2022	27/10/2022	WALGA
	Conflicts of Interest (C)	Y	31/10/2022	27/10/2022	WALGA
	Serving on Council (C)	Y	31/10/2022	18/10/2022	WALGA
	Understanding Financial Reports & Budgeting (C)	Y	31/10/2022	31/10/2022	WALGA
Nicole Batten	Understanding Local Government (C)	Y	31/10/2022	12/02/2021	WALGA
	Meeting Procedures (C)	Y	31/10/2022	27/04/2022	WALGA
	Conflicts of Interest (C)	Y	31/10/2022	3/08/2022	WALGA
	Serving on Council (C)	Y	31/10/2022	25/10/2022	WALGA
	Understanding Financial Reports & Budgeting (C)	Y	31/10/2022	10/01/2022	WALGA
Beverley Davidson	Understanding Local Government (P)	Y	19/10/2020	19/06/2020	WALGA
	Meeting Procedures (C)	Y	19/10/2020	18/06/2020	WALGA
	Conflicts of Interest (C)	Y	19/10/2020	18/06/2020	WALGA
	Serving on Council (C)	Y	19/10/2020	11/07/2020	WALGA
	Understanding Financial Reports & Budgeting (P)	Y	19/10/2020	11/05/2020	WALGA
Darrell Forth (Deputy President)	Understanding Local Government (P)	Y	31/10/2022		WALGA
	Meeting Procedures (P)	Y	31/10/2022	08/20/2022	WALGA
	Conflicts of Interest (P)	Y	31/10/2022	09/02/2022	WALGA
	Serving on Council (P)	Y	31/10/2022		WALGA
	Understanding Financial Reports & Budgeting (P)	Y	31/10/2022		WALGA
Peter Humphrey	Understanding Local Government (C)	Y	31/08/2021	31/08/2021	WALGA
	Meeting Procedures (C)	Y	31/08/2021	28/01/2020	WALGA
	Conflicts of Interest (C)	Y	31/08/2021	30/01/2020	WALGA
	Serving on Council (C)	Y	31/08/2021		WALGA
	Understanding Financial Reports & Budgeting (C)	Y	31/08/2021		WALGA
Trevor Royce	Serving on Council (N)	Y	26/11/2020		WALGA
	Understanding Local Government (N)	Y	26/11/2020	08/11/2020	WALGA
	Meeting Procedures (P)	Y	26/11/2020	11/05/2020	WALGA
	Conflicts of Interest (N)	Y	26/11/2020	03/11/2020	WALGA
	Understanding Financial Reports & Budgeting (N)	Y	26/11/2020		WALGA
Katie Low	Understanding Local Government (N)	Y	31/10/2022		WALGA
	Meeting Procedures (C)	Y	31/10/2022		WALGA
	Conflicts of Interest (N)	Y	31/10/2022		WALGA
	Serving on Council (N)	Y	31/10/2022		WALGA
	Understanding Financial Reports & Budgeting (N)	Y	31/10/2022		WALGA
Liz Elliott-Lockhart	Understanding Local Government (N)	Y	31/10/2022	05/10/2022	WALGA
	Meeting Procedures (C)	Y	31/10/2022	29/09/2022	WALGA
	Conflicts of Interest (N)	Y	31/10/2022	27/09/2022	WALGA
	Serving on Council (N)	Y	31/10/2022	03/10/2022	WALGA
	Understanding Financial Reports & Budgeting (N)	Y	31/10/2022	04/10/2022	WALGA

WALGA – Western Australian Local Government Association; C – Completed; P – Participating yet not finished; N – Not Started



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ANNUAL MEETING OF ELECTORS

An Annual Meeting of Electors is held each financial year in accordance with Part 3 of the Local Government (Administration) Regulations 1996 and the Local Government Act 1995 Part 5, Division 2, Subdivision 4, Section 5.27. The purpose of the meeting is to, firstly, present the Annual Report (including the Auditor's Report) to electors, and then to discuss any other general business. Under Section 5.33, all decisions made at an electors meeting are to be considered at the next Ordinary meeting of Council.

The previous Annual Meeting of Electors was held on 21st March 2024 at the Council Chambers 3270 Chapman Valley Road, Nabawa.



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COUNCIL DELEGATES TO COMMITTEES

Council (Min Ref 2023/11-9) endorsed & reviewed the following representatives on the internal Committees established in accordance with the Local Government Act, 1995, Section 5.9(2)(a):

Council Committees – Council Members Only – Local Government Act 1995 – Section 5.9(2)(a)
(ABSOLUTE MAJORITY REQUIRED FOR COMMITTEE APPOINTMENTS)
(Must be 3 or more Representatives)

	Purpose/Delegations	Representatives
Building & Disability Services Committee	<p>Purpose: Will meet at least annually to inspect all Shire Buildings/Properties and then subsequently to:</p> <ul style="list-style-type: none">~Review preliminary costings for proposed works for consideration in draft Council Budget.~Review the Capital & Building Works Program.~Disability Access & Inclusion Plan; and~ Any other building/property items referred to the Committee by Council. <p>Delegation – Nil</p>	<p><u>4 x Councillors</u></p> <ul style="list-style-type: none">• Cr Royce• Cr Blakeway• Cr Elliott-Lockhart• Cr Warr <p><u>Observers:</u></p> <ul style="list-style-type: none">• CEO• Building Surveyor
Finance Audit & Risk Management Committee	<p>Purpose: To provide a review of Council's ongoing financial situation, provide a forum for ongoing review of strategic management plan for Council operations and discuss the Audit System.</p> <p>Delegation – Nil</p>	<p><u>4 x Councillors</u></p> <ul style="list-style-type: none">• Cr Elliott-Lockhart• Cr Batten• Cr Rodney• Cr Warr• Grant Middleton CPA (External, Independent Member) <p><u>Observers:</u></p> <ul style="list-style-type: none">~CEO~Manager Finance & Corporate Services
Road Infrastructure Committee	<p>Purpose: Undertake an annual review the following:</p> <ul style="list-style-type: none">~Road Works Program.~Road Hierarchy.~Heavy Haulage Vehicle Permit Roads; and~Any other works infrastructure item referred to the Committee by Council.~Review the plant replacement program <p>Delegation – Nil</p>	<ul style="list-style-type: none">• All Councillors <p><u>Observers:</u></p> <ul style="list-style-type: none">~CEO~Manager Works & Services~Deputy CEOWorks Leading Hand



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COUNCIL DELEGATES TO COMMITTEES

Representation of Internal Groups – Working, Advisory, Steering, etc.
(SIMPLE MAJORITY REQUIRED)
(Numbers not legislated)

**Bush Fire Brigades
Group Management
Advisory Committee**

Purpose: Meet at least annually to:

- ~ Elect Office Bearers.
- ~ Review previous year fire season.
- ~ Review the Shire's Fire Notice.
- ~ Liaise with external organisations (e.g. DFES, DBCA);
- ~ Review the DFES Capital & Operational Grants.
- ~ Any other bush fire related items referred to the Committee by Council.

Delegation – Nil

President (Presiding Member)
and 2 x Councillor

- Cr Warr (President)
- Cr Royce
- Cr Blakeway

~CBFCO
~DCBFCO
~All Brigade FCOs
~Chief Executive Officer
~Senior Ranger

Observers
1 x DFES Rep.

**Batavia Local
Emergency
Management
Committee (BLEMC)**

Purpose: Meet as required in accordance with legislation and Council endorsed Local Emergency Management Arrangements (LEMA) to:

- ~Review the LEMA & Recovery Plan.
- ~Implement Emergency Exercises as required.
- ~Any other emergency management related items referred to the Committee by Council.

Delegation – Nil

2 x Councillor

- Cr Royce
- Cr Blakeway

Chief Executive Officer;

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COUNCIL DELEGATES TO COMMITTEES

Community Growth Advisory Group	<p>Purpose: Evaluate application received for funding under the Shire of Chapman Valley Community Growth Fund program in accordance with guideline, policies and procedures set by Council and make recommendations to Council to allocate funds</p> <p>Delegation – Nil</p>	<p><u>President (Presiding Member) & 3 x Councillors (Members).</u></p> <ul style="list-style-type: none">• Cr Warr (President)• Cr Low• Cr Rodney• Cr Batten <p>~Chief Executive Officer ~Manager Finance & Corp Svc ~Community Development Officer</p>
Tourism & Events Advisory Group	<p>Purpose: Will meet on an 'as needs' basis only to:</p> <ul style="list-style-type: none">~Evaluate annual Australia Day Award Nominations and submitting these to Council in readiness for presenting the awards at the Shire's annual Australia Day Function.~Assist with coordinating the annual Australia Day function(s);~Discuss all other item(s) in the areas of tourism and events.~Liaise with external organisations <p>Delegation – Nil</p> <p>Possible Addition of Chapman Valley Agricultural Society to Tourism & Events Committee</p>	<p><u>3 x Councillors</u></p> <ul style="list-style-type: none">• Cr Elliott-Lockhart• Cr Low• Cr Blakeway <p>~ CEO ~ Deputy CEO ~ Comm. Development Officer ~ Up to 2 x Community Representatives for Australia Day award nominations (recommend past winner as one rep.)</p>
Coronation Beach Masterplan Steering Group	<p>Purpose: To review the Coronation Beach Masterplan.</p> <p>Delegation – Nil</p>	<p><u>1x Councillor</u></p> <ul style="list-style-type: none">• Cr Blakeway (Chairperson) <p>~ DCEO ~ Department of Sport & Recreations ~ Neighbouring Landowners ~ Community / User Group Representatives</p>



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COUNCIL DELEGATES TO COMMITTEES

