Shire of Three Springs

Annual Report

2023/24

1. Overview

Welcome to the Annual Report for Shire of Three Springs for the financial year 2023/24. This report demonstrates our commitment to transparency, accountability, offering an overview of our achievements and progress. It highlights the work undertaken across various areas of governance, community development, and infrastructure to deliver outcomes aligned with our Strategic Community Plan and Corporate Business Plan. By reflecting on the year's activities, we aim to demonstrate how we are meeting the needs and expectations of our community while addressing long-term challenges.

This report provides detailed insights into our financial performance, showcasing responsible management of resources to ensure sustainability and value for money. The audited financial statements included in this document outline our income, expenditures, and overall financial position, reinforcing our dedication to sound fiscal governance.

As we look to the future, this report also serves as a foundation for planning and prioritising upcoming initiatives. We remain committed to engaging with our community, fostering partnerships, and delivering services that align with our shared vision.

2 Shire President's Report

As we close another year, it is my privilege to share the highlights and heart of our community's journey through the 2023/24 financial year. This period has not only been about progress but also about deepening the connections that make the Shire of Three Springs a remarkable place to call home.

This year has further solidified our commitment to a governance culture that understands and responds to the needs of our community through our strategic plans. We have focused on enhancing our foundational practices to ensure they are as inclusive and forward-thinking as possible, fostering an environment where every voice can be heard and every hand can contribute.

Looking forward, our vision for 2024/25 is centred around fostering a more vibrant, inclusive, and resilient community. We are committed to initiatives that enhance not just our physical landscape but our social fabric as well. This includes strengthening community engagement, enhancing open and transparent communication, and supporting the myriad volunteer efforts that form the backbone of our community spirit.

Our focus remains steadfast on creating spaces where residents feel valued, involved, and connected—whether through community forums, enhanced public spaces, or the simple act of celebrating our local heroes and milestones together. Three Springs' strength lies in its people, and their resilience, engagement, and support inspire our council's efforts every day.

I am grateful for the dedication of our councillors and the tireless work of our Shire staff, who, together, strive to bring our shared visions to life. Above all, my deepest appreciation goes to you, the residents of Three Springs, whose active participation in our community's life makes all the difference.

As we look to the future, let us continue to build on this foundation with hope and concerted effort, ensuring that the Shire of Three Springs not only grows but thrives.

Cr. Chris Lane

3. Chief Executive Officer Report

Reflecting on the 2023/24 financial year, it is clear that the collaboration and strategic vision shared by our Council, executive team, and staff have been instrumental in our achievements. This unity has enabled us to successfully deliver substantial projects that significantly enhance the quality of life within our community.

Our 2024/34 Strategic Community Plan (CSP) remains a central element of our achievements, serving as the foundation of our long-term vision and aligning with our community's evolving needs and aspirations. Through robust community engagement, we have tailored our strategic initiatives to ensure a positive impact on our residents.

Financial prudence and strategic partnerships have been vital to our success this year. We have managed our resources effectively, aligning our investments with strategic objectives to maximise community benefits. Our efforts in securing funding and building partnerships have been essential in advancing our ambitious projects. Notably, since 2020, the Shire has acquired $14.5 million in grant funding, with $11.5 million allocated towards enhancing our strategic grain routes road network in the upcoming 2024/25 period.

This year's accomplishments underscore our collective effort and strategic direction. Highlights from 2023/24 include:

- Gooch St Subdivision Development
- Town Planning Scheme Finalisation
- Glyde Street Redevelopment
- Duffy's Store Project
- Community Hall Renovations and Extensions
- Community Gym Establishment
- Arrowsmith Development Hub
- Bitumen Sealing Projects
- Main Roads Grain Transport Route Upgrade
- Netball Courts and Lighting Upgrades
- Cemetery Improvement Plan
- Lovelocks Project
- Outdoor Projector and Events

More details on these exciting projects can be found on page 12 and 13.

Each of these initiatives reflects our commitment to enhancing physical infrastructure and fostering a supportive, vibrant community. Our unified approach across all levels of the Shire ensures that we not only envision progress but also achieve it. I thank the Council, staff, and the Three Springs community for their support, engagement, and commitment.

Keith Woodward

4. Councillors

Cr. Chris Lane

- **Position:** Shire President
- **Term Expires:** 2025

Cr. Nadine Eva

- **Position:** Deputy Shire President
- **Term Expires:** 2027

Cr. Jim Heal

- **Position:** Shire Councillor
- **Term Expires:** 2025

Cr. Jenny Mutter

- **Position:** Shire Councillor
- **Term Expires:** 2025

Cr. Chris Connaughton

- **Position:** Shire Councillor
- **Term Expires:** 2027

Cr. Julia Ennor

- **Position:** Shire Councillor
- **Term Expires:** 2027

Cr. Zac Mills

- **Position:** Shire Councillor
- **Term Expires:** 2027

5. Council Member Information (Regulation 19B)

Meeting Attendance:

		Cr Lane	Cr Eva	Cr Heal	Cr Mutter	Cr Ennor	Cr Connaughton	Cr Mills
26/07/2023	OCM	Present	Present	Present	Present	Leave	Present	Present
23/08/2023	OCM	Present	Present	Leave	Present	Present	Present	Present
04/10/2023	OCM	Present	Present	Present	Present	Present	Present	Apology
25/10/2023	OCM	Present	Present	Present	Present	Present	Present	Position Vacant
22/11/2023	OCM	Present	Present	Present	Leave	Present	Leave	Position Vacant
13/12/2023	ACM	Present	Present	Present	Present	Present	Present	Position Vacant
05/02/2024	SCM	Present	Present	Present	Apology	Present	Present	Position Vacant
28/02/2024	OCM	Apology	Present	Present	Present	Apology	Present	Position Vacant
27/03/2024	ACM	Present	Present	Present	Present	Present	Present	Present
27/03/2024	OCM	Present	Present	Present	Present	Present	Present	Present
24/04/2024	OCM	Present	Present	Present	Present	Present	Present	Present
22/05/2024	OCM	Present	Present	Present	Present	Present	Present	Present
19/06/2024	OCM	Present	Present	Present	Present	Apology	Present	Apology

OCM: Ordinary Council Meeting
SCM: Special Council Meeting
ACM: Audit Committee Meeting

6. Fees, Expenses, and Allowances (Regulation 19BD)

Council Members, Mayor, or President

- Nature of fees, expenses, or allowances paid.
- Total amount or value of each class of fee, expense, or allowance.

	President Allowance	Deputy President Allowance	ICT Allowance	Sitting fees	Conference	Training	Total per Councillor
Cr Lane	$15,000		$2,100	$5,830	$0	$0	**$22,930**
Cr Eva		$1,875	$2,100	$4,230	$0	$0	**$8,205**
Cr Connaughton		$1,875	$2,100	$3,915	$0	$0	**$7,890**
Cr Heal			$2,100	$2,715	$0	$0	**$4,815**
Cr Mutter			$2,100	$2,800	$0	$0	**$4,900**
Cr Ennor			$2,100	$2,200	$0	$0	**$4,300**
Cr Mills			$1,050	$1,200	$0	$0	**$2,250**
Totals	**$15,000**	**$3,750**	**$13,650**	**$22,890**	**$0**	**$0**	**$55,290**

7. Employee Information (Regulation 19B)

The total number of employees entitled to an annual salary of $130,000 or more.

Salary Band	Number of Officers
$130,000 - $139,000	
$140,000 - $149,000	
$150,000 - $159,000	
$160,000 - $169,000	
$170,000 - $179,000	1

8. Remuneration and Allowance

Any remuneration and allowances paid under Schedule 5.1 clause (9) during the financial year.

Nil

9. Complaint Payments

Any amount ordered under section 5.110(6)(b)(iv) paid by individuals as a result of complaints under sections 5.107(1), 5.109(1), or 5.114(1).

Nil

10. Our Team:

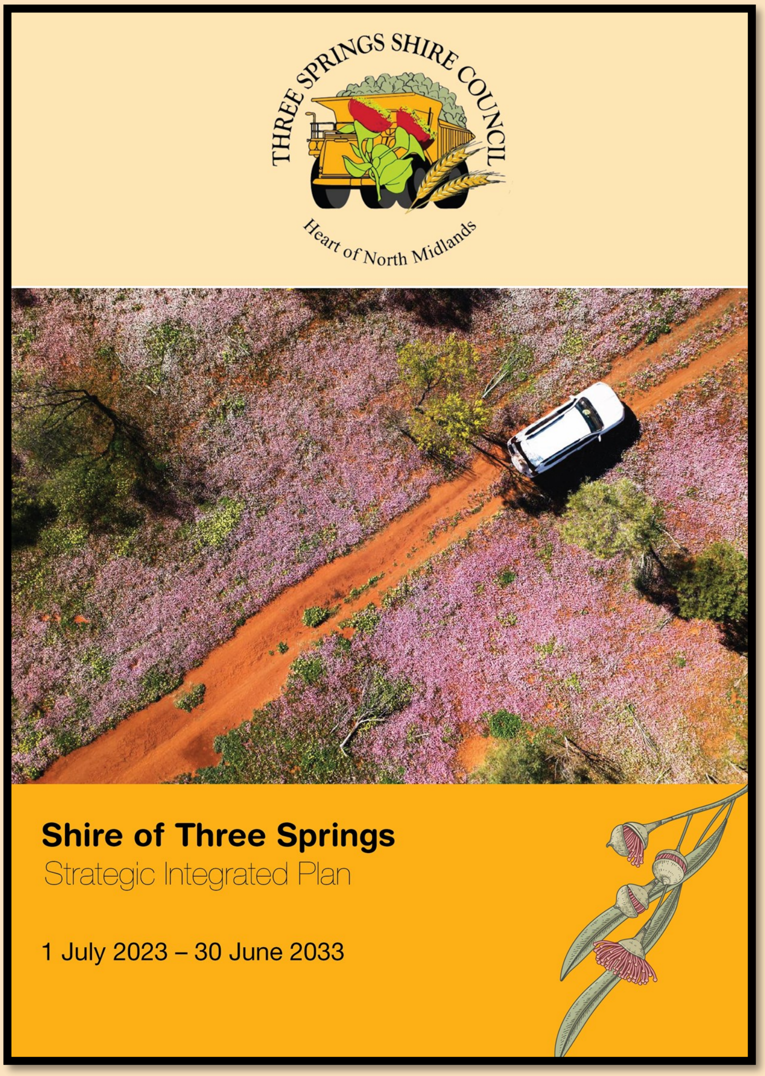
Council/ Staff	Gen-der	Linguistic Back-ground	Country of Birth	Age Group
Cr	Female	English	Australia	45-54
Cr	Female	English	Australia	45-55
Cr	Male	English	Australia	45-55
Cr	Female	English	Australia	45-55
Cr	Male	English	Australia	45-55
Cr	Female	English	Australia	55-65
Cr	Male	English	Australia	35-45
Staff	Female	English	Ireland	45-54
Staff	Male	English	Australia	55-64
Staff	Female	English	Australia	18-24
Staff	Male	Hindi/ Panjabi/ Punjabi	India	25-34
Staff	Female	English	Australia	25-34
Staff	Female	English	Australia	25-34
Staff	Male	English	England	55-64
Staff	Female	English	Australia	55-64
Staff	Male	English	England	35-44
Staff	Female	English	Australia	35-44
Staff	Male	English	India	35-44
Staff	Male	English	England	25-34
Staff	Female	English	Australia	55-64
Staff	Female	English	England	55-64
Staff	Male	English	Australian Aboriginal or Torres Strait Is-lander	45-54
Staff	Female	Afrikaans	South African Republic	85-94
Staff	Male	English	Australia	45-54
Staff	Male	English	Australia	55-64
Staff	Male	English	Australia	45-54
Staff	Female	English	Australia	55-64
Staff	Female	English	Australian Aboriginal or Torres Strait Is-lander	18-24
Staff	Female	English	United Kingdom	55-64
Staff	Female	English	Scotland	55-64
Staff	Male	English	Australia	25-34
Staff	Female	English	Australia	55-64
Staff	Male	Hindi	India	25-34
Staff	Female	English	Australia	55-64
Staff	Female	English	Australia	25-34

11. Strategic and Corporate Planning (Regulation 19B)

- ### Strategic Integrated Plan

The Shire of Three Springs adopted the new Strategic Integrated Plan for 2023-2033, outlining transformative initiatives designed to enhance the community's infrastructure and resources.

Looking ahead the 2024/25 strategic goals focus on crucial developments including gravel extraction policies, water resource management, and the auditing of gravel pits. Key projects also include the redevelopment of Duffy's Store, renovations to the sports pavilion, and the formulation of an Aquatic Centre Master Plan. Further, strategies will be executed to address town derelict housing, expand shire housing capabilities, develop worker accommodation at Glyde Street, and enhance the greening of the Three Springs Townsite. These endeavours aim to foster a sustainable and vibrant future for the Shire of Three Springs.



12. Strategic Community Plan 2023/24 Achievements

- **Gooch St Subdivision Overview:**

  This project expanded residential land by partnering with Development WA and effectively addressing market and regulatory challenges. Notable for its flexible approach and innovative long-term leasing models, this project is well-positioned to adapt to changing market conditions once demand is established, ensuring its future viability.

- **Town Planning Scheme No. 3 (TPS 3) Overview:**

  TPS 3 guides land use across various zones, developed through significant community and regulatory input. The completion of TPS 3 is a key urban planning achievement for the Shire, aligning with strategic growth objectives and grounded in extensive consultation.

- **Glyde Street Site Redevelopment Overview:**

  The transformation of the Glyde Street site into worker accommodation responds to current economic and housing demands. The project's strategic stakeholder engagements, particularly with potentially Western Power, the mining sector illustrate proactive planning and economic foresight, addressing substantial long-term benefits.

- **Duffy’s Store Project Overview:**

  This initiative focuses on revitalizing a key heritage site, targeting strategic development and funding avenues. Despite initial funding challenges, thorough planning and stakeholder engagement have set the stage for future opportunities, enhancing its cultural and community value.

- **Community Hall - Carter Street Overview:**

  The hall’s renovation enhances its functionality and accessibility, aligning with community needs and strategic goals. Completed on time and within budget, the renovations have transformed the hall into a modern, multi-purpose community asset.