Future Industries & Renewable Energy Advisory Group	<p>Purpose: Proactively subcommittee of council designed to specifically work with stakeholders of future industries and assist with advising council about benefits, opportunities, challenges, and threats existing to the Chapman Valley Community.</p> <p>Delegation – Nil</p>	<ul style="list-style-type: none">• Shire President• Deputy President• Cr Rodney• Cr Elliott-Lockhart• Chief Executive Officer• Deputy Chief Executive Officer
Chapman Valley Regional Trails Master Group	<p>Purpose: As determined by lead agency/organisation.</p> <p>Delegation – Nil</p>	<ul style="list-style-type: none">• Cr Batten• Cr Blakeway• Deputy Chief Executive Officer• Community / User Group Representatives x 2• Neighbouring Council Representatives (if required)
Nabawa Recreation Centre User Group	<p>Purpose: To work with the external consultants (Teakle & Laylor) & others to progress the Nabawa Community & Recreational Precinct Plan and Concept design drawings for the Recreation Centre rebuild.</p> <p>Delegation – Nil</p>	<ul style="list-style-type: none">• Cr Warr• Cr Rodney• Chief Executive Officer• Community / User Group Representatives x 4
Representatives on External Organisations (SIMPLE MAJORITY REQUIRED) (Numbers pre-determined)		
Northern Country Zone (WALGA)	<p>Purpose: As determined by lead agency/organisation.</p> <p>Delegation – Nil</p>	<p><u>2 x Councillors</u></p> <ul style="list-style-type: none">• Cr Royce• Cr Warr <p>~Chief Executive Officer (To act as Proxy in absence of Elected Members not attending)</p>

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COUNCIL DELEGATES TO COMMITTEES

Sub-Regional Road Group Committee	<p>Purpose: As determined by lead agency/organisation.</p> <p>Delegation – Nil</p>	<p><u>2 x Councillors</u></p> <ul style="list-style-type: none">• Cr Royce• Cr Warr <p>~Chief Executive Officer ~Manager Works & Services</p>
Mid West Development Assessment Panel (DAP)	<p>Purpose: As determined by lead agency/organisation.</p> <p>Delegation – Nil</p> <p>Note: Mandatory training must be undertaken prior to serving on panel.</p>	<p><u>2 x Councillors (Members)</u></p> <ul style="list-style-type: none">• Cr Batten• Cr Elliott-Lockhart <p>-</p> <p><u>2 x Councillors (Proxies)</u></p> <p>~Cr Warr ~Cr Rodney</p>
Chapman Valley Northampton Local Recovery Coordination Group	<p>Purpose:</p> <ol style="list-style-type: none">1. Inform the stakeholder engagement process for the development of the Regional Drought Resilience Plan: Midwest Region;2. Review and advise on content of the Regional Drought Resilience Plan: Midwest Region, including the regional Drought Vulnerability Assessment, with a view to informing drought resilience investment in the region;3. Provide a technical review and assessment of community drought resilience priorities and project ideas arising from the stakeholder engagement process; and4. Advise on new and emerging information relevant to the Regional Drought Resilience Plan: Midwest Region. <p>Delegation – Nil</p>	<p><u>1 x Councillors</u></p> <ul style="list-style-type: none">• Cr Warr <p>~Chief Executive Officer</p> <p>1 x Proxy Councillor Cr Batten (Proxy)</p>
Strategic Community Plan Working Group	<p>Purpose: To enable the Midwest Drought Resilient Working Group to position the Mid West region to take advantage of emerging opportunities to continue to build sustainable agri-businesses, landscapes and communities, and for regional organisations, local government, community and industry to work in Partnership.</p> <p>Delegation – Nil</p>	<p><u>1 x Councillors</u></p> <ul style="list-style-type: none">• Cr Batten• Chief Executive Officer• 1 x Proxy Councillor• Cr Royce (Proxy)

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COUNCILLOR EXPENSES

It is important that Councillors can carry out their role without being unduly financially disadvantaged. The Shire's Councillor Allowances, Expenses and Recognition policy outlines what support will be provided by the Shire taking into account the responsibilities and commitment of serving as community representatives. The policy provides for electronic equipment, training, travel and reimbursement of expenses. Allowances, expenses and fees paid by the Shire of Chapman Valley to Councillors for the financial year are outlined below:

Councillor	Member's Allowance/fee	Travelling Allowance	ICT Allowances	Total
Kirrilee Warr	\$19,742	\$50	\$500	\$20,292
Darrell Forth	\$3,060	\$13	\$125	\$3,198
Nicole Batten	\$11,617	\$50	\$500	\$12,167
Beverley Davidson	\$2,435	\$13	\$125	\$2,573
Peter Humphrey	\$2,435	\$13	\$125	\$2,573
Trevor Royce	\$9,742	\$50	\$500	\$10,292
Liz Elliott-Lockhart	\$9,742	\$50	\$500	\$10,292
Catherine Low	\$9,742	\$50	\$500	\$10,292
Emma Rodney	\$7,307	\$37	\$375	\$7,719
Phil Blakeway	\$7,307	\$37	\$375	\$7,719

*ICT = Information and communications technology, also referred to as telecommunications allowance

REGISTER OF COMPLAINTS

All complaints against the Shire of Chapman Valley's elected members that result in a finding by a standards panel (under Section 5.110(2) (a) of the Local Government Act 1995) and where a minor breach has occurred must be recorded in a Register of Complaints.

Section 5.121(3) requires the CEO to publish an up-to-date version of the register of complaints on the Shire's official website.

One complaint was included on the Shire of Chapman Valley's Register of Complaints, made under Section 5.121 of the Local Government Act 1995 during the 2023/24 financial year.

The Local Government Standards Panel found that no minor breach of regulation 19 & 20 had occurred, and no sanction was imposed.

More information can be found in the Shire of Chapman Valley's Register of Complaints, available on the Shire's website.





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PUBLIC INTEREST DISCLOSURES (PIDs)

The Public Interest Disclosure Act 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 legislation is not just to provide protection to those who make disclosures (and those who are the subject of disclosures) but also to encourage a system of transparency and accountability in the way government officials act and utilise public monies.

Matters that fall into the category of Public Interest include:

- Improper Conduct (irregular or unauthorised use of public resources)
- An offence under State Law including corruption (substantial unauthorised or irregular use of, or substantial mismanagement of, public resources).
- Administration matters generally (conduct involving a substantial risk of injury to public health, prejudice to public safety or harm to the environment).

Matters that relate to the Shire of Chapman Valley should be referred to the Shire's Public Interest Disclosure Officer (PID Officer). Disclosures made can be made not just about officers of a local authority but also about its elected members.

There is an obligation on the PID 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, dismissal or breach of confidentiality.

The Shire of Chapman Valley had no public interest disclosures during the year-ended 30th June 2024.



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NATIONAL COMPETITION POLICY (NCP)

The Competition Principles Agreement (CPA) is a contractual agreement between Federal Government and all State and Territory Governments which aims to ensure that all public enterprises operate in a transparent manner in the best interests of the public. Under the CPA, public enterprises are required to review their operations to ensure they have no competitive advantage or disadvantage as a result of their public status.

COMPETITIVE NEUTRALITY

The principle of competitive neutrality is that government businesses should not enjoy a competitive advantage, or suffer a disadvantage, simply as a result of their public sector ownership. Measures should be introduced to effectively neutralize any net competitive advantage flowing from government ownership.

Competitive neutrality should apply to all business activities that generate a user pays income of over \$200,000 per annum, unless it can be shown it is not in the public interest. A public benefit test is used to determine if competitive neutrality is in the public interest. This involves assessing the benefits of implementing competitive neutrality against the costs. If the benefits exceed the costs, competitive neutrality should be implemented.

The Shire of Chapman Valley does not control any business activity with a user pays income in excess of \$200,000 in 2023/2024.

FREEDOM OF INFORMATION (FOI)

The Shire of Chapman Valley is subject to the provisions of the Freedom of Information Act 1992, which gives individuals and organisations a general right of access to information held by the Shire. The Act also provides the right to appeal in relation to decisions made by the Shire to refuse access to information applied under the Act.

- The Shire of Chapman Valley received 1 requests for information 2023/2024

In accordance with section 5.53 of the Local Government Act and the associated Local Government (Rules of Conduct) Regulations 2007, the complaints made against councillors for 2023/2024 were

- Number of entries in register – Nil
- How the complaints were handled – Not Applicable

RECORD KEEPING

Under the State Records Act 2000, the Shire and its employees are obliged to comply with the Shire's Record Keeping Plan. A revised plan was endorsed by the State Records Office of WA in March 2020 and remains valid.

LOCAL LAWS

The Shire currently has three (3) Local Laws:

- Standing Orders Local Law 2016
- Activities in Thoroughfares in Public Places and Trading Local Law 2016
- Dog Local Law 2016

Pursuant to section 3.16 of the Local Government Act 1995, local governments are required to commence a periodic review of local laws every eight (8) years. The next review is due in 2024.



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ANNUAL REPORT 2023/2024

FEDERAL GOVERNMENT FINANCIAL ASSISTANCE GRANTS

The Shire of Chapman Valley received \$1,355,470 in Financial Assistance Grants in 2023/2024. These grants contribute to annual maintenance of community infrastructure and general operations of the local government and are a vital source of revenue to support the Shire's operations.

REGISTER OF FINANCIAL INTEREST FOR ELECTED MEMBERS AND SENIOR STAFF

In accordance with the requirements of the Local Government Act 1995, this register is held in the Shire's administration office, and is also available on the shire website for viewing by the public.

EQUAL OPPORTUNITY

The Shire supports, and is committed to, the achievement of its diversity management and equal opportunity goals. That means the Shire is continually aiming to ensure that it provides a workplace free from all forms of discrimination, harassment and bullying and that there is equality and fairness in all aspects of employment and customer service delivery in the organisation.

Policies, practices and services are adapted to meet the needs of a diverse and evolving community and the Shire reviews and updates all relevant policies annually to ensure they align with legislative requirements and the needs of the workforce.

These policies are:

- Equal Employment Opportunity Policy
- Discrimination, Harassment and Bullying Policy
- Information and Communication Technology Use Policy

REMUNERATION

Regulation 19B(2) of Local Government (Administration) Regulations 1996 requires the Annual Report to detail the number of employees who are entitled to an annual salary of \$130,000 or more and to break those employees down into bands of \$10,000.

As at 30 June 2024, the Shire of Chapman Valley had the following:

Salary Range	Employees
\$130,000 - \$139,999	1
\$140,000 - \$149,999	1
\$150,000 - \$159,999	1
\$160,000 - \$169,999	
\$180,000 - \$189,999	1

REMUNERATION PAID OR PROVIDED TO THE CHIEF EXECUTIVE OFFICER

The Shire of Chapman Valley Chief Executive Officer was paid a total reward package of \$209,581 in the 2023/2024 financial year. The Total Reward Package is comprised of Base Salary, Association Membership Fees, Personal Benefit Value of Motor Vehicle, Fringe Benefits Tax, Clothing Allowance, Superannuation and Utilities.



DISABILITY ACCESS & INCLUSION

Council is conscious of the need to provide facilities and services to residents and visitors with a range of abilities. The Disability Access and Inclusion Plan (DAIP) provides the framework to achieve this goal. The DAIP contains a number of strategies to ensure that facilities, services, events, information and employment opportunities are available to all community members – including those who may have disability.

Local Governments are required to submit an annual report to the Disability Services Commission listing any outcomes achieved during the reporting period such as: ease of access to services; built infrastructure; effective communications; quality of services; appropriate consultation; and employment.

Outcome 1 – Services and events

People with disability have the same opportunities as other people to access the services of, and participate in any events organised by, a public authority.

Outcome 2 – Buildings and other facilities

People with disability have the same opportunities as other people to access buildings and other facilities of a public authority.

Outcome 3 – Information

People with disability have the same opportunity as other people to access information in a format that will enable them to access.

Outcome 4 – Level of quality of services

People with disability have the same level of service from the employees of a public authority as other people receive from the employees of that public authority.

Outcome 5 – Complaints

People with disability have the same opportunities as other people to make complaints to a public authority.

Outcome 6 – Consultation

People with disability have the same opportunities as other people to participate in any public consultation by a public authority.

Outcome 7 – Employment

People with disability have the same opportunities as other people to obtain and maintain employment with a public authority.



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The Local Government Act requires each local government to have an Integrated Planning and Reporting Framework (IPRF), which has three levels of strategic planning, informed and supported by appropriate resourcing and asset management plans. The key components of the IPRF are:

- Strategic Community Plan (Level 1)
- Corporate Business Plan (Level 2)

The Annual Report measures our progress against priorities and aspirations that were developed in consultation with the community and documented in the Shires long term vision, the Strategic Community Plan 2022/2032.

The Shires Corporate Business Plan 2022–2027 provides clarity on the initiatives and services that the Shire is planning or implementing over the next five years, with emphasis on the delivery of the strategic priorities outlined in our Strategic Community Plan 2022–2032.



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STRATEGIC COMMUNITY PLAN/CORPORATE BUSINESS PLAN OVERVIEW

This report is based on the Strategic Community Plan that was adopted in 2022 and in review 2024 and the accompanying Corporate Business Plan that was updated in 2023.

Section 5.53(i) of the Local Government Act 1995 requires the Annual Report to include “an overview of the Plan for the Future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or continue in the next financial year.

Strategic Community Plan 2022-2032



Snapshot

OUR VISION

"A thriving and diverse community, embracing our coastline, ranges and rural settings to support growth and prosperity, while enjoying our peaceful and quiet lifestyle."

OUR VALUES

Ethical, Honest, Integrity,
Leadership, Respectful, Trustful



COMMUNITY, HEALTH & LIFESTYLE

- 11 Nurture the sense of community and unity across the Shire, while supporting towns and their volunteers in local issues
- 12 Address identified ageing population issues
- 13 Strengthen our role in regional partnerships and advocacy for continuity of local services/ facilities
- 14 Maintain and enhance safety and security in the Shire
- 15 Maximise health and lifestyle outcomes through environmental and public health strategies



ECONOMY & POPULATION

- 21 Build population and business activity through targeted strategies
Provide support for business development and local employment
- 22 Embrace local tourism and regional strategies and trails
- 23 Ensure town planning compliments economic and business development, population retention and growth strategies
- 24 Develop marketing plan to promote Chapman Valley as place to live, invest, work or visit



ENVIRONMENT & SUSTAINABILITY

- 31 Preserve and protect the natural environment and address environmental risks as they arise
- 32 Maintain the rural identity of the Shire
- 33 Build the green canopy of the Shire's town areas
- 34 Address weed and vermin control
- 35 Fire mitigation and control



PHYSICAL & DIGITAL INFRASTRUCTURE

- 41 Develop, manage, and maintain built infrastructure
- 42 Manage and maintain roads, drainage, and other essential infrastructure assets
- 43 Aspire to robust communication and digital infrastructure in the Shire through strong partnerships and alliances
- 44 Advocate for improved power networks
- 45 Advocate for improved water security within the Shire



GOVERNANCE & ACCOUNTABILITY

- 51 Ensure governance and administration systems, policies and processes are current and relevant
- 52 Be accountable and transparent while managing human and physical resources effectively
- 53 Make informed decisions within resources and areas of responsibility
- 54 Ensure robust processes and guidelines for development



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CORPORATE BUSINESS PLAN

ANNUAL REPORT 2023/2024

STRATEGIC COMMUNITY PLAN
2023-2024 Status

	Objective	Strategy	Action	Status Report
COMMUNITY, HEALTH & LIFESTYLE				
1.1	Nurture the sense of community throughout the Shire while maintaining / supporting the differing residential groups and volunteers	Development of plans and strategies relevant to emerging population needs	Review existing plans and develop new plans as required	As part of the Cyclone Seroja recovery the Shire was successful in obtaining funding to develop strategies to boost local businesses and tourism. Additionally, it aims to alleviate the volunteer drain and improve mental health and social connections by investing in community engagement, supporting volunteer programs, and enhancing social capital through sport, recreation, and community activities. These programs will be rolled out in 2024 & 2025.
		Determine a whole of Shire community integration approach	Seize opportunities to promote a sense of community	Continued collaboration with Backroads Gravel, Chapman Valley Agricultural Show, and Chapman Valley Country Music Festival organizers - amongst others Development of a community event raising awareness on remote isolation mental health awareness.
		Identify all volunteers and determine their support needs	Administrative and community development support, resources & programs	Appointment of CDO additional hours to assist in liaising with community groups to understand their collective needs and devising a strategy to provide support. Attaching funding to individual groups.
1.2	Address identified ageing population issues	Advocate for current and future services and housing needs	Review level of need and range of services or accommodation needed	Continue advocacy with State & Federal governments to provide additional housing in regional communities.
1.3	Strengthen our role in regional partnerships and advocacy for continuity of local services/ facilities	Maintain close relationships with neighbouring shires and regional bodies	Participate in and advocate for regional resources sharing and cross- boundary cooperation	Implemented Work, Health & Safety partnership with Northampton.
		Engage in conversations related to the provision of essential and desired services for Chapman Valley residents and visitors	Participate in and advocate for regional resource sharing and cross-boundary cooperation	Possible CESM with Northampton & Shark Bay. Shire also assists others in Midwest Local Government Inc; Mingenev, Three Springs, and Perenjori in regards to planning matters.
1.4	Maintain and enhance community safety and security	Maintain safe roads and infrastructure	Continue annual review of Road Hierarchy, Roadworks Program, and Plant Replacement Program. Advocate for continual improvement of Shire & State owned road infrastructure	Additional roads added to RRG 2040 plan to attract State & Federal funding
		Enhance community and property security	Encourage improved communications and security across the Shire	Installed CCTV to high risk areas including Mills Lookout, Coronation Beach, Fig Tree rest area, Yuna Golf Club, Bill Hemsley Community Centre & refuse site.
1.5	To maximise health and lifestyle outcomes through environment and public health strategies	To adopt an integrated approach to the provision of services to address the wider health and wellbeing of the community	To develop and adopt a public health plan for the Shire of Chapman Valley	Public Health Plan completed

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CORPORATE BUSINESS PLAN

ANNUAL REPORT 2023/2024

ECONOMY & POPULATION

2.1	Build population and business activity with targeted strategies	Support business development, lifestyle changes and short/ term accommodation	Ensure Planning is in place to encourage business development, promoting investment opportunities. Facilitate collaborative approach to attract staff within communities	CDO position to provide upskilling opportunities for local Businesses. Social Platforms and Website to be used to promote local businesses and their activities. Create a Economic & Tourism Business Strategy.
2.2	Provide support for business development and local employment	Research mixed land use opportunities	Investigate possible planning improvements	Shire continues to engage with applicants
		Consider business start- up incentives	Investigate possible planning improvements	Shire continues to engage with applicants
		Build on digital network development in the Valley	Continue advocating for improvements to digital infrastructure	Successful advocacy of additional Mobile tower at Howatharra, small cell tower delivered at Nanson.
2.3	Embrace local tourism & regional strategies and trails	Research a local tourism plan/initiatives & integrate with regional tourism plans	Work with local tourism network and regional groups to enhance opportunities and visitor numbers	Develop a solid digital communication platform to reach targeted tourism groups.
		Explore support needed by local tourism industries	Facilitate assistance for local tourism operators	CDO to liaise with tourism groups to offer advisory support including assistance in event grant writing.
		Seek opportunities to establish more recreational trails in the Shire for local population and visitors	Determine potential trail sites and carry out feasibility studies that include types of users, costs, and environmental risks	Contributed to Morseby Range Development Plan, Midwest Adventure Trail assisting user groups work towards delivery of trail projects.
2.4	Ensure town planning scheme allows for economic development / population retention / growth	Town Planning review for residential land, aged care facilities or business / industrial development opportunities	Ensure planning is in place to encourage economic dev. activities, owned and rental accommodation and short stay opportunities	Council commenced its scheme, and revised process at its December 2024 meeting
2.5	Develop marketing plan to promote Chapman Valley as place to live, invest, work or visit	To develop and resource physical and digital marketing resources to promote Chapman valley as a tourist or day trip destination or for lifestyle changing relocations	Determine strategy and key success indicators and seek skills and capacity in a short-term project to deliver on expectations	Development of a solid digital marketing strategy in place (Economic & Tourism Business Strategy).Development of physical marketing and town beautification including entry statements and Streets Alive artwork in progress.