- **Community Hall - Carter Street Extension/Emergency Infrastructure Overview:**

  This extension enhances the hall's role as a community and emergency hub. Careful planning and strategic project alignment ensure the extension will effectively meet both community and emergency needs.

- **Arrowsmith Development Hub Overview:**

  This project focused on road condition management and collaboration with the Arrowsmith Development Hub to bolster regional infrastructure. While effective in enhancing regional development through industry collaboration, continued focus on funding for road improvements is necessary.

- **Roads - Bitumen Sealing Overview:**

  The project aimed to improve road safety and quality through comprehensive bitumen sealing. The project was efficiently managed, resulting in significant improvements in road safety and the longevity of the Shire’s infrastructure.

- **Main Roads Grain Transport Route: Overview:**

  Upgrades to critical transport routes to support grain haulage and regional traffic. Construction tender has been awarded, the project has successfully secured federal funding and aligned with strategic transport goals, setting the stage for significant infrastructure improvements.

13. Strategic Community Plan 2023/24 Achievements (Continued)

- **Netball Courts & Lighting: Overview:**

  Upgrades to the netball courts aimed at enhancing local sports facilities and community engagement. The project delivered significant improvements to sports infrastructure, promoting active living and boosting community sports participation.

- **Cemetery Improvement:**

  Enhancements to the cemetery focused on improving accessibility, aesthetics, and functionality while respecting historical elements. Successful project execution has significantly enhanced the cemetery's role as a dignified and accessible community space, balancing heritage preservation with modern needs.

- **Lovelocks Project**

  Advancing water infrastructure improvements at Lovelocks Soak to support local ovals and community water needs. The move to self-construction due to contractor disinterest highlights the Shire's adaptability and commitment to fulfilling critical infrastructure needs efficiently.

- **Projector Events**

  Enhancement of the events program using an outdoor projector system to boost community engagement and cultural activities. The revitalized events program successfully diversified local entertainment options, aligning with community interests and strategic goals to strengthen community spirit.

14. Corporate Business Plan

During the 2023/24 , the Shire of Three Springs executed its Corporate Business Plan (CBP), successfully integrating strategic objectives with tangible community benefits. This period was marked by substantial progress in several key areas:

- **Infrastructure and Asset Management:**

  The Shire continued to optimize its asset management strategy, focusing on the sustainability of key infrastructure. This included maintenance and enhancement of civic facilities, roads, and community assets, ensuring they meet both current and future demands.

- **Community Engagement and Wellbeing:**

  Efforts to enhance community wellbeing were significant, with initiatives to improve local health services, support community groups, and enhance recreational facilities. These actions not only aimed to bolster community health and cohesion but also to make Three Springs a more attractive place for families and seniors.

- **Economic Development:**

  The CBP facilitated economic growth through the support of local businesses and the attraction of new industry. This was achieved by improving local infrastructure, promoting Three Springs as a business-friendly environment, and supporting sectors critical to the local economy such as mining, energy, agriculture and tourism.

- **Environmental Sustainability:**

  Environmental strategies focused on conservation and sustainable management practices. Projects included water resource management and waste recycling improvements, aiming to balance development with environmental stewardship.

- **Governance and Civic Leadership:**

  The Shire maintained a strong focus on governance excellence, enhancing operational efficiencies, and ensuring that community needs drive local government actions. This included regular reviews and updates to strategic documents to stay aligned with community aspirations and regulatory requirements.

15. Trading Undertakings (Regulation 19BB)

- Information for Each Trading Undertaking

  Nil

- Major Trading Undertakings

  Nil

- Land Transactions (Regulation 19BC)

  Nil

- Completed Transactions

  Nil

16. Capital Grants, Subsidies, and Contributions (Regulation 19BE)

- **Asset Renewal and Replacement**

	Renewals	Replacements
FY2023-24	$2,042,603	$0
FY2022-23	$571,122	$0
FY2021-22	$1,207,398	$0

17. Detailed Financial Statement

- Detailed financial statements.

End of Report

SHIRE OF THREE SPRINGS

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024

TABLE OF CONTENTS

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

Three Springs becomes a Healthy and Unified Community with a bright future
HEART OF NORTH MIDLANDS

Principal place of business:
132 Railway Road
Three Springs WA 6519

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SHIRE OF THREE SPRINGS
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 Three Springs 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 day of September 2024

4/12/2024

CEO

Keith Woodward

Name of CEO

SHIRE OF THREE SPRINGS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 Actual	2024 Budget	2023 Actual
		$	$	$
Revenue				
Rates	2(a),25	2,692,908	2,713,549	2,327,780
Grants, subsidies and contributions	2(a)	1,796,624	1,417,285	2,270,634
Fees and charges	2(a)	313,782	279,278	251,304
Interest revenue	2(a)	193,263	155,599	108,690
Other revenue	2(a)	84,328	67,370	51,330
		5,080,905	4,633,081	5,009,738
Expenses				
Employee costs	2(b)	(1,937,806)	(1,944,716)	(1,521,471)
Materials and contracts		(1,192,116)	(1,774,621)	(879,063)
Utility charges		(331,031)	(276,253)	(263,801)
Depreciation		(2,513,524)	(2,472,691)	(2,509,356)
Finance costs		(518)	(730)	(1,497)
Insurance		(182,541)	(182,070)	(168,123)
Other expenditure	2(b)	(68,657)	(103,720)	(63,800)
		(6,226,193)	(6,754,801)	(5,407,111)
		(1,145,288)	(2,121,720)	(397,373)
Capital grants, subsidies and contributions	2(a)	1,886,787	4,982,606	692,551
Profit on asset disposals		7,500	56,847	14,395
Loss on asset disposals		0	(88,077)	(223,917)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	1,681	0	3,686
		1,895,968	4,951,376	486,715
Net result for the period		**750,680**	**2,829,656**	**89,342**
Total comprehensive income for the period		**750,680**	**2,829,656**	**89,342**

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

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SHIRE OF THREE SPRINGS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	NOTE	2024	2023
		$	$
CURRENT ASSETS			
Cash and cash equivalents	3	4,411,880	4,018,605
Trade and other receivables	5	177,497	104,994
Other financial assets	4(a)	2,132,702	2,167,637
Inventories	6	5,629	2,444
Other assets	7	128,907	23,261
TOTAL CURRENT ASSETS		6,856,615	6,316,941
NON-CURRENT ASSETS			
Trade and other receivables	5	31,826	30,422
Other financial assets	4(b)	83,171	81,490
Property, plant and equipment	8	18,034,257	17,830,911
Infrastructure	9	35,065,110	34,903,545
TOTAL NON-CURRENT ASSETS		53,214,364	52,846,368
TOTAL ASSETS		60,070,979	59,163,309
CURRENT LIABILITIES			
Trade and other payables	12	287,513	317,322
Other liabilities	13	801,783	537,570
Borrowings	14	0	43,711
Employee related provisions	15	194,474	243,035
TOTAL CURRENT LIABILITIES		1,283,770	1,141,638
NON-CURRENT LIABILITIES			
Other liabilities	13	58,500	58,500
Employee related provisions	15	55,485	40,627
TOTAL NON-CURRENT LIABILITIES		113,985	99,127
TOTAL LIABILITIES		1,397,755	1,240,765
NET ASSETS		58,673,224	57,922,544
EQUITY			
Retained surplus		31,949,742	31,184,177
Reserve accounts	28	2,132,702	2,147,587
Revaluation surplus	16	24,590,780	24,590,780
TOTAL EQUITY		58,673,224	57,922,544

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

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SHIRE OF THREE SPRINGS
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		**31,453,833**	**1,788,589**	**24,590,780**	**57,833,202**
Comprehensive income for the period					
Net result for the period		89,342	0	0	89,342
Total comprehensive income for the period		89,342	0	0	89,342
Transfers from reserve accounts	28	75,068	(75,068)	0	0
Transfers to reserve accounts	28	(434,066)	434,066	0	0
Balance as at 30 June 2023		**31,184,177**	**2,147,587**	**24,590,780**	**57,922,544**
Comprehensive income for the period					
Net result for the period		750,680	0	0	750,680
Total comprehensive income for the period		750,680	0	0	750,680
Transfers from reserve accounts	28	153,824	(153,824)	0	0
Transfers to reserve accounts	28	(138,939)	138,939	0	0
Balance as at 30 June 2024		**31,949,742**	**2,132,702**	**24,590,780**	**58,673,224**

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

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SHIRE OF THREE SPRINGS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 Actual	2023 Actual
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		2,660,684	2,315,053
Grants, subsidies and contributions		1,735,284	2,278,376
Fees and charges		313,782	250,419
Interest revenue		193,263	108,690
Goods and services tax received		405,186	171,589
Other revenue		84,328	51,330
		5,392,527	5,175,457
Payments			
Employee costs		(1,943,937)	(1,458,653)
Materials and contracts		(1,267,337)	(744,892)
Utility charges		(331,031)	(263,801)
Finance costs		(813)	(1,497)
Insurance paid		(182,541)	(168,123)
Goods and services tax paid		(399,975)	(190,487)
Other expenditure		(68,657)	(64,685)
		(4,194,291)	(2,892,138)
Net cash provided by operating activities		1,198,236	2,283,319
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(1,124,348)	(670,563)
Payments for construction of infrastructure	9(a)	(1,858,663)	(592,726)
Capital grants, subsidies and contributions		2,154,326	535,642
Proceeds for financial assets at amortised cost		14,885	(358,998)
Proceeds from financial assets at amortised cost - self supporting loans		20,050	40,000
Proceeds from sale of property, plant & equipment		32,500	156,313
Net cash (used in) investing activities		(761,250)	(890,332)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27(a)	(43,711)	(62,762)
Net cash (used in) financing activities		(43,711)	(62,762)
Net increase in cash held		393,275	1,330,225
Cash at beginning of year		4,018,605	2,688,380
Cash and cash equivalents at the end of the year		4,411,880	4,018,605

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

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SHIRE OF THREE SPRINGS
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 Actual	2024 Budget	2023 Actual
		$	$	$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	2,682,896	2,703,769	2,318,000
Rates excluding general rates	25	10,012	9,780	9,780
Grants, subsidies and contributions		1,796,624	1,417,285	2,270,634
Fees and charges		313,782	279,278	251,304
Interest revenue		193,263	155,599	108,690
Other revenue		84,328	67,370	51,330
Profit on asset disposals		7,500	56,847	14,395
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	1,681	0	3,686
		5,090,086	4,689,928	5,027,819
Expenditure from operating activities				
Employee costs		(1,937,806)	(1,944,716)	(1,521,471)
Materials and contracts		(1,192,116)	(1,774,621)	(879,063)
Utility charges		(331,031)	(276,253)	(263,801)
Depreciation		(2,513,524)	(2,472,691)	(2,509,356)
Finance costs		(518)	(730)	(1,497)
Insurance		(182,541)	(182,070)	(168,123)
Other expenditure		(68,657)	(103,720)	(63,800)
Loss on asset disposals		0	(88,077)	(223,917)
		(6,226,193)	(6,842,878)	(5,631,028)
Non cash amounts excluded from operating activities	26(a)	2,561,329	2,511,566	2,729,523
Amount attributable to operating activities		1,425,222	358,616	2,126,314
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		1,886,787	4,982,606	692,551
Proceeds from disposal of assets		32,500	315,000	156,313
Proceeds from financial assets at amortised cost - self supporting loans	27(a)	20,050	20,051	40,000
		1,939,337	5,317,657	888,864
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(1,124,348)	(6,453,144)	(670,563)
Purchase and construction of infrastructure	9(a)	(1,858,663)	(2,982,459)	(592,726)
		(2,983,011)	(9,435,603)	(1,263,289)
Amount attributable to investing activities		(1,043,674)	(4,117,946)	(374,425)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	27(a)	0	600,000	0
Transfers from reserve accounts	28	153,824	120,000	75,068
		153,824	720,000	75,068
Outflows from financing activities				
Repayment of borrowings	27(a)	(43,711)	(43,712)	(62,762)
Transfers to reserve accounts	28	(138,939)	(139,565)	(434,066)
		(182,650)	(183,277)	(496,828)
Amount attributable to financing activities		(28,826)	536,723	(421,760)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(b)	3,194,684	3,222,607	1,864,555
Amount attributable to operating activities		1,425,222	358,616	2,126,314
Amount attributable to investing activities		(1,043,674)	(4,117,946)	(374,425)
Amount attributable to financing activities		(28,826)	536,723	(421,760)
Surplus or deficit after imposition of general rates	26(b)	**3,547,406**	**0**	**3,194,684**

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

OAG AUDITED

SHIRE OF THREE SPRINGS
FOR THE YEAR ENDED 30 JUNE 2024
INDEX OF NOTES TO THE FINANCIAL REPORT

Information required by legislation

1. BASIS OF PREPARATION

The financial report of the Shire of Three Springs which is a Class 4 [or Class 3, as applicable] 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 materialy 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
• Measurement of employee benefits - note 15

Fair value hierarchy information can be found in note 24

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 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*
These amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.
• *AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements*
These amendments may result in additional disclosures in the case of applicable finance arrangements.

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
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Fees and charges - sale of stock	Gravel, bluemetal and water from standpipes	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods

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	2,692,908	0	2,692,908
Grants, subsidies and contributions	58,517	0	0	1,738,107	1,796,624
Fees and charges	266,870	0	46,912	0	313,782
Interest revenue	0	0	21,247	172,016	193,263
Other revenue	47,096	0	0	37,232	84,328
Capital grants, subsidies and contributions	0	1,886,787	0	0	1,886,787
Total	372,483	1,886,787	2,761,067	1,947,355	6,967,692

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	$	$	$	$	$
Rates	0	0	2,327,780	0	2,327,780
Grants, subsidies and contributions	43,125	0	0	2,227,509	2,270,634
Fees and charges	244,569	0	6,735	0	251,304
Interest revenue	0	0	11,457	97,233	108,690
Other revenue	37,778	0	0	13,552	51,330
Capital grants, subsidies and contributions	0	692,551	0	0	692,551
Total	325,472	692,551	2,345,972	2,338,294	5,702,289

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	Note	2024 Actual	2023 Actual
		$	$
Interest revenue			
Financial assets at amortised cost - self supporting loans		0	(12)
Interest on reserve account		113,939	67,044
Trade and other receivables overdue interest		21,247	11,457
Other interest revenue		58,077	30,201
		193,263	108,690

The 2024 original budget estimate in relation to:
Trade and other receivables overdue interest was $14,000.