ENVIRONMENT & SUSTAINABILITY

3.1	Protect & nurture the Natural Environment	Manage the impact of waste, water, weeds, vermin, and human activities on the Environment	To develop a risk management plan for known tourist trails and hotspots	Implemented increased mowing, baiting & spraying in problem areas
			Investigate possible planning improvements	Shire is working towards delivery of gardeners shed at Bill Hemsley Park to assist in service delivery.
3.2	Maintain the rural identity of the Shire	Develop western peri-urban environment in context to rural lifestyle	Ensure Planning is in place to encourage peri-urban development activities.	Shire has commenced review of its structure plans as required by regulations
		Ensure recreational, tourism activities on lifestyle blocks have minimal impact on sustainable farming	Ensure Planning is in place to encourage tourism activities or lifestyle blocks, acknowledging WAPC Policies and State direction on protecting prime agricultural land	Shire continues to engage with applicants
3.3	Build the green canopy of the Shires towns public facilities and rural areas	To increase the green canopy in building applications, facility development or upgrades, and incentive schemes to get more trees planted	Commit to planning and planting of shade trees in towns and public buildings and facilities encourage residents to plant shade trees on their properties	Instigated native tree giveaways, partner with local groups in revegetation programs
3.4	Manage the impact of waste, water, weed and vermin control on the environment	Continue to review and allocate resources to control declared weeds and vermin control on Shire owned/controlled land. And encourage landowners to manage their implementation environmental issues	Develop a weed and vermin education and management plan and resource plan	Instigated weed & vermin control program including localised education program.
		Address weed and vermin control	Lobby responsible agencies and departments and to control weeds and vermin on their properties	Increased social media & website communication
3.5	Fire mitigation and control	Monitor and manage water supply and quality	Advocate Water Corporation to continue to manage and monitor water supply and quality	Investigate funding to install additional water points in deficient areas. Shire has lodged application for funding of firefighting standpipe in Howatharra
		Install renewable initiatives on new and existing buildings	Encourage landowners to install renewable initiative to new and existing buildings. Shire to lead by example	Investigate funding to capture excess water off buildings

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CORPORATE BUSINESS PLAN

ANNUAL REPORT 2023/2024

PHYSICAL & DIGITAL INFRASTRUCTURE

4.1	Develop, manage, and maintain built infrastructure	Asset Management Plan	Review Asset Management Plan regularly and maintain integration with other Strategic Plans within the Shire	Currently under review - ongoing
		Development Projects	Review Strategic Community Plan to identify possible development projects and advocate and encourage public private investment	Review complete
4.2	Manage and maintain roads, drainage, and other essential infrastructure	Capital Road Works Programs	Review Road Hierarchy and 10 Year Road Works Program/ Widen roads and improve storm drainage where practicable	Currently under review - ongoing
		Plant Replacement Programs	Review Plant Replacement Program	Currently under review - ongoing
4.3	Aspire to develop robust communication and digital infrastructure in the Shire	Ongoing engagement with infrastructure and service providers	Continue advocating for improvements to existing infrastructure and introduction of new infrastructure for digital communications wherever practicable	Continual advocacy for improvements to existing infrastructure and introduction of new infrastructure for digital communications wherever practicable including Nanson & Howatharra phone towers.
4.4	Advocate for improved power networks	To liaise and advocate with Western Power to strengthen power infrastructure in the Shire	Determine number and length of power outages in Chapman Valley and explore potential for alternative power supplies into the future	Continue dialogue with Western Power
4.5	Advocate for improved scheme water supply to townsites	To liaise and advocate with Water Corporation to increase water security with the Shire	Continue advocating for reticulated scheme water supply to various townsites	Utilising water from the potential desalination plant at the Oakajee SIA, along with development of water pipe infrastructure along the Nanson-Howatharra Road would enable water to be delivered to the towns of Nabawa, Nanson and Yuna. This could potentially provide water for horticultural development in nearby areas like Howatharra and surrounds but the development of such projects would likely depend on the final implementation of the desalination plant and associated infrastructure in the Oakajee area.

GOVERNANCE & ACCOUNTABILITY

5.1.1	Ensure governance and administration systems, policies and processes are current and relevant	Review policy categories and set ongoing accountability for review processes	Review current Council and Management policies and formalise update process and timelines	Financial Management Review Complete, Risk review underway, policy & delegation review ongoing
5.2	Be accountable and transparent while managing human and physical resources effectively	Asset Management	Review Asset Management Plan regularly and maintain integration with other Strategic Plans within the Shire	Ongoing
		Long Term Financial Management	Review Long Term Financial Plan regularly and maintain integration with other Strategic Plans of the Shire	Ongoing
		Workforce Planning	Review Workforce Plan WFP regularly and maintain integration with other Strategic Plans of the Shire	Underway - Ongoing
		Effectively Engage and communicate with the community	Implement Community Communication plan/ Stakeholder Engagement policy	Increased social media presence & continual Web improvements, implementation of Request HQ platform to monitor requests.
		To ensure all residents can be engaged in communication and issue notifications, especially those not on social media.	Consultation with the community to determine best methods of delivering information or addressing issues across the Shire	Initiate consultation with the community to determine best methods of delivering information or addressing issues across the Shire
5.3	Make informed decisions within resources and areas of responsibility	Council and Shire process formally incorporate integrated plans as references	Reference SCP, CBP, Asset AMP, LTFP and WP regularly as part of decision-making process	ongoing
		Regular and relevant briefings to Elected Members	Continue with Staff Information Reports and Concept Forum Sessions with Council	Occurs monthly
5.4	Ensure robust process for economic and infrastructure development	Town Planning Review/ Initiatives	Ensure Planning is in place to encourage economic development activities	Council commenced its scheme. Reviewed at its December 2024 meeting

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CHIEF EXECUTIVE OFFICERS REPORT

ANNUAL REPORT 2023/2024



It is with great pleasure that I present the Annual Report for the year 2023/2024. This report encapsulates the achievements, challenges, and strategic steps that the Council and Shire's workforce have made in our commitment to serving the residents of this beautiful region. As the Chief Executive Officer at the Shire of Chapman Valley, I have the privilege of leading a dynamic and passionate team who all have great pride in their contributions toward improving the lives of our residents.

The scope of a local government business is immensely broad and with a workforce of only 23 staff members it takes great commitment from each individual to achieve the work we do each year. In this annual report, you will find a comprehensive overview of the initiatives, projects, and programs undertaken by our various departments over the 2023/24 financial year. This report is directly linked to our Corporate Business & Strategic Community Plans which sets out each year's goals and objectives as well as future aspirations. Each project and initiative is underpinned by our unwavering commitment to our vision "A thriving and diverse community, embracing our coastline, ranges and rural setting to support growth and prosperity, while enjoying our peaceful and quiet lifestyle".

As we reflect on the past year, we also keep an eye on the future. As we enter the third year of our current strategic planning cycle, we are preparing for an upcoming desktop review of our strategic documents. This review will ensure that we continue on our growth trajectory while remaining true to the history and character of each unique community within the Shire.

I invite you to explore the pages of this report, reflect on the Shire's achievements and provide us with any feedback on our direction and accountability towards our targets and goals. Finally, I'd like to acknowledge the support of our Elected Members, contractors, local state government agencies and community volunteers who assist our workforce deliver the vast array of services within the Shire and make Chapman Valley a great place to work, rest & play.

JAMIE CRIDDLE

CHIEF EXECUTIVE OFFICER

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ANNUAL REPORT 2023/2024

MAJOR PROJECTS 2023/2024

Capital Roadworks

Durawah Road	\$474,000
East Nabawa Road	\$395,000
Nabawa-Northampton Road	\$444,000
Nanson-Howatharra Road	\$305,000

Major Gravel Sheeting

Newmarracarra Road	\$260,000
Wandin Road	\$233,000

Plant Purchases

Prime Mover	\$352,000
Front End Loader	\$415,000

Minor Building

Yuna Golf Club - Electrical	\$15,000
Nabawa Oval Tank	\$30,000
Chambers - Doors	\$10,000

Community Growth Fund

Yuna Playgroup - Play Area	\$5,300
CV Agricultural Society - BBQ	\$5,000
CV Basketball Club - Jerseys	\$8,400

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ANNUAL REPORT 2023/2024

ANNUAL FINANCIAL REPORTS

AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDIT REPORT

MANAGEMENT REPORT

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SHIRE OF CHAPMAN VALLEY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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

A thriving community, making the most of our coastline, ranges and rural settings to support us to grow and prosper.

Principal place of business:
3270 Chapman Valley Road
Nabawa WA 6532

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

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

STATEMENT BY CEO

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

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

Signed on the Tenth day of December 2024



CEO

Jameon Criddle

Name of CEO

SHIRE OF CHAPMAN VALLEY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
Revenue				
Rates	2(a),24	3,181,495	3,158,236	3,051,734
Grants, subsidies and contributions	2(a)	1,935,006	1,248,227	2,786,614
Fees and charges	2(a)	430,210	371,929	440,190
Interest revenue	2(a)	86,488	34,615	60,833
Other revenue	2(a)	19,554	21,375	15,043
		5,652,753	4,834,382	6,354,414
Expenses				
Employee costs	2(b)	(2,165,128)	(3,020,842)	(2,193,641)
Materials and contracts		(2,604,708)	(3,736,398)	(2,641,074)
Utility charges		(57,333)	(56,907)	(55,086)
Depreciation		(6,639,692)	(6,869,792)	(2,287,287)
Finance costs	2(b)	(2,302)	(9,356)	(1,371)
Insurance		(282,777)	(298,552)	(181,505)
Other expenditure	2(b)	(116,703)	(134,326)	(111,226)
		(11,868,643)	(14,126,173)	(7,471,190)
		(6,215,890)	(9,291,791)	(1,116,776)
Capital grants, subsidies and contributions	2(a)	1,527,329	3,372,849	1,175,260
Profit on asset disposals		134,729	20,000	17,200
Loss on asset disposals		0	(20,000)	(25,532)
Fair value adjustments to financial assets at fair value through profit or loss	4(a)	1,261	0	2,764
		1,663,319	3,372,849	1,169,692
Net result for the period		(4,552,571)	(5,918,942)	52,916
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	16	0	0	59,965,597
Total other comprehensive income for the period	16	0	0	59,965,597
Total comprehensive income for the period		(4,552,571)	(5,918,942)	60,018,513

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

SHIRE OF CHAPMAN VALLEY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	NOTE	2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	3	5,721,554	4,080,340
Trade and other receivables	5	278,034	200,113
Inventories	6	2,419	5,931
Other assets	7	54,570	10,908
TOTAL CURRENT ASSETS		6,056,577	4,297,292
NON-CURRENT ASSETS			
Trade and other receivables	5	8,342	8,342
Other financial assets	4(a)	62,378	61,117
Property, plant and equipment	8	19,277,324	19,277,039
Infrastructure	9	187,060,057	191,269,843
Right-of-use assets	11(a)	32,336	40,436
TOTAL NON-CURRENT ASSETS		206,440,437	210,656,777
TOTAL ASSETS		212,497,014	214,954,069
CURRENT LIABILITIES			
Trade and other payables	12	732,872	668,868
Other liabilities	13	1,150,000	0
Lease liabilities	11(b)	8,301	8,087
Borrowings	14	95,932	0
Employee related provisions	15	581,836	497,342
TOTAL CURRENT LIABILITIES		2,568,941	1,174,297
NON-CURRENT LIABILITIES			
Other liabilities	13	289,999	159,515
Lease liabilities	11(b)	26,220	34,521
Borrowings	14	581,092	0
Employee related provisions	15	19,494	21,897
TOTAL NON-CURRENT LIABILITIES		916,805	215,933
TOTAL LIABILITIES		3,485,746	1,390,230
NET ASSETS		209,011,268	213,563,839
EQUITY			
Retained surplus		29,326,894	34,145,894
Reserve accounts	27	1,597,906	1,331,477
Revaluation surplus	16	178,086,468	178,086,468
TOTAL EQUITY		209,011,268	213,563,839

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

**SHIRE OF CHAPMAN VALLEY
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		34,106,389	1,318,066	118,120,871	153,545,326
Comprehensive income for the period					
Net result for the period		52,916	0	0	52,916
Other comprehensive income for the period	16	0	0	59,965,597	59,965,597
Total comprehensive income for the period		52,916	0	59,965,597	60,018,513
Transfers to reserve accounts	27	(13,411)	13,411	0	0
Balance as at 30 June 2023		34,145,894	1,331,477	178,086,468	213,563,839
Comprehensive income for the period					
Net result for the period		(4,552,571)	0	0	(4,552,571)
Total comprehensive income for the period		(4,552,571)	0	0	(4,552,571)
Transfers to reserve accounts	27	(266,429)	266,429	0	0
Balance as at 30 June 2024		29,326,894	1,597,906	178,086,468	209,011,268

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

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

	NOTE	2024 Actual \$	2023 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		3,094,810	3,062,344
Grants, subsidies and contributions		2,053,218	2,786,614
Fees and charges		430,210	422,198
Interest revenue		86,488	60,833
Goods and services tax received		0	14,402
Other revenue		19,554	15,043
		5,684,280	6,361,434
Payments			
Employee costs		(2,095,551)	(2,116,394)
Materials and contracts		(2,542,359)	(3,040,894)
Utility charges		(57,333)	(55,086)
Finance costs		(2,302)	(1,371)
Insurance paid		(282,777)	(181,505)
Goods and services tax paid		(33,198)	0
Other expenditure		(88,450)	(111,226)
		(5,101,970)	(5,506,476)
Net cash provided by operating activities		582,310	854,958
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(967,370)	(813,185)
Payments for construction of infrastructure	9(a)	(1,477,321)	(1,537,327)
Capital grants, subsidies and contributions		2,677,329	573,604
Proceeds from sale of property, plant & equipment		157,329	68,471
Net cash provided by (used in) investing activities		389,967	(1,708,437)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments for principal portion of lease liabilities	26(c)	(8,087)	(7,886)
Proceeds from new borrowings	26(a)	677,024	0
Net cash provided by (used in) financing activities		668,937	(7,886)
Net increase (decrease) in cash held		1,641,214	(861,365)
Cash at beginning of year		4,080,340	4,941,705
Cash and cash equivalents at the end of the year		5,721,554	4,080,340

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

SHIRE OF CHAPMAN VALLEY
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	24	3,045,186	3,021,512	2,918,234
Rates excluding general rates	24	136,309	136,724	133,500
Grants, subsidies and contributions		1,935,006	1,248,227	2,786,614
Fees and charges		430,210	371,929	440,190
Interest revenue		86,488	34,615	60,833
Other revenue		19,554	21,375	15,043
Profit on asset disposals		134,729	20,000	17,200
Fair value adjustments to financial assets at fair value through profit or loss	4(a)	1,261	0	2,764
		5,788,743	4,854,382	6,374,378
Expenditure from operating activities				
Employee costs		(2,165,128)	(3,020,842)	(2,193,641)
Materials and contracts		(2,604,708)	(3,736,398)	(2,641,074)
Utility charges		(57,333)	(56,907)	(55,086)
Depreciation		(6,639,692)	(6,869,792)	(2,287,287)
Finance costs		(2,302)	(9,356)	(1,371)
Insurance		(282,777)	(298,552)	(181,505)
Other expenditure		(116,703)	(134,326)	(111,226)
Loss on asset disposals		0	(20,000)	(25,532)
		(11,868,643)	(14,146,173)	(7,496,722)
Non cash amounts excluded from operating activities	25(a)	6,716,277	6,776,563	2,359,304
Amount attributable to operating activities		636,377	(2,515,228)	1,236,960
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		1,527,329	3,372,849	1,175,260
Proceeds from disposal of assets		157,329	163,000	68,471
		1,684,658	3,535,849	1,243,731
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(967,370)	(3,954,012)	(813,185)
Purchase and construction of infrastructure	9(a)	(1,477,321)	(1,175,122)	(1,537,327)
		(2,444,691)	(5,129,134)	(2,350,512)
Amount attributable to investing activities		(760,033)	(1,593,285)	(1,106,781)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	26(a)	677,024	1,277,024	0
Transfers from reserve accounts	27	0	573,543	0
		677,024	1,850,567	0
Outflows from financing activities				
Repayment of borrowings	26(a)	0	(31,000)	0
Payments for principal portion of lease liabilities	26(c)	(8,087)	(7,886)	(7,886)
Transfers to reserve accounts	27	(266,429)	(115)	(13,411)
		(274,516)	(39,001)	(21,297)
Amount attributable to financing activities		402,508	1,811,566	(21,297)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	25(b)	2,296,947	2,296,947	2,188,065
Amount attributable to operating activities		636,377	(2,515,228)	1,236,960
Amount attributable to investing activities		(760,033)	(1,593,285)	(1,106,781)
Amount attributable to financing activities		402,508	1,811,566	(21,297)
Surplus or deficit after imposition of general rates	25(b)	2,575,799	0	2,296,947

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



SHIRE OF CHAPMAN VALLEY
FOR THE YEAR ENDED 30 JUNE 2024
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SHIRE OF CHAPMAN VALLEY

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

1. BASIS OF PREPARATION

The financial report of the Shire of Chapman Valley 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 *Leases* which would have required the Shire to measure any vested improvements at zero cost.

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

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

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

Critical accounting estimates and judgements

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

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

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

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

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - note 8
 - Infrastructure - note 9
- Expected credit losses on financial assets - note 5
- Impairment losses of non-financial assets - note 10
- Measurement of employee benefits - note 15
- Measurement of provisions - note 15

Fair value hierarchy information can be found in note 23

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 28 of the financial report.

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

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

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

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

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

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

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Capital grants, subsidies and contributions	Community developments, facilities and infrastructure, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed project milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Refuse site charges (Non-residents only)	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 - other services	Venue hire, administration services, PO box, inspections.	Single point in time	Full payment prior to issue	None	At point of service
Fees and charges - sale of stock	Petroleum based fuel stocks	Single point in time	Monthly in arrears	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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

Revenue Recognition

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

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	3,181,495	0	3,181,495
Grants, subsidies and contributions	1,162,499	0	0	772,507	1,935,006
Fees and charges	0	0	430,210	0	430,210
Interest revenue	0	0	31,354	55,134	86,488
Other revenue	0	0	0	19,554	19,554
Capital grants, subsidies and contributions	0	1,527,329	0	0	1,527,329
Total	1,162,499	1,527,329	3,643,059	847,195	7,180,082

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	3,051,734	0	3,051,734
Grants, subsidies and contributions	1,967,131	0	0	819,483	2,786,614
Fees and charges	0	0	440,190	0	440,190
Interest revenue	0	0	22,599	38,234	60,833
Other revenue	0	0	0	15,043	15,043
Capital grants, subsidies and contributions	0	1,175,260	0	0	1,175,260
Total	1,967,131	1,175,260	3,514,523	872,760	7,529,674

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2024 Actual	2023 Actual
	\$	\$
Interest revenue		
Interest on reserve account	19,866	13,411
Trade and other receivables overdue interest	31,354	22,599
Other interest revenue	35,268	24,823
	86,488	60,833
The 2024 original budget estimate in relation to: Trade and other receivables overdue interest was \$19,000.		
Fees and charges relating to rates receivable		
Charges on instalment plan	6,306	4,218
The 2024 original budget estimate in relation to: Charges on instalment plan was \$4,000.		
(b) Expenses		
Auditors remuneration		
- Audit of the Annual Financial Report	49,000	36,250
- Other services – grant acquittals	3,250	2,100
	52,250	38,350
Employee Costs		
Employee benefit costs	1,763,980	1,833,527
Other employee costs	401,148	360,114
	2,165,128	2,193,641
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	1,003	1,205
Other interest charges	1,299	166
	2,302	1,371
Other expenditure		
Members remuneration	87,117	94,836
Donations and sponsorships	28,253	15,642
Sundry expenses	1,333	748
	116,703	111,226

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

3. CASH AND CASH EQUIVALENTS

Note	2024	2023
	\$	\$
Cash at bank and on hand	5,721,554	4,080,340
Total cash and cash equivalents	5,721,554	4,080,340
Held as		
- Unrestricted cash and cash equivalents	2,683,649	2,589,348
- Restricted cash and cash equivalents	3,037,905	1,490,992
17	5,721,554	4,080,340

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(a) Non-current assets

Financial assets at fair value through profit or loss

Note	2024	2023
	\$	\$
	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.