	Note	2024 Actual	2023 Actual
Fees and charges relating to rates receivable			
Charges on instalment plan		3,195	2,208

The 2024 original budget estimate in relation to:
Charges on instalment plan was $2,220.

(b) Expenses

	Note	2024 Actual	2023 Actual
Auditors remuneration			
- Audit of the Annual Financial Report		29,840	35,000
- Other services – grant acquittals		3,000	0
		32,840	35,000
Employee Costs			
Employee benefit costs		1,638,561	1,277,218
Other employee costs		299,245	244,253
		1,937,806	1,521,471
Finance costs			
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss		518	1,497
		518	1,497
Other expenditure			
Impairment losses on trade receivables		0	(885)
Sundry expenses		68,657	64,685
		68,657	63,800

3. CASH AND CASH EQUIVALENTS

	Note	2024	2023
		$	$
Cash at bank and on hand		2,085,502	1,587,614
Term deposits		2,326,378	2,430,991
Total cash and cash equivalents		4,411,880	4,018,605
Held as			
- Unrestricted cash and cash equivalents		3,594,107	3,436,647
- Restricted cash and cash equivalents	17	817,773	581,958
		4,411,880	4,018,605

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.

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

	Note	2024	2023
		$	$
(a) Current assets			
Financial assets at amortised cost		2,132,702	2,167,637
		2,132,702	2,167,637
Other financial assets at amortised cost			
Self supporting loans receivable	26(b)	0	20,050
Term deposits		2,132,702	2,147,587
Held as			
- Unrestricted other financial assets at amortised cost		0	20,050
- Restricted other financial assets at amortised cost	16(a)	2,132,702	2,147,587
		2,132,702	2,167,637
(b) Non-current assets			
Financial assets at fair value through profit or loss		83,171	81,490
		83,171	81,490
Financial assets at fair value through profit or loss			
Units in Local Government House Trust - opening balance		81,490	77,804
Movement attributable to fair value increment		1,681	3,686
Units in Local Government House Trust - closing balance		83,171	81,490

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 27(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire classifies financial assets at amortised cost if both of the following criteria are met:
- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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

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

Financial assets at fair value through profit or loss

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

5. TRADE AND OTHER RECEIVABLES

	Note	2024	2023
		$	$
Current			
Rates and statutory receivables		70,111	50,411
Trade receivables		64,372	6,358
GST receivable		13,687	18,898
Receivables for employee related provisions	15	29,327	29,327
		177,497	104,994
Non-current			
Rates and statutory receivables		31,826	30,422
		31,826	30,422

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
		$	$	$
Contract assets	7	125,872	20,664	0
Allowance for credit losses of trade receivables	5	0	0	(885)
Total trade and other receivables from contracts with customers		125,872	20,664	(885)

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.

6. INVENTORIES

	Note	2024	2023
Current		$	$
Fuel and materials		5,629	2,444
		5,629	2,444

The following movements in inventories occurred during the year:

		2024	2023
Balance at beginning of year		2,444	20,322
Inventories expensed during the year		(107,935)	(124,422)
Additions to inventory		111,120	106,544
Balance at end of year		5,629	2,444

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.

7. OTHER ASSETS

	2024	2023
	$	$
Other assets - current		
Accrued income	3,035	2,597
Contract assets	125,872	20,664
	128,907	23,261

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.

Contract assets

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

Impairment of assets associated with contracts with customers are detailed at Note 2(b).

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Assets not subject to operating lease			Total Property					Total Plant and equipment			
	Land	Buildings - non-specialised	Buildings - specialised	Land	Buildings - non-specialised	Buildings - specialised	Work in progress	Total Property	Furniture and equipment	Plant and equipment	Work in progress	Total property, plant and equipment
	$	$	$	$	$	$	$	$	$	$	$	$
Balance at 1 July 2022	684,000	2,407,592	12,793,105	684,000	2,407,592	12,793,105	79,576	15,964,273	160,953	2,159,031	3,500	18,287,757
Additions	0	13,856	60,912	0	13,856	60,912	114,526	189,294	0	292,450	188,819	670,563
Disposals	(16,000)	0	(287,917)	(16,000)	0	(287,917)	0	(303,917)	0	(61,918)	0	(365,835)
Depreciation	0	(92,250)	(330,653)	0	(92,250)	(330,653)	0	(422,903)	(44,521)	(290,650)	0	(758,074)
Transfers	0	0	(4,965)	0	0	(4,965)	0	(4,965)	4,965	0	(3,500)	(3,500)
Balance at 30 June 2023	668,000	2,329,198	12,230,482	668,000	2,329,198	12,230,482	194,102	15,421,782	121,397	2,098,913	188,819	17,830,911
Comprises:												
Gross balance amount at 30 June 2023	668,000	2,512,290	12,890,779	668,000	2,512,290	12,890,779	194,102	16,265,171	308,310	3,162,176	188,819	19,924,476
Accumulated depreciation at 30 June 2023	0	(183,092)	(660,297)	0	(183,092)	(660,297)	0	(843,389)	(186,913)	(1,063,263)	0	(2,093,565)
Balance at 30 June 2023	668,000	2,329,198	12,230,482	668,000	2,329,198	12,230,482	194,102	15,421,782	121,397	2,098,913	188,819	17,830,911
Additions	0	73,268	663,422	0	73,268	663,422	40,905	777,595	0	346,753	0	1,124,348
Disposals	0	0	0	0	0	0	0	0	0	(25,000)		(25,000)
Depreciation	0	(92,750)	(329,283)	0	(92,750)	(329,283)	0	(422,033)	(46,685)	(261,847)	0	(730,565)
Transfers	0	0	114,526	0	0	114,526	(194,102)	(79,576)	68,519	34,439	(188,819)	(165,437)
Balance at 30 June 2024	668,000	2,309,716	12,679,147	668,000	2,309,716	12,679,147	40,905	15,697,768	143,231	2,193,258	0	18,034,257
Comprises:												
Gross balance amount at 30 June 2024	668,000	2,585,558	13,668,727	668,000	2,585,558	13,668,727	40,905	16,963,190	376,828	3,493,966	0	20,833,984
Accumulated depreciation at 30 June 2024	0	(275,842)	(989,580)	0	(275,842)	(989,580)	0	(1,265,422)	(233,597)	(1,300,708)	0	(2,799,727)
Balance at 30 June 2024	668,000	2,309,716	12,679,147	668,000	2,309,716	12,679,147	40,905	15,697,768	143,231	2,193,258	0	18,034,257

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 markey data for similar properties	Independent registered valuers	June 2021	Price per square metre
Buildings - non-specialised	2	Market approach using recent observable markey data for similar properties	Independent registered valuers	June 2021	Price per square metre
Buildings - specialised	3	Improvements to buildings valued using cost approach using depreciated replacement cost	Independent registered valuers	June 2021	Improvements to buildings using construction costs and current condition, residual values and remaining useful life assessments inputs