SIGNIFICANT ACCOUNTING POLICIES

Financial assets at fair value through profit or loss

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

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

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

5. TRADE AND OTHER RECEIVABLES

Note	2024	2023
	\$	\$
Current		
Rates and statutory receivables	239,977	179,273
Trade receivables	4,859	20,840
GST receivable	33,198	0
	278,034	200,113
Non-current		
Rates and statutory receivables	8,342	8,342
	8,342	8,342

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	4,859	20,840	2,848
Total trade and other receivables from contracts with customers	4,859	20,840	2,848

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

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

6. INVENTORIES

	Note	2024	2023
Current		\$	\$
Fuel and materials		2,419	5,931
		2,419	5,931
The following movements in inventories occurred during the year:			
Balance at beginning of year		5,931	6,767
Inventories expensed during the year		(149,767)	(215,182)
Additions to inventory		146,255	214,346
Balance at end of year		2,419	5,931

MATERIAL ACCOUNTING POLICIES

General

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

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

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

7. OTHER ASSETS

	2024	2023
	\$	\$
Other assets - current		
Prepayments	54,570	10,908
	54,570	10,908

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

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	<u>Assets not subject to operating lease</u>		<u>Total Property</u>			<u>Plant and equipment</u>			<u>Total property, plant and equipment</u>
	<u>Land</u>	<u>Buildings - specialised</u>	<u>Land</u>	<u>Buildings - specialised</u>	<u>Total Property</u>	<u>Furniture and equipment</u>	<u>Plant and equipment</u>	<u>Tools and equipment</u>	<u>\$</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	2,540,331	12,710,990	2,540,331	12,710,990	15,251,321	195,296	3,942,907	84,547	19,474,071
Additions	0	456,578	0	456,578	456,578	0	356,607	0	813,185
Disposals	(32,000)	0	(32,000)	0	(32,000)		(44,803)		(76,803)
Depreciation	0	(377,141)	0	(377,141)	(377,141)	(5,530)	(539,064)	(11,679)	(933,414)
Balance at 30 June 2023	2,508,331	12,790,427	2,508,331	12,790,427	15,298,758	189,766	3,715,647	72,868	19,277,039
Comprises:									
Gross balance amount at 30 June 2023	2,508,331	19,236,942	2,508,331	19,236,942	21,745,273	208,498	5,648,256	110,823	27,712,850
Accumulated depreciation at 30 June 2023	0	(6,446,515)	0	(6,446,515)	(6,446,515)	(18,732)	(1,932,609)	(37,955)	(8,435,811)
Balance at 30 June 2023	2,508,331	12,790,427	2,508,331	12,790,427	15,298,758	189,766	3,715,647	72,868	19,277,039
Additions	0	102,486	0	102,486	102,486	0	864,884	0	967,370
Disposals	0	0	0	0	0	0	(22,600)	0	(22,600)
Depreciation	0	(398,996)	0	(398,996)	(398,996)	(5,227)	(528,584)	(11,678)	(944,485)
Balance at 30 June 2024	2,508,331	12,493,917	2,508,331	12,493,917	15,002,248	184,539	4,029,347	61,190	19,277,324
Comprises:									
Gross balance amount at 30 June 2024	2,508,331	19,339,428	2,508,331	19,339,428	21,847,759	208,498	6,287,139	110,823	28,454,219
Accumulated depreciation at 30 June 2024	0	(6,845,511)	0	(6,845,511)	(6,845,511)	(23,959)	(2,257,792)	(49,633)	(9,176,895)
Balance at 30 June 2024	2,508,331	12,493,917	2,508,331	12,493,917	15,002,248	184,539	4,029,347	61,190	19,277,324

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Land and buildings					
Land	2	Market approach using recent observable market data for similar properties	Independent Registered Valuers	June 2022	Direct comparison to similar type recently sold properties.
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Registered Valuers	June 2022	Residual value, useful life, pattern of consumption and asset condition in relation to level of remaining service potential of the depreciable amount, valuers professional judgement.
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.					
(ii) Cost					
Furniture and equipment	N/A	Not Applicable	Cost	Not Applicable	Not Applicable
Plant and equipment	N/A	Not Applicable	Cost	Not Applicable	Not Applicable
Tools and equipment	N/A	Not Applicable	Cost	Not Applicable	Not Applicable

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - carparks	Total Infrastructure
	\$	\$	\$	\$	\$
Balance at 1 July 2022	122,003,217	150,358	8,771,015	188,102	131,112,692
Additions	1,448,245	0	89,082	0	1,537,327
Revaluation increments / (decrements) transferred to revaluation surplus	63,986,861	17,622	(3,956,323)	(82,563)	59,965,597
Depreciation	(1,167,466)	(5,776)	(160,868)	(11,663)	(1,345,773)
Balance at 30 June 2023	186,270,857	162,204	4,742,906	93,876	191,269,843
Comprises:					
Gross balance at 30 June 2023	211,395,860	312,500	6,626,832	102,703	218,437,895
Accumulated depreciation at 30 June 2023	(25,125,003)	(150,296)	(1,883,926)	(8,827)	(27,168,052)
Balance at 30 June 2023	186,270,857	162,204	4,742,906	93,876	191,269,843
Additions	1,270,769	0	206,552	0	1,477,321
Depreciation	(5,627,803)	(6,250)	(51,251)	(1,803)	(5,687,107)
Balance at 30 June 2024	181,913,823	155,954	4,898,207	92,073	187,060,057
Comprises:					
Gross balance at 30 June 2024	212,666,630	312,500	6,833,384	102,703	219,915,217
Accumulated depreciation at 30 June 2024	(30,752,807)	(156,546)	(1,935,177)	(10,630)	(32,855,160)
Balance at 30 June 2024	181,913,823	155,954	4,898,207	92,073	187,060,057

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management Value based around Independent Registered Valuer Report	June 2023	Construction costs, current conditions, residual values and remaining useful life assessments.
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Management Value based around Independent Registered Valuer Report	June 2023	Construction costs, current conditions, residual values and remaining useful life assessments.
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Management Value based around Independent Registered Valuer Report	June 2023	Construction costs, current conditions, residual values and remaining useful life assessments.
Infrastructure - carparks	3	Cost approach using depreciated replacement cost	Management Value based around Independent Registered Valuer Report	June 2023	Actual construction costs, residual values, asset conditions and remaining useful life assessments

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

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

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

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Sub Class	Component	Useful Life
Land - freehold land			Not depreciated
Buildings - specialised			25 to 100 years
Furniture and equipment			2 to 10 years
Plant and equipment			2 to 15 years
Tools and equipment			2 to 15 years
Right of Use - Land and building			Based on remaining lease
Infrastructure - Roads	Sealed	Pavement	80 years
Infrastructure - Roads	Sealed	Formation	Not depreciated
Infrastructure - Roads	Sealed	Surface	15 to 60 years
Infrastructure - Roads	Unsealed	Pavement	10 years
Infrastructure - Roads	Unsealed	Formation (Formed/Unformed)	Not depreciated
Infrastructure - Roads	Drainage	Kerbs	40 years
Infrastructure - Roads	Drainage	Table Drains	Not depreciated
Infrastructure - Footpaths			50 years
Infrastructure - Drainage	Culvert	Box	80 years
Infrastructure - Drainage	Culvert	Circular	80 years

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

10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

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

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

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

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

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

Measurement after recognition

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

Reportable Value

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

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

Revaluation

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

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

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

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

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

Depreciation

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

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

Depreciation on revaluation

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

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

Impairment

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

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

Gains or losses on disposal

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

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

11. LEASES

(a) Right-of-Use Assets

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

	Note	Right-of-use assets - land and buildings	Right-of-use assets Total
		\$	\$
Balance at 1 July 2022		48,536	48,536
Depreciation		(8,100)	(8,100)
Balance at 30 June 2023		40,436	40,436
Gross balance amount at 30 June 2023		72,973	72,973
Accumulated depreciation at 30 June 2023		(32,537)	(32,537)
Balance at 30 June 2023		40,436	40,436
Depreciation		(8,100)	(8,100)
Balance at 30 June 2024		32,336	32,336
Gross balance amount at 30 June 2024		72,973	72,973
Accumulated depreciation at 30 June 2024		(40,637)	(40,637)
Balance at 30 June 2024		32,336	32,336

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

		2024 Actual	2023 Actual
		\$	\$
Depreciation on right-of-use assets		(8,100)	(8,100)
Finance charge on lease liabilities	26(c)	(1,003)	(1,205)
Total amount recognised in the statement of comprehensive income		(9,103)	(9,305)
Total cash outflow from leases		(9,090)	(9,091)
(b) Lease Liabilities			
Current		8,301	8,087
Non-current		26,220	34,521
	26(c)	34,521	42,608

Secured liabilities and assets pledged as security

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

MATERIAL ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 26(c).

Right-of-use assets - measurement

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

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

Right-of-use assets - depreciation

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

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

12. TRADE AND OTHER PAYABLES

Current

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

2024	2023
\$	\$
476,046	433,959
61,900	87,881
73,397	67,783
0	18,128
95,202	55,450
25,184	5,667
1,143	0
732,872	668,868

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

Prepaid rates

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

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

13. OTHER LIABILITIES

	2024	2023
	\$	\$
Current		
Capital grant/contributions liabilities	1,150,000	0
	1,150,000	0
Non-current		
Contract liabilities	289,999	159,515
	289,999	159,515
Reconciliation of changes in contract liabilities		
Opening balance	159,515	159,515
Additions	130,484	0
	289,999	159,515
The Shire expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 24 to 60 months.		
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	0	601,656
Additions	1,150,000	0
Revenue from capital grant/contributions held as a liability at the start of the period	0	(601,656)
	1,150,000	0
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	1,150,000	0
	1,150,000	0

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

MATERIAL ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

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

14. BORROWINGS

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Bank overdrafts		0	0	0	0	0	0
Debentures		95,932	581,092	677,024	0	0	0
Total secured borrowings	26(a)	95,932	581,092	677,024	0	0	0

Secured liabilities and assets pledged as security
 Debentures, bank overdrafts and bank loans were secured by a floating charge over the assets of the Shire of Chapman Valley during the 2024 financial year.

The Shire of Chapman Valley has complied with the financial covenants of its borrowing facilities during the 2024 financial year.

MATERIAL ACCOUNTING POLICIES

Borrowing costs

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 26(a).

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

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2024	2023
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	298,528	270,457
Long service leave	283,308	226,885
	581,836	497,342
Total current employee related provisions	581,836	497,342
Non-current provisions		
Employee benefit provisions		
Long service leave	19,494	21,897
	19,494	21,897
Total non-current employee related provisions	19,494	21,897
Total employee related provisions	601,330	519,239

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

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

MATERIAL ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

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

16. REVALUATION SURPLUS

	2024 Opening Balance	Total Movement on Revaluation	2024 Closing Balance	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	8,824,751	0	8,824,751	8,824,751	0	8,824,751
Revaluation surplus - Buildings - specialised	1,361,504	0	1,361,504	1,361,504	0	1,361,504
Revaluation surplus - Plant and equipment	496,127	0	496,127	496,127	0	496,127
Revaluation surplus - Infrastructure	167,404,086	0	167,404,086	107,438,489	59,965,597	167,404,086
	178,086,468	0	178,086,468	118,120,871	59,965,597	178,086,468

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

17. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2024 Actual \$	2023 Actual \$
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	3,037,905	1,490,992
		3,037,905	1,490,992
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	27	1,597,906	1,331,477
Contract liabilities	13	289,999	159,515
Capital grant liabilities	13	1,150,000	0
Total restricted financial assets		3,037,905	1,490,992
18. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS			
Bank overdraft limit		250,000	250,000
Bank overdraft at balance date		0	0
Credit card limit		10,000	10,000
Credit card balance at balance date		(1,400)	(2,679)
Total amount of credit unused		258,600	257,321
Loan facilities			
Loan facilities - current		95,932	0
Loan facilities - non-current		581,092	0
Total facilities in use at balance date		677,024	0
Unused loan facilities at balance date		NIL	NIL

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

19. CONTINGENT LIABILITIES

The Shire did not have any contingent liabilities during the financial year.

20. CAPITAL COMMITMENTS

The Shire did not have any capital commitments outstanding at the end of the financial year.

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

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
President's annual allowance	10,000	10,000	10,000
President's meeting attendance fees	9,742	9,742	9,742
President's annual allowance for ICT expenses	500	500	500
President's annual allowance for travel and accommodation expenses	50	50	50
	20,292	20,292	20,292
Deputy President's annual allowance	2,500	2,500	2,500
Deputy President's meeting attendance fees	9,742	9,742	9,742
Deputy President's annual allowance for ICT expenses	500	500	500
Deputy President's annual allowance for travel and accommodation expenses	50	50	50
	12,792	12,792	12,792
All other council member's meeting attendance fees	51,145	58,452	58,452
All other council member's annual allowance for ICT expenses	2,625	3,000	3,000
All other council member's annual allowance for travel and accommodation expenses	263	300	300
	54,033	61,752	61,752
21(b)	87,117	94,836	94,836

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:

Short-term employee benefits	768,335	731,326
Post-employment benefits	126,995	118,933
Employee - other long-term benefits	77,513	76,886
Council member costs	87,117	94,836
21(a)	1,059,960	1,021,981

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Council member costs

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

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

21. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

KMP compensations are disclosed above.

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

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

iii. Entities subject to significant influence by the Shire

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

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

22. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

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

23. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

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

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

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

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

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

24. RATING INFORMATION

(a) General Rates

RATE TYPE				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
Rate Description	Basis of valuation	Rate in \$	Number of Properties	\$	\$	\$	\$	\$	\$	\$	\$
(i) General rates											
General Rate GRV	Gross rental valuation	0.099526	323	4,974,686	495,111	17,626	512,737	495,110	0	495,110	475,897
General Rate UV	Unimproved valuation	0.007847	429	296,478,000	2,326,463	6,557	2,333,020	2,326,973	0	2,326,973	2,249,648
Oakagee Industrial Estate Buffer Zone	Unimproved valuation	0.014801	2	13,474,000	199,429	0	199,429	199,429	0	199,429	192,689
Total general rates			754	314,926,686	3,021,003	24,183	3,045,186	3,021,512	0	3,021,512	2,918,234
(ii) Minimum payment											
Minimum Payment											
		\$									
General Rate GRV	Gross rental valuation	724.50	175	763,985	126,787	0	126,787	126,788	0	126,788	123,900
General Rate UV	Unimproved valuation	414.00	23	222,703	9,522	0	9,522	9,936	0	9,936	9,600
Total minimum payments			198	986,688	136,309	0	136,309	136,724	0	136,724	133,500
Total general rates and minimum payments			952	315,913,374	3,157,312	24,183	3,181,495	3,158,236	0	3,158,236	3,051,734
Rate instalment interest							6,306			4,000	4,218
Rate overdue interest							25,048			15,000	18,381

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

*Rateable Value at time of raising of rate.

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

25. DETERMINATION OF SURPLUS OR DEFICIT

		2023/24	2023/24	2022/23
	Note	(30 June 2024	Budget	(30 June 2023
		Carried	(30 June 2024	Carried
		Forward)	Carried	Forward
		\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals		(134,729)	(20,000)	(17,200)
Less: Movement in liabilities associated with restricted cash		84,494	(228,946)	79,011
Less: Fair value adjustments to financial assets at fair value through profit or loss		(1,261)	0	(2,764)
Add: Loss on disposal of assets		0	20,000	25,532
Add: Impairment of Plant and Equipment	8(a)	0	0	0
Add: Depreciation	10(a)	6,639,692	6,869,792	2,287,287
Non-cash movements in non-current assets and liabilities:				
Employee benefit provisions		(2,403)	5,233	(12,562)
Contract liabilities		130,484	130,484	
Non-cash amounts excluded from operating activities		6,716,277	6,776,563	2,359,304
(b) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	27	(1,597,906)	(758,049)	(1,331,477)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	95,932	1,246,024	0
- Current portion of lease liabilities	11(b)	8,301	202	8,087
- Employee benefit provisions		581,836	350,000	497,342
Total adjustments to net current assets		(911,837)	838,177	(826,048)
Net current assets used in the Statement of Financial Activity				
Total current assets		6,056,577	1,358,782	4,297,292
Less: Total current liabilities		(2,568,941)	(2,196,959)	(1,174,297)
Less: Total adjustments to net current assets		(911,837)	838,177	(826,048)
Surplus or deficit after imposition of general rates		2,575,799	0	2,296,947

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

26. BORROWING AND LEASE LIABILITIES

(a) Borrowings

		Actual								Budget			
Purpose	Note	Principal at	New Loans	Principal	Principal at 30	New Loans	Principal	Principal at		Principal at 1	New Loans	Principal	Principal at
		1 July 2022	During 2022-23	Repayments	June 2023	During 2023-24	Repayments	30 June 2024		July 2023	During 2023-24	Repayments	30 June 2024
		\$	\$	\$	\$	\$	\$	\$		\$	\$	\$	\$
Depot Building		0	0	0	0	267,024	0	267,024		0	267,024	0	267,024
Road Plant Capital		0	0	0	0	410,000	0	410,000		0	410,000	(31,000)	379,000
Disaster Recovery Centre		0	0	0	0	0	0	0		0	600,000	0	600,000
Total		0	0	0	0	677,024	0	677,024		0	1,277,024	(31,000)	1,246,024
Borrowing Finance Cost Payments													
Purpose	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023						
					\$	\$	\$						
Depot Building	99	WATC*	4.93%	18/06/2034	0	0	0						
Road Plant Capital	100	WATC*	4.61%	18/06/2029	0	(6,900)	0						
Disaster Recovery Centre	101	WATC*	4.61%	18/06/2034	0	0	0						
Total Finance Cost Payments					0	(6,900)	0						

* WA Treasury Corporation

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

26. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2023/24

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2024 Actual	2024 Budget	2024 Actual	2024 Budget		
Depot Building	WATC*	Fixed Rate	10	4.93%	\$ 267,024	\$ 267,024	\$ (267,024)	\$ (267,024)	\$ 74,439	\$ 0
Road Plant Capital	WATC*	Fixed Rate	5	4.61%	410,000	410,000	(410,000)	(410,000)	53,806	0
Disaster Recovery Centre	WATC*	Fixed Rate	10	4.61%	0	600,000	0	(600,000)	155,658	0
					677,024	1,277,024	(677,024)	(1,277,024)	283,903	0