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

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

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(ii) Cost					
Furniture and equipment	3	Cost	Cost		Asset purchase cost
Plant and equipment	3	Cost	Cost		Asset purchase cost

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 - parks & ovals	Infrastructure - airfields	Infrastructure - work in progress	Total Infrastructure
	$	$	$	$	$	$
Balance at 1 July 2022	33,094,063	561,129	2,039,642	272,932	94,335	36,062,101
Additions	590,456	0	0	0	2,270	592,726
Depreciation	(1,532,061)	(24,026)	(164,726)	(30,469)	0	(1,751,282)
Balance at 30 June 2023	32,152,458	537,103	1,874,916	242,463	96,605	34,903,545
Comprises:						
Gross balance at 30 June 2023	56,892,363	886,594	3,525,124	920,500	96,605	62,321,186
Accumulated depreciation at 30 June 2023	(24,739,905)	(349,491)	(1,650,208)	(678,037)	0	(27,417,641)
Balance at 30 June 2023	32,152,458	537,103	1,874,916	242,463	96,605	34,903,545
Additions	1,375,070	0	406,888	0	76,705	1,858,663
Depreciation	(1,559,480)	(24,027)	(168,984)	(30,468)	0	(1,782,959)
Transfers	0	0	182,466	0	(96,605)	85,861
Balance at 30 June 2024	31,968,048	513,076	2,295,286	211,995	76,705	35,065,110
Comprises:						
Gross balance at 30 June 2024	58,267,433	886,594	4,114,478	920,500	76,705	64,265,710
Accumulated depreciation at 30 June 2024	(26,299,385)	(373,518)	(1,819,192)	(708,505)	0	(29,200,600)
Balance at 30 June 2024	31,968,048	513,076	2,295,286	211,995	76,705	35,065,110

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	Independent registered valuers	June 2021	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2021	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - parks & ovals	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2021	Construction costs and current condition, residual values and remaining useful life assessments inputs
Infrastructure - airfields	3	Cost approach using depreciated replacement cost	Independent registered valuers	June 2021	Construction costs and current condition, residual values and remaining useful life assessments inputs

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

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

10. FIXED ASSETS

(a) Depreciation

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

Asset Class	**Useful life**
Buildings - non-specialised	20 to 80 years
Buildings - specialised	20 to 80 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets	
Formation	not depreciated
Pavement	60 to 100 years
Seal	
- Bituminous seals	15 to 40 years
- Asphalt surfaces	15 to 40 years
- Concrete	60 years
Gravel roads	
Formation	not depreciated
Pavement	60 to 100 years
Gravel sheet	15 to 60 years
Footpaths - slab	10 to 40 years
Sewerage piping	30 to 80 years
Water supply piping and drainage systems	10 to 80 years
Infrastructure - parks and ovals	15 to 40 years
Other infrastructure - airfields	15 to 80 years

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.

11. LEASES

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

	2024 Actual	2023 Actual
The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.	$	$
Less than 1 year	12,666	16,872
1 to 2 years	0	12,666
	12,666	29,538
Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease		
Rental income	16,872	16,872

MATERIAL ACCOUNTING POLICIES

The Shire as Lessor

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

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

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

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

12. TRADE AND OTHER PAYABLES

	2024	2023
	$	$
Current		
Sundry creditors	155,150	177,593
Prepaid rates	10,169	21,289
Accrued payroll liabilities	55,211	44,268
ATO liabilities	46,118	29,489
Bonds and deposits held	15,990	44,388
Accrued interest	0	295
Accrued expenditure	4,875	0
	287,513	317,322

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.

13. OTHER LIABILITIES

	2024	2023
	$	$
Current		
Contract liabilities	12,462	15,788
Capital grant/contributions liabilities	789,321	521,782
	801,783	537,570
Non-current		
Capital grant/contributions liabilities	58,500	58,500
	58,500	58,500
Reconciliation of changes in contract liabilities		
Opening balance	15,788	14,630
Additions	12,462	(13,472)
Revenue from contracts with customers included as a contract liability at the start of the period	(15,788)	14,630
	12,462	15,788

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was $55,514 (2023: $45,186)

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

	2024	2023
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	580,282	737,191
Additions	847,821	521,782
Revenue from capital grant/contributions held as a liability at the start of the period	(580,282)	(678,691)
	847,821	580,282
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	789,321	521,782
> 5 years	58,500	58,500
	847,821	580,282

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

MATERIAL ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

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

14. BORROWINGS

		2024			2023		
	Note	Current	Non-current	Total	Current	Non-current	Total
Secured		$	$	$	$	$	$
Debentures		0	0	0	43,711	0	43,711
Total secured borrowings	27(a)	0	0	0	43,711	0	43,711

Secured liabilities and assets pledged as security
Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Three Springs.
Other loans relate to transferred receivables. Refer to Note 5.

The Shire of Three Springs has complied with the financial covenants of its borrowing facilities during the 2024 and 2023 years.

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 hierachy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

Risk

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

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2024	2023
Current provisions	**$**	**$**
Employee benefit provisions		
Annual leave	99,190	110,683
Long service leave	67,589	99,210
	166,779	209,893
Employee related other provisions		
Employment on-costs	27,695	33,142
	27,695	33,142
Total current employee related provisions	194,474	243,035
Non-current provisions		
Employee benefit provisions		
Long service leave	51,641	38,718
	51,641	38,718
Employee related other provisions		
Employment on-costs	3,844	1,909
	3,844	1,909
Total non-current employee related provisions	55,485	40,627
Total employee related provisions	249,959	283,662

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.

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 and buildings	12,175,909	0	12,175,909	12,175,909	0	12,175,909
Revaluation surplus - Infrastructure - roads	10,758,381	0	10,758,381	10,758,381	0	10,758,381
Revaluation surplus - Infrastructure - footpaths	102,358	0	102,358	102,358	0	102,358
Revaluation surplus - Infrastructure - parks & ovals	1,056,011	0	1,056,011	1,056,011	0	1,056,011
Revaluation surplus - Infrastructure - airfields	498,121	0	498,121	498,121	0	498,121
	24,590,780	0	24,590,780	24,590,780	0	24,590,780

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	817,773	581,958
- Financial assets at amortised cost	4	2,132,702	2,147,587
		2,950,475	2,729,545
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	2,132,702	2,147,587
Contract liabilities	13	12,462	15,788
Capital grant liabilities	13	789,321	521,782
Bonds and deposits held	12	15,990	44,388
Total restricted financial assets		2,950,475	2,729,545

18. UNDRAWN BORROWING FACILITIES AND CREDIT STANDBY ARRANGEMENTS

	Note	2024 Actual $	2023 Actual $
Credit card limit		10,000	10,000
Credit card balance at balance date		(1,018)	(220)
Total amount of credit unused		8,982	9,780
Loan facilities			
Loan facilities - current		0	43,711
Total facilities in use at balance date		0	43,711
Unused loan facilities at balance date		NIL	NIL

19. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 Section 11, the Shire of Three Springs has identified the following sites to be possible sources of contamination:

Memorial N580405 ML, LOT 101 ON DIAGRAM 99584 as shown on certificate of title 2192/797 in Three Springs WA 6519

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

20. CAPITAL COMMITMENTS

	2024	2023
	$	$
Contracted for:		
- capital expenditure projects	573,183	547,484
- plant & equipment purchases	0	60,154
	573,183	607,638
Payable:		
- not later than one year	573,183	607,638

The capital expenditure projects outstanding at the end of the current reporting period represents swimming pool basin renewals, sporting club kitchen renovations, housing expenditure and mid west secondary grain freight road construction work.