* WA Treasury Corporation

(c) Lease Liabilities

Purpose	Note	Actual							Budget			
		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
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Nabawa Fuel Station		50,494	0	(7,886)	42,608	0	(8,087)	34,521	42,609	0	(7,886)	34,723
Total Lease Liabilities	11(b)	50,494	0	(7,886)	42,608	0	(8,087)	34,521	42,609	0	(7,886)	34,723

Lease Finance Cost Payments

Purpose	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023	Lease Term
					\$	\$	\$	
Nabawa Fuel Station	LE01	Searange Holdings Pty Ltd	2.60%	30/06/2028	(1,003)	(1,206)	(1,205)	10 Years
Total Finance Cost Payments					(1,003)	(1,206)	(1,205)	

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

27. RESERVE ACCOUNTS

	2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Actual Closing Balance	2024 Budget Opening Balance	2024 Budget Transfer to	2024 Budget Transfer (from)	2024 Budget Closing Balance	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation/agreement												
(a) Cash-in-lieu of public open space reserve	0	187,464	0	187,464	0	0	0	0	0	0	0	0
	0	187,464	0	187,464	0	0	0	0	0	0	0	0
Restricted by council												
(b) Leave Reserve Account	167,427	2,384	0	169,811	167,427	10	(17,601)	149,836	165,740	1,687	0	167,427
(c) Water Reserve Account	14,392	205	0	14,597	14,392	5	0	14,397	14,248	144	0	14,392
(d) Communication & Information Technologies Reserve Account	40,177	60,572	0	100,749	40,177	5	0	40,182	39,772	405	0	40,177
(e) Plant & Light Vehicle Reserve Account	524,609	7,473	0	532,082	524,609	50	(393,785)	130,874	519,325	5,284	0	524,609
(f) Legal Reserve Account	40,452	576	0	41,028	40,452	5	0	40,457	40,045	407	0	40,452
(g) Land Development Reserve Account	72,846	1,038	0	73,884	72,846	5	(62,157)	10,694	72,113	733	0	72,846
(h) Infrastructure Reserve Account	285,471	4,066	0	289,537	285,471	15	0	285,486	282,595	2,876	0	285,471
(i) Building Reserve Account	186,103	2,651	0	188,754	186,103	20	(100,000)	86,123	184,228	1,875	0	186,103
	1,331,477	78,965	0	1,410,442	1,331,477	115	(573,543)	758,049	1,318,066	13,411	0	1,331,477
	1,331,477	266,429	0	1,597,906	1,331,477	115	(573,543)	758,049	1,318,066	13,411	0	1,331,477

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

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

Name of reserve account	Purpose of the reserve account
Restricted by legislation/agreement	
(a) Cash-in-lieu of public open space reserve	To be used to set aside funds received from developers in lieu of land. The funds are to be used to purchase land open spaces including parks, recreation grounds and general spaces.
Restricted by council	
(b) Leave Reserve Account	To be used to fund annual and long service leave requirements.
(c) Water Reserve Account	To be used for the construction and operational costs of facilities for fire fighting purposes.
(d) Communication & Information Technologies Reserve Account	As per minute reference OCM 2024/05-3, the purpose and use of funds in this reserve account has changed and is now to be used to replace Information and Communications Technology equipment.
(e) Plant & Light Vehicle Reserve Account	To be used for the purchase of and/or major repair of major plant and light vehicles.
(f) Legal Reserve Account	To be used to fund legal expenses incurred as a result of tribunals, hearings, litigation etc.
(g) Land Development Reserve Account	To be used for further subdivisional development in the Shire of Chapman Valley.
(h) Infrastructure Reserve Account	To be used to fund road and building infrastructure projects, including yet not limited to, natural disasters upfront or insurance excess costs, annual roadworks maintenance and construction works.
(i) Building Reserve Account	To be used for the construction of shire buildings or capital upgrades of existing buildings, including yet not limited to, covering insurance excess component of claims for repair/replace buildings.

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

28. TRUST FUNDS

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

	1 July 2023	Amounts Received	Amounts Paid	30 June 2024
	\$	\$	\$	\$
Contributions - Public Open Space	150,357	0	(150,357)	0
Construction Training Fund Levies	1,835	9,494	(8,058)	3,271
Building Commission Levies	1,366	7,418	(6,484)	2,300
Unclaimed Monies	0	237	(237)	0
Nomination Deposits	0	700	0	700
	153,558	17,849	(165,136)	6,271



Auditor General

INDEPENDENT AUDITOR'S REPORT 2024

Shire of Chapman Valley

To the Council of the Shire of Chapman Valley

Opinion

I have audited the financial report of the Shire of Chapman Valley (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.

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.

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to

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

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

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

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, 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 Chapman Valley 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
10 December 2024



Our Ref: 8653

7th Floor, Albert Facey House
469 Wellington Street, Perth

Mr Jamie Criddle
Chief Executive Officer
Shire of Chapman Valley
3270 Chapman Valley Road
NABAWA WA 6532

Mail to: Perth BC
PO Box 8489
PERTH WA 6849

Tel: 08 6557 7500
Email: info@audit.wa.gov.au

Email: ceo@chapmanvalley.wa.gov.au

Dear Mr Criddle

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

The Office has completed the audit of the annual financial report for your Shire. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the President and the Minister for Local Government, as required by the Act. You are required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

Management control issues

While the result of the audit was generally satisfactory, I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachment.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

The date the financial statements submitted by your entity and considered to be of audit ready quality is 27 September 2024. This date will be reported in our local government sector audit results report to be tabled in Parliament. I am providing this date for completeness of our Office's procedural fairness process.

If you have any queries in relation to this date, please contact me on 6557 7616 within 14 days of the date of this letter. If we do not hear from you, we will take this as confirmation of the date.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'P. Arulsingham', with a stylized flourish at the end.

Patrick Arulsingham
Senior Director
Financial Audit
10 December 2024

Attach

SHIRE OF CHAPMAN VALLEY

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Non-Compliance with Local Government (Audit) Regulations 1996 Regulation 17	No		✓		
2. Corporate credit card statement not approved	No		✓		✓
3. Lack of evidence of interview assessment conducted for new employee	No			✓	

KEY TO RATINGS

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

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

SHIRE OF CHAPMAN VALLEY

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE AUDIT

1. Non-Compliance with Local Government (Audit) Regulations 1996 Regulation 17 (Regulation 17)

Finding

During the year, the Shire engaged an external consultant LG People and Culture, to conduct an internal audit for purpose of meeting the requirements of *Local Government (Audit) Regulations 1996 Regulation 17 (Regulation 17)*. This regulation requires the CEO to review the appropriateness and effectiveness of the local government's systems and procedures around risk management, internal control and legislative compliance at least every 3 financial years.

From our review of the consultant's final report provided to the Shire (dated January 2024), we noted the consultant's review did not meet all the requirements of Regulation 17. Specifically, the following requirements were not met:

- Review of the risk management system policies, procedures and plans in place at the Shire;
- Evaluation of the non-financial/operational internal controls systems and procedures at the Shire; and
- Assessment of the systems and procedures for maintaining legislative compliance.

We further note that the Shire did not identify this issue nor perform its own review to meet the legislative requirements.

Rating: Moderate

Implication

Non-compliance with the legislative requirements of Regulation 17 regarding assessment of the appropriateness and effectiveness of the systems and procedures around risk management, internal control and legislative compliance.

Recommendation

The Shire should reperform a robust assessment of the appropriateness and effectiveness of the systems and procedures in relation to risk management, internal control, and legislative compliance to meet the legislative requirements. Where an external expert is engaged, the expert's scope of work should be reviewed by the Shire to ensure it meets the requirements of the Regulations.

Management Comment

The CEO will revisit and ensure that the requirements that were not met in the review are covered as well as an additional robust internal assessment.

Responsible Person: Chief Executive Officer

Completion Date: 30.06.2025

SHIRE OF CHAPMAN VALLEY

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE AUDIT

2. Corporate credit card statements not approved

Finding

We noted that the CEO's September/October 2023 credit card statement was not independently reviewed and approved by the Manager Finance and Corporate Services, as required by the Shire's credit card approval procedures.

Rating: Moderate

Implication

In the absence of an independent review, inappropriate use of employee corporate credit cards may not be detected and addressed in a timely manner. This could potentially lead to financial loss to the Shire.

Recommendation

All monthly credit card statements should be reviewed by the Manager Finance and Corporate Services in line with the Shires approved procedures to ensure that all expenses incurred are valid business expenses and adequately supported by relevant documentation such as purchasing receipts or supplier invoices.

Management Comment

Management will ensure all monthly credit card statements are reviewed by the Manager Finance and Corporate Services (or Management Accountant in her absence) in line with the Shires policies & approved procedures to ensure all expenses incurred are valid business expenses and adequately supported by relevant source documentation _such as purchasing receipts or supplier invoices).

Responsible Person: Manager Finance & Corporate Services

Completion Date: 30.06.2025

SHIRE OF CHAPMAN VALLEY

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE AUDIT

3. Lack of evidence of interview assessment conducted for new employee

Finding

We noted 1 instance (out of 3 tested) where a new employee did not undergo a formal interview assessment to determine suitability for the position. We understand from management that the candidate had an informal interview with the Manager of Finance and Corporate Services but no documentation was retained.

Rating: Minor

Implication

Lack of documentation and informal interview processes may result in non-compliance with the Shire's policies and procedures. This may result in recruitment of candidates without the requisite skills and qualifications for the respective roles.

Recommendation

Management should ensure that interviews and assessments are performed and documented for all candidates as per the Shire's policy' on Recruitment and Selection Procedure as stipulated in the HR Induction & Guidelines Manual.

Management Comment

Management acknowledges oversight with documenting the movement of an administration employee and will ensure future interviews and assessments are performed and documented for all candidates as per the Shire's policy' on Recruitment and Selection Procedure as stipulated in the HR Induction & Guidelines Manual

Responsible Person: Manager Finance & Corporate Services

Completion Date: 30.06.2025