The capital expenditure project and plant and equipment purchases outstanding at the end of the previous reporting period represents the hall renovation project and the purchase of a new motor vehicle.

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		15,000	15,000	15,000
President's meeting attendance fees		5,830	5,260	6,200
President's annual allowance for ICT expenses		2,100	2,100	2,100
President's travel and accommodation expenses		0	429	0
		22,930	22,789	23,300
Deputy President's annual allowance		3,750	3,750	3,750
Deputy President's meeting attendance fees		4,230	2,860	3,545
Deputy President's annual allowance for ICT expenses		2,100	2,100	2,100
Deputy President's travel and accommodation expenses		0	429	0
		10,080	9,139	9,395
All other council member's meeting attendance fees		12,830	14,300	14,345
All other council member's annual allowance for ICT expenses		9,450	10,500	10,500
All other council member's travel and accommodation expenses		0	2,142	0
		22,280	26,942	24,845
	21(b)	55,290	58,870	57,540

(b) Key Management Personnel (KMP) Compensation

The total of compensation paid to KMP of the Shire during the year are as follows:	Note	2024 Actual	2023 Actual
Short-term employee benefits		517,173	414,939
Post-employment benefits		70,151	54,256
Employee - other long-term benefits		14,031	33,868
Employee - termination benefits		38,721	0
Council member costs	21(a)	55,290	57,540
		695,366	560,603

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

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

Other long-term benefits
These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits
These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

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

21. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

In addition to KMP compensation above the following transactions occurred with related parties:	2024 Actual $	2023 Actual $
Purchase of goods and services	17,399	20,344
Amounts outstanding from related parties:		
Trade and other receivables	149	0
Amounts payable to related parties:		
Trade and other payables	22,702	0

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

Short-term employee benefits related to an associate person of the CEO who was employed by the Shire under normal employment terms and conditions.

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.

22. JOINT ARRANGEMENTS

Share of joint operations

(a) The Shire together with the Housing Authority constructed four units for aged residents in 2002/03 and a further two units in 2008/09, known as Kadathinni Units, Carter Street, Three Springs. This joint arrangement constitutes a joint operation and Council has a 22.34% equity in the first 4 units (units 1,2,3 and 4) and a 15.35% in the last two units (units 5 and 6) in this development and is included in Land and Buildings as follows:

Statement of Financial Position	**2024 Actual**	**2023 Actual**
	$	**$**
Land and buildings	183,137	180,926
Less: accumulated depreciation	(12,694)	(9,781)
Total assets	170,443	171,145
Statement of Comprehensive Income		
Fees and charges - housing revenue	30,940	28,791
Materials and contracts - housing expenditure	(28,867)	(33,155)
Profit/(loss) for the period	2,073	(4,364)
Other comprehensive income	0	0
Total comprehensive income for the period	2,073	(4,364)

Share of joint operations

(b) The Shire together with the Housing Authority constructed two houses for community housing purposes in 1985/86 in Glyde Street, Three Springs. This joint arrangement constitutes a joint operation and Council has a 10.78% equity in 54 Glyde Street and 11.14% equity in 60 Glyde Street and is included in Land and Buildings as follows:

Statement of Financial Position	**2024 Actual**	**2023 Actual**
	$	**$**
Land and buildings	61,097	48,368
Less: accumulated depreciation	(4,982)	(4,114)
Total assets	56,115	44,254
Statement of Comprehensive Income		
Fees and charges - housing revenue	8,160	8,160
Materials and contracts - housing expenditure	(6,715)	(17,950)
Profit/(loss) for the period	1,445	(9,790)
Other comprehensive income	0	0
Total comprehensive income for the period	1,445	(9,790)

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

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

23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

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

24. OTHER MATERIAL ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Level 1
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2
Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3
Measurements based on unobservable inputs for the asset or liability.

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

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

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

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

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

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

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:
- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

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

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

25. RATING INFORMATION

(a) General Rates

RATE TYPE Rate Description	Basis of valuation	Rate in $	Number of Properties	2023/24 Actual Rateable Value*	2023/24 Actual 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
				$	$	$	$	$	$	$	$
GRV Residential	Gross rental valuation	0.127549	203	1,984,610	253,135	(2,821)	250,314	259,423	0	259,423	258,550
GRV Mining	Gross rental valuation	0.239212	1	252,500	60,401	0	60,401	60,401	0	60,401	32,206
UV Rural and Arrino Town	Unimproved valuation	0.011500	184	199,554,000	2,294,871	0	2,294,871	2,294,871	0	2,294,871	1,980,473
UV Mining	Unimproved valuation	0.060800	23	955,165	58,074	(11,764)	46,310	58,074	0	58,074	7,271
Non-Ratebale	Non-Ratebale	0.000000	67	58,552	0	0	0	0	0	0	0
Total general rates			478	202,804,827	2,666,481	(14,585)	2,651,896	2,672,769	0	2,672,769	2,278,500
Minimum payment		**Minimum Payment $**									
GRV Residential	Gross rental valuation	500	22	17,597	11,000	0	11,000	11,000	0	11,000	11,000
UV Rural and Arrino Town	Unimproved valuation	500	24	499,050	12,000	0	12,000	12,000	0	12,000	13,000
UV Mining	Unimproved valuation	500	16	61,779	8,000	0	8,000	8,000	0	8,000	15,500
Total minimum payments			62	578,426	31,000	0	31,000	31,000	0	31,000	39,500
Total general rates and minimum payments			540	203,383,253	2,697,481	(14,585)	2,682,896	2,703,769	0	2,703,769	2,318,000
Ex-gratia Rates		**Rate in $**									
Dampier to Bunbury Natural Gas Pipeline Corridor based on annual rate equivalent	As advised by DPNG		1	0	1,563	0	1,563	1,331	0	1,331	1,331
Murchison Region Aboriginal Corporation - 20% of GRV	Gross Rental Valuation	0.127549	1	9,256	236	0	236	236	0	236	236
Co-operative Bulk Handling based on tonnage of 151,100	Tonnage	0.054354	1	151,100	8,213	0	8,213	8,213	0	8,213	8,213
Total amount raised from rates (excluding general rates)			3	160,356	10,012	0	10,012	9,780	0	9,780	9,780
Total Rates							2,692,908			2,713,549	2,327,780
Rate instalment interest							10,359			7,500	7,069
Rate overdue interest							10,505			6,500	4,388

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.

26. DETERMINATION OF SURPLUS OR DEFICIT

	Note	2023/24 (30 June 2024 Carried Forward)	2023/24 Budget (30 June 2024 Carried Forward)	2023/24 (1 July 2023 Brought Forward)	2022/23 (30 June 2023 Carried Forward
		$	$	$	$
(a) Non-cash amounts excluded from operating activities					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32.*					
Adjustments to operating activities					
Less: Profit on asset disposals		(7,500)	(56,847)	(14,395)	(14,395)
Less: Fair value adjustments to financial assets at fair value through profit or loss		(1,681)	0	(3,686)	(3,686)
Add: Loss on disposal of assets		0	88,077	223,917	223,917
Add: Impairment of Plant and Equipment	8(a)	0	0		0
Add: Depreciation	10(a)	2,513,524	2,472,691	2,509,356	2,509,356
Add: Movement in leave reserve		(36,044)	7,645	5,284	5,284
Non-cash movements in non-current assets and liabilities:					
Pensioner deferred rates		(1,404)	0	(1,985)	(1,985)
Assets expensed		79,576	0	3,500	3,500
Employee benefit provisions		14,858	0	7,532	7,532
Non-cash amounts excluded from operating activities		2,561,329	2,511,566	2,729,523	2,729,523
(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 *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.					
Adjustments to net current assets					
Less: Reserve accounts	28	(2,132,702)	(2,167,152)	(2,147,587)	(2,147,587)
Less: Financial assets at amortised cost - self supporting loans	4(a)	0	0	(20,050)	(20,050)
Add: Current liabilities not expected to be cleared at end of year					
- Current portion of borrowings	14	0	600,000	43,711	43,711
- Component of leave liability not required to be funded		107,263	150,952	143,307	143,307
Total adjustments to net current assets		(2,025,439)	(1,416,200)	(1,980,619)	(1,980,619)
Net current assets used in the Statement of Financial Activity					
Total current assets		6,856,615	2,681,406	6,316,941	6,316,941
Less: Total current liabilities		(1,283,770)	(1,265,206)	(1,141,638)	(1,141,638)
Less: Total adjustments to net current assets		(2,025,439)	(1,416,200)	(1,980,619)	(1,980,619)
Surplus or deficit after imposition of general rates		3,547,406	0	3,194,684	3,194,684

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual: Principal at 1 July 2022	Actual: New Loans During 2022-23	Actual: Principal Repayments During 2022-23	Actual: Principal at 30 June 2023	Actual: New Loans During 2023-24	Actual: Principal Repayments During 2023-24	Actual: Principal at 30 June 2024	Budget: Principal at 1 July 2023	Budget: New Loans During 2023-24	Budget: Principal Repayments During 2023-24	Budget: Principal at 30 June 2024
		$	$	$	$	$	$	$	$	$	$	$
Swimming pool		46,423	0	(22,762)	23,661	0	(23,661)	0	23,661	0	(23,661)	0
Duffy Store Development		0	0	0	0	0	0	0	0	600,000	0	600,000
Total		46,423	0	(22,762)	23,661	0	(23,661)	0	23,661	600,000	(23,661)	600,000
Self Supporting Loans												
Bowling green resurface		60,050	0	(40,000)	20,050	0	(20,050)	0	20,051	0	(20,051)	0
Total Self Supporting Loans		60,050	0	(40,000)	20,050	0	(20,050)	0	20,051	0	(20,051)	0
Total Borrowings	14	106,473	0	(62,762)	43,711	0	(43,711)	0	43,712	600,000	(43,712)	600,000

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

Borrowing Finance Cost Payments

Purpose	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
					$	$	$
Swimming pool	160	WATC*	3.91%	24/06/2023	(518)	(696)	(1,509)
Total					(518)	(696)	(1,509)
Self Supporting Loans Finance Cost Payments							
Bowling green resurface	161	WATC*	3.37%	8/09/2023	0	(34)	12
Total Self Supporting Loans Finance Cost Payments					0	(34)	12
Total Finance Cost Payments					(518)	(730)	(1,497)

* WA Treasury Corporation

(b) New Borrowings - 2023/24

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed 2024 Actual	Amount Borrowed 2024 Budget	Amount (Used) 2024 Actual	Amount (Used) 2024 Budget	Total Interest & Charges	Actual Balance Unspent
				%	$	$	$	$	$	$
Duffy Store Development	WATC*	Debenture	10	4.55%	0	600,000	0	600,000	0	0
					0	600,000	0	600,000	0	0

* WA Treasury Corporation

28. 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 council												
(a) Leave reserve	143,307	7,603	(43,647)	107,263	143,307	7,645	0	150,952	138,023	5,284	0	143,307
(b) Plant reserve	194,229	10,305	0	204,534	194,229	10,361	0	204,590	187,067	7,162	0	194,229
(c) Housing and development reserve	513,546	27,245	0	540,791	513,546	27,396	0	540,942	446,452	67,094	0	513,546
(d) Joint venture housing reserve	176,532	9,366	0	185,898	176,532	9,417	0	185,949	170,022	6,510	0	176,532
(e) Gravel pit reserve	52,127	2,766	0	54,893	52,128	2,781	0	54,909	50,205	1,922	0	52,127
(f) Swimming pool equipment reserve	132,813	7,046	(110,177)	29,682	132,813	7,085	(120,000)	19,898	127,915	4,898	0	132,813
(g) Day care centre reserve	0	0	0	0	0	0	0	0	37,534	0	(37,534)	0
(h) Lovelock sock reserve	133,188	32,066	0	165,254	133,188	32,105	0	165,293	104,198	28,990	0	133,188
(i) Road reserve	106,385	5,645	0	112,030	106,385	5,675	0	112,060	102,463	3,922	0	106,385
(j) Drainage reserve	380,217	20,172	0	400,389	380,217	20,283	0	400,500	366,196	14,021	0	380,217
(k) Refuse reserve	60,755	3,223	0	63,978	60,754	3,241	0	63,995	58,514	2,241	0	60,755
(l) Silo projection reserve	0	0	0	0	0	0	0	0	0	37,534	(37,534)	0
(m) Glyde Street redevelopment reserve	254,488	13,502	0	267,990	254,488	13,576	0	268,064	0	254,488	0	254,488
	2,147,587	138,939	(153,824)	2,132,702	2,147,587	139,565	(120,000)	2,167,152	1,788,589	434,066	(75,068)	2,147,587

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

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

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Leave reserve	To be used to fund annual and long service leave requirements.
(b) Plant reserve	To be used for the purchase of major plant.
(c) Housing and development reserve	To be used to fund housing/accommodation projects.
(d) Joint venture housing reserve	To be used to maintain the joint Ministry of Housing/Local Government properties.
(e) Gravel pit reserve	To be used for the rehabilitation of disused gravel pits.
(f) Swimming pool equipment reserve	To be used to purchase recreational equipment for the swimming pool.
(g) Day care centre reserve	Closed funds transferred to new Silo projection reserve.
(h) Lovelock sock reserve	To be used to upgrade potable water infrastructure.
(i) Road reserve	To be used for future capital road works.
(j) Drainage reserve	To be used for construction of proper town drainage system.
(k) Refuse reserve	To be used for the future development and maintenance of the refuse site.
(l) Silo projection reserve	To be used for the purchase of equipment to enable projection of materials.
(m) Glyde Street redevelopment reserve	To be used to create a subdivision for future housing needs.

Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

Shire of Three Springs

To the Council of the Shire of Three Springs

Opinion

I have audited the financial report of the Shire of Three Springs (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.

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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 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 Three Springs 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.

Carly Meagher
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
5 December 2024